

Submitter: Russ Beaton  
On Behalf Of:  
Committee: Joint Committee On Transportation  
Measure: HB3224

#### HB 3224 TESTIMONY

C. Russell Beaton, Ph.D. Feb. 28, 2023

My name is Russ Beaton and I reside at 1025 21st St NE here in Salem. I am a constituent of Representative Mannix. Professionally, I am retired from Willamette University where I taught economics for 33 years. I am actually a Willamette graduate and did my doctoral work at Claremont Graduate School. Prior to coming back to Willamette I taught at Cal State Fullerton and Simon Fraser University in Vancouver B.C. I have also taught at the Atkinson Graduate School here in Salem, in the M.B.A. program at George Fox University and also in the Urban Studies graduate program at Portland State.

For my research and teaching I specialized in urban and regional economics and environmental economics, both of which I introduced at Willamette 50 years ago. I've co-authored four books, with the latest addressing the challenges ahead of us in the areas of economic inequality and climate change. I have always paid close attention to land use issues here in Salem, and in fact served on the 3rd bridge task force over the approximately 7 years we met. For several years I have considered, with a few others, the possibilities of a Salem streetcar system and am very pleased that, through this proposed feasibility study we may be on the verge of seriously assessing that.

There are many aspects of a streetcar system that could be discussed, but I will limit my prepared comments to potential economic impacts.

#### ECONOMIC DEVELOPMENT AND A SALEM STREETCAR

Streetcar infrastructure projects have powerful economic development impacts. First and foremost they directly provide needed public transportation services. Equally important as an infrastructure project is the stimulus it provides that creates a framework for the support of subsequent private development and services. Maximizing the secondary economic effects of infrastructure investment is always a major objective of thoughtful government entities as they seek to improve their community and optimize the use of tax revenues. In short, effective infrastructure expenditures should have a positive stimulus to private spending and investment. Data show that streetcar investments are second to none in achieving this goal.

The above comments apply to any public expenditure, but very few types of projects can compare with the economic impact streetcar projects have empirically demonstrated for many communities throughout the United States. The results are striking. In Portland, for example, the extension of the streetcar into the Pearl District has been statistically shown to have resulted in nineteen dollars of private investment for every dollar of public expenditure.

A commitment to install a rail-based transit system is an unmistakable infrastructure symbol of a permanent public transit system. It cannot be moved or re-aligned over time, unlike the situation for wheeled vehicles.

Private investors prize minimization of risk above all else where major projects are concerned. And the certainty and stability of transportation services is the predominant risk mitigation element. Nothing supports profitability more directly than excellent permanent transportation for both clients and employees. It is a win/win situation, since the projects in turn create the ridership that makes the transit system successful, resulting in a mutually beneficial public/private partnership that is the goal of all civic decision-making.

Several new or dramatically improved streetcar systems have been implemented recently in communities across the nation. Cities such as Cincinnati, Tacoma, Memphis, Oklahoma City, Tucson and others, when asked about the economic impact ramifications of the streetcar investment they report: "It stimulated an economic revolution."

Oregon's Capitol City should give such a revolutionary infrastructure project serious consideration. A substantial and broadly based feasibility study is the ideal place to start.