



April 26, 2016

Dear members of the Sound Transit Board,

The Transit Riders Union is an independent democratic organization of transit riders throughout Seattle, King County and beyond. We support the expansion of light rail in the Puget Sound Region, and we offer the following comments on the Sound Transit 3 proposal.

We are deeply concerned about the proposed funding sources for ST3. As you know, Washington State has the most regressive tax system in the country, placing a disproportionate burden on working and low-income people. We understand that Sound Transit has a limited range of funding mechanisms to choose from. However, Sound Transit does have authority to levy an Employer Tax on businesses of \$2 per employee per month.

Suppose a low-income person working full-time, after paying for rent and transportation and basic food, has a mere \$500 per month to spend on taxable goods – that includes clothing, personal hygiene products, eating out at cafes and restaurants, and nearly all other purchases. With the proposed 0.5% sales tax increase, this person will pay an additional \$30 per year to help fund Sound Transit 3. *This is more than the \$24 per year that their employer would be required to pay through the Employer Tax.* It is unacceptable that we would ask for such a sacrifice from low-income people and working families without asking for a comparable contribution from big businesses like Amazon, Boeing and Microsoft.

The ST3 proposal asks for consumers, car-owners, property-owners and renters to pay more in the form of sales tax, MVET, and property taxes; as a matter of basic fairness, we believe that businesses should contribute too, and we believe that voters will agree.

How can the Transit Riders Union tell voters, especially low-income voters who are facing rising rents and struggling to make ends meet, to support a proposal that will raise their taxes disproportionately, while businesses that are also benefiting greatly from the expansion of light rail are not being asked to contribute even a little bit, let alone their fair share? Especially when Sound Transit has the ability to make the package more equitable and just? And how can we expect the Washington State Legislature to take seriously the repeated calls for more progressive tax options, when local governments and TBDs are not even using the few progressive options they already have?

According to a 2011 Transportation Resource Manual published by the state legislature, the Employer Tax could raise approximately \$40 million per year; five years later, that number is likely to be significantly higher. We understand that this is not enough to appreciably reduce the sales tax portion of

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the package. However, by simply adding the Employer Tax to the mix of funding mechanisms for ST3, Sound Transit can increase the overall size of the package by \$1-2 billion, thereby increasing bonding capacity and allowing popular projects to be funded and completed faster.

Speaking of popular projects, we would also like to offer the following feedback:

- **Graham St. Station:** We support a much faster timeline for the infill station at Graham St., so that the surrounding underserved low-income community can benefit from light rail.
- **130th St. Station:** We strongly support full funding for a station at 130th St. in Northgate. This station will benefit low-income and immigrant communities and help to create vibrant, walkable urban villages in North Seattle. It should not be merely provisional!
- **Affordable Housing:** We urge Sound Transit to acquire land that can be effectively used for affordable housing and equitable Transit-Oriented Development, and we believe Sound Transit should offer favorable below market rate terms to affordable housing developers.
- **Multi-Modal Access:** We support increased investments in improvements to walking, biking, and local transit access to light rail stations.

Thank you for all your work on the Sound Transit 3 proposal so far. We hope you will make the package more equitable before it is put to voters this fall.

Sincerely,

Transit Riders Union