February 14, 2019

The Honorable Governor Michael DeWine
Ohio Statehouse
Columbus, Ohio

Dear Governor,

Mobility and Opportunity for a Vibrant Economy in Ohio, or MOVE Ohio, applauds the formation of your Blue-Ribbon committee on funding transportation infrastructure into the future. While your priorities must include funding to maintain safe roads and bridges, Ohio needs more.

Ohio must prioritize funding to support the safe, affordable mobility of all who call our state home, especially but not limited to people with disabilities, pedestrians, riders of public transit, and bicyclists as a complete transportation network.

MOVE Ohio is a diverse coalition from urban, suburban and rural Ohio. We represent the interests of everyday transportation users, older adults, people with disabilities, environmental groups, historically disadvantaged communities, anti-poverty advocates, bicyclists and active transportation advocates, organized labor, local transit coalitions, small businesses and faith leaders. Our vision is an Ohio transportation network that moves people and goods, not just cars and trucks. It must be a complete network of affordable, accessible, and environmentally-friendly transportation options, including public transit, passenger and freight rail, and walkable, bikeable streets.

To address the concerns we share with you below, MOVE Ohio asks for the following in the next ODOT budget request:

Dedicate $150 million per year for public transit, safe pedestrian, ADA and bicycling infrastructure via the creation of a Transportation Choice Fund. ODOT’s own 2015 Statewide Transit Needs Study recommended $120 million to stabilize the ability of Ohio’s transit systems to address both service and capital improvements. An additional $30 million for safe pedestrian and bicycling infrastructure is also included in this figure.

We believe this can be done by dedicating a greater share of flexible Federal transportation dollars, and adopting a 80/20 highway-transit split, like the federal government, for any increase in the Motor Vehicle Fuels Tax (meaning 20% of any gas tax increase should go towards public transit, pedestrian and bicycling infrastructure). These transportation investments on or along public rights-of-way should be recognized in statute for the highway purposes they serve (safety and decongestion). We also support an array of potential funding options that could be dedicated into a transportation choice fund, some of which we included in an addendum to this letter.
We urge you to address Ohio’s decades-long under-investment in public transportation and safe pedestrian and bicycling infrastructure. These under-investments leave many of our citizens, businesses, and communities at a competitive disadvantage, unsafe, and disconnected from opportunity. Too many people struggle to get to work, schools and training centers, the doctor’s office, a grocery store and retail centers, among other things. Cars are expensive to own, insure and operate. For many low-income families they can be prohibitively expensive. For older adults and people with disabilities, driving may not be an option at all.

Despite being the seventh most populous state, Ohio ranks 45th in the nation for our state’s support of public transit. Ohio can and should do better. A little more than one percent of Ohio’s biennial multi-billion dollar transportation budgets goes toward public transit, with nearly all of our transportation dollars going toward highways. As a result, transit systems large and small are forced to raise fares for riders, and continually cut vital services to work, school, and access to everyday life.

Ohio needs a 21st century transportation system.

- Expanded transportation options creates a more competitive Ohio economy that enables the expansion of existing businesses and strengthens our pitches to attract private investment. A full array of local and intercity transportation options better connects Ohio’s businesses with a larger potential workforce and adds to Ohio’s toolbox for attracting new business.
- Young people and families want bikeable, walkable communities with better access to public transit. Small businesses looking to attract young workers are locating where these young people want to live and work.
- Safe, convenient and reliable alternative transportation options give low-income workers low-cost and accessible commuting options to reach a variety of jobs and training opportunities. Better, affordable public transit enables low-income families to spend or save money and forced less to choose between fixing an unreliable car, putting food on the table, paying for health care or rent.
- Expanding investments in transit, paratransit, and safety infrastructure for all, or ‘Complete Streets’ supports a vital transportation workforce in good-quality jobs.
- Increasing the array of alternative transportation options will reduce our vulnerability to oil price spikes and the enormous amount of money we spend each year on gasoline.

These investments also connect more Ohioans not only to more jobs, but to education and health care, regardless where they live. They also improve health:

- Investing in alternative forms of transportation helps address critical childhood and adult health issues like obesity and related health issues as well as their associated health care costs by promoting more active forms of transportation like walking and biking rather than passively driving everywhere.
- Better public transit will promote good health, personal growth, longevity and expanded productivity for older adults and people with disabilities. Quality public transportation promotes community engagement and connectedness for everyone, and prevents social isolation while reducing the risk of abuse and neglect so we can all thrive.
- Per mile, taking public transportation is ten times safer than driving a car.
- As your administration strives to address Ohio’s opioid epidemic, investments in transit and active transportation help provide access to addiction services, often an obstacle to treatment and recovery.

We the undersigned of MOVE Ohio, wish to be your active and engaged partners on behalf of Ohioans who use and depend on our transportation systems and in determining solutions to ensure they are robust, complete, forward-looking and safe systems. Thank you for your time and consideration of this important matter. We look forward to working with you during the budget process. If you have questions or would like to discuss this matter further, please contact Stu Nicholson at 614-439-8546 or footestu@gmail.com.
Sincerely,

Ability Center of Greater Toledo
All Aboard Ohio
Amalgamated Transit Union Local 697 in Toledo
American Council of the Blind of Ohio
Area Agency on Aging Area 3 (Lima)
Center for Independent Living (Cincinnati)
Coalition from Community Living
Council on Older Persons
Linking Employment, Abilities, and Potential (LEAP)
Lorain County Urban League
Northeast Ohio Disability Transportation Coalition
Ohio Aging and Disability Transportation Coalition
Ohio Bicycle Federation
Policy Matters Ohio
Senior Transportation Connection
Services for Independent Living
Transit Columbus
Universal Health Care Action Network
University of Cincinnati Center for Excellence in Developmental Disabilities
Addendum

While we believe a portion of any gas tax increase should and could be set aside for increasing transportation choice, there are a number of alternative revenue-raising options that could potentially contribute to a dedicated, sustainable transportation choice fund amount to $150 million. Below is a list of potential, but not exhaustive, options:

1. **Increase ODOT’s Budget to Fund Half the Local Match Required for Transit Capital Projects.** To access Federal Transit Funds, local transit systems must provide a minimum of 20% share of the total project cost. Many Ohio communities are forced to choose between providing services and diverting operating funds for match purposes. Many state DOT’s assist by providing one-half the local match required on federally funded transit projects. A commitment to fund this need in the next ODOT budget will ensure that critical capital projects are completed and precious federal funds are spent in Ohio.

2. **Dedicate existing state sales taxes on transit activities to transit fund.** State sales taxes on purchases from the private sector, made by Ohio transit agencies could be dedicated to a transit fund. Transit agencies, as it would be in their interest, would identify and report the sales to the Ohio Department of Taxation. State auditors would determine if the seller had paid or not paid sales tax in making the sale. The revenue would not be huge, at least initially. The state sales tax is 5.75 percent. Transit agencies in Ohio spend about $350 million to $400 million per year in non-labor-related purchases, be they for capital or operating costs. That could amount to $20 million to $23 million per year in state sales tax revenue. The more they invest in their systems, the more this revenue would grow. It is a true feedback loop – when Cleveland RTA buys its new trains, the state fund should receive $20+ million in sales tax revenues from that purchase alone.

3. **Dedicate “off-road” fuel tax revenues to transit fund.** Allow transit access to the “off-road” fuel tax paid by non-motorists. Federal Bureau of Transportation Statistics show that about 5 percent of transportation fuel pumped at gas stations used by cars, motorcycles, trucks, etc. is actually consumed by non-transportation activities such as landscaping, recreation, construction, farming, etc.

4. **Turnpike Infrastructure “Nexus” projects.** On July 1, 2013, the Ohio Turnpike Commission officially became the Ohio Turnpike and Infrastructure Commission (“OTIC”) with the passage and signing of House Bill 51. With it, OTIC’s mission extends well beyond the Turnpike right of way, including funding “Infrastructure Projects” in partnership with ODOT. Infrastructure projects with a “nexus” to the turnpike includes those with a physical proximity, connectivity and fiscal impact with the Ohio Turnpike. Several current and proposed multimodal passenger stations and rail corridors are near or along the Ohio Turnpike. These are within the nexus of the turnpike and could enhance the traffic handling capacity of rail corridors for more passengers and freight. The latter usually involves heavy, bulk commodities that, when hauled by truck, cause excessive damage to pavement and bridges. Regarding legality, revenues from OTIC concessions and leases may not be subject to Article XII, Sec. 5a of the Ohio Constitution. Concessions and leases amount to $15 million to $17 million per year, or about 5.5 percent of total revenues. Of the total 2013 Nexus transportation bond issue, about $50 million could have been legally used for rail development.

5. **Ohio Logo Signing Program profits.** The Ohio Logo Signing Program permits eligible businesses that provide fuel, food, lodging, camping or attraction services to road users to have their logos placed on Specific Service (Logo) signs at rural and urban freeway and expressway interchanges. This program is operated by a private company working under contract with ODOT. This private company shares
profits from this program with ODOT which, in turn uses these funds for discretionary activities. They are not dedicated or directed by statute to any ODOT program or activity, and are not subject to Article XII, Sec. 5a of the Ohio Constitution. All Aboard Ohio understands that profits to ODOT from the Ohio Logo Signing program have amounted to about $5 million per year in recent years.

6. **ODOT telecom lease revenues.** ODOT currently receives about $2 million per year in lease revenues from telecommunications companies that have placed communication towers on ODOT properties. These revenues do not appear to be subject to Article XII, Sec. 5a of the Ohio Constitution since non-motorists also can and do use these communication towers. In fact, it is likely that non-motorists are using more data than motorists because they are likely texting, e-mailing, and streaming data.

7. **Tax expenditures that could be eliminated to fund transportation choice:**

   - Eliminating the tax credit and discount that sellers of beer, wine and mixed beverages get for paying their alcoholic beverage tax a few weeks in advance;

   - Limiting the amounts retailers can receive for collecting the sales tax, known as the vendor discount – expected to cost the State an estimated $29 million in the 2016-17 executive budget proposal. Most states either have no discount at all or cap the amount, ensuring that big retailers do not reap a windfall. Tax Commissioner Joe Testa said in testimony that Ohio’s 0.75 percent discount “essentially functions as a profit center” for big-volume retailers.

   - Cutting sales-tax exemptions for trade-ins of used cars and boats in half, and repealing the 2.5 percent discount that distributors of cigars, chewing tobacco and other tobacco products get for timely payment of their taxes. “It shouldn’t be necessary to reward businesses for paying their tax on time,” as Tax Commissioner Testa previously noted. Together those changes would have generated more than $130 million in extra state revenue by 2017.

   - Institute a minimum on the Commercial Activity Tax due from suppliers to certain big distribution centers. This break allows suppliers to distribution centers that buy at least $500 million a year of goods, and ship at least half of them outside Ohio, to avoid paying the CAT on what is sent outside the state. As Commissioner Testa has testified, the value of this exemption will balloon from $25 million FY 2008 to an estimated $174.4 million in FY 2019. Gov. Kasich’s proposal to require at least a 10 percent payment is a good idea.

   - Eliminating the sales-tax cap for fractional aircraft, a special-interest break worth $15.8 million;

   - Ending the net operating loss write-off against the Commercial Activity Tax, which allows companies that experienced large losses – but not small companies – to keep reducing their CAT based on corporate-franchise tax losses. These were experienced more than a decade ago against a tax that no longer exists. Value: $4.6 million.