FOR THE RECORD: A PRACTICAL APPROACH TO PROVIDING MOBILITY FOR ALL LOS ANGELES COUNTY

A Response to the "Counterplan for Transportation in Southern California: Spend Less, Serve More," by Peter Gordon and Harry Richardson of the Reason Foundation

May 1994

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY - MTA

EXECUTIVE SUMMARY

The Reason Foundation's "Counterplan" opposes rail transit in Los Angeles, and in doing so, raises issues that demonstrate the complex challenge of providing safe and efficient transportation services to the public. However, in both the data used as support and its conclusions, the Reason Foundation misleadingly criticizes rail investment in favor of toll roads and taxi/shuttle deregulation.

The Los Angeles County Metropolitan Transportation Authority (MTA) has a very different view on the role of transportation in Southern California, particularly in the following areas:

- Transportation serves a major role in the economic, social, and environmental health of the entire Los Angeles region. The MTA rejects the Reason Foundation's premise that transportation should support trends toward urban sprawl and abandon efforts to stimulate the central city.

- Transportation must serve a wide range of travel needs while maintaining an equitable distribution of costs across modes. The Reason Foundation ignores these distinctions in its comparison of bus, urban rail, and commuter rail subsidies.

- The transportation system must function for both the short and long term, balancing short term capital costs with long term operations. It is erroneous at the embryonic stage of rail system development to base, as the Reason Foundation does, life-cycle project costs on initial ridership.

- Transportation programs must be tailored to fit individual travel corridors. No concept should be categorically rejected or embraced, whether rail, pricing or any other. Instead, the applicability of an approach must be determined by its effectiveness at meeting specific needs.

- Rail transit is an important component of Los Angeles' transportation system, particularly in heavily travelled corridors where needed capacity and speeds cannot be provided on existing streets. Voters, as well as state and federal funding programs, have specifically mandated the development of a rail system for Los Angeles County.

Overall, while transportation must be flexible to new approaches, practicality must remain our first priority. In high density corridors, rail is often the most cost effective long term means of transporting the public; in other situations, bus transit is most efficient. Demand responsive and market mechanisms also have significant potential, but must be carefully considered regarding issues such as economic equity. There is no simple, single solution to meeting the county's mobility needs. A balanced and integrated multi-modal system is the only way to serve our diverse travel markets while supporting economic, social and environmental objectives.

The MTA welcomes debates such as this, with the continuous goal of providing quality transportation services at the lowest cost. In particular, we look forward to working in cooperation with all interested parties to develop the MTA's Long Range Plan, and to considering all practical alternatives in the evaluation of our multi-modal programs.

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Edited by Edward Shikada, Manager
Congestion Management Program

Staff of the Los Angeles County Metropolitan Transportation Authority (MTA) have reviewed the advocacy paper, "The Counterplan for Transportation in Southern California: Spend Less, Serve More," prepared by the Reason Foundation.[1] This response has been prepared to refute misleading assertions made in that paper by providing facts about transportation in Los Angeles.

PROGRESS TOWARD MEETING LOS ANGELES' TRANSPORTATION CHALLENGE

In both its "Counterplan" and a prior paper,[2] the Reason Foundation advocates "rethinking our approach to transportation planning" away from transit capital investments and toward increased van, taxi and jitney services and tolls on freeways. To support its conclusion, the paper contends that Los Angeles' traffic congestion is less severe than in other urban areas, that ridesharing has declined over the last decade, and that excessive emphasis is placed on commute trip reduction.

The Reason Foundation correctly notes the nationwide trend of increased auto and decreased transit use. However, it fails to recognize the success in Los Angeles at improving mobility despite this trend. In fact, Los Angeles leads the nation in terms of both its traffic congestion and its actions toward reducing it. A few examples:

- Los Angeles has the dubious distinction of having the nation's worst traffic congestion.[3] The Reason Foundation understates this fact by using five-county Southern California statistics, which dilute findings specific to Los Angeles County.

- Los Angeles' solo commuting rate is now below the national average, a significant shift since having the nation's highest solo rate in 1970. Again, the Reason Foundation's five-county regional data dilutes the fact that transit commuting in Los Angeles County is much higher than the regional average.[4] The report's statistics were also taken before rail transit (Metro Blue Line, Red Line, and Metrolink) began operating in Los Angeles.

- Commuting is only a portion of overall travel, and transit serves many other trip purposes. In fact, nearly 60% of Los Angeles' current transit ridership is non-commute.[5] Still, commute trips do represent the greatest opportunity to encourage transit since they occur regularly and during the periods of peak overall demand on the transportation system.

Furthermore, the voters have clearly demonstrated their commitment to improving public transportation and specifically rail transit, by twice choosing to tax themselves through Propositions A and C. This support extends statewide as shown by the passage of rail bond initiatives. In addition, the MTA and all local jurisdictions continue ongoing efforts to improve mobility and reduce traffic congestion, through efforts such as the countywide Congestion Management Program, which has been called "one of the most ambitious cooperative traffic management plans in the U.S."[6] This strong consensus and progress toward improving transportation should not be easily dismissed.[7]

THE CRITICAL ROLE OF RAIL TRANSIT IN LOS ANGELES

The Reason Foundation argues that rail transit has no place in Los Angeles. It contends that rail investment always costs more than originally projected, while falling short of patronage estimates. It further implies collusion by transportation planners to falsify initial projections in order to get projects funded, with more realistic projections made after funding is locked in.

The Reason Foundation correctly states that rail is not appropriate in all situations. However, its categorical opposition to rail transit is simply impractical. Rail transit serves a critical and specific role in Los Angeles County's transportation system, and debates over ridership and cost estimates miss the basic objectives and value of this investment. Specifically:

- Rail transit is the best means of serving heavily travelled corridors where needed transit capacity and speeds cannot be provided on existing streets.

- Los Angeles has benefitted from the experiences of other urban areas, through improved cost and patronage estimation methods and increased federal review of these forecasts.

- Rail projects support long term goals, developing ridership over time and thereby reducing per-rider costs, accommodating growth, supporting compact development and lessening future highway needs and auto dependance.

Each of these points is discussed more fully below.

The Impracticality of Alternatives

Despite depictions of Los Angeles as low density, the fact is that certain corridors are too highly urbanized for conventional bus transit to meet travel demands. For example, Wilshire Boulevard currently carries about 600 bus trips each weekday. During peaks, this results in a bus arriving about every two minutes. **If buses could meet the demand for the Red Line along Wilshire, bus service must at least quadruple to more than 2,400 daily trips and arrive every 30 seconds during peaks. Existing traffic levels on Wilshire Boulevard make this impossible.** Further, the Reason Foundation's demand-responsive alternative would require over 13,000 shuttle trips on Wilshire each day, increasing traffic by 25% over current volumes.[8]

Transit operating in mixed traffic would also run too slowly to be effective in this corridor. System-wide, MTA bus schedules currently reflect an average speed of 13.5 miles per hour (mph). In the Los Angeles central business district, however, this speed drops to 9.6 mph,[9] and these speeds will decrease further as traffic congestion increases. **In contrast, the Red Line operates at 24 mph - 2.5 times the speed of buses - and provides the mobility needed to attract and maintain patrons in the future.**

An Up-to-Date Review of Patronage and Cost Estimation

The Reason Foundation largely relies on Pickrell's study of ten operations' ridership and cost projections[10] to challenge rail investment, but makes no mention of the several analyses that have since superseded Pickrell's research.

Regarding costs, Hoover[11] points out that it has been true that earlier reports tended to underestimate costs, but increasing experience (with recent rail investment nationwide) and increasing federal review have led to more accurate projections. Rail patronage and cost projection methods have simply improved since first required in 1976.

Hoover illustrates the point by showing the improved accuracy of recent estimates, and further points out that the absolute accuracy of initial estimates is a misleading issue. **Initial estimates look at the relative value of rail and non-rail alternatives in a corridor. All alternatives are judged by the same set of criteria**, and are all subject to the same sources of error. Once the search is limited to fewer alternatives, further analysis becomes more detailed and thereby more accurate. Funding decisions at the federal level are made after completion of the detailed Final Environmental Impact Statement, not the earlier Alternatives Analysis.

Regarding patronage, Simon[12] questions Pickrell's redefinition of audited boarding data. Pickrell's method understated Washington's 157% actual patronage increase as 68%, and Atlanta's 103% increase as 18%. Simon also shows that in three comparisons of similar cities, rail/bus systems averaged 96% increases in patronage where the bus-only cities averaged 8% decreases. Overall, rail investment helps retain and increase system-wide patronage.

The Reason Foundation further argues that rail patronage estimates in Los Angeles were similarly exaggerated. While it is true that early Blue Line projections were higher than more recent estimates, the difference is largely attributable to subsequent changes in rail construction schedules. The 1984 Environmental Impact Report projected 54,000 daily Blue Line riders in the year 2000, presuming that bus routing would be modified and that the Green Line and all three segments of the Red Line would be operational. A 1989 study projected 40,000 daily riders in 1995 with only Red Line Segment 1 and the Green Line in place. In reality, with only Red Line Segment 1 open, Blue Line patronage is already at 37,000 and both earlier patronage projections are clearly achievable once other rail segments are operational.

Low operating costs also support rail investment. Regional Plan Association data indicates that in the 29 largest U.S. cities, bus operations are 1/3 more costly per passenger-mile than rail operations. Here, care must be taken to compare mature systems. Simon shows how Washington's rail costs were initially higher than bus costs, only to be reversed as rail patronage grew.

Finally, critiques of rail patronage and cost projections miss the basic objectives of rail projects to develop significant ridership over several years, providing a cleaner travel mode which alleviates demand on other arterials, and supporting infill development around station areas to encourage pedestrian and non-automobile trips.

In probably the most extensive study of rail effects, Pushkarev and Zupan[13] found a 30% decrease in per-capita auto travel in cities with rail transit, though rail ridership accounted for only 6-7% of this reduction. They concluded that, "The principal reason for the suppression of both auto ownership and auto use is high density of development, especially in and near large downtowns, which are simultaneously made possible and stimulated by rail." The quality of the urban environment tends to improve when rail investment is coordinated with land use policies.

A narrow focus on direct costs and early patronage misses these points. In another example, leaders in Portland rejected a busway alternative, though less expensive than rail, since it would require nearly twice as many buses as could be accommodated in the city's downtown transit mall and raise concerns about potential noise and exhaust impacts. It is unlikely that this decision would have differed if the estimated rail cost were $210 million rather than the $172 million originally projected. Long term ridership, urban development and air quality were clearly more important to the decision, coordinated with enactment of compatible development and transportation policies.

MTA'S MULTI-MODAL APPROACH TO IMPROVING MOBILITY

The Reason Foundation recommends that rail projects be cancelled and that funds be used to institute tolls on freeways, construct additional transitways, and implement unsubsidized shuttle services.

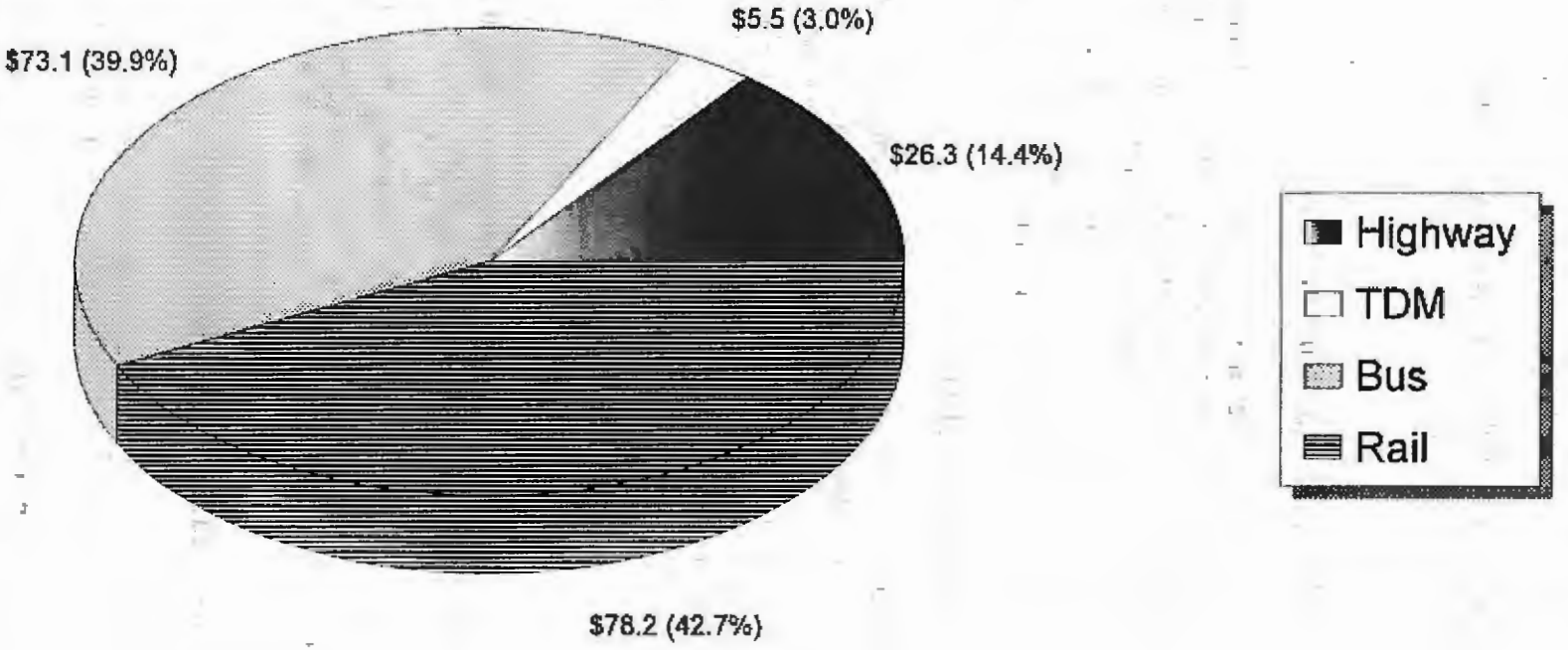
The Reason Foundation mistakenly implies that the MTA focuses exclusively on rail to the exclusion of other uses, and that funds could be diverted from rail construction to other uses. In reality, the MTA manages numerous programs in addition to the development and operation of regional bus and rail services. These responsibilities range from countywide programming of state and federal transportation dollars for carpool lanes and other highway capital improvements, to ridesharing incentive programs, the Freeway Service Patrol, and roadside emergency call boxes. Beyond its own transit operations, the MTA also funds municipal transit operations throughout the county, contracts for demand responsive services, develops regional bikeways, and coordinates efforts of other agencies as the county's designated Congestion Management Agency. **All of these efforts are necessary to meet transportation needs in Los Angeles County.**

The MTA is currently reviewing its Long Range Plan, to reexamine the mix of transportation programs which can be implemented within available funds. Previously adopted in 1992 as the 30-Year Plan,[14] the Long Range Plan will reevaluate the mobility benefits, cost effectiveness, and air quality effects of MTA programs in order to ensure an effective transportation system throughout Los Angeles County.

A key factor in defining this system is the availability and restrictions on funds. **Funding for transportation is provided by a complex system of local, state and federal programs**, with each having specific restrictions on eligible uses, such as rail, bus, or highways. **Many funds are further restricted for either capital uses (such as construction) and cannot be used for operational uses.** Chart 1 shows the uses of funds by mode in the current plan. As shown, funds are applied to a multi-modal program of rail, bus, highway, and demand management programs.

CHART 1

Long Range Estimate
Uses of Funds ($ Billions)



Local Sales Taxes Support Multi-Modal Programs

The multi-modal use of funds is even more evident within local sources. Propositions A and C were passed by Los Angeles County voters in 1980 and 1990, each authorizing a ½-cent sales tax for improved transportation. The State Transportation Development Act (TDA) created a fund within each county available to transit operators, with revenues from a ¼-cent statewide sales tax. The Reason Foundation report suggest that local sales taxes, especially Propositions A and C, are used almost entirely for rail. This is not the case, as detailed on Chart 2. As shown, local sales taxes are distributed among bus, rail, highway (primarily carpool) and demand management uses.

Funds Restrictions on the Use of Funds

The Reason Foundation report also gives the false impression that funds can be used for any transportation mode. In passing Propositions A and C, voters directed the usage of these revenues: Proposition A funds must be spent 35% for rail development, 40% discretionary (currently for bus operations), and 25% to the County and cities for local transit improvements. Proposition C funds must be spent 5% for bus and rail security, 10% for commuter rail and transit centers, 20% to the County and city governments for local transit improvements, 25% for transit-related street improvements, and 40% discretionary (currently used for rail capital projects and bus and rail operations).

Other funding sources are also statutorily restricted. Examples are Federal Section 3 New Rail Starts funds which can only be used for new rail capital projects, and State rail bonds (Propositions 108 and 116) which are for use on rail capital or other specific projects identified in law. **Without rail construction, these funds would not come to Los Angeles.**

Chart 3 lists major local, state, and federal fund sources and the eligible uses for each. The Chart demonstrates how Los Angeles County voters, as well as federal and state legislation, have specified the development of a multi-modal system with rail transit as an integral component.

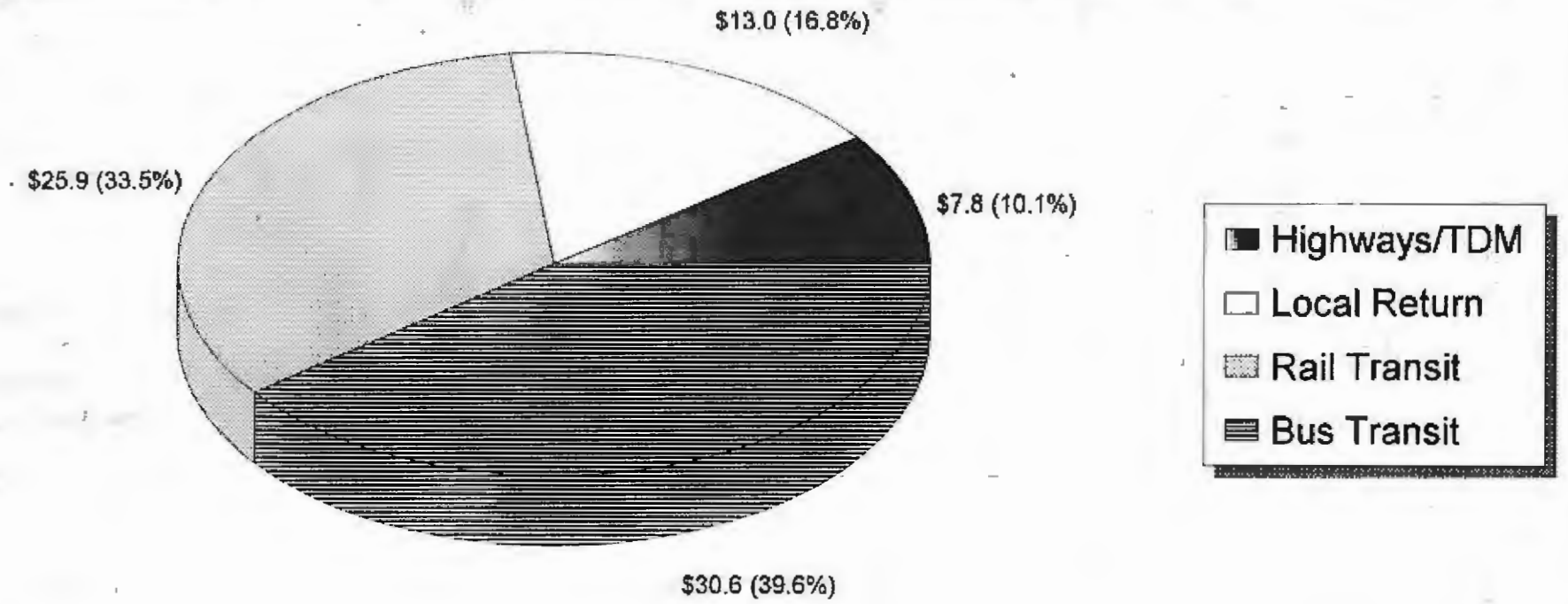
TRANSPORTATION SERVES DIVERSE TRAVEL CHARACTERISTICS

The Reason Foundation recommends cancellation of commuter rail services, based on a review of 1992 per-passenger costs among bus, Metro Rail and Metrolink modes.

The transportation system must serve a broad range of needs, or travel "market segments," from short distance shopping and personal travel to long distance commutes and inter-regional goods movement. The Reason Foundation paper fails to recognize travel markets by focusing on passenger-trips as the sole basis for comparing costs and subsidies for transit services.

Long Range Estimate

Distribution of Local Sales Taxes - Prop. A & C, TDA Article 4 ($ Billions)



Funding Source Eligibility

Revenue Sources	Rail		Bus		Highways	TDM
	Capital	Operations	Capital	Operations		
LOCAL						
Proposition A (1)	A	E	E	A		E
Proposition C (1)	A	A	A	A	A	A
TDA Article 4	E	E	A	A		
Other Local Agency Funds	A	A	A	A	A	A
Farebox	E	A	E	A		
Benefit Assessments	A					
Financing	A		A			
STATE						
Flexible Congestion Relief	A				A	
State Rail Bonds	A					
State Transit Assistance (STA)	E	A	E	A		
Transit Capital Improvement (TCI)	A		E			
Article XIX	A		E			
TSM	E		A		A	E
State & Local Partnership	A				A	
Inter-Regional Roads					A	
Soundwalls					A	
HSOPP					A	
FEDERAL						
FTA - Section 3	A		E			
FTA - Section 9	A	E	A	A		
ISTEA - CMAQ	A	E(2)	A	E(2)	A	A
ISTEA - STP	A		A		A	E
ISTEA - STP Trans Enhance	A		A		A	
Fed. Highway Demo Projects			A		A	
PRIVATE						
Private/Joint Venture	A	E	E		A	A

Notes: A - Revenue allocated to these modes. E - This mode is eligible for these revenues although none have been allocated to it. (1) Exclusive of local return. (2) Eligible for first 2 years of new service only.

It is also critical to note that total costs among transportation modes are frequently not comparable because certain costs for some modes are not reported. Because of these differences, comparisons of costs across modes are often inconsistent. For example:

- The right-of-way (property) on which service is provided is included in rail costs, but not in bus or shuttle costs.
- The costs of maintenance facilities and other fixed properties are included for rail, but not for bus services.
- Security costs are included for transit projects, but not typically for highways.

A combination of bus, urban rail, and commuter rail is critical to serving different market segments, since each mode provides the most cost effective means of meeting diverse needs over the long term. In recognition of travel markets, transportation planners use passenger-miles rather than simple "trips" as a comparable unit for evaluating the costs and benefits of very different transit services.

For example, the average trip on a local bus route is shorter than on an express route. Per-trip costs of express routes are correspondingly higher than local routes since greater distances results in greater operational costs (such as labor and vehicle wear). In addition, treating local and express trips equally hides the fact that a longer trip taken off the roadway system has a greater regional congestion benefit than a shorter trip. Air quality also benefits from removing longer vehicle trips due to their higher pollutant emissions.

Commuter rail and bus services similarly serve very different markets; comparing per-trip subsidies is therefore misleading. For example, the commuter rail subsidy per passenger-trip has been reported to be substantially higher than for bus.[15] However, this simple statistic hides the fact that the average commuter rail trip is 28 miles while the average bus trip is only 4 miles. Looking instead at subsidies per passenger-mile, the differential decreases significantly.

In fact, commuter rail operating subsidies have shown major decreases and continue to drop with increased ridership. While bus subsidies have been relatively stable at about $0.24 per passenger-mile, commuter rail subsidies have dropped from $0.54, to $0.35, to $0.29 per passenger-mile in its first three years of operation, and could further decrease as ridership increases.

Passenger-mile costs also underscore the impracticality of the Reason Foundation's proposal for replacing transit with unsubsidized shuttles and taxis. MTA staff estimates that private shuttles operate at a minimum of about $1.00 per passenger-mile, and taxis operate at about $1.60 per passenger-mile within their designated service areas. As an illustration, **a trip between downtown Los Angeles and Pomona would thereby cost $28 by shuttle or $47 by taxi. This simply cannot compare to the $3.60 Metrolink fare for the same trip.**[16]

THE ROLE OF SHUTTLE, TAXI AND JITNEY REGULATION

The Reason Foundation contends that existing regulations on shuttles and taxis prevent these operations from increasing service to levels which would meet market-driven demand.

The preceding section provided some examples of how the transportation system must serve differing travel markets. We agree that shuttle-type services are also able to fill certain market niches. In fact, the MTA is currently sponsoring a number of community based transportation programs and Metrolink distribution services, using airport shuttle vehicles. However, we also believe that **the lack of an existing widespread shuttle market is not due to regulation. It is because such services are not profitable.**

Shuttle services operate at LAX because of its major concentration of patrons willing to pay fares which are much higher than public transportation. Conversely, the absence of jitneys on Wilshire Boulevard is not due to Public Utilities Commission or other licensing restrictions. It is simply that there is no demonstrated history locally to indicate that unsubsidized jitneys would be profitable.

The intent of government regulation is to ensure basic levels of safety and security. Clearly, excessive regulation can stifle creativity and flexibility. However, unlicensed services avoid not only franchise regulations, but also the need for insurance, driver licensing, and vehicle maintenance. A level of enlightened regulation is therefore essential to protecting the interests of consumers.

It is important to note that a majority of the 88 cities in Los Angeles County have no regulations beyond a business license for municipal shuttle and demand responsive services. If regulation were the sole impediment, unsubsidized services would have emerged in these cities. Their absence indicates that such services are generally not economically viable without subsidies.

Demand responsive services, unscheduled and with relatively low passenger capacities, have limited productivity (passengers per hour). Significant "deadheading," trips made without passengers (such as driving to the next pickup), are also typical of these services. These limitations result in the relatively high costs per passenger-mile discussed in the previous section, effectively precluding their unsubsidized operation in most situations. This combination of low productivity and high mileage could even result in more air pollution than solo driving.

Enlightened regulation would work with private sector entrepreneurs to determine the best means of implementing coordinated service. This coordination should include, at a minimum, public access to all service information, including other public transit services, and fares that are understandable and consistent with our goal of integrating fare structures throughout Los Angeles County.

The experiences of Miami and New York have shown that unlicensed jitneys compete directly with public transit, and result in concerns about poor maintenance, unlicensed drivers, and interference with the safe transit operations. **In order to avoid chaotic situations, these vehicles must be integrated in an overall system and either enhance the capacity of line haul transit or provide distribution services from major destinations such as rail stations.**

LOGICAL NEXT STEPS IN CONGESTION PRICING

In place of rail lines, the Reason Foundation proposes that traffic congestion be controlled by instituting toll charges on freeways. In particular, the Reason Foundation advocates charging solo drivers for access to carpool lanes.

The Reason Foundation simplistically suggests that congestion pricing mechanisms provide a cure-all for congestion. The MTA agrees that where appropriate, pricing strategies can help manage the transportation system. However, the Reason Foundation's oversimplification ignores several key issues affecting the feasibility of pricing on a large scale:

- **Equity must be addressed to avoid regressive impacts.** Adverse effects to the low income population must be avoided, and alternatives to solo driving (such as transit and carpooling) must be provided.
- **Consensus must be built** among diverse community, environmental and political interests, in support of congestion pricing projects. Consensus-building is especially critical where legislative reform is required.
- **Ongoing demonstration projects must be fully evaluated.** Logistics, enforcement and effectiveness are among the issues which remain unresolved.
    - Preliminary results from toll road demonstration projects such as the Bay Area Congestion Pricing Demonstration project and the El Toro "Y" Toll Road in Orange County show promise, but are as yet insufficient to justify expansion.
    - The MTA has funded two parking management/pricing demonstrations, the Commuter Transportation Services Congestion Pricing and the Glendale Transportation Management Association Parking Cash-Out. These programs indicate positive results, but have not yet been fully assessed for applicability elsewhere.

These examples show that pricing strategies are being pursued. However, the unanswered questions about these strategies dictate a cautious approach and modest expectations regarding their potential.

HOW TRANSPORTATION HELPS DEFINE LOS ANGELES

The Reason Foundation argues that suburbanization (also known as urban sprawl) has resulted in a dispersal of trips, and that the transportation system should be developed to support this land use pattern by focusing on shuttle, taxi and jitney services.

Finally, in addition to meeting mobility needs, the transportation system can have a major role in defining the character of a region. Recognizing this, the MTA does not accept the Reason

Foundation's premise that transportation should simply serve trends in travel demand. This section expands on the potential role of transportation in two specific areas, land use/transportation coordination and economic development.

The Value of Land Use/Transportation Coordination

Coordinating land uses with transportation supports economic growth while maintaining a quality living environment. It is true that suburbanization is a pattern here to stay. However, recognizing this does not mean that we should ignore the interconnectedness and roles of the central business district and other regional activity centers, nor does it mean that the transportation system should subsidize sprawl and single-occupant vehicle use.

Studies[17] have found that concentrating growth near rail stations can significantly slow the growth of vehicle trips, vehicle miles travelled (VMT), and the deterioration of highway speeds associated with growing suburban areas. Mixed-use development and development located within walking distance of rail and bus transit reduce both commute and non-commute trips by integrating housing, shops, employment, schools, parks, and civic facilities essential to the daily life of residents. One study estimated that walkable communities can reduce automobile travel by as much as 43%.[18]

Near transit stations, vehicle travel is reduced by 20% as commercial densities are increased and regional trips are reduced by 3-9% as residential densities are increased.[19] Compact development reduces costs for public services such as police, fire and sanitation. A 1989 study found that sprawl development costs 40% to 400% more to serve.[20]

In addition, up to 50% of the land in urban communities is covered with concrete and asphalt to serve automobiles.[21] Coordination of land uses with transit services not only provides people with reasonable alternatives to driving, but also provides opportunities for other productive uses for valuable property.

The Value of Rail for Economic Development

Los Angeles' transportation investment directly stimulates construction and other support industries such as manufacturing of vehicles, durable goods like electronics, steel, and other materials. It has been estimated that each $100 million in rail system investment generates approximately 7,990 full-time jobs, including direct employment in the construction and operation of services and indirect employment among material suppliers and service industries. It will also provide the backbone for a fiber optic network in the Southern California region, accommodating technologies well into the next century. Each $100 million in bus investment generates approximately 7,450 full-time jobs.[22] These factors are completely ignored by the Reason Foundation's taxpayer savings estimate.

Rail systems increase development, property values and sales in the vicinity of rail stations and along the lines. Office rents are more strongly influenced by rail proximity than nearby freeway capacity. Land value around stations increased 35% in Miami. Sales increased 20-40% for existing

businesses in Washington, D.C., with over 40% of the region's 1980-90 new private development of $3 billion (45 million square feet) within walking distance of Metro stations. Atlanta generated over $70 billion and Portland generated over $700 million in new private investments located around rail stations. Philadelphia suburban real estate increased its value by nearly $5.1 billion. Buffalo's rail system generated more than $900 million in new development.[23] In Los Angeles, properties located near the Red Line have also significantly increased in value, with a 44% higher average sale price than properties away from the system.[24]

In addition to increasing property values, rail investments generate other direct benefits such as higher lease rates and occupancy levels; better visitor access; increased pedestrian activity; reduced tenant and developer parking costs; stimulation of redevelopment; and, the increased sales tax, business license fees and employment which accompany economic activity.[25]

FURTHER OPPORTUNITIES FOR DISCUSSION: MTA'S LONG RANGE PLAN

This report has presented a small sampling of the issues facing the MTA and our partners in providing transportation for Los Angeles County. Serving the county's diverse transportation markets while supporting economic, social, and environmental goals is truly a challenge which requires that we explore all available options.

The transportation challenges facing Los Angeles County are deep-rooted and complex. There is no single solution or short-term fix. The mission of the Los Angeles County Metropolitan Transportation Authority is to plan, construct, operate and maintain a safe, reliable, affordable and efficient transportation system that increases mobility, relieves congestion, and improves air quality for all of Los Angeles County. Achieving this mission requires a balanced and integrated multi-modal approach which includes both immediate and long term transportation strategies.

The MTA encourages the discussion of issues and exchange of ideas, such as those of the Reason Foundation, with the continuous goal of providing the highest quality of transportation services in the most cost effective manner. This dialogue is particularly timely, as the MTA is currently reviewing both our short-term and long-term priorities. The Long Range Plan, which will be discussed widely this summer, will be the first opportunity for the new MTA to comprehensively examine investments in rail, bus, highway, and all other modes of transportation as an integrated system. We look forward to working cooperatively with all interested parties, to ensure that all practical alternatives are considered in the evaluation and direction of our multi-modal programs.

ENDNOTES

1. Peter Gordon and Harry W. Richardson, "Counterplan for Transportation in Southern California: Spend Less, Serve More," Reason Foundation, February 1994. The Reason Foundation describes itself as "a nonpartisan, nonprofit public policy research and educational organization dedicated to advancing the principles of a free society. The Reason Foundation develops free-market solutions to public policy issues in an effort to enhance economic and personal liberty."

2. "The Facts About 'Gridlock' in Southern California," Reason Foundation, August 1993.

3. Timothy Lomax, "The Impact of Declining Mobility on Major Texas and Other U.S. Cities," 1988 and "1989 Roadway Congestion Estimates and Trends," Texas Transportation Institute, 1992.

4. Southern California Association of Governments, "Summary Findings, 1991 Southern California Origin-Destination Survey," February 1993. Table 18 reports that 6.5% of home-to-work trips in Los Angeles County are made by public transit, versus 4.5% for the five-county region.

5. Southern California Association of Governments, "Summary Findings, 1991 Southern California Origin-Destination Survey," February 1993. Table 21 reports that 59% of public transit trips in Los Angeles County were for purposes other than home-to-work.

6. Urban Transportation Monitor, "Los Angeles Approves Updated Congestion Management Plan," Dec. 10, 1993.

7. The Reason Foundation dismisses voter approvals of Propositions A and C by "the fact that few people vote."

8. Example uses Wilshire Boulevard east of Vermont Avenue, which currently carries MTA Lines 20, 21, 22, 320, and 322. Year 2010 Red Line daily ridership in this segment was projected at roughly 150,000 by the project's Final Environmental Impact Statement, July 1989. Bus capacity estimated at 62 passengers per vehicle, van capacity 11 passengers per vehicle.

9. Source: MTA Scheduling and Operations Planning Department.

10. Donald Pickrell, "Urban Rail Transit Projects: Forecast versus Actual Ridership and Costs", Urban Mass Transportation Administration, 1989.

11. Julie Hoover, "Ridership and Cost Forecasting", Rapid Transit Conference, American Public Transit Association, 1990.

12. Jesse Simon, "A Response to the Pickrell Report on Ridership and Costs of Urban Rail Transit Projects", Southern California Rapid Transit District, 1990.

13. Boris Pushkarev and Jeffrey Zupan, "Urban Rail in America: An Explanation of Criteria for Fixed Guideway Transit," Urban Mass Transportation Administration, 1980.

14. Los Angeles County Transportation Commission, "30-Year Integrated Transportation Plan," April 1992.

15. Thomas Rubin, "A Look At The Los Angeles County Metropolitan Transportation Authority," MTA, January 1994.

16. Metrolink fare assumes use of a monthly pass.

17. Federal Transit Administration, "The Impact of Various Land Use Strategies on Suburban Mobility," December 1992.

18. Local Government Commission, "Land Use Strategies for More Livable Places," May 1992.

19. Ibid.

20. J. Frank, "The Costs of Alternative Development Patterns," Urban Land Institute, 1989.

21. Local Government Commission, "Land Use Strategies for More Livable Places," May 1992.

22. American Public Transit Association, "Employment Impacts of Transit Capital Investment and Operating Expenditures," April 1983.

23. Cordoba Corporation, "Transit Station Economic Impacts from Cities Throughout North America," March 1989.

24. Robert A. Fejarang, "Impact on Property Values: A Study of the Los Angeles Metro Rail," Transportation Research Board, January 1994.

25. American Public Transit Association, "The Economic Benefits of Public Transit," May 1983.