



A Streetcar Undesired

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



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As Omahans consider spending hundreds of millions of dollars for a streetcar system, proponents point to Kansas City as an example of a successful system. But the claims about Kansas City's success are grossly overstated, and voters reject the system almost every time they are given a chance. I hope Omaha can learn from our misadventure.

It is noteworthy that in the age of driverless cars, some want to look backward to the inflexible fixed-rail technology of the 19th century. In Kansas City, when we get icy weather, the streetcar system is shut down and replaced with buses. And when even a single streetcar is involved in an accident or breaks down, the whole system is shut down. Streetcars cannot reroute themselves; they cannot drive around an accident. As neighborhoods grow over time, fixed rail routes cannot shift as demand shifts. Streetcars are literally and figuratively stuck in a rut. And on top of this, streetcars cause traffic congestion because they are so large and slow moving. Streetcars also fail to remove cars from the road. Research shows that streetcars really just move people away from buses, not out of their cars.

Because streetcars are such an inefficient and expensive transit option, proponents instead point to the economic development they purportedly create. Every new development is met with satisfied nods as evidence of the streetcar's success. The research around the country and our experience in Kansas City tell another story. It's not the streetcar that drives development, but all the taxpayer money handed out to encourage construction along the route. Abatements, cash

handouts, tax credits and tax increment finance subsidies litter the streetcar route here.

On top of the subsidies, there's the price tag on the streetcar itself. The cost of a streetcar is many times the cost of simply adding a new bus route. It is almost humorous that Kansas City *raised taxes* to fund a large portion of the approximately \$110 million cost for 2.2 miles of track, then *lowered taxes* for developers to entice them to invest along the route. Imagine what would have happened if the city had skipped the streetcar and instead lowered taxes for everyone!

Omahans should be aware that Kansas City voters have been rejecting streetcars for decades. Due to an odd artifact of Missouri law, small groups of citizens can create transportation development districts and tax themselves. As a result, fewer than 400 votes cast in the district committed all of Kansas City to supporting a \$110 million project. In response, activists circulated a petition requiring a city-wide vote before the Council could spend any tax money on streetcars. The petition collected the necessary number of signatures, was verified, and was passed by a vote of the people in August. But our Council declared the petition unlawful and appropriated more funds to the streetcar anyway.

Before the Obama Administration, few if any federal funds were available for streetcars. Since then, however, the spigots have been flowing—and the result has been a boom in streetcar spending in cities across the country. In several cases the percentage of people who use transit in those very cities has actually dropped.

Streetcars do look fun, however. One pundit in Kansas City refers to ours as a party bus. It's free to ride, looks sleek, and is something new on the street. But it doesn't help the city grow or efficiently move people where they want to go. It requires a lot of money to build and operate and requires even more subsidies along the route to create the illusion of economic growth. In Kansas City, the few (if any) benefits of a streetcar have not been worth the significant cost. Omaha taxpayers should be wary.

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