Voters in Nashville will head to the polls May 1 to consider a ballot measure that would increase four taxes to pay for a multibillion-dollar mass transit proposal. The referendum was made possible by Tennessee’s 2017 transportation funding legislation, known as the IMPROVE Act [2], which in addition to increasing gas and diesel taxes and registration fees also allowed voters in the state’s largest counties and four largest cities to consider local tax increases that would be dedicated to transit projects. The Nashville referendum is perhaps the most significant transportation-related initiative on the ballot in the 2018 primaries and is being touted as Music City’s best opportunity to keep mounting traffic woes at bay in the years ahead.

What’s in the Nashville Transit Proposal?

The Nashville transit plan, dubbed “Let’s Move Nashville,” [3] proposes light rail along five corridors, including a connection that would extend to Nashville International Airport. The light rail system has a targeted completion date of 2032.

A 1.8 mile, three-stop tunnel under downtown would be constructed at a cost of $900 million that would be used for both light rail and new electric buses. The tunnel would be completed by 2027 under the plan.

Other more short-term improvements to Nashville’s public transit system would include the move to new electric buses, additional crosstown bus routes and more frequent bus service. Twenty-five miles of bus rapid transit are planned for four corridors as well that would use limited curbside bus lanes rather than dedicated bus lanes. Around two-dozen new neighborhood transit centers are planned for locations along the light rail and rapid bus lines.

How Much Would It Cost?

In proposing the transit plan, former Nashville Mayor Megan Barry, estimated its cost in present day dollars at $5.4 billion in capital costs. But as the Nashville Metro Council voted in February [4] to include the proposal on the May ballot, compromise referendum language was offered that will include both the $5.4 billion figure as well as a larger $8.95 billion figure that incorporates the estimated amount of long-term revenue needed for operations and maintenance, improvements and financing and interest over 15 years--$3.5 billion.

How Would It Be Paid For?

The transit plan would rely on four tax increases that collectively are expected to generate around $110 million annually beginning in 2019, increasing to $200 million by 2023. The tax increases include:

- A sales tax hike that would increase Nashville’s rate from 9.25 percent to 9.75 percent beginning in July 2018 and to 10.25 percent in 2023;
• A quarter surcharge on the hotel-motel tax beginning this year that would jump to three-eighths in 2023 and at 6.375 percent overall would make it one of the highest such surcharges in the country;
• A 20 percent surcharge added to the local car rental tax; and
• A 20 percent increase in the city’s business and excise tax.

What If It Fails?

There are a variety of opinions on what the impact would be for Nashville if the transit referendum were to be defeated.

*The Tennessean reported this month* [5] that some predict a decade-long delay before another transit plan could be considered. Others call that a “scare tactic” designed to get people to overlook flaws in the current plan and vote for it anyway because they fear it’s their only chance.

*Nashville Public Radio reported recently* [6] that transit officials believe failure of the referendum wouldn’t result in immediate changes to the quantity of transit service in the city or to current funding. But it could take the city at least four years to gear up for another transit referendum, officials say.

Proponents of the plan have argued Nashville needs to move forward now to prevent the city’s traffic problems from getting worse as it continues to grow.

Further Reading

• “In Seattle, transit success leads to challenge: excessive demand: Seattle officials are visiting Nashville this week, invited by the Nashville Area Chamber of Commerce to share the city’s transit experience,” [11] *The Tennessean*, April 18, 2018.
• “What you need to know about the Let’s Move transit plan,” [16] WSMV-TV, April 9, 2018.
• “Transit plan’s scope is limited to Nashville. What does that mean for region?” [17] *The Tennessean*, April 6, 2018.

Elsewhere on 2018 Primary Ballots

• Voters in California’s Sonoma Valley will vote June 5 [22] on Regional Measure 3, a nine-county initiative that would increase tolls on seven state-owned bridges by $3 over six years in an effort to raise $4.45 billion to alleviate traffic congestion in the Bay Area.

• California voters will also consider Proposition 69 [23], a legislatively referred constitutional amendment that would require revenues from the diesel sales tax and Transportation Improvement Fee (both enacted as part of Senate Bill 1 [24] in 2017) be used for transportation-related purposes and exempt revenue generated by SB 1’s tax increases and fee schedules from the state appropriations limit.

• The town of Albany, Oregon will consider [25] a five-cents-a-gallon local gas tax increase to raise $1.25 million annually to help pay for street maintenance and repairs. The Oregon primary is May 15.

US P3 Infrastructure Forum 2018

As mentioned previously, CSG is pleased to be a supporting organization and media partner this year for the US P3 Infrastructure Forum 2018 [26] hosted by Inframation. The public-private partnership-focused conference takes place June 13-14 at The Hilton Midtown in New York City. This week Inframation launched the preliminary agenda for the 14th annual event. You can request your copy here [27]. Panel topics include: managed lanes and congestion pricing, efforts to improve America’s airports, the P3 pipeline, the evolution of state P3 laws, innovative financing structures, broadband P3 projects and social infrastructure P3 projects at the nation’s colleges and universities. The Infrastructure Forum
brings together state and federal public officials and regional transportation authorities, along with infrastructure developers, investors and financiers to talk about what’s happening with public-private partnerships around the country and the issues that are shaping the industry’s future. You can find out more about how to register for the conference on the event website [26]. I’ll also have more details about the event here on the CSG Knowledge Center in the weeks ahead. For an idea of what to expect, you can read my coverage of the 2016 forum here [28].

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