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Austin's transit expansion plan could cost more than \$10.5 billion

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A week after Austin's Capital Metro unveiled an aggressive \$6 billion to \$8 billion expansion of transit that included three new light rail lines, one of them along an original route planned nearly 20 years ago, estimated total costs have been ratcheted up to at least \$10.5 billion.

This latest version of Project Connect comes at a time when transit ridership is down in Austin and across the country, and Capital Metro is settling in with a new president, Randy Clarke, formerly with the American Public Transportation Association.

Austin voters have shown no appetite for large scale rail projects since they turned back a \$600 million bond in 2014. Taxpayers have been vocal in their disappointment with the ever-growing cost and underperformance of the single MetroRail line from downtown Austin to Leander, approved in 2004.

This track record may be why Capital Metro was careful to bill this latest plan as a network that could depend on rail or on high capacity bus routes. Completing the project could take as many as 30 years, according to the Project Connect plan.

The Capital Metro board is already asking the city of Austin to include as much as \$15 million in a November election transit bond to get the project started with engineering studies and environmental analysis.

While Capital Metro officials made broad-brush estimates from \$6 billion to \$8 billion, the Austin American-Statesman put the total at \$10.5 billion. Capital Metro's higher estimate assumed that all three of the new light rail lines would be built, something spokesman Peter Partheymuller told the Statesman would be "highly unlikely."

The updated Project Connect expansion, which did not include upgrades and cost estimates for two of the city's 11 transit corridors, would cost as much as nearly \$180 million more a year to operate, for an agency with a total transit budget — this year — of a little more than \$262 million.

Should the Capital Metro board give final approval to a version of the proposal sometime in June, it would be required to also approve the language of a public referendum, if rail is a component.

As it has been since a referendum split the city and failed by 2,000 votes, any expansion of rail will be controversial. And much of the debate will inevitably focus on the cost and performance of the city's only rail line.

At the time of the 2004 vote, proponents of the initial MetroRail line said it could be built for \$60 million, and another \$30 million to buy the first six rail cars. As of last September, the American-Statesman said the running total was almost \$300 million — including an \$85 million expansion, \$66 million in safety controls mandated by the federal government and \$20 million a year to operate the buses carrying passengers to and from three park and ride lots.

And when the line was up and running — two years late — ridership hit its earliest projection at 2,000 boardings a day, and gradually crept to about 2,900 boardings a day, where it stands currently. The initial plan called for 6,900 boardings a day by the end of last year.

In 2016, this reporter walked through the cost of each of those rides with Capital Metro staff. In fiscal year 2014-15, taxpayers underwrote most of the \$18.91 cost of a single MetroRail ride, compared to the \$4.94 Capital Metro spent per local bus ride.

In that fiscal year, MetroRail provided 2.5 percent of its 31.6 million total rides, but 7.6 percent — or more than three times — of its \$195.6 million in total operating costs.

In that year, too, Austin was in the third year of a ridership slump that continues. Ridership was down by 1.7 percent to 29.95 million rides in fiscal 2017 over the year before.

Things were no different in almost every major city in America, a “disastrous” 2017 transit year, according to Randal O’Toole, one of the foremost transit experts and an urban planning analyst for the Cato Institute.

Since 2010, ridership is down by 30 percent or more in Detroit, Memphis and Sacramento; 20 to 30 percent in Austin, Cleveland, Louisville, and St. Louis; and 15 to 20 percent in Atlanta, Charlotte, Los Angeles, Miami, San Antonio and Washington, according to data compiled by the Federal Transit Administration.

Transit authorities late last month reported bus ridership was down by more than 10 percent, or 18 million rides last year in Philadelphia.

Transit experts in Texas and elsewhere point to the impact of ridesharing companies like Uber and Lyft.

And with the rapid development of driverless car technology, there are questions as to whether light rail can reclaim riders who now have the option of their transit coming to them. When Los Angeles opened new light rail lines in 2016 and 2012, the ridership came at the expense of buses, whose lines were eliminated. Atlanta, Dallas, Sacramento and San Jose experienced similar shifts, O’Toole wrote in the Wall Street Journal in November.

This has not discouraged urban planners, who have convinced taxpayers to spend more than 1 trillion inflation dollars on transit in this country, more than 40 times the subsidizing of our roads, O'Toole says.

Mayor David Briley is asking Nashville voters on May 1 to approve what he has insisted is a \$5.2 billion dollar project to dig a tunnel under the city's downtown and build 26 miles of light rail, although local reporters put the true cost at \$9 billion.

And San Antonio Mayor, Ron Nirenberg, continues to press for a light rail system for the city in spite of the collapse of a much-criticized trolley system back in 2014.

Like the voters of Austin, San Antonio taxpayers went to the polls to reject light rail, in 2000 and, most recently, in 2015.