

FINANCE

I. O&M most fundamental

Problem: lumpiness of public transport
highways are more like peanut butter

Need for stable, multi-year government

- A. Municipal Level
too small to encompass reasonable access needs
- B. Metropolitan Level
no real governance
lumpiness of service
power of labor
- C. State Level
real government structure
lumpiness of public transport
need for coalition
- D. Federal Level
O&M provided under Nixon
population/population density formula cap
distribution based on:
 - taxpayer effort
 - cost
 - ridership
 - fare recovery ratio
 - E&D requirements

CAPITAL FINANCE

Problem: high cost of

- vehicles
- light rail
- subway
- BRT

A. Municipal Level

not affordable

big lead time, cost for future benefit

underinvestment

CAPITAL FINANCE (cont'd)

B. Federal Level

Buy out private companies, renew fleet

HUD, 2/3 / 1/3

DOT, 80/20

Coalition (uneasy) with highways

interstate transfer (1973)

flexibility (1973)

penny for transit (1987?)

flexibility (1991)

MPO nexus of decision

Discretionary, new starts

cost effectiveness

contract authority

full funding grant agreement

PMO

earmarks

Comparison with interstate highway

Vehicles, formulas

CAPITAL FINANCE (cont'd)

C. State Level

varies

D. Metropolitan Level

varies

General Problem: lumpiness
effectiveness vs. distribution

RE-AUTHORIZATION

- A. Gas tax, capital budget, or gridlock
- B. Highways plus transit
plus disabled & elderly; O&M
- C. Matching ratios:
 - 80-20
 - 50-50
 - 30-70
- D. Desirability of uniform ratios between transit & highway
- E. Open space acquisition, housing
- F. Backlog idea

METROPOLITAN LEVEL

A. Houston

suburban sidewalks

B. Massachusetts

suburban commuter rail

disabled & elderly

gas tax/sales tax

C. Chicago

CTA

METRA

PACE

Sales tax

D. Chicago 2020

open space

housing

turnpike

MPO

highways

registration fees

user-side subsidies

parking tax