# Making Transit Work...Economically! (and no, that's not a crazy concept)

Tri-State Transportation Campaign
September 14, 2013

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#### The Case We Need to Make

#### Transit is a good thing:

- -for the economy
- -for the public
- -for the environment

#### Key Fact

- Not everyone sees transit as an inherent public good
- Making the case will be about using the right tools to change the debate



#### Exhibit A

"Transit should pay for itself"

--Executive Director of a key policy think tank on the right coast of NY

#### Tools to Make the Case



- Quantify Economic Impacts
- Rethink Silo Budgeting
- Address Customer Choice

#### Quantify Economic Impacts of Transit

- 1) Impact of Transit Capital Plans
- 2) Impact of Inconvenient Commutes
- 3) Impact of New Mobility Trends
- 4) Impact on Local Economy



# Impact of Capital Plans



4,468 Jobs

\$563 Million Economic Impact

Western New York and

**Finger Lakes Regions** 

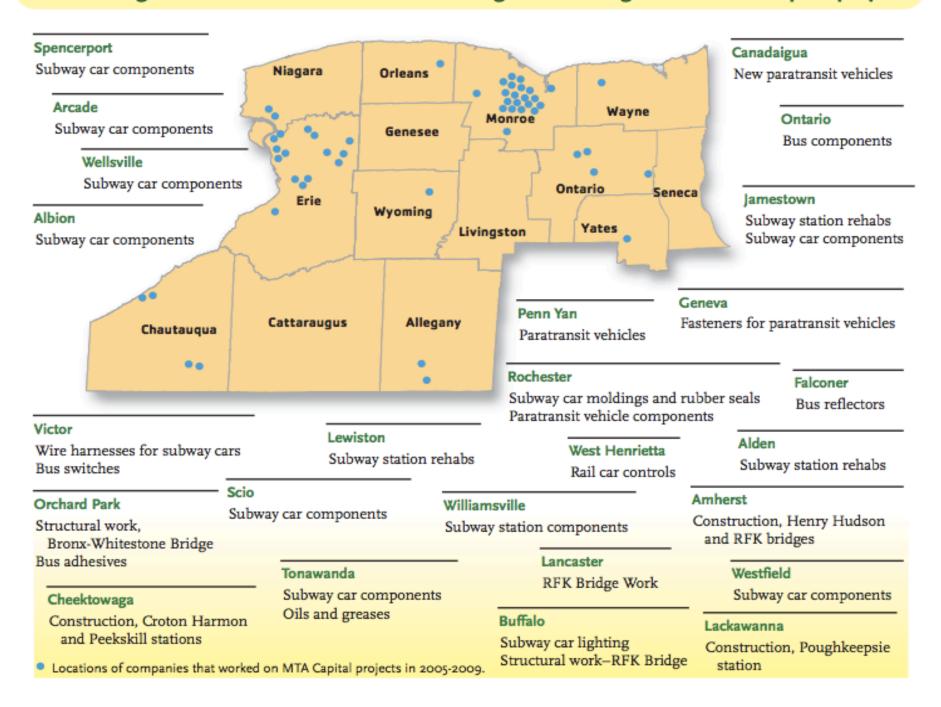
We Need Your Help:
We Need Your Help:
The Impact of the Im

Source:

Souther

"Built in New York: The Economic Impact of MTA Capital Program Investment on New York State", MTA, 2011

#### Select listing of work in Western NY and the Finger Lakes Regions for MTA Capital projects.



#### Impact of Inconvenient Commutes

Table 2. Top Splits between City and Suburban Labor Access in 90 Minutes via Transit, 100 Metropolitan Areas

| Metro Area   | Labor Access Rates |        |            |  |
|--|--------------------|--------|------------|--|
|  | City               | Suburb | Difference |  |
| New York-Northern New Jersey-Long Island, NY-NJ-PA | 58.1%              | 14.4%  | 43.7%      |  |
| Des Moines-West Des Moines, IA                     | 51.2%              | 8.7%   | 42.5%      |  |
| Minneapolis-St. Paul-Bloomington, MN-WI            | 49.0%              | 13.1%  | 35.9%      |  |
| Washington-Arlington-Alexandria, DC-VA-MD-WV       | 56.9%              | 22.4%  | 34.5%      |  |
| Modesto, CA  | 53.7%              | 19.9%  | 33.7%      |  |
| Buffalo-Niagara Falls, NY                          | 51.9%              | 18.6%  | 33.4%      |  |
| Syracuse, NY                                       | 45.6%              | 13.3%  | 32.3%      |  |
| San Francisco-Oakland-Fremont, CA                  | 52.6%              | 21.4%  | 31.2%      |  |
| Boston-Cambridge-Quincy, MA-NH                     | 46.9%              | 15.9%  | 31.0%      |  |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD        | 43.9%              | 13.8%  | 30.1%      |  |

Source: Brookings Institution analysis of transit agency, Nielsen Pop-Facts 2010, and Nielsen Business-Facts data

Source: "Where the Jobs Are: Employer Access to Labor by

*Transit*", Brookings, 2012



TRUE AFFORDABILITY AND LOCATION EFFICIENCY

#### H+T\* Affordability Index



Source: http://htaindex.cnt.org

#### Impact of Inconvenient Commutes

# FIRST ANNUAL LONG ISLAND RAIL ROAD LAGGY AWARDS

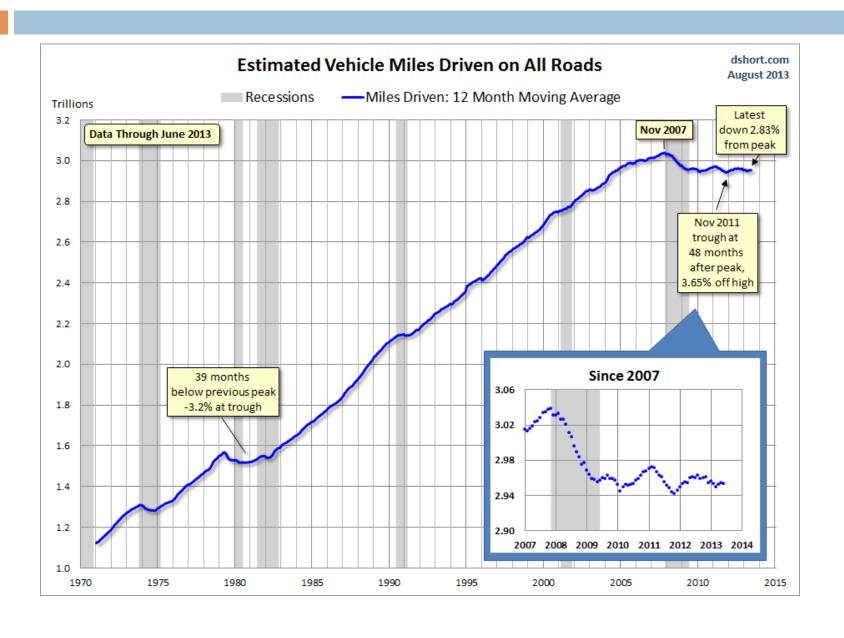
#### **Lost Productivity Laggy**

 The lost economic productivity due to late, cancelled and terminated trains on the LIRR from July 2012 through June 2013 was \$60,760,661.

| Gold Laggy   | Babylon Branch    | \$ 14,743,781 |
|--------------|-------------------|---------------|
| Silver Laggy | Ronkonkoma Branch | \$ 12,285,067 |
| Bronze Laggy | Huntington Branch | \$ 9,805,101  |

Source: TSTC Analysis, 2013

### Impact of New Mobility Trends



#### Impact on Local Economy

- 1) Developers are attracted to transit areas.
- 2) Properties near train stops sell for 20 to 25 percent more than comparable properties farther away.
- Business revenues and profits can be up to three times that of public sector investments (e.g., a \$10-million investment results in a \$30-million gain in sales).
- Local and state tax revenues can increase 4 to 16 percent thanks to income and employment generated by transit investments.
- 5) Transit impacts spending & purchasing power of residents.

#### Source:

## Rethink Silo Budgeting

#### Lock that Box!

Taxes and fees dedicated to transit are for transit.

That's what "dedicated" means.

Period.





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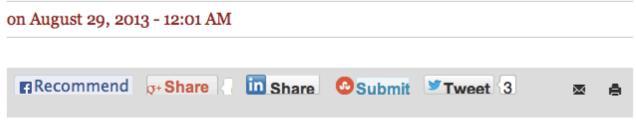
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Opinion

# Governor should sign bill to stop raids on funds meant for mass transit systems



A favorite gambit by governors needing cash to balance budgets is to raid the fund balances in various state authorities and agencies. If some of that money is declared surplus, it's fair game for being swept into the general fund as one of the state's notorious one-shot budget gimmicks.



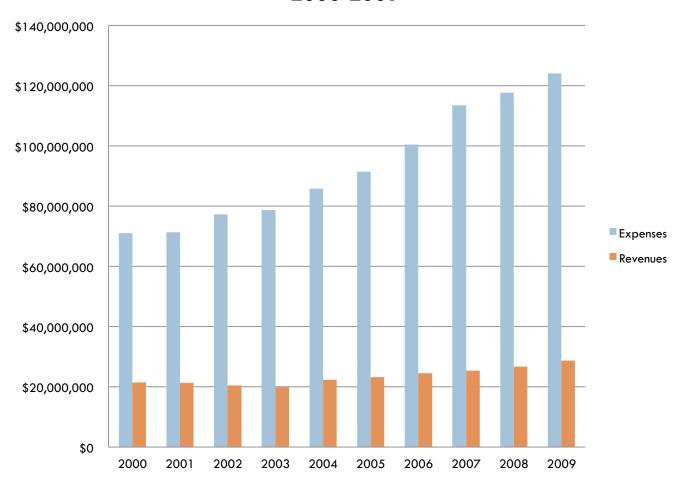




FYE 2009 Proposed FYE 2009 Enacted FYE 2009 Amended FYE 2010 Enacted

FYE 2010 Amended FYE 2011 Enacted FYE 2011 Amended FYE 2012 Enacted

## Niagara Frontier, Expenses and Revenues, 2000-2009



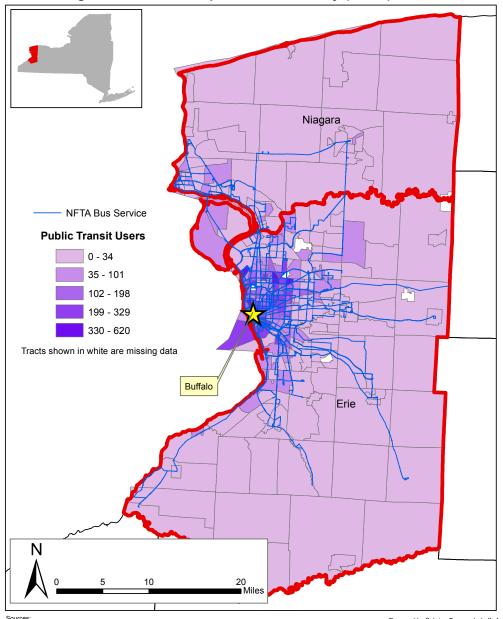
Source: TSTC Analysis, 2012

#### Address Consumer Choice

"You could spend billions of dollars expanding the light rail system in Buffalo and build something completely state-of-the-art — but because Buffalo already offers extremely short commute times (because of its population loss), it would be a waste of resources and nobody would use it."

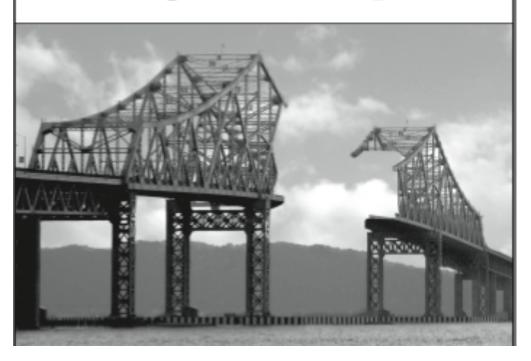
--Nate Silver, New York Times

Public Transit Users by Census Tract
Buffalo -- Niagara Frontier Transportation Authority (NFTA) Bus Service Area



#### Light Rail Vs. BRT?

# Why spend \$5 billion on a new Tappan Zee if it's missing a crucial piece?



# Getting the Money



#### Counter Arguments Welcome!

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