A Great City, maybe

"X"

"We could build here one of the great cities of man."

- close of "Forward Thrust" speech of Jim Ellis to Seattle Rotary Club, 11/3/65

One undeniable characteristic about Seattle: it's stubborn. So too are its boosters, if any meaning whatsoever can be attached to the new and improved roadless ballot measure for extending Sound Transit light rail up to Snohomish County, across Lake Washington and down to Federal Way. Some dreams just won't die.

In the upcoming weeks, you'll hear endless arguments in the press, on the radio and TV, in blogs, taverns and cafes. These arguments will likely quibble over a series of well-worn dimensions: cost, economy, technology, capacity, environment, aesthetics and even emotion.

However much one may believe in -or even obsess over- such dimensions, all the back and forth on them, a struggle between conflicting impulses, is narrow and myopic. The forest is being missed for the trees. These dimensions are mere *characteristics* of a system -- they don't shed much light on the *worthiness* of the system proposed. They don't tell us what we really need to know before we cast our ballot.

<u>How</u> we do something isn't half as important as is <u>what</u> we're being asked to do and <u>why</u> we're being asked to do it.

The stubborn people who have put this issue before us time and time again deserve blame because the 'what' and 'why' questions have not been honestly addressed. These people have scrupulously avoided these questions. They'd rather sell an image to us, a vision that "we" will all be so much better off only if we accept their proposal.

But if truth be told, they cannot make "us" all better off -- and they have no plan to or interest in doing so. Their plans instead will only make *some* people better off. In short, it's a redistribution scheme - in effect, it's a transfer of wealth from your pocket to others. That's their little secret, one they've been very careful to keep concealed. This shouldn't come as a surprise. Just like Nordstrom's Pacific Place garage was discovered to be larded with subsidy to downtown development and commerce, stealth and secrecy have proven to be the time-honored Seattle way.

And much as Seattle's new playfields, Safeco Field and Qwest Field, were brought to "us" by -or more accurately, through- our own pocketbooks, Sound Transit is just another sandbox for these people to play in. Another playfield tilted to produce favors for developers generally and downtown specifically. It's a telling irony that Seattle's new monuments to professional sports stand virtually across the street from Sound Transit's headquarters.

Compared to these stadia, however, Sound Transit is a MULTI-, MULTI-, MULTI-billion dollar sandbox. But that's not to say Sound Transit and the stadia don't share the same mission: serve the greater glory of downtown Seattle. It's a mission delegated to it by folks who remain conveniently concealed behind the curtain.

ST's proponents like to depict their multi-billion dollar plans as if you, the consumer, are king --that they're only doing this for you, to offer you a better, faster more dependable ride to your job. But that's false. And in this commerce-besotted age, we should know better. People today are mere numbers; they have no value except when they're reflected in someone's sales ledger.

In reality, ST's "better, faster, more dependable ride" is not the end product. You the consumer are not king. Instead, the better, faster, more dependable ride is merely a lure -- a lure to attract more commuters downtown, the better to construct profitable new office buildings and retail stores, all for the sake of entering you into someone's sales or property-rental ledger.

All roads lead to Rome

So too do all of Sound Transit's rail lines lead to downtown Seattle, as do many of its bus routes. Which is why Sound Transit is necessary for downtown Seattle to achieve its goal of hosting 70,000 added jobs by 2020. Without the capacity Sound Transit plans to deliver, that downtown job growth couldn't be supported because workers wouldn't be able to get there. Sound Transit is the new transportation capacity needed to deliver those people to those projected new downtown jobs.

This may be desirable (and who would argue that people shouldn't be able to get to jobs?), but is it affordable -- and should we lavish so much of our transportation tax dollars to pursue this vision to the exclusion of other transportation needs elsewhere in the region?

The Viaduct, 520, 405, SR-509, SR-9 and I-5 also need attention (so do Metro Transit, Community Transit and Pierce Transit) and serve a larger share of the region's travel demand than will Sound Transit -- especially the milk-run light rail extensions they're now asking us to buy before we've even had a chance to test-drive the product of their last twelve years of work. To the extent we allow transportation taxes to be overspent on some projects that benefit too few, we confront a need to raise much more new money through other means, including prematurely-imposed tolls and road congestion prices, to address our region's other transportation challenges.

Meanwhile, ST is producing favors for developers and for downtown Seattle from your tax dollars.

Where's the favor? Well, think about it. What is required for those new downtown jobs? It's not enough to simply pump 70,000 more people into downtown to fill them. They're not gonna wander the streets until it's time to head back home, are they? No, they're gonna need new buildings to work in. And they'll also need or want retail shops to meet sundry personal needs, restaurants for lunches, hotels for visiting business people and theaters for entertainment. We've already got the downtown symphony hall, museums and ball parks.

The new office buildings required for those new jobs and those associated new retail sales are "Big Money". That's the favor Sound Transit delivers to downtown along with those new downtown workers. Conservatively, those 70,000 new downtown jobs will require a 50% increase in downtown Seattle office space, about 18 million square feet -- <u>the equivalent of thirteen new Columbia Centers</u>.

That will require billions in new downtown construction and, in turn, will produce well over half a billion dollars of new rental income annually from those required new office workspaces. On top of this, the workers in those new office buildings can be expected to spend even more than that annually in downtown retail shops. This induced economic activity is a favor every member of the Downtown Seattle Association will enjoy -- ever more so as the value of their downtown property holdings increase by another couple billions.

We all know the road system to downtown is already too congested, so those 70,000 new downtown workers will either need new public transportation to get downtown or they'll need to live downtown and walk to their jobs. For the many who can't afford to live downtown within walking distance of their job, Sound Transit is the answer to delivering them to those new downtown jobs.

Annexation and "Lebensraum"

But Sound Transit is more than this. To pump those workers into downtown, Sound Transit requires huge parking garages be foisted upon business districts in outlying communities. That's because in most places, only a small share of Sound Transit's riders will access their trains by walking or by feeder bus. These "feeder garages" are ancillary to Sound Transit's transportation services, but make no mistake about them, they're there to principally serve downtown Seattle.

Indeed, Seattle *must* annex land and workers from outlying communities in this way because downtown Seattle is both land-starved and worker-starved. Those workers must park somewhere. Seattle doesn't have the room for garages to hold their cars, nor does Seattle have sufficient freeway capacity to accommodate them. So Seattle has adopted a modern-day "lebensraum" policy that leans on captive, satellite suburban business districts to provide this car-park service, while Sound Transit shuttles these workers between downtown workplaces and the outlying areas where they parked their cars.

This garage-to-downtown shuttle service may be a "neat" solution to meeting downtown's needs, but it comes at a considerable cost.

Storing thousands upon thousands of cars delivers little vibrancy, diversity and economic benefit to those outlying business districts and their communities. Stashing thousands of cars daily for commuters headed to new downtown offices doesn't help those business districts develop, doesn't improve their walkability nor does it genuinely enhance the communities they serve.

These oversized garages instead impose sizable local impacts by consuming land and placing pressure on local streets and roads while draining talent and skills off onto a rail line to workplaces miles and miles away in downtown Seattle. This is a 'spill-over' cost imposed upon these communities by downtown Seattle. Worse, this produces an outcome precisely opposite of what we're trying to achieve throughout Puget Sound: more tightly integrating the location of jobs, housing and shopping opportunities in easily-accessible, quality urban clusters <u>throughout</u> the region, not just in downtown Seattle.

This is the larger context within which all the "how" arguments --cost, economy, technology, capacity, environment, aesthetic and emotion-- over the ST2 ballot proposal arise. This context frames the essential question to the region's taxpayers: does ST2 produce sufficient benefit to enough people for the cost we all are being asked to absorb? Is there an equitable balance between those who pay and those who benefit?

Moreover, is pumping ever more people into ever more new downtown office buildings from ever further out at ever greater public expense our only choice, our only available option? Can those jobs exist only in downtown? Is Seattle an imperial city to which we must all pay tribute?

Sound Transit's role as a downtown growth enhancement strategy is echoed just as clearly also by the funding levels provided the region's other high-profile transportation projects. Most notable is the state legislature's allocation of <u>four times</u> more general tax money to the Alaska Way Viaduct than it has allocated for a new 520 bridge. Although both a new 520 and a viaduct replacement enable further downtown development, the Viaduct offers far more such opportunity than 520 -- especially if the viaduct becomes a tunnel, which would open up a swath of underutilized land right down to the waterfront for new buildings with premium views. Thus replacing the viaduct has been favored with far more of your tax dollars.

Despite all the visible new residential development planned and underway in and near downtown, particularly near South Lake Union, downtown Seattle still needs to have Sound Transit pump at least 50,000 more workers daily into those new office buildings. After all, not all those new downtown workers will be able to afford those new "starting at $300,000" one-bedroom South Lake Union condos and lofts.

Just as downtown has a shortage of affordable housing, downtown doesn't have enough land to accommodate all the workers it wants. Hence downtown relies upon Sound Transit to bring them into those new buildings.

ST was designed to fill this need. Downtown wants more office buildings and retail activity, so Sound Transit had to be invented.

Have you ever heard anyone, from King County Executive Ron Sims and Seattle Mayor Greg Nickels on down, explain ST's purpose in this way? I'll venture you haven't. Search through the archives at the Seattle Times or the PI and see if you can find anyone making a linkage between Seattle's planned growth and Sound Transit's high-capacity commuter rail and light rail plans. You won't find one. Still the same, there's a linkage -- just a well-concealed one.

Even the benefit-cost analysis prepared by consultant engineering firm Parsons-Brinckerhoff that ST trotted out last year conceals this linkage. Nowhere does that analysis attempt to acknowledge or quantify how much downtown property (commercial office and retail uses) will benefit from ST's multi-billion "garage and shuttle" service plan. Instead, the analysis attaches benefits (in travel time and commute cost savings) only to transit riders!

Yet these same savings mean downtown office buildings and land is more accessible to more people, and that means downtown office buildings and land becomes more valuable. Those transportation accessibility benefits flow to the owners of that land and those buildings, not solely to transit riders.

But reading ST's benefit-cost analysis, you'd never know downtown will reap large gains. That's a bit like claiming winning the Air Force refueling tanker contract will only benefit national security, not the Boeing Company, its management and shareholders. Declining to acknowledge ST's benefits to downtown property (and their owners) is all the more curious when rail transit advocates point so ardently to other U.S. cities where hundreds of millions, if not billions, of new development has been associated with new light rail systems.

Sound Transit's plans and projects enhance both the transportation *capacity* to downtown and downtown's *ease of access*. These each improve the development potential for downtown properties, especially as decades of rising congestion on the region's freeways, combined with the difficulty of expanding road capacity, have worked to tighten the 'noose' around downtown, threatening to choke off the prospects of its economic dominance.

The official blueprint for Seattle

At this point, it would be valuable to recognize the interplay of two laws passed in tandem by the state legislature in 1990. Knowing the aim and provisions of these laws will help shed light on the present situation. These laws set down the "rules" for today:

The **High Capacity Transportation (HCT) Act** is the foundation for what became Sound Transit. It mandated the regional transportation planning process and cooperation between King, Pierce and Snohomish counties to prepare a plan for approval by voters. Among HCT's tools are the adoption of explicit goals for reducing SOV use in peak periods and encouraging land use compatible with high capacity transportation.

The **Growth Management Act (GMA)** is the foundation for land use planning throughout the state, but in particular for the Puget Sound area where half the state's population lives. Addressing the means by which, among other things, transportation and land use are to be integrated, GMA's tools include requirements for the preparation of capital facilities plans and the application of growth boundaries, impact fees and concurrency.

Let's put some pieces of this puzzle together.

For most of the past twelve years, Sound Transit has been engaged in designing and building a $2.4 billion light rail line, a line finally scheduled to open next year and forecast to carry about 7,000 new daily transit riders (plus about 14,000 existing transit riders) to downtown Seattle by the year 2020. Sound Transit presently collects approximately $400 million annually from taxpayers in King, Pierce and Snohomish counties to construct this and other projects.

ST now wants to boost their tax revenues to over $700 million annually (almost three-quarter of a billion dollars each year) to build another 36 miles of light rail, including a long-promised extension to the University District and Northgate, requiring one of the most expensive tunnels, per-mile, ever built. That extension alone is estimated to carry an additional 50,000 daily commuters by 2030, delivering most of them to downtown workplaces (which is equivalent to saying "delivering them to buildings yet to be built.")

Can downtown absorb all the people ST plans to deliver? You betcha -- if money is no object (your money, that is.) Indeed, the city is already planning for 70,000 new downtown jobs ST will deliver people to. Those new jobs will require 18 million square feet of new commercial office space, a 50% increase over what downtown already has. Which explains why the city council and the mayor have adopted new downtown height and density allowances for new downtown buildings. This makes developers happy because those new buildings mean lots of new construction. (And it make politicians happy because of the campaign contributions this assures.)

It also makes 'green sense' for downtown land and building owners, who can expect to reap a half-billion more annually in rental income from the tenant firms occupying their buildings, whose employees shuttle on Sound Transit rail services between their downtown jobs and their distant cars. And don't forget downtown retailers who can expect to harvest **almost a cool billion** more annually in retail sales just from those added downtown workers. More green sense.

Now, that's all well and good. Those figures attest to growth and are a measure of the region's vitality and economic development. Spending $700 million a year principally to support 70,000 new jobs downtown will generate well over a billion in annual benefits. What could be wrong with that?

Well, what's wrong with that is the gross imbalance in who pays and who benefits. Those $700 million tax dollars come from 2.7 million people across the three-county region. But the benefits, well over a billion annually, flow to a small handful of people, with the largest share flowing mostly -and most certainly- to downtown property owners and downtown retailers. The planned new downtown Seattle jobs represent a quarter of King County's projected employment growth and a sixth of the three-county region.

Isn't downtown Seattle feeding at a trough of your taxpayer dollars, to the exclusion of other areas of the region?

Downtown sits on approximately 1 square mile of land. That's about one percent of all of Seattle's land and only one-quarter of one percent of King County lying within the urban growth boundary. Yet Sound Transit's $700 million in yearly tax collections will be focused on downtown, to serve far less than a tenth of the region's employment growth.

That single square mile is what Sound Transit is all about -- enhancing its growth with your transportation tax dollars.

No one has made a case that downtown is the only place growth should be focused -- nor has any one ever made a case that we should pour so much of our transportation tax dollars into serving downtown, subsidizing Sound Transit, a facility built to pump ever more people daily into ever more workspaces in ever more new downtown skyscrapers. GMA doesn't make this case, neither does HCT. By contrast, the aim of GMA and HCT is to develop economical, affordable and sustainable patterns of land use and transportation.

ST hides behind misleading math

Heretofore, ST's benefit have been ascribed only to its riders. But this is a distraction, serving to disguise the true nature and aim of Sound Transit. Nonetheless, it has been valuable in one sense: it's been instructive in understanding the defenses ST officials have offered to criticisms of its astounding costs. Their defenses show a willingness -indeed determination- to stretch and deform facts to the point of incredulity.

For example when Sounder commuter rail was found to display a $30 cost per one-way trip a few years ago, Sound Transit's now chief financial officer sought desperately to dilute that figure by mathematical gymnastics. He disputed the cost of money Sound Transit had borrowed and insisted inflation shouldn't be included, either. That magically shaved a few bucks off the $30 figure. He further insisted Sounder's costs should be viewed not on a *per trip* basis, but rather *per passenger-mile* (a transportation wonk's yardstick). Dividing by 28 miles for an average Sounder trip, he magically reduced Sounder's subsidy figure to mere cents, not dollars.

It's too bad that many Sounder riders consume 56 of those "passenger-miles" daily, each day for the 250 or so days they commute each year to downtown. Those per passenger-mile subsidies sure mount up fast. And a rider who clocks 56 of them each day will consume about 15,000 tax dollars in just one work year. Each year -- year after year, year after year.

That's the ugly underbelly of ST when its costs are seen in relation to the nature of its mission -- delivering workers to downtown workplaces. Despite the protestations and the math gymnastics of its officials, the measure of Sound Transit's costs should reflect the measure of its purpose. The $30 per trip figure was unshakable reality, yet ST resorted to long-division to disguise this ugly fact.

Last year, facing the need to better justify its project to taxpaying voters, ST decided to highlight benefits to non-riders, too. So they prepared the aforementioned benefit-cost analysis that included sizable benefits to highway users, resulting from some degree of supposedly permanent congestion relief produced by taking a handful of people out of their cars and off the roads.

Beyond this, the public has fancifully attached other benefits to ST light rail -- principally capacity, aesthetic and emotional. These are voiced in virtually every conversation, blog and news report on ST. But none of them touch upon the central benefit ST is intent on producing with your tax dollars: greater value to downtown.

Serving further downtown growth sure has gotten expensive: $400 million a year today; $700 million a year tomorrow. Some would say it's necessary and unavoidable -- and besides, the economics, technology, capacity, aesthetics and emotions (those trees in the forest) all tell us this is the "right thing" to do, right?

But isn't it possible that we're being hoodwinked into thinking that? After all, serving each daily rider requires the support of 120 non-riding taxpayers.

Violating a key aim of growth management

Now that we know what it is we're being asked to do and why we're being asked to do it, the how arguments seem less compelling. Except for one: how it's being financed. Where this thing fails -and fails badly- is on whom its costs fall and to whom its benefits flow. The simple, clear and undeniable answer is that general taxpayers will pay for it and a handful of riders and heretofore conveniently silent downtown interests will benefit.

Is this an acceptable equation?

We can look to growth management for a relevant lesson. One governing principle of GMA -a rule, if you will- is getting growth to "pay for itself", shifting the cost of accommodating growth *off* the general taxpayer (who isn't benefited from that growth or have already paid their own way) and *onto* those who will directly benefit. This avoids needlessly burdening existing taxpayers for the cost of new public facilities required to serve new growth.

This growth-should-pay principle has been applied to suburban residential development activity for well over a decade. It is accomplished by imposing impact fees upon new growth, to pay for among other things, new school capacity -classroom space- needed to accommodate the school-age children generated by new homes. Similarly, GMA-based impact fees have been imposed on suburban development for years for public parks, fire protection facilities and road improvements and traffic signals necessitated by growth.

Washington state's landmark Growth Management Act of 1990 defined impact fees and development activity thusly:

> *"**Impact fee**" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities and this is used for facilities that reasonably benefit the new development.*
>
> *"**Development activity**" means any construction of a building, structure or use, any change in use of a building or structure or any changes in the use of land, that <u>creates additional demand and need for public facilities</u>.* (emphasis added)

GMA did not exempt downtown growth from the growth-should-pay principle. The principles of growth management apply just as equally to new office buildings in downtown Seattle as they do to new homes built in suburban subdivisions.

Although legislators earlier this year amended the term "development activity", to exempt ST's massive parking garages from impact fees, they have not yet declared downtown office buildings exempt from impact fees for Sound Transit's rail lines as the public facilities needed to accommodate the additional demand and need created by those new office buildings.

Why shouldn't Sound Transit's beneficiaries pay a share of the cost of ST's light rail and commuter rail projects? After all, Governor Gregoire and other state leaders have agreed that 40% to 50% of the $4 billion needed to replace the 520 bridge will come from tolls on bridge users. What's the difference?

Without cost-sharing from its beneficiaries, you the taxpayers will be picking up the full cost of Sound Transit's $30 billion, twenty-year plan (one that will take 30 years to pay off.) The people who designed Sound Transit have always assumed taxpayers will pick up the tab. And their friends at the

City of Seattle have guaranteed exactly that by not imposing impact fees on new downtown development requiring the added capacity Sound Transit plans to provide to downtown.

This foists the enormous expense of a major growth-related public facility onto the back of existing taxpayers, neglecting the 'growth-should-pay' principle adopted by the state legislature in the Growth Management Act, a measure championed by then-freshman state legislator -now U.S. Senator and environmental champion- Maria Cantwell.

As explained earlier, impact fees are a tool the GMA authorizes to get growth to pay for itself and avoid transferring onto general taxpayers the burden of costly new infrastructure necessitated by growth. Yet new downtown office buildings, supported by the new transportation capacity and improved accessibility that Sound Transit's very expensive rail projects will provide downtown Seattle, will not pay any impact fees for the new capacity they need and will consume. How is this fair? How is this equitable?

It's not. But one must not forget that stealth and secrecy are at work here. That's because impact fees on new downtown office buildings for Sound Transit's projects would exceed $100,000 per new workspace. Yep, that's right -- more than $100K for each new downtown office cubicle. For one new building the size of the Columbia Center that could host 5,000 employees, that would mean the developer would have to pay a $500 million impact fee. And those thirteen new Columbia Center-equivalents needed to house 70,000 new downtown employees would pay at least $5 billion.

Clearly, an impact fee that large would go over like a lead balloon with the Downtown Seattle Association crowd. A $100,000 impact fee for every new downtown workspace would be a prohibitive cost for downtown developers. Yet that fee reflects the economics of Sound Transit's extraordinarily expensive rail programs. That's what ST is charging taxpayers to deliver just one new daily commuter to downtown. That's the cost downtown Seattle is pawning off on you and your neighbors, as long as impact fees are not applied to downtown growth the way they've been applied to suburban development.

Hypocrisy: a Great City at great public expense

It's more than ironic --it's downright curious-- that some of the most ardent supporters of Sound Transit, such as the Sierra Club, embrace the principles of growth management while knowing full well that a central tool of growth management isn't being applied.

Why environmental folks like the Sierra Club embrace this urban screw-job is most puzzling. The GMA has already worked to contain urban sprawl and protect the state's natural resources and wilderness for the enjoyment of all. Now the enviros want to lock arms with Mayor Nickels and save the planet by both overtaxing you and overspending your tax dollars on a 'great city of man' vision of mass transit that doesn't serve you so much as it serves downtown interests.

These rail apologists are not embarrassed by the "costs too much, does too little and takes too long" criticisms leveled at ST2. Worse, they're even less concerned by the regressive nature of the sales tax Sound Transit is seeking to hike again. That's instructive because nothing so clearly reveals their single-minded objective and the nature of their concerns. They have nothing to do with growth management principles and have nothing to do with fairness to taxpayers and achieving equity between those who pay and those who benefit.

ST's critics have made a strong case that ST2 "costs too much, does too little and takes too long". Each of those is sufficient reason to vote against ST2, but the <u>necessary</u> reason is that it violates fundamental, time-tested precepts of Washington state's Growth Management Act. The beneficiaries will pay virtually nothing for the benefit bestowed upon them. Instead, the taxpayers pick up the full cost. In other words, Sound Transit would have everyone pay for downtown's greater glory -- regardless of whether you ride it to work daily or not. It is a grossly unbalanced and unfair proposal.

They are preparing to shovel $30 billion of your tax dollars into the pockets of folks who have given nary a thought to supporting quality communities and urban environments anywhere outside of downtown's newly height and density-enhanced square mile.

This amount of tax dollars could -and should- be used to make <u>more</u> places in our region better places to live, work, raise families, educate our children and form community. Sound Transit 2 doesn't pass that test. Spending so much on so small an area to benefit so few -and mostly commercial interests- is outrageous.

Seattle's location is a historical accident (white-settler historical accident, that is). A sheltered deep-water bay at the foot of heavily-forested hills whose tall timber awaited felling and skidding down slopes to waterside mills and sailing ships were ready-made, entirely natural building blocks on which to build a maritime-based commercial city, shipping the Northwest coast's bounty to the growing burgh of San Francisco.

One hundred and fifty years later, though, historical accident isn't much of a reason to pour heaps of our region's collective resources trying to maintain downtown's narrow isthmus -one more accessible by sea than by land- as the single, preeminent commercial center of a region of more than three million people enroute to six million.

The infrastructure needs of a region now producing high-value software and airplanes in places located far from the shores of Elliot Bay and the slopes of First Hill are vastly different from those of an Alki skidding timber to ships awaiting in the bay. Nothing short of building tall residential condo towers (like those in West Vancouver) out into Elliot Bay and Lake Washington can overcome the challenge faced by land- and people-starved downtown Seattle. Nothing, that is, except for lavishing $30 billion of your dollars on Sound Transit to deliver to downtown only a sliver of the region's workforce and populace - from communities increasingly far away.

Almost half a century ago, the Seattle Central Association -predecessor to today's Downtown Seattle Association- proposed to replace the venerable Pike Place Market with a parking garage to serve downtown Seattle. That plan was later expanded to also include a hotel, office buildings and a sports arena. Its purpose was to create "a compact, efficient and convenient" downtown.

That downtown dream remains unchanged today, but it needs yet another vote and yet another tax hike in November. Is this 'downtown uber alles' vision worth the enormous scale of subsidy (*from* you, your community and your neighborhood *to* downtown developers, property interests and retailers) upon which that dream relies?