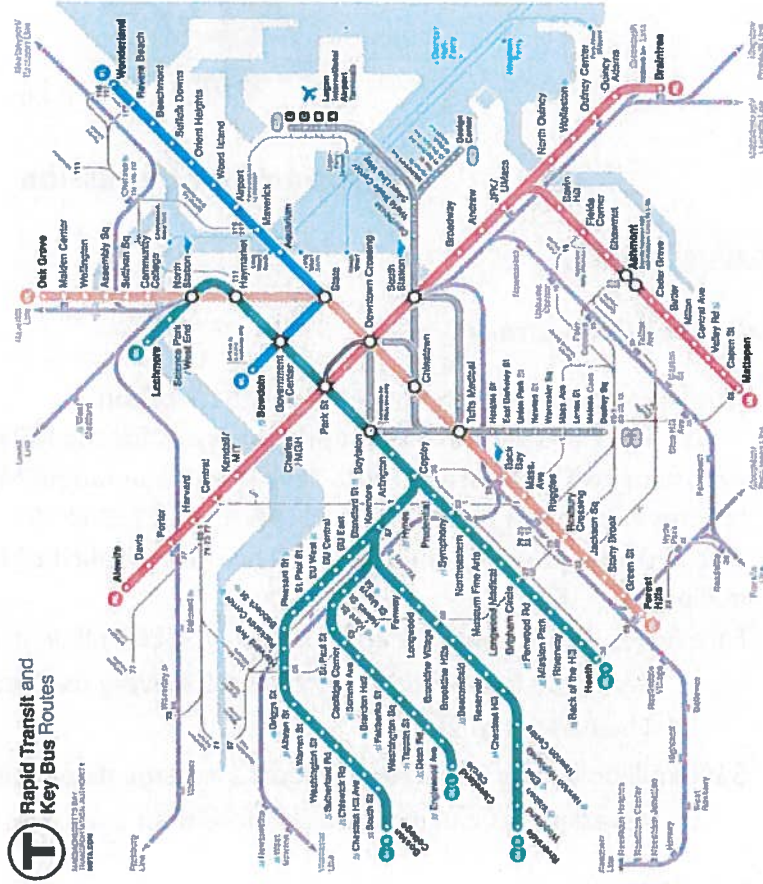




What Kind of Transit System Do We Want and Need?



1965



2015



MBTA: Facts for Discussion

The Financial Situation

The Budget and its Constraints:

- Total operating budget of MBTA, FY15: \$1.9 billion
 - In FY 2015, 22% of operating expenses for the MBTA will go towards debt service
- According to The Massachusetts Taxpayers Foundation, MBTA expenses are projected to grow more than twice as fast as revenues (FY13-FY19)
- Also according to MTF, the structural operating deficit of the agency will surpass \$350 million by FY18
- Fare Revenue will generate approximately \$600 million in FY 2015
 - Fares can be raised no more than 5% every two years, per the Transportation Finance Act of 2013
- \$160 million will be generated by local assessments of cities/towns in the MBTA district
 - Assessments can increase no more than 2.5% annually

State of Good Repair:

- The Gap: \$6.7 billion
- According to The Massachusetts Taxpayers Foundation, the MBTA spends about \$650 million annually on SOGR capital projects, and would need to spend \$800 million annually to keep the backlog from growing. To eliminate the backlog completely over the next several years, close to \$1 billion in SOGR spending annually would be required

System Characteristics and Comparison:

- As of 2009, the agency's debt burden (23.9%), as a percentage of operating budget, was higher than the MTA (13%), SEPTA (3%) and the WMATA (2%) (MBTA Advisory Board)
- According to the National Transit Database and MassPIRG, over the last fifteen years, the MBTA has expanded slower than almost all of the 45 largest transit agencies. It ranked 44/45 as a percentage, and 45/45 in absolute terms. This was measured in directional route miles.

System Capacity

- Population
 - 1970: Massachusetts, 5,689,170
 - 1970: MAPC Region, 3,013,912
 - 2010: Massachusetts, 6,547,629
 - 2010: MAPC Region, 3,161,712
 - 2030: 546,000 new residents, an increase of almost 13% (Metro Future)

- Current Demand and Trip Characteristics
 - In Eastern Massachusetts, 25% of all housing units and almost 40% of employment is located within a half-mile of a transit station (Metro Future)
 - Already, segments of the Green, Orange, Red, and Silver Lines currently exceed their design capacity during peak periods (Hub and Spoke)
 - Kendall Square alone has added well over 4 million square feet of development growth between 2000 and 2010, supported by a Red Line station that launches more than 15,000 trips each weekday (Hub and Spoke, MBTA ridership data)
 - About 50,000 transit trips into Longwood Medical Area daily (Hub and Spoke)
 - In the South Boston Waterfront, the Silver Line has helped to generate 7,700 new jobs and develop 30 million square feet of new property since 1997
 - Only 38% of current trips into South Boston Waterfront originate from Boston, Brookline, Cambridge or Somerville. 58% of the current trips into the South Boston Waterfront originate outside the immediate metro-area

- Future Demand and Opportunities
 - 293,000 new jobs from 2000 to 2030, an increase of 12.4% (Metro Future)
 - 349,000 new housing units needed by 2030 (Metro Future)
 - Up to 367,000 daily riders on the MBTA by 2021 (Hub and Spoke)
 - 75,000 new housing units and 130,000 new jobs could be created within transit station areas over the next 25 years (Metro Future)
 - The City of Cambridge projects that an additional 8 million square feet could be developed by 2030, increasing the transit demand of Kendall station by a minimum of 3,000 additional riders just during the peak hour (Hub and Spoke)
 - An additional 17 million square feet of property could be developed and 23,000 new jobs generated in the South Boston Waterfront by 2035
 - 63% growth in overall trips, 64% growth in transit trips
 - Assembly Square: ~ \$20 million in new annual tax revenue (The Boston Globe)

- Investment/Project Selection Criteria
 - State of Good Repair
 - Safety, reliability and customer service
 - Capacity
 - Ridership/trip forecasts, cost/benefit analysis and equity

Expansion Capital Projects Proposed In The Way Forward: FY 2013-FY 2023

South Coast Rail	\$2,300,000,000
South Station Expansion	\$1,000,000,000
Inland Route	\$362,400,000
Berkshires to NYC	\$113,800,000
Rail to Cape Cod	\$20,800,000
Green Line Extension	\$1,300,000,000 (after New Starts Grant)
SOGR Backlog:	\$6,700,000,000
*Operating Impact of Capital	\$596,664,246.00
Total Cost	\$12,393,664,246

Reforms

Enacted:

- 2009 agency consolidation
- Raising of retirement age
- Health Benefits through the Group Insurance Commission

Proposed:

- Reevaluate Binding Arbitration
- Pilot Pacheco Law Exemptions
- Pension Reform
- Review of Procurement Practices
- Zero-based Bus Route Planning
- Changes to MassDOT Board
- Asset Management Database and Plan
- Project Selection Criteria

Total Savings ?

*Operating impact of new capital spending proposed in The Way Forward