



The Loop Trolley Bailout: A Retrospective

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By: Joseph Miller

On December 8, the Saint Louis County Council voted to bail out the Loop Trolley, a 2.2-mile vintage streetcar line currently under construction. Back when the trolley was in the planning phase, Show-Me Institute researchers [pointed out that the project was redundant as a transportation option](#). The trolley's route, from the History Museum to the Delmar Loop, is served by seven MetroBus routes and the MetroLink.

Despite these objections, Saint Louis regional officials allowed the project to move forward. The trolley, they promised, would lead to development. Trolley planners also assured residents that the money needed would come from a transportation development district (TDD) around the line, along with federal grants. As we pointed out in a previous post, trolley planners originally stated that cost overruns [would not be the responsibility of city or county taxpayers](#).

However, as of late 2014, the Loop Trolley faced cost overruns. Initial construction bids [came back \\$11 million over the project's \\$43 million budget](#). The project was put out to bid once more, and Loop Trolley planners announced the project was within the budget and everything was fine. But actually, the second round of bids still came back \$8 million over budget.

Instead of looking to the Trolley's TDD to cover cost overruns, trolley planners sought [regional tax dollars](#). This included money from Great Rivers Greenway (a sales tax-funded body designed to build recreational trails) and an additional \$5.4 million federal grant (which required a local

match).

None of these efforts was known to the public until November, 2015, well after the construction of the trolley was underway. The overruns only became public because the Saint Louis County Council had to approve the \$3 million needed to match the aforementioned federal grant. That money will come from County's mass transit fund, which means that more than \$8 million is being diverted from transit projects in the County. That \$3 million easily could have matched other, similarly sized federal grants for transit projects of the county's choosing. Now it will be spent on the trolley.

Summing it up, trolley planners sold their project to Saint Louis residents with a budget that would not work and promises they could not keep. When that became apparent, those planners said nothing, quietly committed local residents to pay for overruns, and then started putting rails in the streets. Presented with this fait accompli, the County Council approved what amounts to an \$8 million bailout. In essence, the Council rewarded the tactics of trolley planners.

About the Author



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Joseph Miller was a policy analyst at the Show-Me Institute. He focused on infrastructure, transportation, and municipal issues. He grew up in Itasca, Ill., and earned an undergraduate degree from Georgetown University's School of Foreign Service and a master's degree from the University of California-San Diego's School of International Relations and Pacific Studies.

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