

REINVENTING TRANSIT

A Blueprint for Investing in Regional Transportation
Authorities for Strong Gateway City Economies



EXECUTIVE SUMMARY

Leaders on Beacon Hill are presently debating transportation investments with the potential to shape the Commonwealth's physical and economic landscape for generations to come. Among a wide range of items up for consideration, enhanced regional public transportation has the potential to deliver particularly large returns. The promise of this investment in transit flows from the powerful contribution improved service could offer to Gateway City economic development efforts.

To seize the opportunity, state and local leaders must fundamentally reconsider the role of public transportation in Gateway Cities and their regions. *Reinventing Transit* provides fodder for discussion at a series of forums that MassINC is hosting with partners across the state. This concept paper outlines the economic development opportunity, reviews proposals for capitalizing RTAs, and presents ideas for re-envisioning the delivery of public transit in Gateway Cities.

Rebuilding Gateway City Economies

Research shows that the decentralization of jobs has been strong in Massachusetts and continues at a particularly fast pace in Gateway City regions. This job sprawl, combined with inadequate public transit service, means that Gateway residents dependent on public transit have difficulty accessing jobs. On average, their labor force participation rates are 2.5 percentage points below that of Massachusetts overall. Labor participation rates are especially low in Gateway Cities outside Greater Boston and the core MBTA service area. If all Gateway City residents engaged in the labor force at the statewide rate, Massachusetts would be home to nearly 50,000 more workers.

Three pieces of evidence suggest that expanded public transit service would lead to higher rates of labor force par-

ticipation in Gateway Cities: First, longitudinal data show that enhancing RTA service leads to directly proportional expansions in ridership. Second, cross-sectional data reveal a strong positive relationship between the share of Gateway City workers riding public transit and the share of residents actively engaged in the labor force. Third, rigorous research on midsize cities in the US shows that metros with strong public transit service have higher population and employment growth and lower growth in public assistance and unemployment. Particularly compelling, this research suggests that better public transit would give Gateway City youth more opportunities to get jobs and gain early work experience, leading to earnings gains that persist as they move into adulthood.

Another key rationale for long-term investments in regional transit is the role these services play in expanding the supply of housing. The state's restricted housing supply is perhaps the most significant constraint on job creation. Massachusetts residents are increasingly amenable to city living, largely due to the cost savings provided by walkable urban neighborhoods. However, because the current public transportation service in Gateway Cities is inadequate, relatively low Gateway City housing costs are offset by the high cost of commuting to jobs from these locations in private vehicles. Providing strong RTAs in concert with commuter rail service increases the residential potential of Gateway Cities and their ability to provide a reservoir of new housing opportunity as the state's economy recovers.

Capitalizing Regional Transit Authorities

Positioning regional transit authorities to serve as strong enablers of economic growth in Gateway City economies will require additional investment. RTA service has fallen substantially in recent years. Between 2002 and 2010,

the Pioneer Valley Transit Authority and the South Coast Regional Transit Authority cut service by nearly 20 percent, the Worcester Regional Transit Authority eliminated nearly one-quarter of its service, and the Montachusett Regional Transit Authority halved its fixed route operations.

Restoring lost service is critical, but even in 2002 the service provided by many RTAs was insufficient to meet the demands of their decentralized regional economies. MassDOT's plan would remedy this challenge by providing an additional \$100 million annually in state contract assistance to the RTAs (a 140 percent increase over FY13 levels), along with \$400 million in capital funding over 10 years to add new buses, replace older vehicles, and upgrade equipment and facilities.

MassDOT and the RTAs are working to implement reforms to ensure that these taxpayer dollars will be utilized as efficiently as possible. This work is the outgrowth of an independent review of MassDOT and RTA governance and service delivery conducted by Nelson\Nygaard in 2011. The reforms fall into three primary categories: 1) Improving RTA coordination with MassDOT and also implementing more effective MassDOT oversight over the RTAs; 2) developing transparent measures of performance and planning for service based on expert independent analysis; and 3) implementing systems to manage assets and plan for capital needs.

For leaders evaluating investments in RTAs, it is important to recognize that the method Massachusetts chooses to generate and allocate new revenue for regional transportation service will also have implications for ensuring return on taxpayer investment. There are two distinct approaches. One is statewide revenue tied to performance, which will lead to significant upgrades in public transit in every region of the Commonwealth over a relatively short time span,

a more cohesive statewide transportation network, and stronger incentives for greater integration between MassDOT and the RTAs. Alternatively, regional transportation needs could be funded through local option taxes initiated at the regional level. Regional taxes would lessen the focus on providing equity, placing the burden on regions to determine the optimal level of investment in public transit and to shoulder the corresponding costs.

Re-Envisioning Regional Transit

Whether funding for new transit service comes from the state or from regions, it will be incumbent upon both state and local leaders to work cooperatively and seize opportunities by marketing and branding regional transit service, improving service quality, and integrating transportation and land use planning.

While attitudes toward public transit are growing more favorable, it still has an image problem among many segments of the public. The significant investment the state is contemplating for RTAs provides a unique opportunity to capture public attention and rebrand these services. Particularly if we choose to fund RTAs statewide, Massachusetts could sell the state's unique culture of public transit as an asset, and transit investments in Gateway Cities could make them more accessible places to live, work, and visit. Marketing is also important at the community level, where the RTA is a highly visible form of public architecture that reflects the values of the community and region. The design of buses, bus stations, shelters, typography, and iconography will influence not only the success of the system in terms of ridership, but also future area development.

Beyond marketing, peer-reviewed research clearly demonstrates that improving service quality is the most important factor in increasing ridership. Improvements to

the reliability, frequency, and speed of transit service can lead to sizeable ridership increases. Technology affords cities with many new opportunities to improve service quality at relatively low cost. These advances work particularly well in small and midsize cities. They include providing real-time information so that riders are better able to plan and therefore reduce their wait times, installing signal prioritization systems that give buses approaching an intersection the ability to extend a green light, and installing curb extensions (so that buses can remain in the traffic lane while riders board) or bus-only lanes along portions of a route.

In addition to improving public transportation service at a regional level, efforts need to be made to better connect transportation infrastructure and land use development by prioritizing public investment based on sound planning, as well as reforming state zoning statutes to give communities the ability to tailor growth consistent with comprehensive plans.

Key Considerations

State and local leaders pondering the funding and structure of improvements in the state's transportation system need to reinvent the RTAs and better position them to support economic growth. As decisions are made in the coming months that will likely have great influence over how public transit will shape our regions for decades into the future, five key considerations merit particular focus:

1. **Aligning oversight responsibility with the source of funding.** If future RTA funding is generated from regional sources, then regions are ultimately responsible for monitoring performance to ensure that these dollars are invested well. Alternatively, if RTAs receive a significant infusion of new revenue collected state-wide, MassDOT should bear responsibility to see that

these resources are programmed efficiently.

2. **Investing in comprehensive service planning.** Whether the state is infusing more money for regional public transit, or regions are empowered to raise funds, all RTAs should have the resources to conduct a thorough comprehensive service plan that quantifies and evaluates the opportunities for cost-effective service improvements.
3. **Providing access to transportation assets.** As investments are made to improve RTA-MBTA commuter rail connections, the state should ensure that the cost of commuter rail fares are not prohibitive for lower-wage Gateway City workers.
4. **Connecting transportation and land use planning.** Given the level of spending on transportation infrastructure under consideration, it is imperative that the state empowers localities to coordinate land use planning with transportation investment. Continuing to align other state infrastructure spending with transportation investment is also critical.
5. **Building community buy-in for the long term.** Cultivating broad-based support in each region of the state for bold investments in multi-modal transportation systems will require a long-term campaign. MassDOT, along with its partners, must develop a thoughtful strategy to continue building the culture of support for high-quality mobility options across all modes throughout the Commonwealth long after a revenue package is approved.