

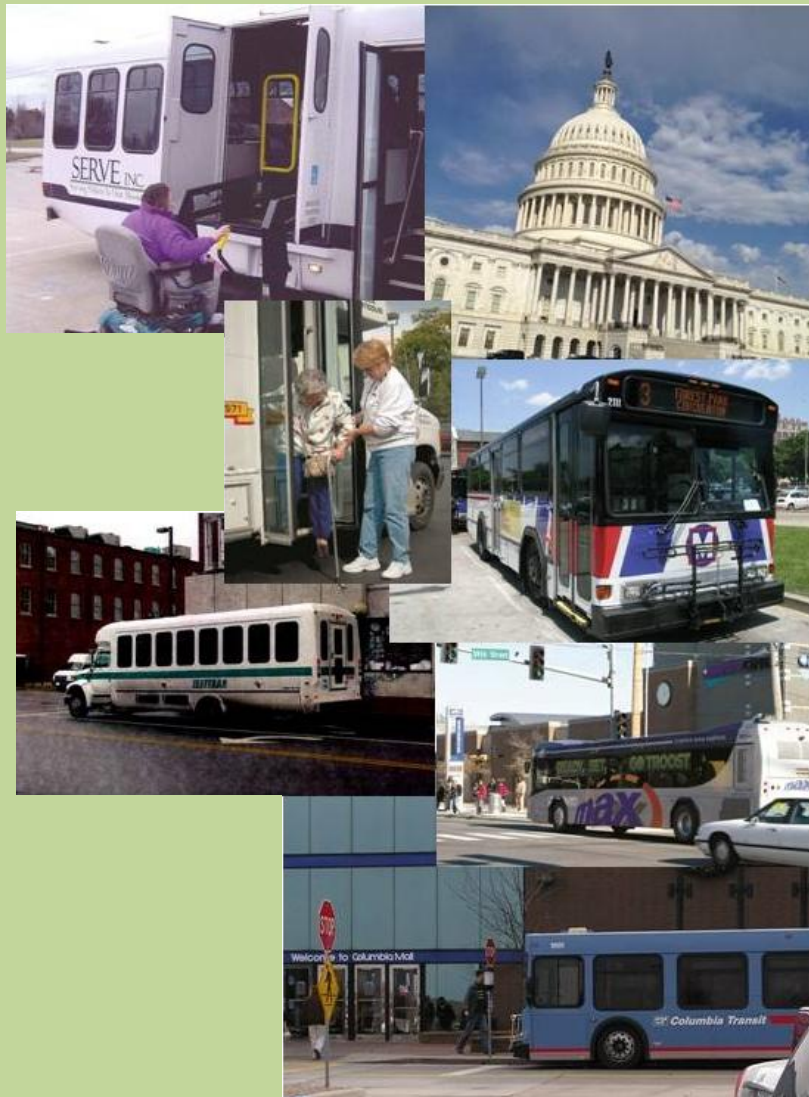
Missouri Public Transit Association

October 2013

Missouri's Public Transportation System

The Case for Investment

A strong case can be made for investing in public transportation. Every dollar spent on public transportation generates four dollars in direct return on investment in economic activity. Public transportation also improves mobility, increases economic growth, decreases unemployment, improves environmental quality and allows people to remain independent longer.



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Missouri's Public Transportation System

The Case for Investment



While a majority of all trips in Missouri are made by private automobile, public transit is rarely credited for the vital role that it plays in reducing congestion and providing mobility for the state's urban and sub-urban population. Public transit has become a necessity for a large segment of the state's workforce, elderly and lower-income populations. Public transit in Missouri provides over 78 million trips per year.

- Fact** For every \$1 invested in public transportation, \$4 is generated in economic returns.¹
- Fact** Every \$10 million in capital investment in public transportation yields \$30 million in increased business sales, and every \$10 million in operating investment in public transportation yields \$32 million in increased business sales.²
- Fact** Businesses located next to public transit ways have a more reliable employee base and better access to labor pools.
- Fact** For every \$1 billion invested in public transportation supports and creates 36,000 jobs.³
- Fact** Each year, an individual can achieve an average annual savings of more than \$10,000 by taking public transportation instead of driving and by living with one less car.⁴
- Fact** Transit use has increased nationally faster than any other mode of transportation. It increased 34% between 1995-2011.⁵
- Fact** Residential, commercial or business real estate parcels served by public transportation are valued more highly than similar properties not located near transit.
- Fact** The American public supports increased funding for public transportation. Year-to-date 2012, nine states had 39 measures with an 85% success rate.⁶

Why Now?

Now is the opportune time to invest in transit. The current economy has lowered the cost of capital investment in infrastructure and equipment needed to expand transit service. In addition, there is increasing desire on the part of the public to improve transportation services in cities across the United States. In many communities, there is manifest opportunity for new investments, created by a historic lack of funding and the resulting aging public transportation infrastructure.

The Missouri Public Transit Association supports a comprehensive, multi-modal transportation funding solution that provides an adequate, dedicated, predictable and growing source of funding.

"St. Louis Metro continues to expand its world class light rail system; OATS provided over 1.6 million trips in 2010; Kansas City's MAX Bus Rapid Transit system has been nationally recognized; and advanced technology is being integrated into the operations of both rural and urban transit providers to enhance public information and improve efficiency."

– Mark Huffer, MPTA President

Where Missouri Stands Today...

A Priority Issue

State funding is necessary to maintain and expand transit service across Missouri. Local funding has hit a ceiling in many areas of the state, and in order to leverage federal dollars, the state will need to step up. In 2010 St. Louis County voters approved a 1/2 cent sales tax that now yields some \$70 million for transit operations and expansion. Approval of the County tax triggered a voter-approved 1/4 cent sales tax in the City of St. Louis. The City tax generates an additional \$8 million.

State of Missouri ranks near the bottom of the list, 45th in funding for public transit. In last year's Missouri budget, over \$3 million was slashed for statewide transit funding.⁷ Missouri lags behind at a time when nationally state and local government spending on transportation has increased by 15 percent.

The current level of state support for the public transit needs of citizens throughout the state is inadequate. In 2007, the Missouri Department of Transportation's Missouri Long Range Transportation Plan identified the need for an additional \$200 million annually to address Missouri's unmet public transit funding needs.

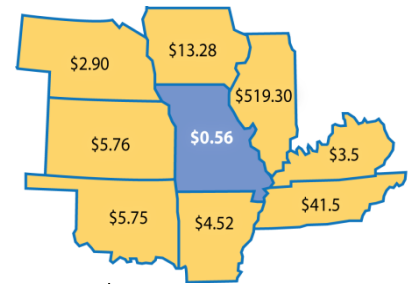
The need for improved and increased transit statewide is great. In order to summarize and address cost of need, a 10-year plan could reasonably be accomplished with substantial positive benefit to the state. It is estimated that an average of \$250 million per year over the next ten years is required to fund the plan, although not all needs would be met, and would be used to allow:

- St. Louis, Kansas City and Springfield to progress towards completing transit plans that have been developed in each community;
- Columbia, Jefferson City, Cape Girardeau, Joplin and St. Joseph to improve service, ranging from a 20% increase in service in St. Joseph to a near doubling of service in Joplin;
- Missouri's rural communities to meet the minimal needs of rural residents.

Public Transit Investment Needs – 10 – Year Annual Average Required Investment (Millions)

Large Urban Systems (3)	\$170
Small Urban Systems (5)	\$10
Rural Areas (all systems)	\$70
Statewide Total	\$250

State transit funding programs in millions of dollars



Source: National Transit Database 2009, and Missouri Department of Transportation.

68% of people 18 years of age and older have driver licenses, down from 88% in 1978¹⁵

Transit Encourages Growth...

Including Economic Growth for Missouri

Rural Area Transit Needs

By 2015, more than 15.5 million Americans 65 and older will live in communities where public transportation service is poor or non-existent. That number is expected to continue to grow rapidly as baby boomers “age in place” in exurbs and rural areas with few mobility options for those who do not drive.

Because there are fewer mobility options for residents without access to automobiles, rural public transportation needs are growing. Few rural systems offer service to employment, schools, volunteer activities or community events. Better access to medical and nutritional services is especially important to certain segments of the population like the elderly and persons with disabilities.

End Notes:

- ^{1,2,3,5,8,15}American Public Transportation Association Public Transportation Benefits: Facts, <http://www.apta.com/mediacenter/ptbenefits/Pages/FactSheet.aspx>
- ⁶Center for Transportation Excellence, <http://www.ctfe.org/elections>
- ⁷Missouri Public Transit Association, Planning for the Future of Transit, May 2012.
- ^{9,12}Center for Urban Transportation Research, University of South Florida, Relationships Between Business and Public Transportation, December 2004. <http://www.nctr.usf.edu/pdf/576-01-1.pdf>
- ^{10,13,14}Citizens for Modern Transit. Facts You Should Know About the Metro Transit System Fact Sheet. <http://moremetrolink.com/pdf/factsheet.pdf>
- ¹¹Cambridge Systematics, Inc. with Economic Development Research Group, October 1999. <http://www.apta.com/resources/reportandpublications/Documents/vary.pdf>

Although Missouri is one of the few states that provide some form of public transit in every county, in rural Missouri, the average frequency for transit service is just two days per week and many rural communities only see a scheduled public transit vehicle twice per month.

Public transit often provides the transportation needed to get workers to their first job – especially, but certainly not exclusively, in urban areas. This home-to-work transportation is often an essential element in providing Missourians with the ability to be productive, contributing members of society.

A major problem in funding public transit in Missouri is that there is no substantial and reliable source of funding. Transit must compete with all other state services for state General Revenue. On the other hand, highways have a dedicated source of revenue: the gas tax as well as motor vehicle and drivers’ license fees. While the gas tax and other funding sources have not kept pace with increases in the cost of maintenance of roads and bridges – much less the need for improvements – they are reliable and predictable sources of revenue. Revenue of a similar nature for public transportation will create economic growth for Missouri, because...

- A \$10 million investment in public transportation results in a \$30 million gain in sales for local businesses (3 times the public sector investment in transit capital).⁸
- A study on U.S. government spending and its impact on worker productivity estimated that a 10-year \$100 billion increase in public transportation spending would boost worker output by \$521 billion, compared with \$237 billion for the same spending on highways.⁹
- St. Louis University economists estimate that every dollar invested in Metro transit operations returns \$6 to the St. Louis economy.¹⁰
- Business output is positively affected by transit investment. A sustained program of transit capital investment will generate an increase of \$2 million in business output for each \$10 million. After 20 years, these benefits increase to \$31 million.¹¹
- Four in five Americans believe that increased investment in public transportation strengthens the economy, creates jobs, reduces traffic congestion and air pollution and saves energy.¹²
- People use public transit in Missouri to get to jobs. In November 2010, following the approval of a 1/2 cent sales tax, transit service cuts in St. Louis County and City were fully restored. Now 97% of all jobs in the County and City can be reached by Transit.¹³
- Transit generates growth. To date, more than \$15 billion in new development has occurred within a ten minute walk of MetroLink, with additional development in the works for many of the station areas. St. Louis families spend 23.1 percent of their household budgets on transportation, making it the second largest household expenditure after housing (24.5%).¹⁴

Mary Chubb, Metropolitan Congregations United (MCU), testified that “the state must invest more money in public transit. Ms. Chubb said there is a need for accessibility for the disabled. The expansion of transit systems help relieve burdens of heavily traveled roads and bridges.”