

Regional Transit

Essential Support for a Strong Economy & Healthy Communities

Jobs • Economic Growth • Quality of Life

Fact Sheet

October 2009

Regional Transit & Building Wealth

In September at the 8th Annual Community Development Summit in Milwaukee, national community development expert and keynote speaker **Scott Bernstein of the Center for Neighborhood Technology (CNT) in Chicago presented on the economic impacts an improved regional transit system could have on southeastern Wisconsin.**

Scott Bernstein's key points included:

- A viable regional transit network is of utmost importance for growing jobs, reducing cost of living and foreclosure risk, and promoting a thriving regional economy.
- CNT research has shown that linking housing and transportation expenses illustrates shrinking housing affordability due to increasing transportation costs. They showed that access to good transit can lower the cost of living by up to \$5,000-8,000 annually, or the equivalent of increasing income 10-20% tax-free.
- From 1999 to 2008 in SE Wisconsin incomes rose 12%. That may sound good, but at the same time:
 - Transportation costs increased 24%
 - Housing costs increased 36%
 - Gasoline increased 177%
- Transit gives people affordable commuting options and reduces exposure to fuel prices. Southeastern Wisconsin's current lack of regional transit contributes to its high exposure to fuel prices and has increased their exposure to home foreclosures, which degrades their economic base and our attractiveness to businesses and investors.

Between 1999 and 2007 in SE WI income gains were wiped out by the increases in fuel and transportation costs.

Milwaukee area households with incomes between \$20,000 and \$50,000 spend 30% of their income on housing and 27% transportation.

Transit saves household income, reduces our foreclosure risk, and keeps more dollars working in our local economy to support jobs and economic stability.

Transit supports economic growth and global competitiveness

Bernstein 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 its value well, even in the current economic downturn.
- Transit builds value and tax base by fostering compact development that leads to efficient public infrastructure and services. Transit investments catalyze major infrastructure investment that grow short-term and long term jobs and economic opportunity:
- The proposed KRM commuter line is projected to **create nearly 4000 jobs** building and operating the transit line with a **\$560 million impact on the area economy**, and **support \$7.8 billion in added property valuation** over 25 years through development near stations. This economic impact is consistent with experiences in many metro areas. (UW-Milwaukee Institute of Policy and Survey)
- Milwaukee-Racine-Kenosha has respectable population density for successful transit and Transit Oriented Development, 17th highest in the nation, just behind Denver and just ahead of Las Vegas. New York is No. 1.

Status: An RTA is Crucial in 2009

A fully integrated RTA with buses and rail is urgent in 2009 to give communities a means to invest in transit and ensure job connections, affordable and efficient commuting options, and regional transit coordination that spurs economic development.

Legislative Action Required in 2009

- **Without a dedicated funding source, existing transit systems will face severe service reductions by 2010 and KRM Commuter Rail and other major initiatives and their jobs and economic benefits will pass us by.**



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