

Regional Transit



Essential Support for Jobs and a Strong Economy

Provided by Transit NOW www.transitnow.org 262-246-6151

Fact Sheet

Regional Transit = Jobs

Transit plays a pivotal role in our growth as a vibrant economic region and state, and our success in competing in the global marketplace for jobs, businesses, and investors.

A true regional transit authority with a dedicated funding source is needed to connect people to jobs and create new jobs by spurring development and building an environment that is vital to attracting businesses and investors.

Transit builds wealth & economic growth

Regional transit has become a top attractor for business and developers. In today's global marketplace regional transit is fundamental infrastructure. Regional transit creates competitive advantage by providing improved access and convenient, high quality affordable physical connectivity.

Businesses want high quality reliable access to labor and customers. People want easy, affordable stress-free options for getting to work, school and play. People and businesses will pay for the access which drives consumer demand that:

- Attracts businesses, jobs, investors, and federal funds.
- Spurs development that creates family supporting jobs and expands the tax base.
- Promotes local jobs and business districts as transportation dollars are invested on infrastructure and services that hire locally so families can spend locally. Milwaukee County Transit System returns \$4.72 to the community in benefits for every \$1 invested.¹
- Limits exposure to fuel prices and reduces household transportation costs. This increases household spending power allowing for home purchases and reduced foreclosures. Households with access to good transit can save 10%-20% of household income.²
- As a government body, the RTA is bound to abide by prevailing wage agreements which ensures family supporting wages.

Transit investments spur economic development that creates family supporting jobs

Across the country, transit is reaping major economic and job growth returns. As businesses and investors are attracted to areas served by transit, construction and building jobs are created to build the stations, trains, and transit infrastructure. Jobs are created to build the new municipal infrastructure, and commercial, residential, and retail developments that follow.

The ability of transit investments to leverage job creation and economic development is clearly illustrated in communities across the United States. Here are just a few examples from the National Association of Realtors³:

- Charlotte, NC, has generated **\$291 million in development around a 10-mile transit line in less than one year** since it's startup last year, with an additional \$1.6 billion announced.
- Salt Lake City invested in transit 10 years ago and has realized **\$10 billion in development.**
- Denver officials say that **8.4 million square feet of new retail, office, and government space** has been built along it's existing 35-mile rail network.
- In Dallas a study by the Center for Economic Development and Research at the University of North Texas found that the value of the projects that are **attributable to the presence of a rail station from 1999 to 2007 is \$4.26 billion.**

In SE Wisconsin, our physical proximity to the global presence of metro Chicago is an invaluable opportunity that can leverage demand for transit to reap jobs and economic rewards for the entire region and state.

The Kenosha-Racine-Milwaukee (KRM) Commuter Rail project will create a dynamic bi-state link joining the metro Milwaukee and mega metro Chicago economy, amenities, resources, and educational institutions that along with good bus connectivity will help build a vibrant globally competitive economic region.

KRM commuter Rail would provide direct **access to nearly 2 million people within 3 miles of the stations, and access to 1 million jobs within 1 mile** on the line between Milwaukee and Chicago. Local transit connections are a vital part of the jobs and economic development equation. **CONTINUED >**

Legislative Action Required in early 2010

- Without a dedicated funding source, existing transit systems will face severe service reductions and KRM Commuter Rail and other major initiatives and their jobs and economic benefits will pass us by.

A UW-Milwaukee Institute of Public Policy and Survey study found that **KRM Commuter Rail would spur job growth and economic impacts as follows:**

- Long-term development around stations that would **support and create up to 71,000 jobs. 17,500 of those jobs would not happen at all without KRM Commuter Rail.**
- **3560 jobs, and \$425 million impact on area economy** to get KRM up and running, with KRM operations/maintenance creating **126 jobs and \$24 million annual impact on economy.**
- Support planned development near KRM stations of up to **21,100 residential units, 12.13 million sq. ft. retail and office space**
- Economic impact of potential development within 1 mile of the KRM stations: support **increased in property valuation of \$7.8 billion and an increase in retail sales of \$750 million over 25 years.**
- Expanded tax base that supports government expenditures on municipal infrastructure, schools, and quality of life amenities that continue to attract more investors and economic development, and add quality of life.
- Transit is expected to increase tourism as venues and destinations are opened up to a much larger market of customers. The economic **impact from a mere 1% increase in tourism would generate annually \$20 mil. expenditures, \$12 mil. wages, 500 jobs, \$3 mil. state/local government revenue.**

Regional Transit Authorities are essential in gaining federal infrastructure dollars

Metro Milwaukee is unusual that it does not have an integrated RTA that includes buses and rail. It is broadly recognized that transit is a central foundation of a strong economy and that the economy functions across municipal and state boundaries. Job and employer connections are distinctly regional and nearly every metro region has implemented some form of regional transit planning, funding, and operation to support the economy of their cities and the livelihood of their citizens. These metro areas have been successful in attracting more federal dollars than those areas without RTA's.

The areas with RTA's are creating dynamic regional transit networks that have significantly increased job connections and urban revitalization. Those without a regional framework are struggling to maintain basic transit service, and are unable to move ahead on transit enhancements that would draw many millions in federal and private investments.

The Federal Transit Administration (FTA) looks to invest in projects that will have the greatest return for their investment and the greatest chance of coming to fruition. They prioritize integrated regional plans that have the buy-in of elected officials and the public across a region. The FTA also prioritizes areas that have a strong long-term commitment shown through a dedicated funding source to provide the local cost share.

The Obama administration has committed to significantly expanding federal transit investments.

Until an integrated RTA is created that provides dedicated funding for buses, Wisconsin will continue to let millions of dollars in federal infrastructure dollars go to other states for job-creating transit investments. Without a RTA and dedicated funding for buses, KRM Commuter Rail and other projects will not meet federal requirements and will be sidelined.

Wisconsin is falling far behind in competing for investors and economic development

Tim Sheehy, president of the Metro Milwaukee Chamber of Commerce, and other chamber presidents and business leaders, have recently stated that when attracting businesses and investors, regional transit is considered a basic infrastructure. "We can't even get to the table because of our lack of modern regional transit system."

Of the top 50 cities in U.S. just a few do not have, or are not developing, regional transit. Without good regional connections we are at a serious disadvantage in attracting and retaining business, jobs, and talent.

Scott Bernstein, president of Center For Neighborhood Technology, recently spoke in Milwaukee at a transit summit and cited a range of research data that identified poor and declining regional transit service as a key contributor to southeastern Wisconsin's declining attractiveness status when compared to other places to live and do business:

- In October 2008, Moody's Economy.com noted that Southeastern Wisconsin's key weaknesses include a lack of regional transit and good inter-city links, low economic diversity, weak migration trends, and a deteriorating housing market among other things.
- In 2008, a Price Waterhouse Coopers/ULI Emerging Trends report stated top picks for development: a focus on mixed-use and infill to build Transit Oriented Developments that maximize location efficiency, offer residents and businesses transportation choice, and capture the value of assets already present. Transit accessible property is shown to hold it's value well, even in the current economic downturn.