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## **BUSINESS STUDY PROVES THAT NEW FUNDING FOR TRANSIT IS AN EXCELLENT INVESTMENT**

### **SPRINGFIELD'S FAILURE TO ACT WILL COST THE REGION \$2 BILLION EACH YEAR**

CHICAGO – Increased funding requested by the Regional Transportation Authority would result in at least a 21 percent return on investment for the region's economy, and failure to increase spending on transit would cost the economy far more than the \$1.68 billion minimum annual investment needed to maintain the current system, according to an economic benefits study released Thursday by Chicago Metropolis 2020.

"Our mass transit system has clearly been a competitive advantage for our region in many ways, but now, for the first time, we've been able to measure what increased spending could bring to our economy," said George A. Ranney, Jr., President and CEO of Chicago Metropolis 2020. "But we also found something just as striking as the benefits of increased investment -- the harm that would be caused if the governor and the General Assembly do not act to reverse the deterioration of the RTA."

"If the stalemate continues in Springfield, our mass transit system will continue to degenerate, and the resulting increased traffic congestion will cost our economy more than \$2 billion per year," he continued.

"This is a classic case of 'pay me now or pay me more later' where the benefits of paying now far outweigh the damage that would be caused by failure to invest in transit," Ranney said. "By paying now, the economy is strengthened and jobs are created. And the payment is returned in the form of measurable economic benefits.

"If the decision is to pay later, the payment will come in the form of job losses, more crowded highways, slower mass transit and a region that will no longer be such an attractive place to raise a family and run a business," Ranney said.

The RTA estimates it would cost \$1.68 billion per year to maintain the current system, but the study found an even greater return on investment could be achieved by funding the RTA's \$2.4 billion estimated cost of enhancing and expanding the system and adopting transit-oriented development throughout the region. Such an expansion would allow more people to live or work near transit and could return as much as \$3.86 billion in measurable yearly benefits for the six-county region for a 61 percent annual return on investment.

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Chicago Metropolis 2020, a business-based civic organization, began the study following the release of the RTA's new strategic plan, "Moving Beyond Congestion." The study researched whether the benefits of the spending called for in the strategic plan outweighed the costs and, second, considered how the RTA's proposals could generate a higher return.

The Chicago Metropolis 2020 report, "Time Is Money: The Economic Benefits of Transit Investment," is available at [www.chicagometropolis2020.org](http://www.chicagometropolis2020.org).

"By using two different computer models and relying on some of the best experts in the field, we were able to make projections on congestion and the costs to drivers and our economy under various scenarios," said Frank H. Beal, Executive Director of Chicago Metropolis 2020. "This is the kind of cost-benefit analysis done routinely in the business world when executives are contemplating manufacturing expansion or new product lines."

"We were able to apply the same research to the RTA's plans," Beal said. "We now have a better understanding of what would happen to our economy if transit were allowed to decline, as well as what happens if we maintain the status quo, expand the system and expand it in conjunction with some proven land-use practices such as developing housing and jobs close to train stations."

"The RTA proposals are economically sound, a set of good investments, but even more must be done to move the needle in terms of reductions in congestion or percentage increases in transit usage," the report concluded. "An improved and stronger RTA is needed to move beyond its current strategic plan, with the capability to coordinate the transit system and plan and direct capital investments to achieve optimum benefits for transit users and the region's economy."

"This research shows that the RTA's current plans are worth the investment, but even greater returns would come from higher spending on carefully planned expansion," Ranney said. "Transit-oriented development should be the rule, not the exception, and higher gas taxes and value pricing for expressway drivers would have the twin benefits of providing a reliable funding source and improving transportation efficiency in the region."

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#### ABOUT THE STUDY

Chicago Metropolis 2020 conducted the study with the assistance of the Economic Development Research Group, Inc., Boston; Fregonese Associates, Portland, Oregon; and Smart Mobility, Inc., Norwich, Vermont. Chicago Metropolis 2020 is a non-profit civic organization created in 1999 by The Commercial Club of Chicago to promote long-term planning, better regional cooperation and smart investments in the Chicago region and its people.