



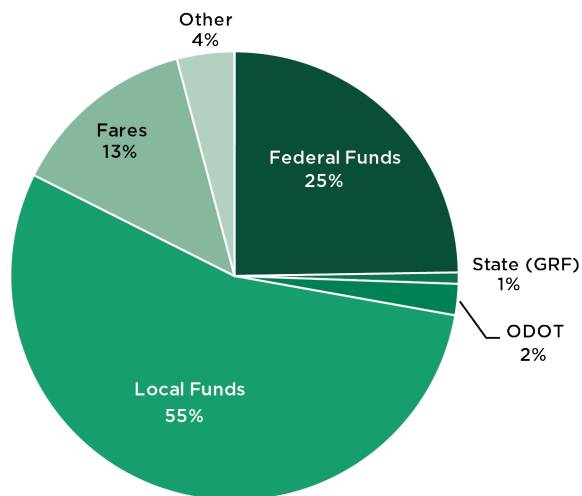
OHIO STATEWIDE TRANSIT NEEDS STUDY SUMMARY OF FINDINGS

The Ohio Statewide Transit Needs Study was tasked with quantifying Ohio's transit needs, as well as recommending programmatic and policy initiatives to strengthen the statewide transit system.

Ohio has a strong and productive transit network, with 61 public transit agencies that carry over 115 million trips a year - the 14th highest transit ridership of any state in the U.S. in 2013.

Statewide, transit agencies in Ohio spend roughly \$900 million annually providing service. Over half of the funding is raised locally through sales, business, property, and earnings taxes. A quarter of the funding comes from the federal government. The remaining 20% is raised through passenger fares, service contracts, funds provided by the State of Ohio (ODOT and the state general fund), and other miscellaneous income.

FIGURE 1 OHIO TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

GROWING NEEDS FOR TRANSIT INVESTMENT

The need and demand for transit is changing in response to both underlying demographic changes in Ohio's population and to cultural preferences. The evidence for these changes is clear through socio-economic and demographic data analyzed as part of this study, but also by state policy centers, such as the Greater Ohio Policy Center and the Scripps Gerontology Center at the University of Miami, and national research organizations, including the Urban Land Institute and the Brookings Institute. The Statewide Transit Needs Study also collected its own data, including surveys with transit riders, interviews with stakeholders and surveys with the members of the general public. Key findings from this collective analysis include:

Changing cultural preferences for transportation are evident from both younger (millennials) and older generations (baby boomers). A large portion of these populations express a desire to live in communities that are bikeable, walkable and have transit.

- Successful cities in the United States are investing in public transportation services and systems to respond to these preferences as part of their workforce retention and attraction strategies. In the Midwest, these cities include Minneapolis, Grand Rapids, Kansas City, and Madison.



Ohio's population is growing more slowly than many other states. In places where Ohio is adding people, the growth is largely attributable to foreign born populations. Most of these individuals are moving to urban areas.

- Foreign born populations tend to be experienced public transportation riders. Many expect and want public transportation services if they are going to make Ohio their permanent home.

Ohioans are getting older and poorer, especially in rural areas.

- Seniors and low income individuals will rely more on public transportation, putting more pressure on transit systems to meet this growing demand.

Health and human services are increasingly focused on serving people in their communities and encouraging people to stay in their homes.

- Implementing these programs requires a corresponding investment in transportation; this can be coordinated with public transportation services to reduce duplication of service and effort.

Ohioans travel across municipal and county boundaries to get to work but also for other reasons, such as shopping, school, and to access health care.

- These regional patterns include a need to travel between cities and suburbs as well as between rural areas.
- Ohio's transit agencies are largely organized around municipal and county boundaries. As a result, they are not always able to take people where they want and need to go.

URBAN TRANSIT SYSTEMS

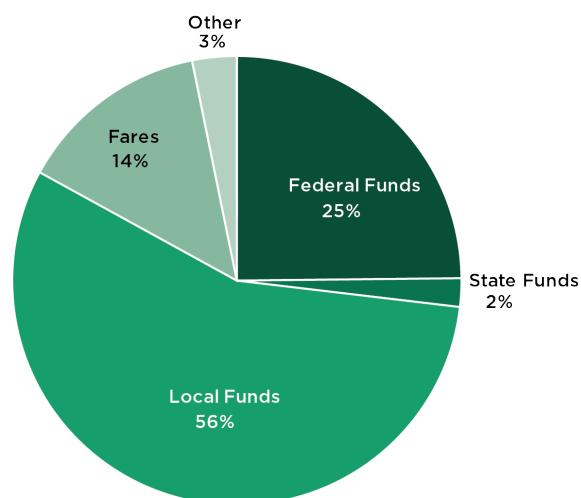
There are 27 urban transit agencies in Ohio. This network includes large transit systems operating in cities like Cleveland, Cincinnati and Columbus, as well as services in Ohio's smaller cities like Steubenville and Middletown, and suburban counties like Delaware and Medina.

The majority (96%) of Ohio's investment in transit is in its urban network. Funding for urban transit comes from a variety of sources, but local funds account for more than half of the resources. Federal funds and passenger fares also contribute significant financial resources.

There are about 2,700 vehicles (excluding rail vehicles) in the urban transit network. Nearly a third of them - or 900 - need replacing today. This backlog reflects changes in how the federal government provides funding for large investments, as well as the effects the 2008 recession had on local resources.

The analysis also shows a need for more transit service. The current system needs to provide an additional 35 million transit trips annually in 2015 to meet demand. By 2025, demand is expected to grow to 250 million annual trips. Older Ohioans will be more dependent on transit to get around, while younger, urban dwellers will choose transit over owning a car.

FIGURE 2 OHIO'S URBAN TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

The current (2015) investment needs for urban communities include:

- System Preservation.** \$274 million to replace vehicles already beyond their useful lives.[^] After the vehicle backlog is addressed, \$137 million is needed to purchase vehicles expiring in 2015 and fund others facility and infrastructure needs to maintain the existing system.
- System Expansion.** Urban systems also require roughly \$212 million to meet the unmet need. This includes operating more buses and trains for \$48 million, and a corresponding investment of \$165 million in vehicles and infrastructure.

FIGURE 3 URBAN TRANSIT INVESTMENT (ANNUALIZED, IN 2012 \$ MILLIONS)

	NEED		CURRENT/ANTICIPATED FUNDING		GAP	
	2015	2025	2015	2025	2015	2025
EXISTING SYSTEM PRESERVATION						
OPERATING	\$702.5	\$702.5	\$702.5	\$702.5	\$0.0	\$0.0
CAPITAL - NON-RAIL	\$411.0	\$98.3	\$67.8*	\$67.8*	\$343.2	\$30.5
CAPITAL - RAIL	\$0.0	\$240.0	\$0.0	\$0.0	\$0.0	\$240.0
SYSTEM EXPANSION						
OPERATING	\$47.5	\$468.8	\$0	\$0	\$47.5	\$468.8
CAPITAL	\$164.6	\$164.6	\$0	\$0	\$164.6	\$164.6
TOTAL	\$1,325.5	\$1,674.2	\$770.3	\$770.3	\$555.3	\$903.9

Note: Numbers may not add due to rounding.

Costs are shown as annualized investments to illustrate need. Investment needs are cumulative. In addition, capital project spending typically is not evenly spaced over a ten year period.

* Anticipated capital funding based on allocations rather than historical revenues to provide a known, conservative estimate of funding. Urban capital revenues have been inconsistent historically and can fluctuate widely.

[^]Total replacement need before consideration of anticipated funding in 2015.

RURAL TRANSIT SYSTEMS

Ohio's 34 rural transit agencies spend about \$38 million a year to provide service. Although this is a small portion (about 4%) of the overall transit investment, rural services operate in 35 counties and provide more than two million trips a year.

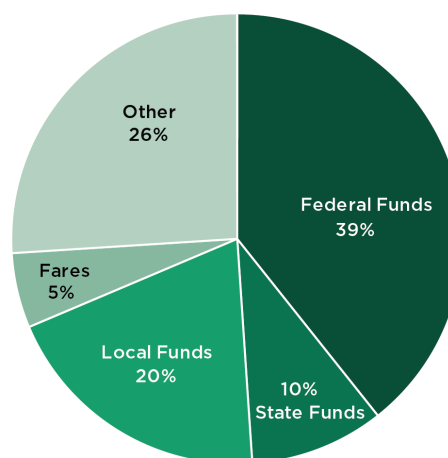
About half of existing funding for rural agencies comes from the federal government. Many rural areas also raise funds by contracting with human service agencies and other partners. Local funds, passenger fares and state funds are also important resources for the rural agencies.

There are about 550 vehicles in Ohio's rural fleet. An estimated 150 buses and vans are past their useful life and need to be replaced in the immediate term.

Rural areas also need more service. The analysis found a need for an additional one million transit trips today. By 2025, as Ohio's rural population continues to grow older and rely more on public transit, the need for service will grow to more than four million trips each year.

This estimate does not include the 27 Ohio counties that do not have any public transit service today. These communities need roughly two million trips today and are expected to need three million trips per year by 2025.

FIGURE 4 OHIO'S RURAL TRANSIT AGENCIES - SOURCES OF FUNDING (2012)



*Other includes advertising, contracts, and miscellaneous income.

The current (2015) investment needs for rural communities include:

- **System Preservation.** \$22 million to replace vehicles already beyond their useful lives, and \$11 million to purchase vehicles expiring in 2015 and fund other infrastructure needs.
- **System Expansion.** \$18 million to operate and \$11 million to purchase vehicles for additional service in areas that already have some transit.
- **New Systems.** \$48 million for transit service in the 27 counties that currently have none.

FIGURE 5 RURAL TRANSIT INVESTMENT (ANNUALIZED, IN 2012\$ MILLIONS)

	NEED		CURRENT/ANTICIPATED FUNDING		GAP	
	2015	2025	2015	2025	2015	2025
EXISTING SYSTEM PRESERVATION						
OPERATING	\$31.5	\$31.5	\$31.5	\$31.5	\$0	\$0
CAPITAL	\$33.5	\$21.4	\$5.9*	\$5.9*	\$27.6	\$15.5
SYSTEM EXPANSION						
OPERATING	\$18.2	\$37.6	\$0	\$0	\$18.2	\$37.6
CAPITAL	\$10.8	\$10.8	\$0	\$0	\$10.8	\$10.8
DEVELOP NEW SYSTEMS IN COUNTIES WITH NO SERVICE						
OPERATING	\$30.9	\$55.7	\$0	\$0	\$30.9	\$55.7
CAPITAL	\$17.0	\$17.0	\$0	\$0	\$17.0	\$17.0
TOTAL	\$142.0	\$174.0	\$37.4	\$37.4	\$95.3	\$127.4

Note: Numbers may not add due to rounding.

Costs are shown as annualized investments to illustrate need. Investment needs are cumulative. In addition, capital project spending typically is not evenly spaced over a ten year period.

* Anticipated capital funding based on historical revenues rather than allocations. Rural capital revenues have remained consistent in the recent past, and historical revenues provide a more conservative estimate of funding.

RECOMMENDATIONS

The Ohio Statewide Transit Needs Study identified a series of recommendations that will make the transit network more attractive to riders and easier to use. These include:

- **Create a performance management system** that will communicate accomplishments and benefits achieved by the individual transit systems. This data will let taxpayers know their investments are productive and worthwhile.
- **Better match service with demand** by creating more regional transit services. We know people want to travel across city and county lines and Ohio needs more of these types of transit services. As part of developing more regional services, some transit agencies will work together more closely, while others may consolidate operations.
- **Encourage transit agencies and human service programs to work together** to leverage funding and provide more service. Coordination is especially important in rural areas.
- **Engage as many partners as possible.** Encourage transit agencies to work with large employers or local universities to share costs. In some cases, transit riders may need to pay more towards the cost of their rides.
- **Invest in transit technologies** that can make running the service easier and more efficient, such as automatic vehicle location (AVL), global positioning system (GPS), automatic passenger counters (APCs) and scheduling software.
- **Improve the ways people learn about transit service** by helping transit agencies update their public information systems. This involves developing new passenger technologies, like smart phone applications, trip planners and websites, as well as ensuring system maps and schedules are also available.

BENEFITS

Investing in transit will help all Ohioans, including those who use the service and those who do not. Increased investment will:

- **Strengthen Ohio's competitive advantage.** Ohio has a tradition of strong cities with good jobs, excellent educational facilities and world class health care. These attributes make Ohio a great place to live. We also know younger generations are mobile and will move to communities where they can easily walk, bike and take transit. Other states are making investments to retain and attract talent; Ohio must do the same to remain competitive.
- **Ensure all Ohio residents have access to some public transportation.** Expanding service to areas that currently do not have public transportation would reach an estimated one million individuals.
- **Provide access to jobs, job training, health care and basic personal services.** Expanding mobility is important statewide, but especially for people living in Ohio's small towns and rural communities, and for employers needing a workforce that can get to their jobs. Transportation needs in these areas are expected to increase as their populations grow older and poorer. Investing in services now will ensure the state has infrastructure in place to support individuals, Ohio businesses and health and human service programs.
- **Increase the cost effectiveness of the existing system.** There are too many transit vehicles in Ohio that are beyond their "useful life". If these vehicles are not replaced, transit systems will become less efficient as they spend more money repairing and maintaining vehicles.

SHORT TERM APPROACH (2015-2017)

IMPROVE SYSTEM EFFICIENCY AND EFFECTIVENESS

Request an additional \$2.5 million of general revenue funds for incentive grants. Funding will be used to:

- Advance a performance measurement system. Provide an annual report to the legislature on individual transit agency performance.
- Incentivize coordination between human service and public transportation. Grants may also support extending or providing service in counties where there is none today.
- Develop regional services. Provide start-up funding for collaboration and potentially centralizing administrative functions.
- Invest in technology. One-time grants to purchase technology systems and associated training that will increase service efficiency.
- Improve passenger information systems. Provide grants for agencies to improve websites, system maps and schedules. Develop templates to support transit systems throughout the state.

PRESERVE EXISTING SYSTEM (REPLACE VEHICLES)

Use flexible FHWA funds for transit capital investment; combine with toll development credits¹ to reduce local need.

- Expand opportunities to flex Federal Highway Administration (FHWA) funds to transit. Ohio already flexes some funding, as do local metropolitan planning organizations, but there is room to do more.
- Flex \$50 million FHWA funds annually to help replace vehicles and use toll development credits for the 10% local match. Total investment = \$62.5 million.

WORK TO ADDRESS UNMET NEEDS

Address funding issue at State policy level.

- Establish a cabinet-level Human Service Transportation Coordinating Committee to examine statewide policies to encourage coordinated transportation services. Largely aimed at rural counties and systems, this committee would include, at minimum, Job and Family Services, Medicaid, Aging, and ODOT.
- Establish a Blue Ribbon Funding Committee to identify and forward a statewide dedicated public transportation funding source. This would benefit urbanized areas and also address significant rural transit needs.



¹ Federal law allows toll development credits, or excess toll revenues, to be used by states to meet the non-Federal share of a project's cost when other state highway funds are unavailable.

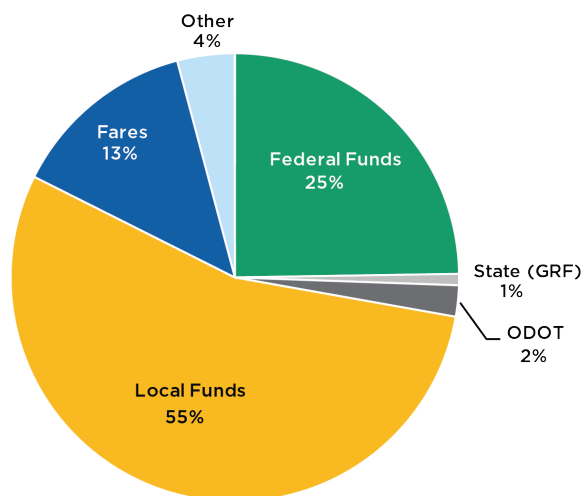
LONG TERM STRATEGIES (2018-2025)

Ohio's transit investment needs are great, but the benefits are clear. Transit investment is an integral part of Ohio's future as a vibrant, dynamic community that is attractive and affordable to all generations of Ohioans.

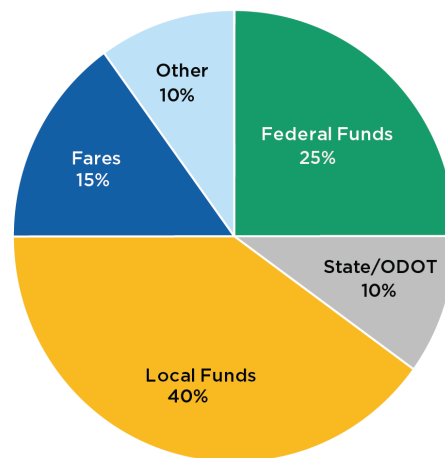
There is no simple solution to funding transit at the needed investment level. Today, communities invest nearly \$900 million with half of all funds provided locally. We know more resources are needed. All stakeholders should be working

towards doubling the amount of money invested to reach \$1.8 billion annually. Accomplishing this will require partnerships between the federal government, the State of Ohio, and local communities, along with local institutions and employers. A complete partnership also involves riders, who will be expected to pay their fair share of the service, reflecting its value to them.

2012 TRANSIT INVESTMENT = \$893 M



2025 TRANSIT INVESTMENT GOAL = \$1,842 M



*Other includes advertising, contracts, and miscellaneous income.



LONG TERM STRATEGIES (2018-2025) (CONTINUED)

In addition to working towards a funding strategy, the Ohio Statewide Transit Needs Study also recommends continuation of the policies and programs started in the Short Term Approach.

The following programs are needed to strengthen transit services, outside of financial investments:

ONGOING MONITORING AND REPORTING ON TRANSIT AGENCY PERFORMANCE AND EFFICIENCY.

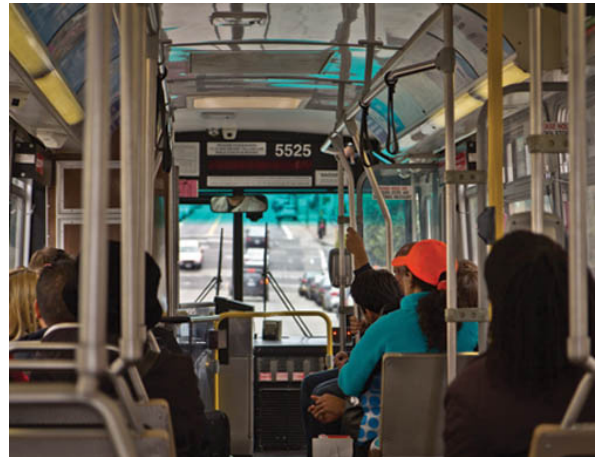
- Our goal is to strengthen taxpayer, policymaker and investor trust in the effectiveness and efficiency of our transit operators.
- Performance management will require support from all partners in terms of training and education for operators struggling to stay within range of their peers.

INCREASED COORDINATION OF PUBLIC TRANSPORTATION, HUMAN SERVICE TRANSPORTATION PROGRAMS AND AGENCIES, SO THAT INVESTMENTS WORK TOWARD A COORDINATED, STREAMLINED SYSTEM.

- Our goal is for public transit agencies and human service agencies to work together to provide and fund transportation efficiently.

MORE REGIONAL SERVICES TO BETTER ALIGN TRANSIT SERVICE DELIVERY WITH TRANSIT NEEDS, SO EVEN AS OHIO EXPANDS TRANSIT INTO NEW AREAS, THERE ARE FEWER TRANSIT AGENCIES STATEWIDE.

- Our goal is to allow people to travel to neighboring counties and regional centers.
- This will likely be achieved through a combination of increased collaboration between operators and increased shared resources among transit agencies.



INVESTMENT IN PUBLIC INFORMATION SYSTEMS AND TRANSIT TECHNOLOGIES, SO THAT OHIO'S TRANSIT SERVICES ARE EASY TO USE AND UNDERSTAND.

- Our goal is to make transit services easy to use for as many people as possible.
- This will require developing simple information systems, including technology as well as printed materials.

APPROPRIATE CAPITAL INVESTMENT IN TRANSIT VEHICLES AND TECHNOLOGIES.

- Our goal is to make Ohio's fleet safe, well maintained and modern, and support transit agencies with effective technology.
- This will be accomplished through shared investment and training.