

# TRANSIT FUNDING

MEMPHIS **DESERVES GREAT  
TRANSIT**



**Innovate Memphis**

Transit Funding Working Group White Paper | 2016

## I. INTRODUCTION

**Memphis deserves great transit.** Our ability to improve public transit will determine how well the city and county fully achieve ambitious goals for the future – whether in economic development, poverty reduction, talent retention and attraction, sustainability, or growth. It is difficult to identify another investment that can have such far-reaching impact and contribute to a vibrant civic commons that welcomes commuters, families with children, affluent professionals, high school and college students, the working poor, and everyone in between.

Today, most Memphians drive as a result of decades of policies and investment decisions that encouraged driving rather than walkable and transit-accessible communities, affordable commutes, healthier people, and poverty reductions. Putting people, place, and public transit first could have resulted in higher property values and increased business revenues.

Innovate Memphis and members of the business community convened the Transit Funding Working Group in late 2015 to identify additional annual dedicated public funding that can expand and improve transit across Memphis. The Working Group's goal is to increase transportation options and mobility for everyone, with specific focus on improving reliable transit to jobs. It seeks to increase funding by \$30 million annually, raise the bar on service and transform attitudes so that transit becomes a choice for everyone. At status quo, Memphis is falling behind. Improving and reimagining transit is one of the key decisions for Memphis' future, to increase the prosperity and health of its residents.

### *Purpose*

The purpose of this report is to provide information and build demand to increase Memphis area transit with funding that will stabilize and expand transit service. It contains a vision for Memphis (Part II), an overview of existing funding for Memphis Area Transit Authority (MATA) operations and capital (Part III-IV). Targeted new revenue options to increase transit service (Part V) will be released later. New funds will raise \$30 million to increase transit operating funding and service levels, with capital funds to support expansion with new buses, stops, and a modern fare card system. The foundation for this report is the clear understanding that funding public transit is an imperative for a successful, livable Memphis.

### *Context*

Providing the transit service needed across Memphis and Shelby County is challenging. Land use decisions over time have moved jobs, housing, education, shopping, and recreation farther from the city's central core and contributed to a mismatch between employee-rich and job-rich areas of the city. Since 1970:

- 170,000 fewer people live within the 1970 Memphis city limits, down 27 percent
- Annexation increased land area 55 percent and population only 4 percent
- Population density is down almost 50 percent
- Commute distances have grown as housing and jobs are increasingly separated
- 12 percent of jobs are in the Central Business District (CBD), ranking Memphis as one of three cities with lowest employment in its core
- Nearly 50 percent of jobs are 10 to 35 miles out, farthest from poor residents

The Memphis Area Transit Authority (MATA) has no dedicated funding source, which means its funding is unpredictable and it relies on elected officials and grant makers for money year to year. It has faced declining support, service cuts and maintenance issues in recent years. MATA operates on \$84 per capita a year, where peer cities spend as much as \$145. Too many people see transit as a choice of last resort and rarely, if ever, ride the bus: 2.2 percent of Memphians take transit to work, compared to 7.1 percent for the largest 100 U.S. metropolitan areas (as shown on the map). Memphis ranks 41 of 42 among large urban areas for transit use per capita.



Figure 1: Transit Commuting in Major Metro Areas

Transit, walking, and bicycling here can be wildly inconvenient and sometimes dangerous. Less than 8 percent of Memphis-area workers commute using transit, bikes, walking, and working from home combined, while 79 percent drive alone and 13 percent drive in carpools. In the Memphis metropolitan area, only 26 percent of jobs are accessible by transit in a 90-minute trip, ranking it 69 among the 100 largest metro areas for transit access. Only 51 percent of Memphis workers live near a transit stop, compared to 69 percent for the largest 100 metros, and our wait times are more than five minutes (or 56 percent) longer than theirs.<sup>ii</sup>

Fewer than 2 percent of bus routes run every 30

minutes or more.

The public transit deficit compounds a vicious cycle that essentially requires Memphians, regardless of their incomes, to buy cars to reach jobs and services that were once within walking distance. In turn, governments respond by investing overwhelmingly in driving. The average cost of car ownership in Memphis is \$10,817 a year including insurance, maintenance, and gas.<sup>iii</sup> For low-income households, transportation and housing eat up 63 percent of the median income. Across all incomes, housing and transportation consumes 52 percent, compared to 45 percent national livability target. Memphians will spend \$81.3 billion on their cars over 30 years, most of which flows out of the regional economy.<sup>iv</sup> Transportation choices like transit can significantly free up income for household essentials.

Affordable choices are particularly crucial in the urban core, where the number of high poverty census tracts (those with a poverty rate over 30 percent) increased from 42 to 78 between 1970 and 2010. In five census tracts, the poverty rate today is more than 60 percent. For these residents, reducing the cost of living has a similar impact as increasing incomes. Replacing a household car with transit could put \$9,000 back into the household budget.

The lack of balanced transportation options and overreliance on personal vehicles has been cited as a contributor to health disparities, economic instability, and negative environmental impact. It also contributes to absenteeism, tardiness, and unsustainable turnover when employees can't get to work.

Recent national studies show that mobile young workers are seeking cities where they can live and work without owning a car. Up to 86 percent of U.S. millennials, when choosing where to build their careers, want places to live and work car-lite and nearly half would give up a car if they could rely on transit.

Two-thirds say high quality transportation is in their top three factors when choosing a city, and companies seeking these workers are following them into cities that have walkable streets, proximity to partners and customers, and creative collaboration opportunities.

With cities in a national competition to keep and attract skilled professionals, start-up entrepreneurs, Fortune 500 companies, and tourists, good public transit is a critical asset. And Memphis does not have it. A PeopleFirst poll of Memphis millennials found that 52 percent view our lack of public transit as a serious weakness, which deters them from recommending Memphis and Shelby County to out-of-town peers. By 2020, millennials will comprise nearly 50 percent of the U.S. workforce, and 75 percent in 2030. Will they choose 901? *Better transit can help.*

Cross-sector city and regional leaders have identified transit as a key to greater prosperity. Work is already underway: the Greater Memphis Chamber Chairman's Circle "moon mission" and the Mid-South Regional Greenprint have set a priority to secure a dedicated funding source for effective and convenient transit service (Greenprint Recommended Action 3.3.4). Innovate Memphis hired a full-time project manager to improve

transportation choices. Memphis 3.0 comprehensive planning is underway. This White Paper will provide information to inform decision-making on transit as a regional priority.

Public transit is more than an optional luxury among vital city services. It is an essential economic priority for creating and filling jobs; attracting workers and tourists; improving health, quality of life and air quality; reducing the cost of living, and positively impacting the future of Memphis.

**Memphis and Shelby County regional leaders and citizens must come together around transit funding solutions.**

## II. TRANSIT VISION FOR MEMPHIS

The Transit Funding Working Group has established a vision and goals to make transit a functional, accessible travel mode to connect people to jobs and opportunities.

### *Transit Vision and Goals*

The Memphis area invests in quality public transit as its highest transportation priority. Memphians embrace safe, reliable, frequent public transit that takes us to work, school, home, shops, and common destinations.

- Implement MATA's Short Range Transit Plan by Spring 2017.
- Increase transit service with \$30 million dedicated annual local public funding, an estimated \$20 million for ongoing operating and \$10 million in capital, adding 50 percent more service hours, high frequency transit routes, and 3 million more annual rides.
- Establish a five-year prioritized capital project list that supports expanded bus service and multi-modal hubs.
- Establish customer focus that increases rider satisfaction and ridership through timely two-way communications.

### *Guiding Principles*

The Transit Funding Working Group expects Memphis Area Transit Authority to deliver excellent transit and ensure high quality, customer-centered performance with new sources of funds, according to these principles:

- ***It's Easy:*** Simple fares, free transfers, more fare media and integration with multiple modes and services.
- ***It's Fast:*** More service, more often: MATA service conforms to Short Range Transit Plan Service Design Principles (SRTP, page 4-4<sup>v</sup>).
- ***It's Close:*** Over half of Memphis residents and jobs are within walking distance of 20-minute frequency bus route by 2020.
- ***It's Equitable:*** Provide as much as 50 percent of bus service hours (excluding CBD) near residents and jobs serving lowest 30 percent of income.
- ***It's Responsive:*** Service is clean, safe, comfortable, respectful, and on-time. Customers can find route information and schedules and buy passes at convenient locations. Complaints per 100,000 boardings go down.

### *Short Range Transit Planning*

The MATA Short Range Transit Plan (SRTP), adopted by its Board in 2014, was designed to improve transit at the same cost that MATA was spending at the time. The SRTP:

Includes recommendations for a clear service hierarchy that would create a strong core set of services, or network 'backbone,' and builds the rest of the network around the core network. The option also reduces redundancies in the network, provides a clear and simple strategy for south Memphis and strengthens the north-south connections. It also recommends eliminating most service branches, straightening routes, and scheduling services according to consistent headways. By simplifying the service, the preferred alternative also creates a structure that makes it easier for MATA to expand or contract services as budgets require. (SRTP, p. ES4-5)

The SRTP is designed to increase service on popular core routes and increase ridership 15 percent, once implemented. The new structure of service includes:

- **Key Corridor Routes** (8 existing routes): seven days a week, until 11 p.m. weekdays, with buses every 15-20 minutes during peak times.
- **Emerging Key Corridor Routes** (5 routes): seven days a week, until 10 p.m. weekdays, every 20-30 minutes at peak.
- **Mainline Routes** (13): until 7 p.m. weekdays, every 30-60 minutes, with limited weekend hours.
- **Feeder Routes** (8): 6:30 a.m. to 6:30 p.m. weekdays only to job centers

- **Express Routes (4):** connect suburbs to downtown six times a day on weekdays.
- **Flex Route Demonstration Project (1):** pilot door-to-door service in Whitehaven seven days a week, 7 a.m. to 5 p.m.
- **Airport Shuttle (1):** daily every 20 minutes.

While MATA has worked to implement its SRTP incrementally, staff constraints, prioritization and budget realities have delayed significant rollout. As its completion is a critical step towards long-range planning and a healthy, sustainable transit system, MATA should proceed quickly with these long-planned route improvements.

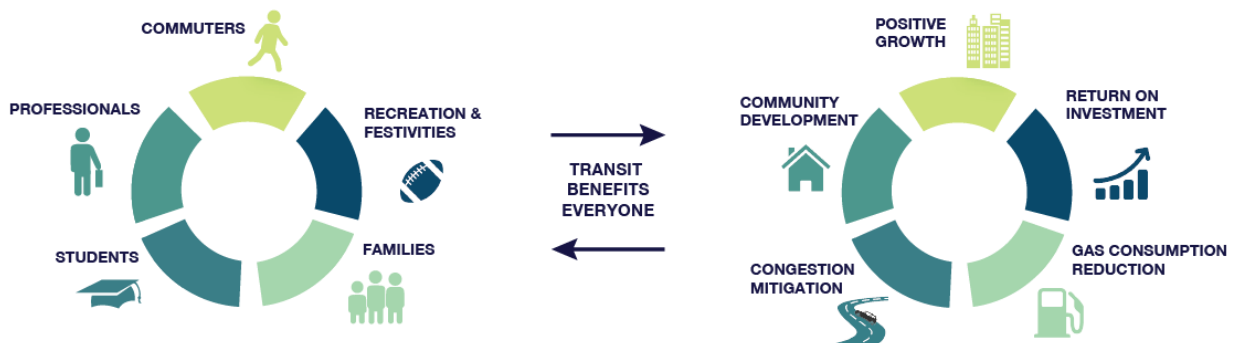
**Because the SRTP was intended to be short-term and cost-neutral, the Memphis/Shelby County area and MATA need to conduct long-range transportation planning, together with residents and businesses, to shape growth.** This is now underway with Memphis 3.0 comprehensive planning, and these short and long range plans will guide spending for the necessary new revenues outlined in Part V (to come).

MATA needs clear capital priorities, which may be funded through new dedicated funding sources, among others. These include new buses and flexible vehicles for new routes and investment in multi-modal hubs where riders can transfer along their route. It may include pedestrian investments so that passengers, including those protected by the Americans with Disabilities Act (ADA), can get to the bus. Capital spending on trolleys has vocal support as it serves as a retail and tourist amenity. This type of transit advocacy should be amplified and balanced to benefit system improvements citywide.

MATA needs to demonstrate success expanding and branding its service as well. Alongside the SRTP, MATA should use this new funding to launch one showcase express bus line with fast, frequent service by 2018 that demonstrates what Memphis transit can become. This new service, based on MATA’s Midtown transit study (called *Midtown Alternatives Analysis*) and public engagement, will span neighborhoods and demographics, connecting diverse people to jobs of all types.

### Benefits to Community

**Expanding transit service will have multiple benefits for our community.** A \$30 million annual investment would expand bus service hours by 50 percent, adding 220,000 hours and 3 million rides per year, based on MATA’s existing expense formula. Their typical cost of service would allocate \$20 million towards operating expenses and \$10 million to capital expenses, like buses and infrastructure, to provide service. This would help 10,000 new riders each weekday connect with jobs and services while increasing access and saving time for existing riders. All bus routes would run once an hour or better, compared to 17 percent of routes today, and most would run later in the evening and on weekends. New funding and new service would increase access to jobs, putting 80 percent of Memphis jobs and about 70 percent of its residents within walking distance of a bus stop.



- **Household Finances:** This investment would create and support 1,000 jobs here each year. It would add an estimated \$9,000 in annual disposable income to households that get rid of a primary car. For a household at the

poverty level, this savings adds 50 percent to disposable income. Research suggests home values near transit perform better, and people living near transit work more days a year.

- **City Economics:** Investing \$30 million in transit could generate \$120 million in economic returns. Economic benefits are from financial and time saving, increased access to jobs, reduced car crashes, new business and land use investments, and other financial benefits associated with transit.<sup>vi</sup>
- **Health & Quality of Life Benefits:** Better transit means better mobility for non-drivers, elderly, and disabled, including access to health care. Better transit improves public health from walking: transit users get three times more physical activity per day, 19 minutes compared to 6 minutes. It can reduce traffic crashes, including taking high-risk drivers off the road. It also means less chauffeuring: drivers can spend less time driving those who don't drive around.
- **Environment and Air Quality:** New ridership could save 36 million miles driven each year, taking 8,500 weekday cars out of traffic while saving 1.5 million gallons of gas and 14,000 metric tons of greenhouse gases.

**At status quo, Memphis is falling behind.** Nashville is outpacing us in population growth, and is responding with improvements in transit. Consumer demand is strong for more transportation choices: from 2004 to 2012, the US population grew 6 percent, transit use grew 14 percent, and miles driven went down 1 percent. A 2016 poll shows seven in ten Americans support increased federal funding for public transit in communities of all sizes, spanning age groups and political affiliation, with 77 percent support among ages 18-34 and 76 percent ages 65 and older. As a result, seven in ten ballot measures to fund transit passed in 2016.

### III. MEMPHIS AREA TRANSIT BUDGET SUMMARY

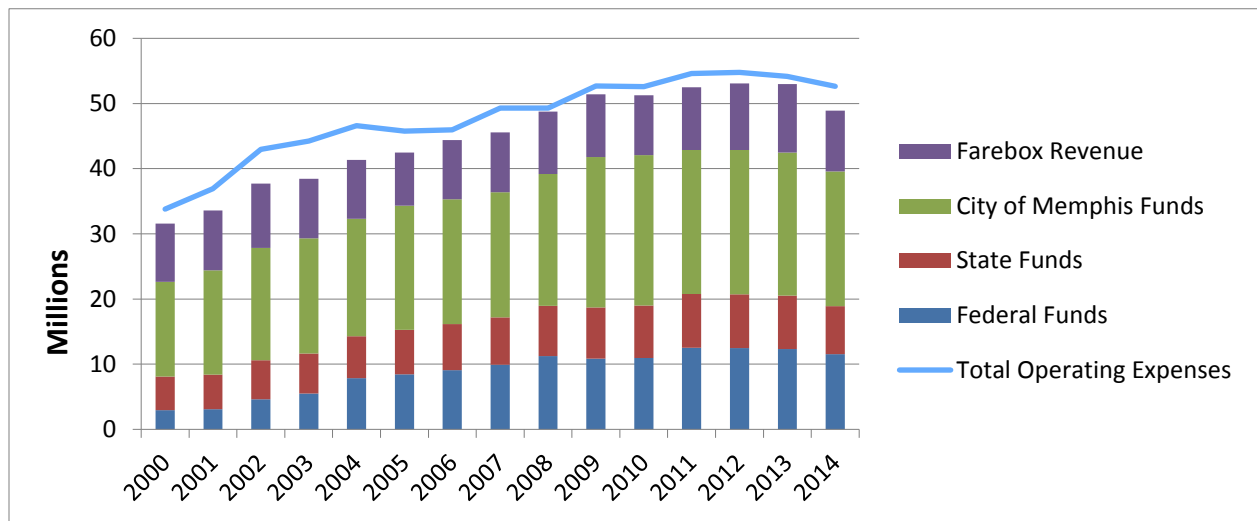
This section outlines MATA historic revenue sources and expenses since 2000. Information was provided by MATA personnel and the National Transit Database (NTD), which is a centralized, official record-keeping entity for U.S. transit agencies. MATA receives federal, state, local and fare box funding for operating expenses and capital expenses.

#### Operating Expenses and Revenue

Since 2000, MATA’s transit operating expenses – including operator salaries, maintenance, and administrative costs – have grown 70 percent, from about \$33 million to \$58 million in 2015.

This is due largely to increases in labor and fuel costs. While costs have risen and demand for transit remained stable, funding for operations from federal, state, and local sources has failed to keep pace. As a result, service coverage has decreased as MATA has not obtained funding to maintain, let alone increase, levels of service. In fact, revenues often fall short of expenses and MATA has used capital funds to cover maintenance needs.

F1. MATA Operating Expenses and Revenue Sources



**Federal:** Federal funds distributed through the U.S. Department of Transportation’s (USDOT) Federal Transit Administration (FTA) make up about 20 percent of MATA’s operating funds. While most federal operating funds are allocated based on fixed formulas (typically based on population and ridership), MATA has also received discretionary and competitive grant funding from programs like Congestion Mitigation and Air Quality (CMAQ). However, both “formula” funds and discretionary programs have strict eligibility requirements that limit their use. CMAQ grants, for example, may only be used to fund major transit expansion operations for the first three years, after which the service must be funded through an alternate source.

Additionally, federal funding levels have not risen substantially since 2008 until the December 2015 passage of the US Fixing America’s Surface Transportation (FAST) Act. FAST Act allocations to transit agencies were set by federal agency rulemaking in 2016.

**State:** State of Tennessee transit operating funds, distributed through the Tennessee Department of Transportation (TDOT), provide \$7.4 million, about 15 percent of MATA’s operating budget, and have remained relatively stagnant. While TDOT budgeted \$1,840 million in fiscal 2015-2016, Memphis transit represents 0.4 percent of these investments. TDOT’s funding for transit per capita is in the bottom third among state DOTs. State funds are allocated by formula as well and require 50 percent local match, typically covered by local fare box revenue.



**Local:** The Memphis City Council authorizes funding for MATA operations in the city’s operating budget each year, which accounts for 40 percent of MATA’s budget. This comes from the city’s general fund (primarily from property taxes) and rose 20.8 percent from 2005 to 2015, while the national inflation rate was 21.4 percent over this time. The City’s contribution, adjusted for inflation, had been flat until 2016, when it was increased by \$2.5 million.

**Fare Box:** Fare box revenue has shown a small increase, rising 17 percent from about \$8.9 million annually in 2000 to about \$10.4 million in 2013 before declining again. This can be attributed to a rate increase rather than ridership increase and is a decrease when adjusted for inflation.

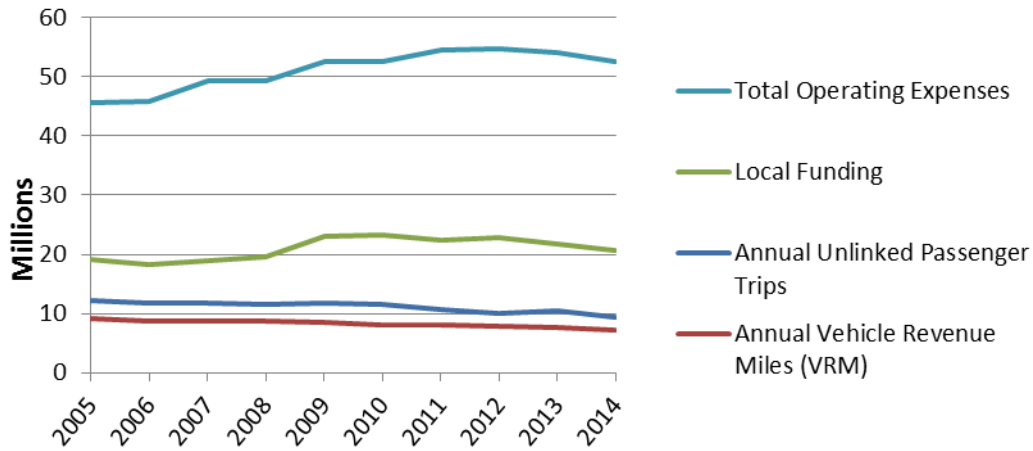
### Linking Operating Funding to Ridership

T1. MATA Sources of Operating Funding (dollars in thousands)

Fiscal Year	Federal Funds	% Total	State Funds	% Total	City of Memphis Funds	% Total	Farebox Revenue	% Total	Other Sources	% Total	Total Operating Expenses
2000	\$2,942	9%	\$5,182	15%	\$14,500	43%	\$8,940	26%	\$2,233	7%	\$33,797
2001	3,103	8%	5,285	14%	16,000	43%	9,189	25%	3,333	9%	36,910
2002	4,598	11%	6,016	14%	17,250	40%	9,858	23%	5,233	12%	42,956
2003	5,513	12%	6,140	14%	17,650	40%	9,127	21%	5,818	13%	44,248
2004	7,855	17%	6,432	14%	18,000	39%	9,083	19%	5,244	11%	46,614
2005	8,467	19%	6,808	15%	19,030	42%	8,163	18%	3,274	7%	45,742
2006	9,106	20%	7,027	15%	19,180	42%	9,097	20%	1,539	3%	45,949
2007	9,933	20%	7,259	15%	19,180	39%	9,215	19%	3,692	7%	49,279
2008	11,249	23%	7,708	16%	20,207	41%	9,600	19%	542	1%	49,306
2009	10,855	21%	7,838	15%	23,120	44%	9,616	18%	1,245	2%	52,673
2010	10,968	21%	8,037	15%	23,080	44%	9,180	17%	1,310	2%	52,574
2011	12,545	23%	8,233	15%	22,080	40%	9,648	18%	2,081	4%	54,588
2012	12,491	23%	8,213	15%	22,180	40%	10,210	19%	1,682	3%	54,777
2013	12,339	23%	8,194	15%	21,930	40%	10,498	19%	1,209	2%	54,170
2014	11,541	22%	7,367	14%	20,690	39%	9,330	18%	3,697	7%	52,625
2015	11,538	20%	7,389	13%	22,990	39%	8,301	14%	8,516	14%	58,735

MATA has faced relatively flat state and local operating funding since 2005 and growing expenses and liabilities, resulting in service cuts – both in route coverage and hours of operation – and thus declining ridership. MATA’s vehicle revenue miles (VRM), or miles during which transit vehicles carry passengers, decreased from 9.2 million miles in 2005 to 7.1 million miles in 2014 (23 percent). VRM is a simple measure of how much bus service is offered. During that period, MATA ridership decreased from 12.1 million unlinked passenger trips (one trip on one vehicle) to about 9.3 million (23 percent). The number of passengers per vehicle revenue mile has thus remained constant, averaging 1.3 to 1.4 in this time.

F2. Revenues and Ridership



Local data and national studies show that transit service and route cuts resulting from budget shortfalls force riders to seek other options or avoid trips altogether.<sup>vii</sup> Conversely, it can be expected, based on research, that increasing service will increase ridership.

### Capital Expenses and Revenue

T4. MATA Capital Funding Source (Dollars in thousands)

Fiscal Year	Federal Funds	%	State Funds	%	Local Funds	%	TOTAL
2000	\$20,588	83%	\$2,129	9%	\$2,228	9%	\$24,944
2001	\$9,855	87%	\$646	6%	\$815	7%	\$11,316
2002	\$18,414	79%	\$2,406	10%	\$2,355	10%	\$23,175
2003	\$35,010	80%	\$4,376	10%	\$4,376	10%	\$43,762
2004	\$15,572	80%	\$1,912	10%	\$2,074	11%	\$19,557
2005	\$4,219	80%	\$537	10%	\$537	10%	\$5,293
2006	\$6,501	80%	\$775	10%	\$867	11%	\$8,143
2007	\$1,940	79%	\$255	10%	\$255	10%	\$2,451
2008	\$4,385	80%	\$515	9%	\$581	11%	\$5,481
2009	\$1,778	76%	\$332	14%	\$225	10%	\$2,335
2010	\$16,123	81%	\$2,050	10%	\$1,740	9%	\$19,913
2011	\$22,738	88%	\$1,412	5%	\$984	4%	\$25,784
2012	\$7,277	69%	\$717	7%	\$2,586	24%	\$10,580
2013	\$10,163	82%	\$1,016	8%	\$1,168	9%	\$12,348
2014	\$12,542	80%	\$1,191	8%	\$1,944	12%	\$15,677

MATA’s capital funding has varied significantly since 2000, ranging from \$13 million to \$32 million a year. Capital funds are typically restricted to capital purchases such as vehicles, fare boxes, major equipment, real estate, and major renovations. MATA has used capital funding to cover maintenance in recent years, leading to a shortage for new and replacement equipment.

Most capital funding is from FTA federal sources, which usually require a 20 percent match. Typically, the State of Tennessee and City of Memphis provide a 10 percent match each for capital funds. Some federal capital funding is allocated using a formula (based on ridership and population), and some is discretionary through a competitive grant application process. MATA averaged 70 percent formula and 30 percent discretionary since 2000.

MATA has received about \$14 million annually in capital formula funding (except 2009, when it received special stimulus funds). Capital funds are restricted under specific project types, such as fixed guideway systems (for rail

and trolley projects), buses and bus facilities, preventative maintenance, Job Access Reverse Commute (JARC) projects, and projects that improve mobility for elderly and disabled riders.

In addition to formula funds, MATA has received discretionary grants ranging from \$0 to over \$20 million, roughly \$5.8 million per year from 2000 to 2015. These include:

- \$54 million New Starts for Madison Avenue Rail Line
- \$4.3 million in TDOT earmarks for vehicles, equipment, and Airways Transit Center
- \$1 million in FTA Alternatives Analysis planning funds
- \$6.3 million in CMAQ for new routes, park and rides, and equipment
- \$50,000 in TAP funding for replacement bicycle racks on buses

### ***Additional Available Grants and Revenue***

Other competitive federal transit grants include bus replacement and rehabilitation funds (FTA Section 5339); capital investment, technical assistance, and training grants (FAST Act Section 3016, adopted December 2015); and possible re-appropriation of unspent highway funds under the “Use It or Lose It” provision.

MATA is also eligible to receive Federal Highway Administration (FHWA) Surface Transportation Block Group (STBG) funds, recently renamed from Surface Transportation Program (STP), through the Memphis Urban Area Metropolitan Planning Organization (MPO). Memphis MPO has divided STBG funds into major roads and repaving, signals, bridge repair, and bicycle/pedestrian projects. MATA can apply for STBG funding for major capital projects, including for vehicles. In 2016, MATA applied for the first time since the 1990’s and received \$4.4 million for buses and superstops. Many MPOs, including Nashville, create specific allocations for transit as well and Memphis can do this.

Only the Cities of Memphis and West Memphis contribute local funds for MATA transit. Shelby County, Germantown, and Bartlett receive service and taxpayers do not pay for transit. While Memphis will always be the biggest player in transit funding, jurisdictions and municipalities receiving service should participate in MATA support.

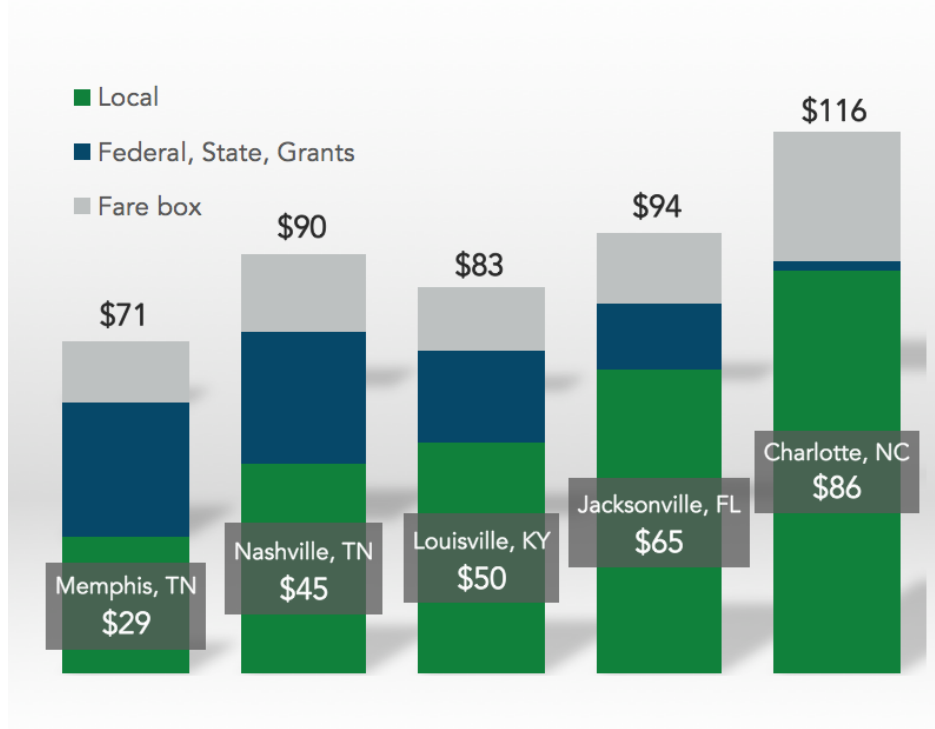
## IV. PEER CITY COMPARISON

**How does Memphis transit compare to similar cities?** The Working Group looked at key metrics from four peers: Charlotte, NC; Nashville, TN; Louisville, KY; and Jacksonville, FL, using NTD data (final figures may vary from local documents). In many cities, transit revenue and ridership dropped off after 2008 due to the recession; in this report, the Working Group averaged five years for trends over time.

MATA serves a slightly smaller area than these cities, which cover more of their county or counties. It has a little more residential density, which has dropped as our service area has grown. However, other data sources show Memphis' job density is lower than peers. Memphis is on par with these cities for ridership per vehicle revenue mile (VRM, when transit vehicles are carrying customers). Charlotte has the most passengers per VRM, consistent with its intentional land use and transportation planning that encouraged density around transit and greater transit investments. Jacksonville has, or had, the least VRM, leading it to transform its route system completely in December 2014, along similar principles as MATA's SRTP. MATA is on par with peers for fare box revenue, with fares paying about 18 percent of costs.

As the chart below shows, Memphis averaged \$71 per capita on transit funding 2010 to 2014, less than each peer city. Louisville was the closest at \$83, and Charlotte led the pack with \$116; peers averaged \$91. A 2010 study by Kansas City, MO showed Kansas City at \$84 per capita, trailing ten peer cities that averaged \$145 (methodology varied slightly).<sup>viii</sup> Memphis transit is seriously underfunded compared to peer cities.

**TRANSIT FUNDING PER CAPITA**  
2010-2014 average per service area population



Memphis is competitive, however, for how much transit it delivers on its budget. Popular opinion is that MATA does not provide good service, but peer city figures show that MATA's ridership is consistent with its coverage and funding. Memphians *will* take transit when we provide it.

The most striking finding is that Memphis local government and citizens pay ***much, much less*** than peer cities for transit. Here, local governments fund merely 41 percent of transit operating costs for the insufficient MATA budget. Nashville pays 50 percent and Charlotte 74 percent. Since another 18 percent comes from the fare box, that leaves MATA staff searching for 41 percent of its funding every year, unlike Nashville at 32 percent and Charlotte at 2 percent.

Like Memphis, Nashville lacks a dedicated transit funding source, and its Mayor and Chamber of Commerce are heading up a major effort to increase and stabilize transit funding. Louisville is pursuing state authority for dedicated transit funding, while using an employer payroll tax. Jacksonville transit enjoys \$0.05 per gallon local option gas tax as well as surplus sales tax and constitutional gas tax after those funds pay off City bonds. Charlotte has a \$0.005 local sales tax dedicated to transit (primarily rail projects) reaffirmed by its voters with 70 percent approval in 2007, and is exploring doubling it to one cent.

In 2016, voters passed 55 transit funding ballot measures out of 77 proposed across 23 states, a 71 percent success rate to invest billions of dollars in transit. This included measures in Atlanta, GA; Indianapolis, IN; Columbus, OH; and Raleigh, NC. People across the country value good transit and are willing to pay for it.

**To achieve better transit, MATA has to have better funding. It's time to raise the bar.**



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<sup>i</sup> “Public Transportation Commuting U.S. Map,” *Governing*, [www.governing.com/gov-data/Public-Transportation-Commuting-in-US-Cities-Map.html](http://www.governing.com/gov-data/Public-Transportation-Commuting-in-US-Cities-Map.html), accessed January 2016.

<sup>ii</sup> Adie Tomer et al., *Missed Opportunity: Transit and Jobs in Metropolitan America*, Metropolitan Policy Program at Brookings, 2011.

<sup>iii</sup> Housing and Transportation Affordability Index, [htindex.cnt.org/totaldrivingcosts](http://htindex.cnt.org/totaldrivingcosts), accessed January 2017.

<sup>iv</sup> *Big Plays to Transform Transportation in Memphis*, Center for Neighborhood Technology, 2015.

<sup>v</sup> [www.matatransit.com/uploadedFiles/Main\\_Site/Content/About\\_Us/Projects\\_and\\_Plans/MATA%20SRTP%20Final.pdf](http://www.matatransit.com/uploadedFiles/Main_Site/Content/About_Us/Projects_and_Plans/MATA%20SRTP%20Final.pdf)

<sup>vi</sup> American Public Transit Association, [www.apta.com/mediacenter/ptbenefits/Pages/default.aspx](http://www.apta.com/mediacenter/ptbenefits/Pages/default.aspx)

<sup>vii</sup> <http://cityobservatory.org/urban-residents-arent-abandoning-buses-buses-are-abandoning-them/>

<sup>viii</sup> Mid-American Regional Council Transportation Department, “Peer Cities Transit Research for the Kansas City Metropolitan Area,” 2010.