

EXECUTIVE SUMMARY

BUILDING OUR ECONOMY TRANSPORTATION FOR A NEW ILLINOIS





EXECUTIVE SUMMARY

THE REPORT LAYS OUT THREE AGENDAS FOR ILLINOIS:

1. Families and businesses spend \$100 billion a year on transportation. Illinois and its local governments must find ways to lower these private costs.
2. A total of 2,859 governments in Illinois spend \$12 billion a year on transportation. Their efficiency and effectiveness must be improved.
3. Transportation investments and policies must be targeted to meet the needs of a modern urban economy with strong service, tourism, freight and innovation industries.

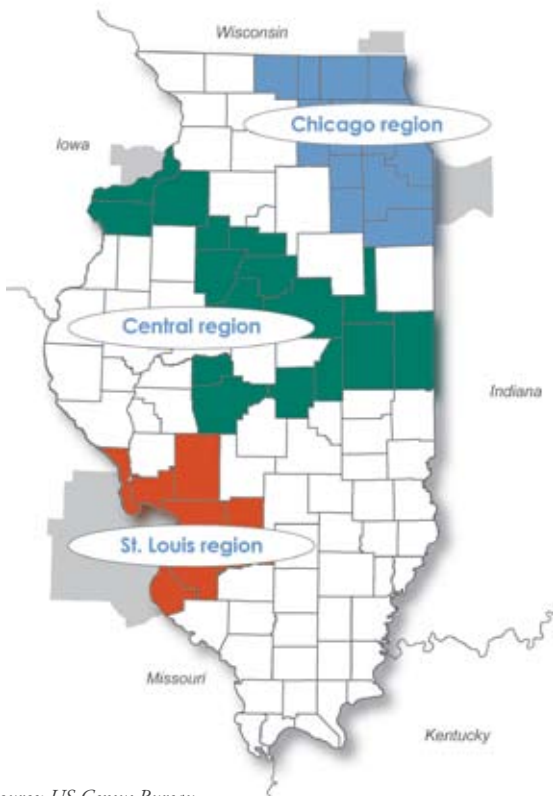
Transportation to Grow the Economy

Growing Illinois' economy through strategic transportation investments and policies is the central argument of Chicago Metropolis 2020's *Building Our Economy: Transportation for a New Illinois*. The report explains why and how to do that.

Illinois' central location and its historic leadership in transportation produced two centuries of expanding opportunity and growth. But our economy has changed fundamentally, and we have lost sight of how smart transportation policies create jobs and prosperity. If we make transportation decisions that reflect our understanding of the economy, we can materially boost our state's performance. If we do not, our competitiveness will continue to erode.

Transportation for a New Illinois outlines the clearly emerging characteristics of the state's economy and shows how they are influenced by our transportation policies. The report makes specific recommendations to build our economy by improving how Illinois prioritizes, plans and pays for surface transportation.

Illinois' Major Metro Regions



Source: US Census Bureau

Illinois' Economy Is Urban

Largely unnoticed, Illinois' population and its productive capacity have through market forces self-organized into metropolitan regions.

This is the new Illinois, a powerful network of diversified, urban knowledge economies containing:

- 87% of the state's population
- 93% of the state's gross state product
- 90% of the state's household income
- 93% of the state's real estate taxes
- 92% of the population with a college degree

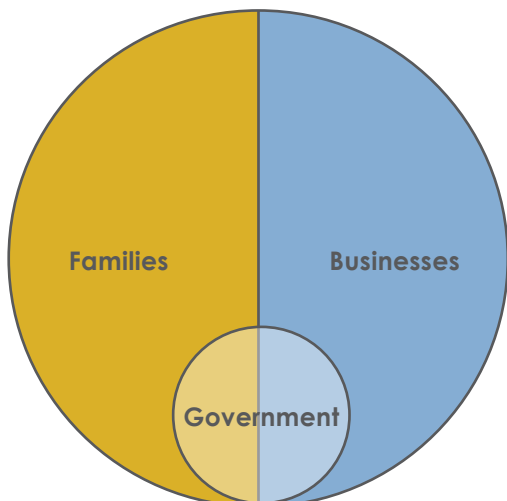
Growth Factors

A number of powerful trend lines that promise to shape Illinois' future for decades are already well established.

We need to build our transportation systems around these economic realities:

- Chicago is a global city in a global economy
- Illinois' metropolitan economies are its growth engines
- Knowledge and innovation drive the economy
- Tourism and business travel are critical growth sectors
- Freight volumes will double
- Dependence on petroleum must be reduced

Who pays for transportation in Illinois? Families and businesses spend \$100 billion a year on transportation – eight times more than governments spend.



Public Spending is a Fraction of Private

Illinois families spend \$50 billion a year – 18% of their income – on transportation. Illinois business also spends \$50 billion a year to move goods. Illinois state and local governments spend only 12% of the private total. But debate has centered on the \$12 billion public spending rather than the \$100 billion that our families and businesses spend.

Every 1% reduction in the private cost of transportation would free \$1 billion annually to meet family needs and improve the job-creating health of businesses.

Public Leadership and Efficiency

The regulation, coordination, development and maintenance of Illinois' transportation system are primarily the responsibility of the Governor and General Assembly – but also involve an unmanageable 2,859 units of government. That number can be cut by more than a third by consolidating the road construction and maintenance role of 1,403 township governments into more cost-effective county transportation departments.

Forge Cultures of Collaboration

Without communication among the state's metropolitan areas, between the private and public sectors, and among transportation service providers, our economic prospects are greatly diminished. The underlying hope of *Building Our Economy* is for a shared urgency throughout Illinois: to turn the tide of economic decline into a shared commitment to expand prosperity for all.

IDOT's New Job: Economy Building

The report sees the mission of the Illinois Department of Transportation in a broader context, with IDOT serving a necessary economic development function. To shift its success metrics from short-term stimulus spending to focus instead on long-term growth and sustained-employment, IDOT should:

- Make transit a statewide priority
- Partner with metropolitan planning organizations
- Set expectations for the local use of state funding
- Prepare a strategic freight plan for Illinois
- Create a reliable passenger rail system
- Maintain Illinois' global air superiority
- Plan and invest for maximum economic return
- Use transportation to increase economic competitiveness

Greener and Fairer

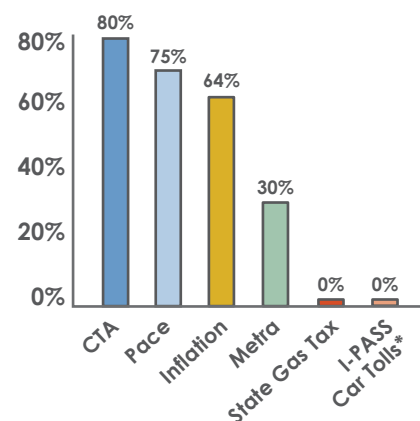
The state should move toward a user-fee road system assessed on the basis of actual vehicle miles traveled – a system that could take a decade to put in place.

There are a total of 47 members who make up the four transit boards in the Chicago region.



Increases in transit-related taxes and fees outpace those related to driving.

Transportation Tax and Fee Increases, 1990-2009



* 73% of tollway users are passenger cars using I-PASS. In 2005, toll rates doubled for cash-paying passenger cars and increased 75% to 220% for commercial trucks.

Source: RTA, Illinois State Toll Highway Authority, Bureau of Labor Statistics (U.S. Department of Labor) and Federal Highway Administration (U.S. Department of Transportation)

A Transportation Action Plan for Illinois' Economy: Key Recommendations

Illinois can chart a new direction by developing transportation policies, plans, and projects that grow our economy and reduce costs. It will require leadership, new organizations, and priority changes.

Develop strategic goals and policies to connect the Illinois economy to transportation investments.

A broad-based advisory commission should expeditiously recommend transportation goals and policies for growing Illinois' economy. Transportation spending and Illinois Department of Transportation (IDOT) programs could then be based on clear goals and evaluated against defined performance measures.

Redesign and reinvest in metropolitan Chicago's transit system.

To compete in the global economy, the state's leading economic region needs to double transit use. It is necessary to invest more in transit, and to redesign the current unwieldy system to be unified, coordinated and operationally integrated. Transit is for the entire region, and has to be designed and operated that way.

Create an Illinois Freight Authority to plan, fund, and coordinate freight system improvements.

The Authority could optimize freight and passenger systems, establish investment needs, and ensure our status as a freight leader. It could receive and expend federal and state funds and raise revenues through a fee on freight shipments. It would accelerate CREATE rail improvement to speed goods movement and reduce delays at rail crossings.

Ensure every rural resident has access to work, medical facilities, shopping, and transportation hubs.

IDOT should create a statewide transit network that meets the needs of rural residents.

Make counties responsible for township roads – take townships out of the transportation business.

Counties should be given the revenue that now goes to townships for road work, to deliver more results for the dollars invested.

To raise the money for our transportation system, Illinois should:

- Double the motor fuel tax and annually adjust it for inflation. Proceeds should be used for all modes of transportation.
- Expand the use of tolling and variable pricing throughout the state.
- Allow transit fares and tolls to grow as the economy grows. Link fare increases to changes in gas taxes and tolls, so there is an incentive for transit use.
- Provide a dedicated source of capital for transit. Illinois should set aside a percentage of “road fund” money for transit.
- Authorize the use of public-private partnerships, design-build construction and innovative financing techniques such as GARVEEs, State Infrastructure Banks, and TIFIA loans.

For our complete list of recommendations, please see the full-length report at www.chicagometropolis2020.org

Five Transportation System Goals

ECONOMIC GOAL

Illinois' transportation policies and investments will be designed to measurably benefit the Illinois economy.

MOBILITY GOAL

People will have efficient and convenient travel options to reach their destinations of choice.

MAINTENANCE GOAL

Illinois' transportation system, including roads, bridges, transit, rail, air and waterways, will be maintained so that it is safe, secure, and dependable.

GOODS MOVEMENT GOAL

Illinois' transportation system will encourage interstate and global commerce by facilitating the efficient flow of goods through the state's freight hubs and corridors.

ENVIRONMENTAL GOAL

Transportation decisions and investments will enhance communities, conserve land and natural resources, improve air and water quality, and promote energy efficiency.



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To read the entire report and access all of its supporting data, please see the Chicago Metropolis 2020 website at www.chicagometropolis2020.org