

A photograph of a family walking past a blue bus at a transit station. The family consists of a woman on the left, a young girl in the middle with a backpack, and a man on the right. They are all holding hands. The bus is blue with a white license plate that reads '92 13'. The background shows a transit station with other people and a building.

Assessment of Public Transit System Capital Funding in Washington State

State of Washington Joint
Transportation Committee

December 13, 2018



Purpose and Scope of Work

Data Sources

Progress to Date

Case Studies

Transit Finance 101

Next Steps



PURPOSE AND SCOPE OF WORK

PROJECT PROVISO

- The study must include:
 - An **inventory** of each agency's **vehicle fleet** and **facilities**, including state of repair;
 - The **replacement** and **expansion needs** of each agency's **vehicle fleet** and **facilities**;



PROJECT PROVISIO

- The study must also include:
 - The source of funding planned to cover the cost of bus and facilities replacement and expansion needs;
 - The amount of service that could be provided with local funds currently required for capital needs;
 - A list of potential revenue sources that agencies could access to meet capital needs.



PROJECT APPROACH

- Catalogue transit vehicle fleets and facilities to assess replacement and expansion needs for 31 agencies in the state
- Use a holistic approach to understand level of magnitude of needs
- Provide a basis for rational transit capital investment program
- Provide recommendations for potential revenue sources to address future capital needs



SCOPE OF WORK

- Work began in late October 2018 with anticipated completion in June 2019
- Tasks include:
 - **Develop summary materials** and data products based on existing data sources
 - **Conduct site visits of all 31 agencies**
 - Focus on filling gaps and updating information
 - **Develop six case studies**
 - Illustrate key themes and experience
 - Represent agencies with a range of characteristics
 - **Assess replacement and expansion needs** in the context of three scenarios
 - Status Quo, Expansion, and “Economic Distress”
 - **Identify potential revenue sources** to meet capital needs



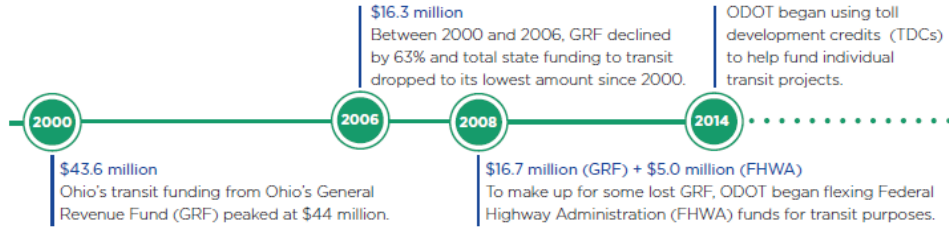
WORKGROUP INVOLVEMENT

- Workgroup representing transit agencies, legislature, WSDOT, and WSTA are involved throughout the project
- Role includes providing guidance through the life of the project, reviewing documents and deliverables, and providing valuable stakeholder input



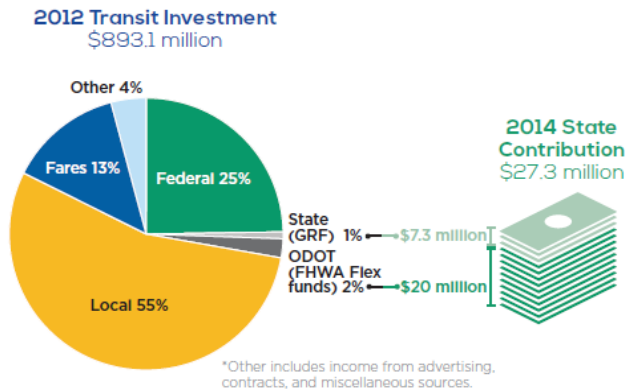
FINDINGS SNAPSHOT

OHIO PUBLIC TRANSIT FUNDING HISTORY



CURRENT FUNDING

- In 2012, Ohio's 61 public transit systems spent close to \$900 million. The state contributed 3% of that total funding (see chart at right).
- As in 2012, the state's 2014 contribution consists of:
 - \$7.3 million from GRF
 - \$20 million flexed from FHWA funds
- Ohio's \$0.63 transit spending per capita ranks among the lowest in the nation (38th out of 51), just below South Dakota.



TRENDS AFFECTING FUTURE DEMAND

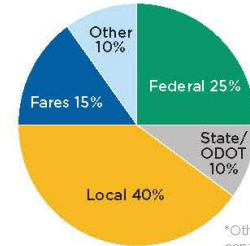


- Ohio is growing slowly. Most counties are expected to lose population.
- Ohio is getting older and poorer, especially in rural areas.
- Household composition and size are changing, with smaller households and fewer traditional households.
- Current growth is driven in part by foreign-born population, who tend to have more experience with and higher expectations for transit service.
- Millennials have a keen interest in transit, with many driving less and choosing to live in cities with robust transit options.
- While many larger urban areas are densifying, sprawling residential and commercial growth remains the predominant land use pattern in Ohio.

THE BOTTOM LINE

To meet the 2025 funding gap, total transit funding from all sources needs to approximately double (see chart).

2025 Transit Investment Goal \$1,842 million



If state funding covered **10%** of transit spending, costs would equal:

2015 CAPITAL \$37 MILLION + OPERATING \$83 MILLION = TOTAL STATE FUNDING GOAL \$120 MILLION

2025 CAPITAL \$55 MILLION + OPERATING \$130 MILLION = TOTAL STATE FUNDING GOAL \$185 MILLION

*Other includes income from advertising, contracts, and miscellaneous sources.

ODOT LEGISLATIVE BIENNIUM REQUEST (FY 2016-2017)

Moving towards this level of investment requires a longer term funding strategy. To begin, an additional **\$2.5 MILLION** GRF would be used to improve and enhance the following:



PERFORMANCE METRICS AND GUIDELINES:

Advance a performance measurement system. Provide an annual report to the Ohio Legislature on individual transit agency performance.



REGIONAL SERVICES AND ORGANIZATIONS:

Incentivize coordination between human service and public transportation. Incentivize collaboration and resource sharing of transit administrative and service functions. Grants may also support adding service in counties where there is none today.



TRANSIT TECHNOLOGY NEEDS:

Incentivize investment in technology. Offer one time grants to purchase technology systems and associated training that will increase service efficiency and effectiveness.



PUBLIC INFORMATION SYSTEMS:

Incentivize the implementation of improved passenger information systems. Offer grants for agencies to improve websites, system maps and schedules. ODOT will develop templates that support systems statewide.

ODOT SHORT TERM RECOMMENDATIONS

- Further explore TDCs and FHWA Flex Funds to address immediate vehicle backlog and capital needs.
- Provide staff and subject matter expertise for a Blue Ribbon Commission on Dedicated Funding.
- Establish a cabinet-level Human Service Transportation Coordinating Committee to examine statewide policies to encourage coordinated transportation services.
- Continue to advance the recommendations of the Transit Needs Study and maintain momentum for meeting the transportation needs of Ohioans.



DATA SOURCES



DATA SOURCES

- Available data from National Transit Database and WSDOT
 - Fleet Inventories
 - Transit Development Plans
 - Transit Asset Management Plans
 - Service area characteristics
- In-person interviews and site visits with 31 agencies



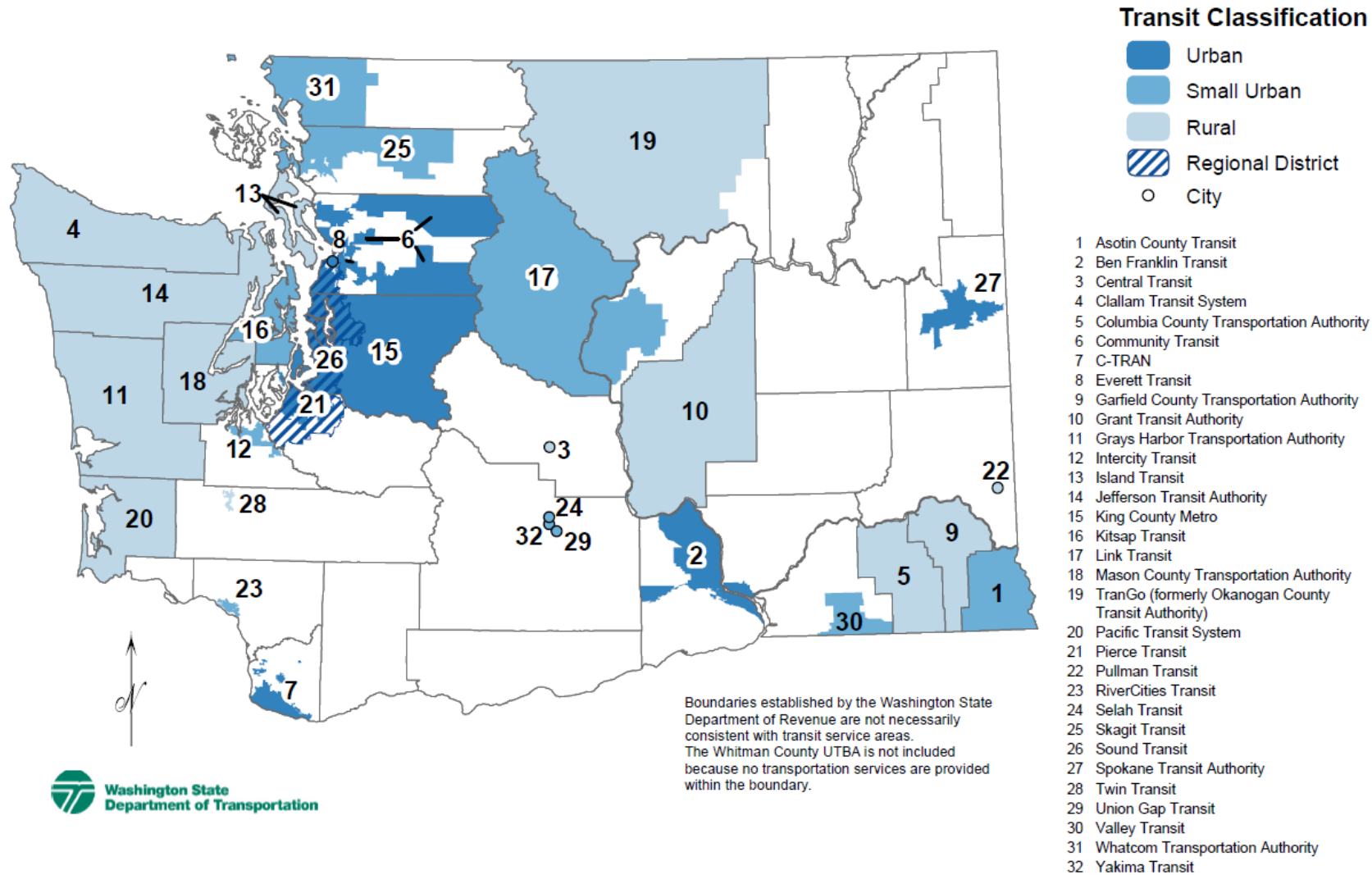


PROGRESS TO DATE

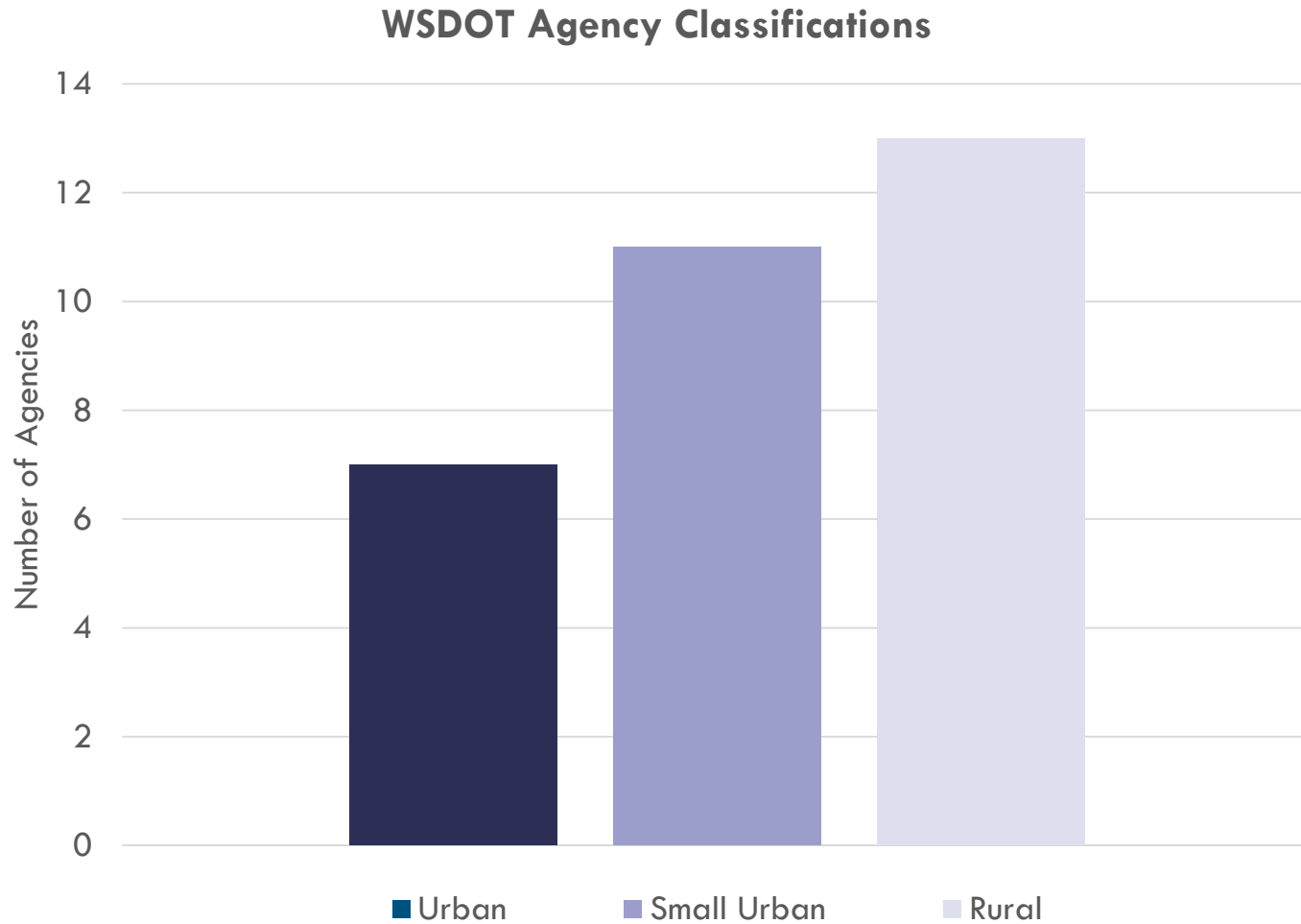


PRELIMINARY FINDINGS

Washington State's Public Transit Authorities

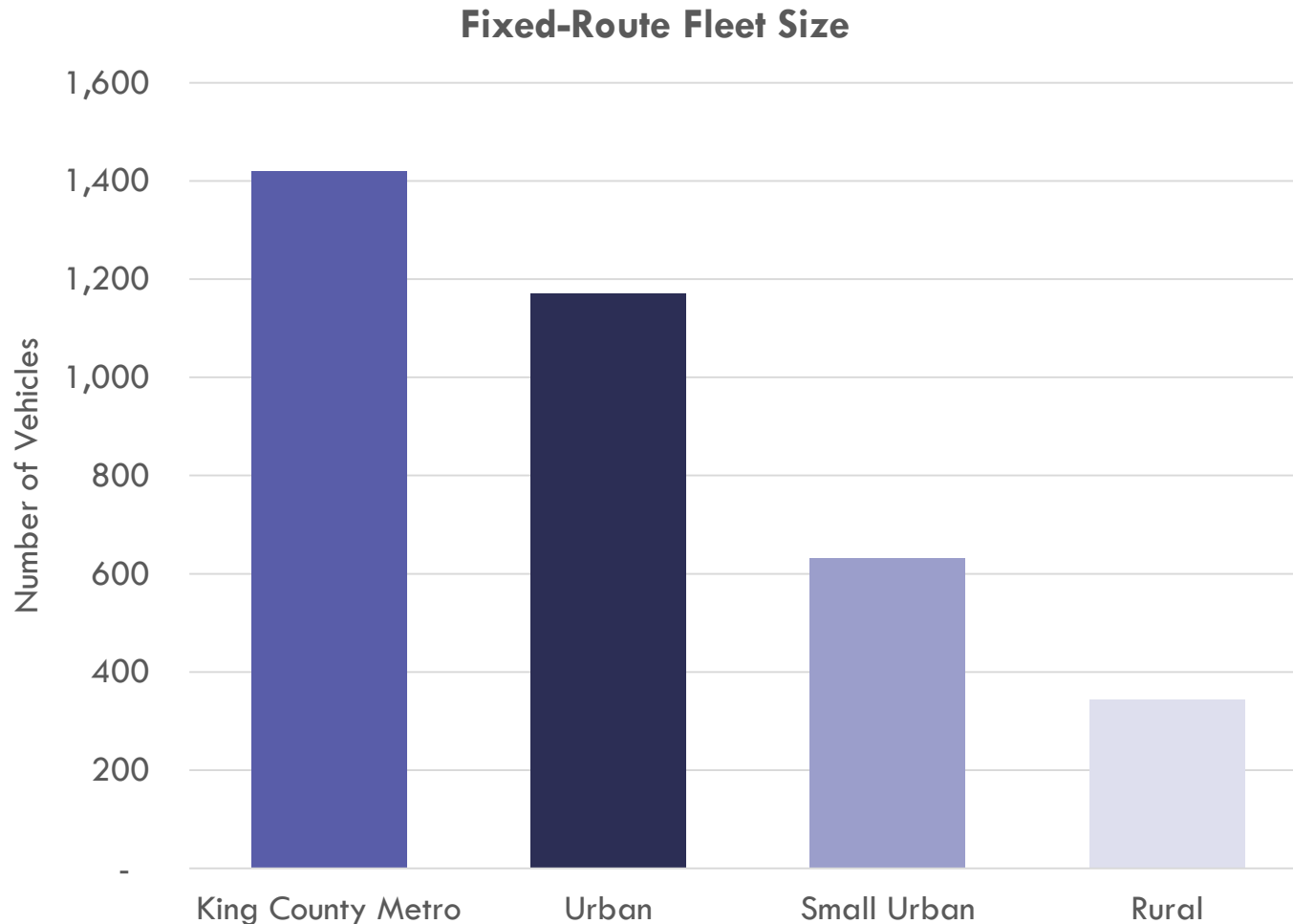


PRELIMINARY FINDINGS



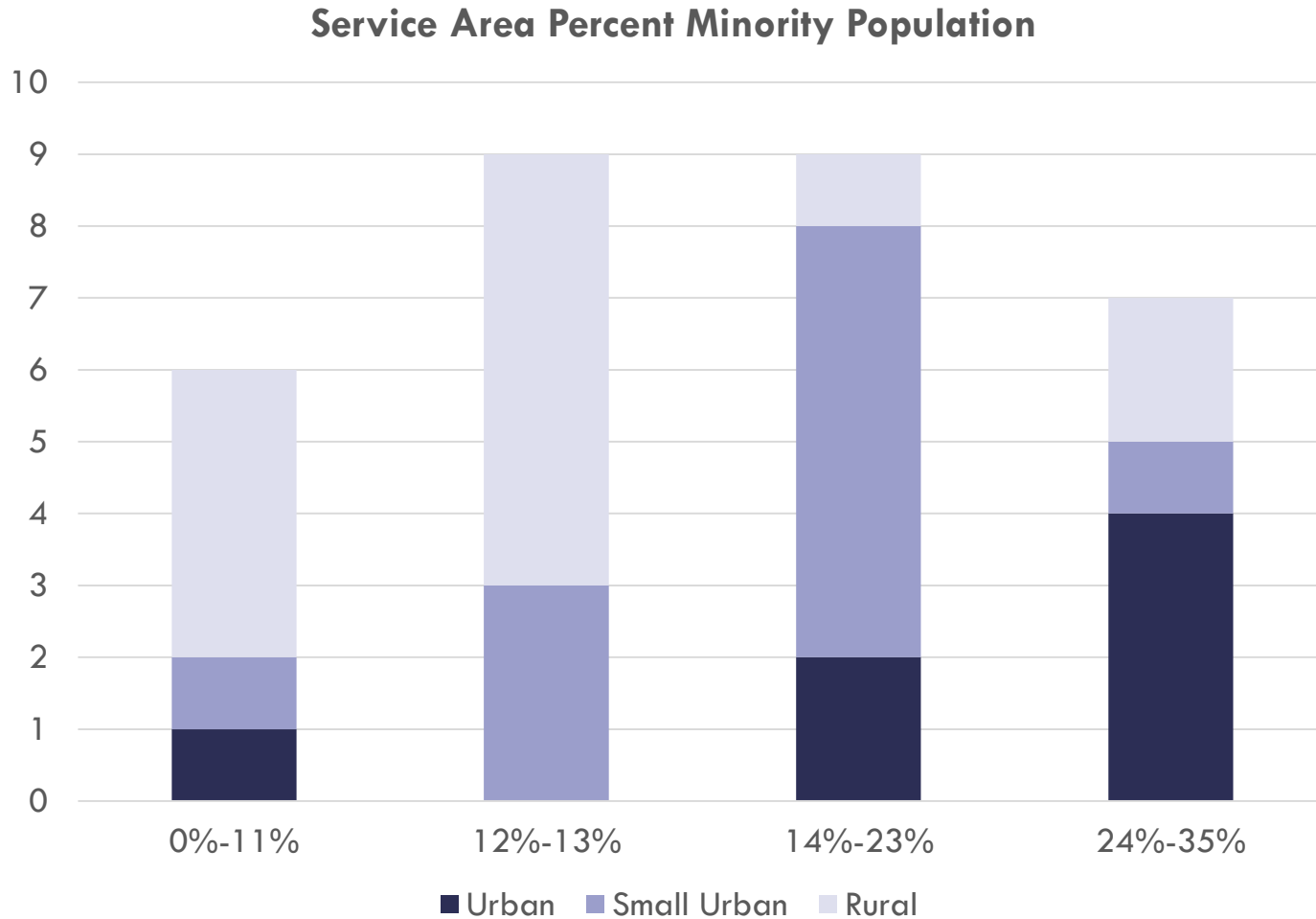
- Wide variety of agency characteristics:
 - Size of service area
 - Population of service area
 - Urban, Small Urban, Rural
 - Demographic characteristics

PRELIMINARY FINDINGS



- Urban systems generally have larger fleets
- King County Metro has a larger fleet than all other urban systems combined
- Rural systems represent 42% of the agencies but only 10% of vehicles

PERCENT MINORITY POPULATION



- Minority populations vary within agency classifications
- Unique needs exist for individual systems within these classifications
- May or may not imply different capital needs; illustrates the need to understand transit agencies beyond population and fleet size

DATA CHALLENGES

- Agencies are not uniform across characteristics
 - Must identify similarities and differences within and across agency classifications
- Different agencies have different capital needs
 - Agencies set their own definition of useful life for vehicle assets
- Site visits will help supplement data analysis in a more detailed manner





King County
METRO

226 BELLEVUE TC
4601

CHARGES IN 10 MINUTES OR LESS • INNOVATIVE TECHNOLOGY • CLEAN ENERGY • ZERO EMISSIONS

4601

All Electric Bus

CASE STUDIES

CASE STUDY PURPOSE

- Provide an in-depth look at key themes and experience
- Understand issues and challenges for agencies of different sizes and contexts
- Capture nuances not available in the data



DIVERSE AGENCIES

- **Size:** Large, Medium, Small, Very Small
- **Density:** Urban, Small Urban, Rural
- **Geography:** Western, Central, Eastern Washington
- **Funding:** Reliance on state, federal, local funding



SUGGESTED CASE STUDIES

1. Large Urban: King County Metro
2. Midsize Urban: Spokane Transit Authority
3. Small Urban: Link Transit
4. Small Urban: Whatcom Transportation Authority
5. Rural: Clallam Transit System
6. Small Rural/Reliance on State Capital Funding: TranGo



King County

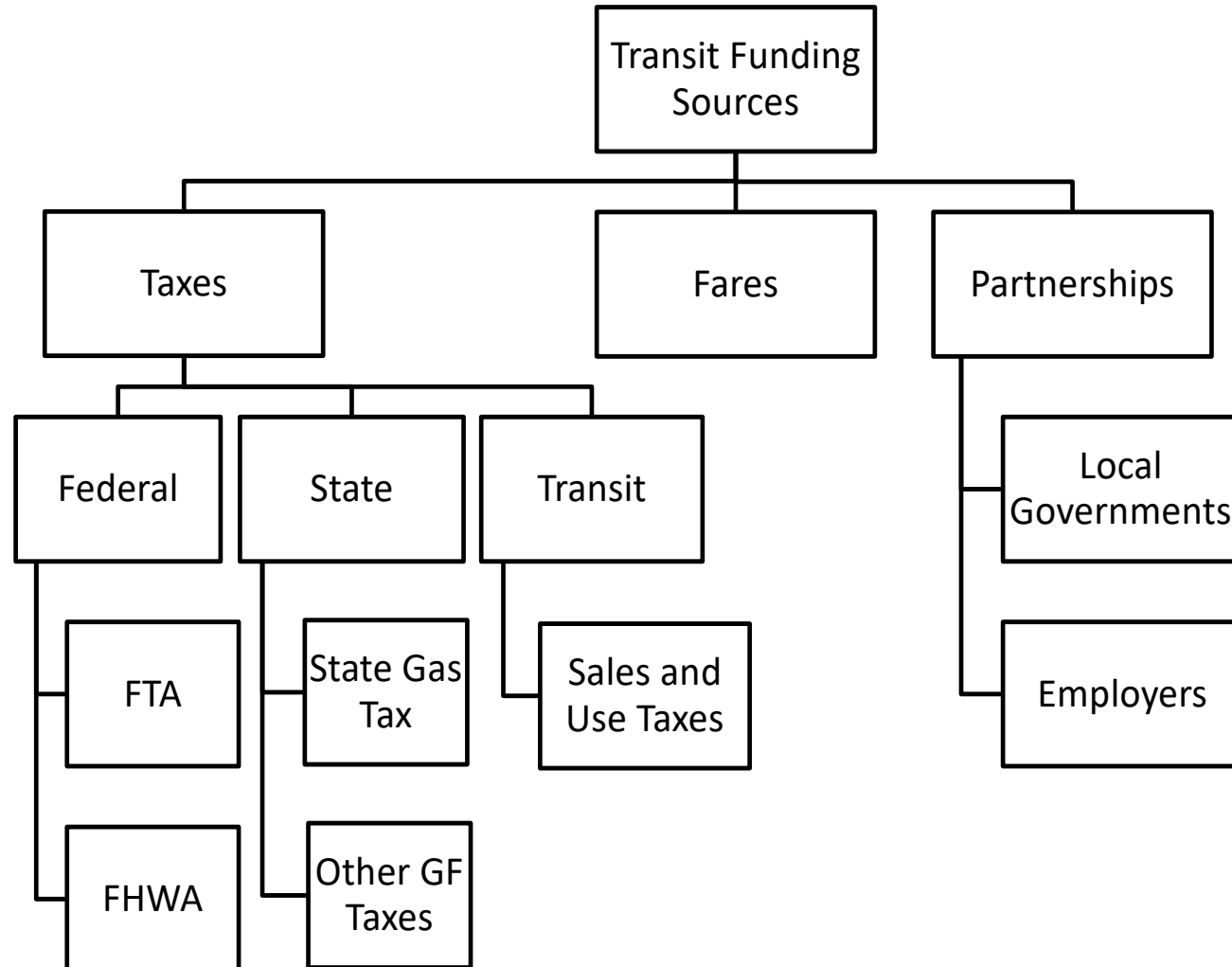




TRANSIT FINANCE 101

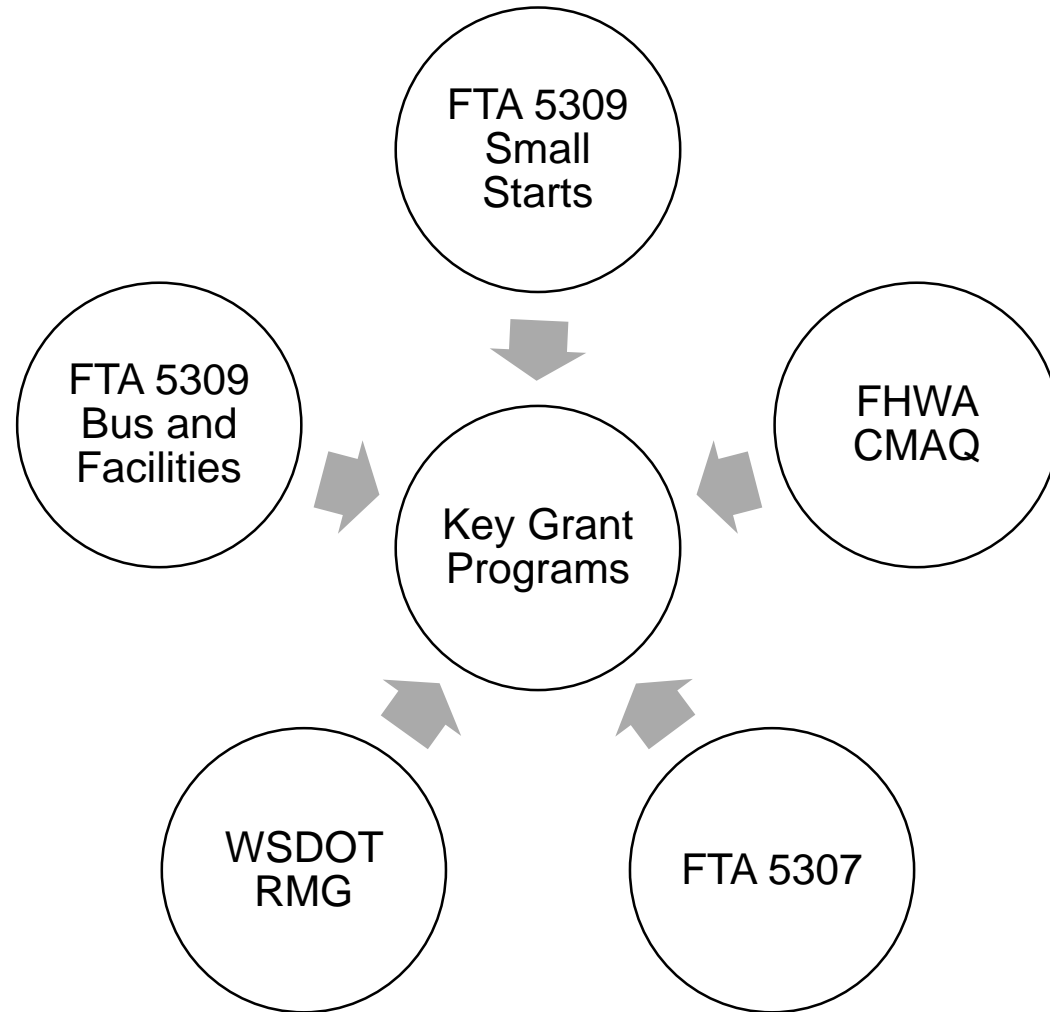


TRANSIT FUNDING



- Transit agencies draw on taxes and user fees to fund both capital and operational needs
- Tax funding can come from federal, state, and local sources
- Transit capital needs are related to:
 - Revenue vehicles
 - Systems and guideways
 - Facilities and stations
- Dedicated capital funding limited to select federal sources

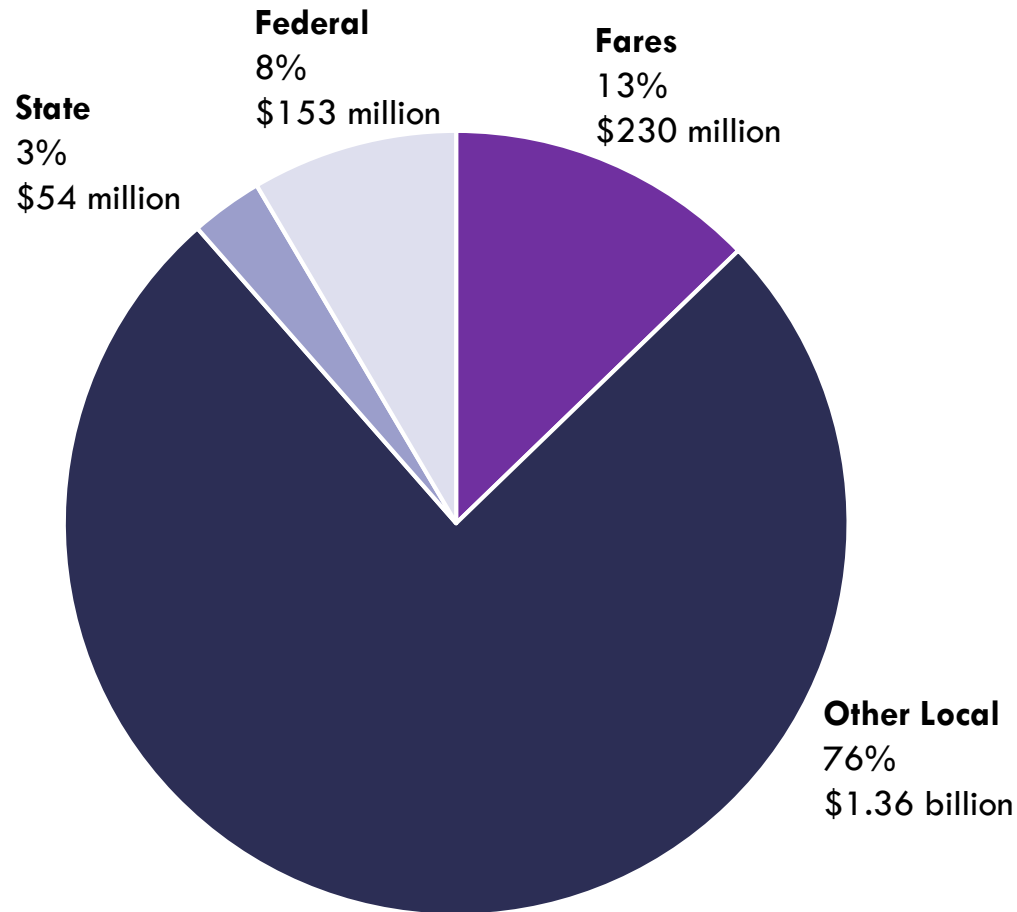
KEY GRANT PROGRAMS



- Grant awards are mostly available through federal programs
- WSDOT Regional Mobility Grants have been used to help fund

OVERALL FUNDING SOURCES

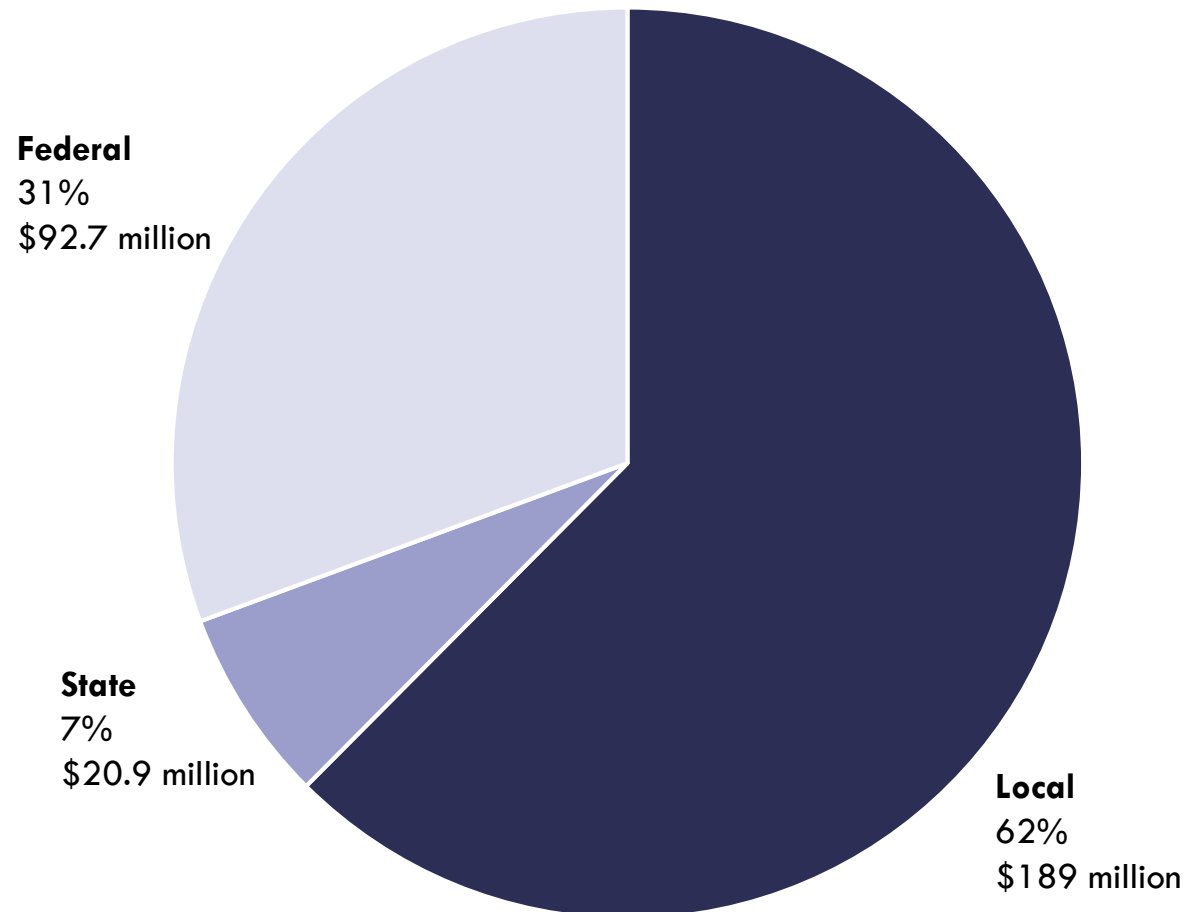
2017 Total Revenue by Source



- Overall agency revenues are primarily from Local sources
- Fare revenue accounts for more overall revenue than state and federal sources combined
- 89% of all revenue is from local sources

CAPITAL FUNDING SOURCES

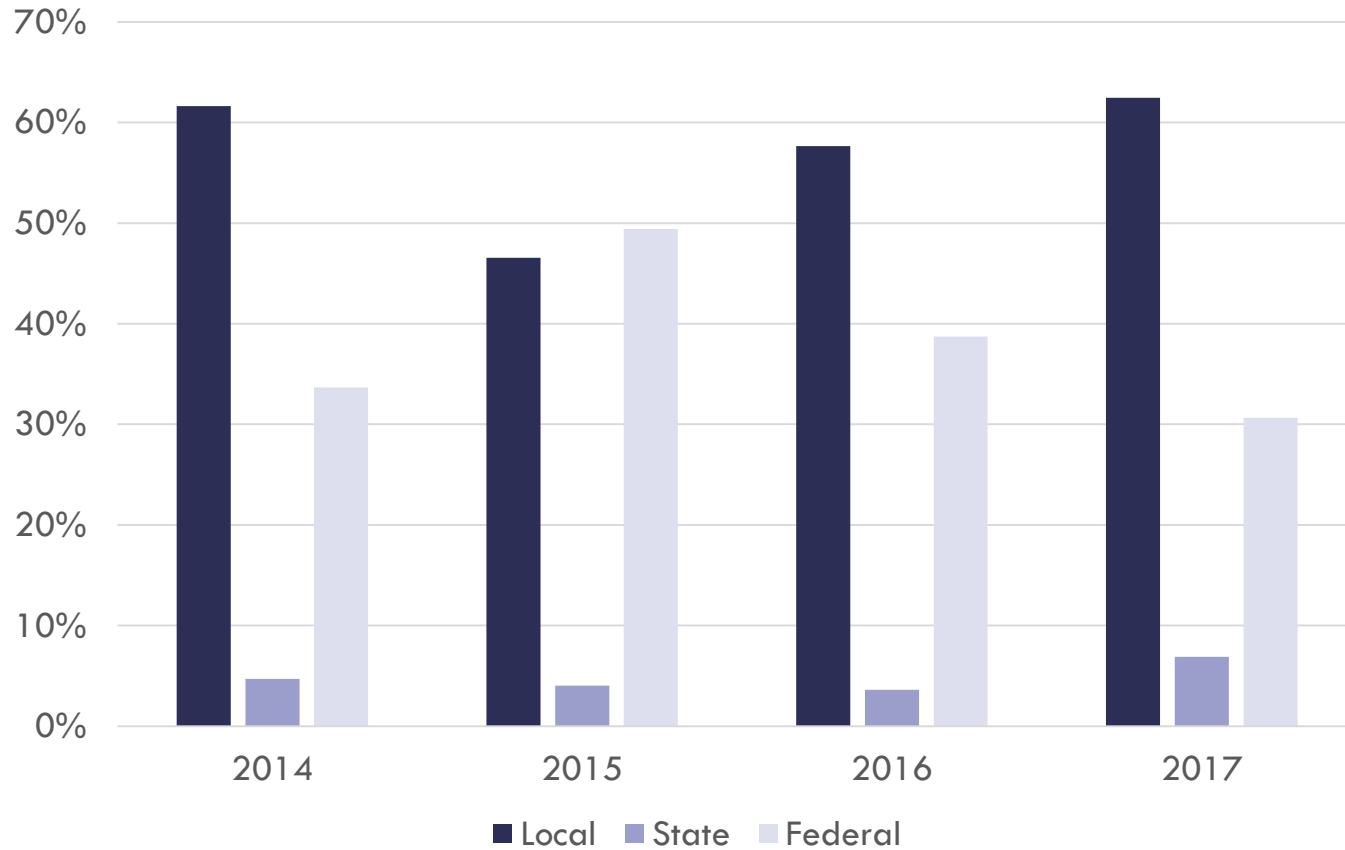
2017 Capital Improvement Funding Sources



- Primarily Local and Federal funding
- Federal funding is more significant in terms of capital expenditures
- State funding is still relatively small

CAPITAL FUNDING SOURCES

Capital Improvement Funding Sources



- Capital expenditures vary from year to year
- Primarily Local and Federal funding



NEXT STEPS

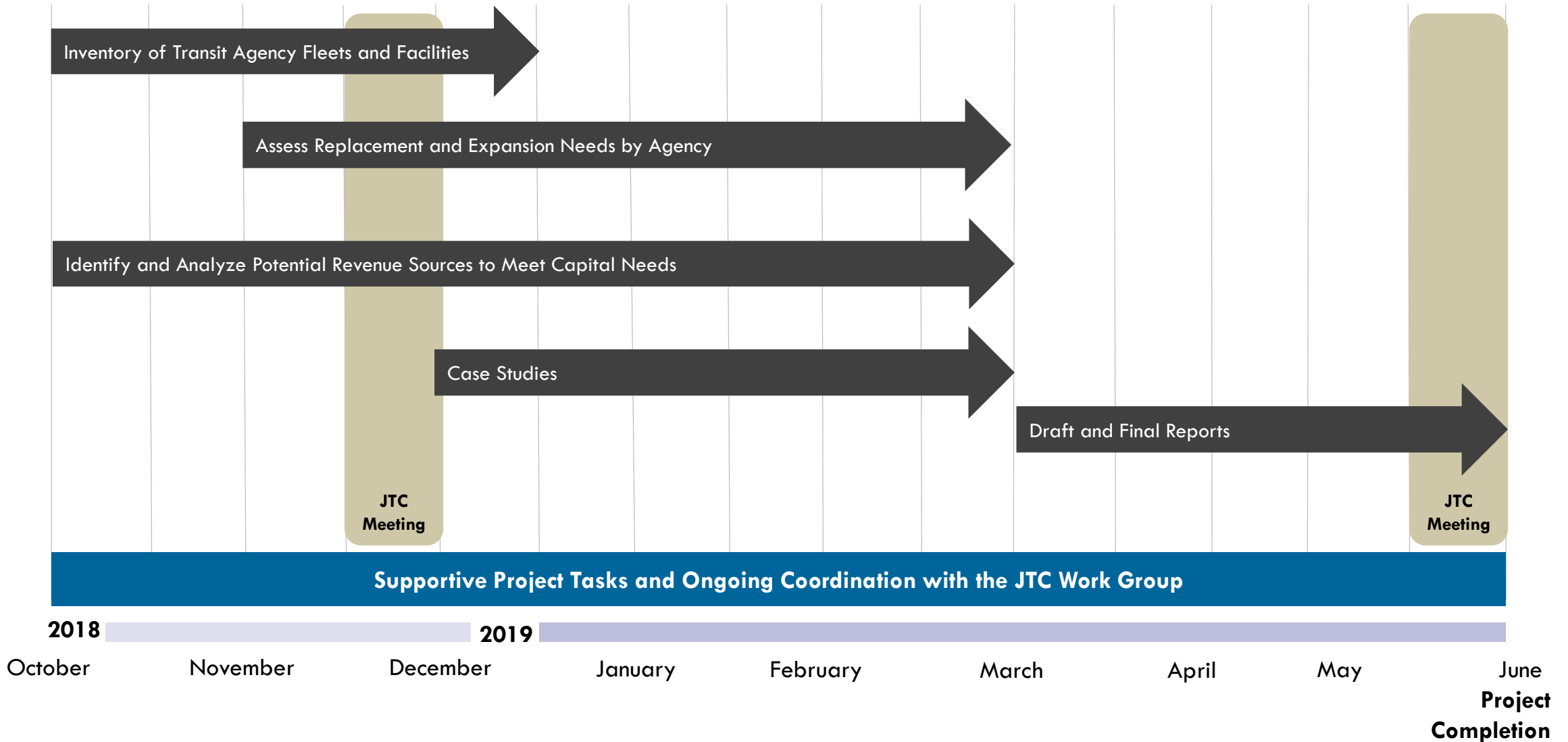


NEXT STEPS

- Continue assessing agency fleet and facility inventories
- Assess replacement and expansion needs
- Begin case studies and financial analysis
- Prepare for agency interviews



PROJECT TIMELINE



THANK YOU!



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