

## Appendix A: Transportation Policy Committee Recommendations

### **1. Efficiency/Effectiveness**

#### A. Build DOT Capacity

- Allow for direct agency control of hiring for budgeted positions
- Re-evaluate and update job descriptions to meet modern project delivery needs
- Create strong talent pipeline
  - STEM education initiatives
  - Internship program
- Streamline consultant procurement process
- Collect information necessary to inform future decisions
  - True cost accounting of DOT projects
  - Origin/destination data (peak & off-peak)
  - Updated traffic modeling

#### B. Improve customer service

- Targeted quick wins
  - Reopening rest areas (I-95, I-84 and I-91, with tie-in to arts, culture, tourism and CT brands)
  - Integrated mobile app for all transit systems
  - Light our highways (LED)
- Launching medium-term plans to upgrade major activity hubs
  - Stamford transportation center building
  - New Haven parking garage
  - New London pedestrian bridge connecting United States Coast Guard National Museum with train, bus, ferry & parking

#### C. Launch public education campaign

- Demonstrate economic benefits of an efficient transportation system & cost of not making necessary investments

#### D. Promote collaboration across systems

- Remove statutory impediments that impose inefficiencies, infrastructure restrictions and expenses

#### E. Promote worksite safety, including work zone e-ticketing

## 2. Project Prioritization

- A. Invest in highways, bridges, rail, bus and airports
  - i. Bring transportation system to a state of good repair
    - Prioritize maintaining, rehabilitating, reconstructing, and enhancing existing assets
  - ii. Prioritize new system investments that speed service, promote sustainability and connect people with jobs
    - Develop statewide strategic plan for transportation and transit oriented development
    - Establish cross agency criteria for evaluation and prioritization of projects
      - Coordinate and leverage investments in transportation, housing and economic development
  - iii. Modernize rail
    - Bring system to state of good repair
    - Improve service on the New Haven Line between New Haven and New York
      - Higher speed express service
      - More frequent local service
      - Access to Penn Station
    - Improve coordination between ConnDOT, MetroNorth & Amtrak
    - Create a unified fare payment system for rail and bus
    - Improve freight service
  - iv. Optimize bus transit with efficient and effective service

*See Appendix B for additional information*

    - Implement a statewide fare structure and marketing program
    - Invest in operations
    - Coordinate service and modernize bus routes and vehicles
    - Connect bus service with rail infrastructure
    - Expand bus rapid transit and prioritize bus lanes on city streets
    - Enhance local coordination with CTTransit on performance and public engagement
    - Explore opportunities for on-demand transportation to serve areas with low ridership
  - v. Plan for on-demand & autonomous vehicles to complement transit
    - Develop and implement a statewide on-demand and autonomous vehicle policy that complements transit and reinforces compact development patterns
    - Pilot autonomous vehicles for first/last mile service
    - Plan for and install enabling infrastructure for autonomous vehicles as investments in highways are being made (eg. as part of LED highway lighting projects)

vi. Coordinate air service development among commercial service airports

*See Appendix C for additional information*

- Establish a mechanism to ensure coordination, particularly as it relates to air service development
- Establish an air service development fund and business community coordination effort
- Alleviate statutory impediments to airport infrastructure improvement

vii. Develop statewide plan for mobility coordinated with economic development

- Establish cross-agency criteria to evaluate and prioritize projects
  - Create mechanisms to institutionalize interdepartmental coordination
  - Relate transportation investment to access to jobs and housing
  - Evaluate/prioritize projects in the pipeline based on established criteria
- Zoning for appropriate use and density near transit
- Regionalize station area parking management
  - Provide customer service information across parking network
  - Rationalize fee structure across parking network
  - Lead with user experience and branding
    - o Unified app
    - o Mobile payment

viii. Reduce highway congestion

- Maintain and repair aging infrastructure and address bottlenecks
- Reduce truck traffic by expanding utilization of existing deep water ports and explore creation of one or more inland ports

ix. Prioritize pedestrian and bicycle connectivity in coordination with traditional transportation investments

- Enforce ConnDOT Complete Streets policy
- Incentivize local bike and pedestrian projects
- Implement East Coast Greenway in Connecticut

B. Green the state's transportation system

- Make investments that promote sustainability and reduce greenhouse gas emissions
- Invest in electric vehicle infrastructure, green state vehicles and bus fleets
  - o Electric vehicle charging stations at rest areas, funded by electric vehicle producers
- Advance the Transportation Climate Initiative
- Reduce truck traffic by expanding ports and prioritizing freight rail

### **3. Coordination & Governance**

- A. Create a new Transportation Systems Working Group to coordinate intermodal activity & recommend transportation innovations
  - Led by Governor's office
  - Comprised of heads of all modes of transportation, COGs and municipal representatives
  - Establish Business Advisory subcommittee comprised of major employers to ensure transportation priorities are aligned with business needs
- B. Create mechanisms to institutionalize interdepartmental coordination between DOT, DOH, DECD, DEEP and other relevant agencies
- C. Concentrate authority for statewide aviation matters in the Connecticut Airport Authority
  - *See Appendix C (Supplemental Document | Coordinate air service development among commercial service airports) for additional information*
- D. Create a quasi-public Transit Corridor Development Authority
  - Direct, coordinate and leverage economic development along transit corridors
    - Mandate transit supportive zoning as a prerequisite for transit investment
    - Allow the Authority to capture the value it creates
- E. Ensure robust CTTransit engagement with local communities
- F. Reorganize Metropolitan Planning Organizations (MPOs) and Councils of Government (COGs) to align with key transportation corridors
  - Consolidate and align MPOs and COGs to achieve more efficient and strategic transportation and land use planning and economic investment
    - Consolidate from 7 MPOs/9 COGS to 3MPOs/5 COGs

### **4. Funding**

- A. Diversify revenue streams
  - Adjust gas tax, as necessary
  - User fees (tolls) for both trucks and passenger vehicles
    - Establish a Tolling Authority to deploy and administer the program
  - Transportation network company fees
  - Advertising revenue from mobile apps
- B. Enhance utilization of alternative financing and delivery methods
  - Infrastructure Bank
    - *See Appendix D (Supplemental Document | Infrastructure Bank Proposal) for additional information*

- Public-private partnerships
  - Ensure analysis and metrics to protect the public good
  - Retain public sector ownership of public assets
  - Work with labor on bidding process
- Design-build
  - Streamline and speed project delivery and reduce costs
- Value capture
  - Allow government to capture part of the economic value generated by public transit investment and use these funds to help finance the transit system
- Tax increment financing
  - Assigns property taxes on the increment in value above a certain baseline level to pay for local infrastructure within a specified zone

## 5. Case Studies

- *Milstein Forums on New York's Future / Rescue and Renew: Addressing the Metropolitan Region's Infrastructure Crisis*  
<http://library.rpa.org/pdf/RPA-Milstein-Forums-on-New-Yorks-Future.pdf>
- *Building Rail Transit Projects for Less: A Report on the Costs of Delivering MTA Megaprojects*  
<http://library.rpa.org/pdf/RPA-Building-Rail-Transit-Projects-Better-for-Less.pdf>
- *Transit Leadership Summit*  
<http://transitleadership.org/>
  - Improving the Customer Experience  
<http://transitleadership.org/docs/TLS-WP-Improving-the-Customer-Experience.pdf>
  - Fare Collection and Fare Policy  
<http://transitleadership.org/docs/TLS-WP-Fare-Collection-and-Fare-Policy.pdf>
  - Value Capture Opportunities for Urban Public Transport Finance  
<http://transitleadership.org/docs/TLS-WP-Value-Capture-Opportunities.pdf>
  - Door to Door: Combined Mobility and the Changing Transit Landscape  
<http://transitleadership.org/docs/TLS-WP-Combined-Mobility.pdf>
- *California's Bay Area Rapid Transit (BART): TOD zoning to support transit investment*  
California has enacted into law a bill (AB 2923) that requires BART to adopt, by ordinance, new TOD zoning standards for each station. The standards establish minimum local zoning requirements for height, density, parking, and floor area ratio that apply to an eligible TOD project. Where local zoning remains inconsistent with the TOD zoning standards after July 1, 2022, the new law requires the TOD zoning standards to become the local zoning for any

BART-owned parcels that are at least 75% within 1/2 mile of any existing or planned BART station entrance within the BART district. *Note that California vests the power to adopt TOD standards in BART rather than the state legislature or CA Dept. of Housing & Community Development.*

*Connecticut's UPass (University-Pass) Program, which provides unlimited rides on most public bus and rail systems within the state on weekdays and weekends, including holidays, is a model that could be expanded to the State's 51,000+ employees, to reduce emissions and reduce parking demand and costs.*

- Partners: Connecticut Department of Transportation, University of Connecticut and Connecticut State Colleges & Universities
- Participating Schools (15): UConn (Storrs, Hartford, Stamford, Waterbury), Asnuntuck Community College, Capital Community College, Gateway Community College, Housatonic Community College, Manchester Community College, Middlesex Community College, Norwalk Community College, Three Rivers Community College, Tunxis Community College, Central CT State University, and Southern CT State University
- Participating Transit Systems: CTtransit statewide (including CTtransit Express and CTfastrak), Greater Bridgeport Transit, Norwalk Transit, Housatonic Area Regional Transit, Milford Transit, South East Area Transit, Windham Region Transit District, Magic Carpet, Northwestern CT Transit District, 9 Town Transit, Middletown Area Transit, Shore Line East, Hartford Line (except Vermonter), and New Haven Line operated by Metro-North for service up to the state line (not valid on any shoreline Amtrak trains)
- Cost: \$20 per student, per semester

*Similar programs in other states include:*

- California: State employees working in areas served by mass transit, including rail, bus, or other commercial transportation are eligible for a 75% discount on public transit passes sold by state agencies up to a maximum of \$65 per month.
- Texas: Government agencies can partner with Capital Metro to provide employees 30% off transit passes as part of the MetroWorks bulk purchase program.
- Austin, TX: City employees can ride any Capital Metro bus or train for free using a transit pass. Employees must commit to riding the bus or train at least one day a week.

## Appendix B: Supplemental Document | Optimize Transit with Efficient and Effective Service

### **Public Transportation Policy Subcommittee - Policy Recommendations**

Connecticut benefits greatly from its network of public transportation operations. Annually, more than 40 million customers pass through the doors of bus services across the State. An additional 42 million riders use our rail services every year. These systems collectively provide access to jobs, school, and other critical community services. They support businesses and economic development, help the State to meet larger national goals of a cleaner environment, healthier communities and reduced demand on foreign and non-renewable resources. They are a step on the ladder of opportunity for thousands of the State's residents and essential to thousands of the State's employers. Through shared rides, public transit provides for economic growth while helping to alleviate and not contributing to the State's already problematic traffic congestion - benefiting all residents.

While the fixed route (city) bus services and current rail services are well known to many, in addition to City bus services, the State's network of transit operators provides over a million door-to-door trips annually for riders with disabilities, giving independence and a link to gainful employment, critical healthcare and community engagement. Moreover, these operators, under the *Municipal Grant Program*, provide thousands of door-to-door trips annually for senior citizens from every Connecticut municipality.

The importance of the public transit system in the State should not be overlooked or underestimated in the preparation of transportation policy and should be considered a critical part of the State's multi-modal mobility infrastructure. As a result, the subcommittee offers recommendations in the following public transit related policy areas which collectively focus on principles of: making the best use of current governance structures without adding additional layers, increasing accountability, ensuring efficiency and data driven decisions and, increasing public engagement, collaboration and sustainability. Where some initiatives are already underway, their incorporation here should be considered as the subcommittee's recommendation for their continuation and/or expansion:

- 1. Continued Operating Investment and Maintenance of Current Services;**
- 2. New Investment and Operational Efficiencies;**
- 3. Data Collection, Metrics, Customer Service and Transit Investment;**
- 4. Community Engagement and Participation in Planning and Service Monitoring, Regional Collaboratives and the Establishment of an Intermodal Coordinating Council;**
- 5. Creating a Seamless Public Transportation System for Connecticut;**
- 6. Continued Investment in the Bus Transit Capital Improvement Program; and**
- 7. Continue the Incorporate Sustainability Principles into Transit Planning and Service Development.**

In previous documents related to transportation policy, there have been brief discussions relative to the number of transit operations in the State and some recommendations to consolidate all or a portion of these operations under a single government entity. Today, bus services are provided by State operated divisions of CTTransit as well as regional authorities (Transit Districts) overseen by Boards appointed by Chief Elected Officials in the member municipalities. The Districts are designated federal funding recipients – conduits of federal transit investment in their respective areas, largely responsible for all bus transit infrastructure outside of the State operations. They also benefit from local and regional community input in the form of their respective boards and regular public meetings. Among the transit operations in the State, they are the exclusive providers of door-to-door services for riders with disabilities (under the Americans with Disabilities Act) and services to seniors under the Municipal Grant Program. Unique to Transit Districts is that they receive operating investment directly from their member municipalities, reducing the demand for State investment in the regions where they operate by millions of dollars annually. These operations maintain their own collective bargaining agreements and pension programs and compare favorably to State run operations when considering the total financial cost of operations per hour of service provided. Lastly, and in cooperation with State operated systems, they share administrative expenses in a broad number of areas including the purchase of fuel, training, vehicle procurement, and consortia related to federal compliance, insurance and workers compensation management.

The policy proposals in this document are aimed at optimizing both CTTransit and Transit District services and addressing barriers to interregional travel (between operations or service areas), as well as an urgent need for clear customer information regarding the various transit options available to residents and visitors. There are also opportunities for efficiencies and improvements in customer experience. It is noteworthy that the Connecticut Department of Transportation (CTDOT) is already undertaking efforts to streamline contracting for transit services and consolidate smaller transit operations where analysis shows efficiencies can be achieved.

The proposed policy recommendations that follow address these and other issues and set a course for an efficient, effective, vibrant and seamless transit system for Connecticut residents. To make their implementation possible, the Committee recommends that the CTDOT, through appropriate budgets as well as direct agency control over staff recruiting, hiring and development, form a more centralized public transit planning and community engagement staff with the capabilities to conduct comprehensive and detailed Statewide transit service plans, marketing initiatives and financial projections to meet current and projected future needs.

## **1. Continued Operating Investment, the Maintenance of Current Services and Maintenance of Current Services**

Funding for public transportation operations (Fixed Route, ADA, Municipal Grant, Rail Operations) is derived from the *Special Transportation Fund*. Like all other areas of transportation investment, transit operations require a steady and predictable stream of funding to meet customer needs. To this end,

transit operating investment levels should, at a minimum, be sufficient to maintain current service levels, accounting for increases in labor, health care and other expenses. Flat or declining operating funding levels have and will result in service reductions and/or fare increases. It is noteworthy that, due to decreased investment between 2015 and 2018, some bus transit operations, including several major cities, are today operating at FY2015 funding levels. This has resulted in service level reductions and fare increases in some places. Moreover, even the uncertainty regarding funding levels and the associated service reductions and/or fare increases, leads riders and prospective riders to reconsider their location, employment or travel mode options and should be avoided.

During the past five years, investment in new bus transit services has only been made in a few select locations. While these new services have been successful and are an important part of the bus network today, they have come at the expense of services in other areas of the State. It is important moving forward that care is taken to preserve current services that are demonstrated to be efficient (in urban areas) or meet critical community transportation needs (as is the case in suburban and rural areas of the State).

It is important to ensure that the State's investment in transit is used to pay for services that are efficient and effective. To this end, and based on the metrics and community participation discussed below, transit investment should go first to maintaining current services across the State using an equitable formula. This should be followed by the development and implementation of a transparent process for the selection of new services for funding. Likewise, should austerity measures be required, the burden of compensating for funding reductions should be shared equitably by all operators (and by extension communities) receiving funding so that the impact of the service reductions is not disproportionate or more burdensome in select locations, until such time as the metrics are in place to better inform transit investment decisions.

## **2. New Investment and Operational Efficiencies**

Today, in several areas in the State, there are transit evaluations underway which will result in recommendations for important bus service reconfigurations. Both Hartford and New Haven are undertaking such studies to ensure that the bus services meet the contemporary needs of the regions. These new service plans will require new investment. Additionally, there are other locations in the State which have already conducted similar studies but are in need of new investment to improve schedule adherence, service spans and route frequencies and to address crowding. To this end, the Committee recommends new investment in the bus and rail operations.

However, given the State's current fiscal condition, efforts should be made first to ensure the operating efficiency of all recipients of State funding. The Committee recommends the evaluation of operating expenses among all transit operating funding recipients and the consideration of a limit in State operating investment per revenue hour, or a similar bottom-line metric, which will help ensure and regulate the efficiency of all services receiving State funding.

### **3. Data Collection, Metrics, Customer Service and Transit Investment**

In order to inform any new funding investments and to ensure continuous improvement in transit operations, the Committee recommends that a service quality and service efficiency dashboard report should be created. Maintained by the CTDOT, supported by information from all recipients of State funding, transparent and reviewed regularly, this information would form the basis for improvements and new investment in bus and rail services. Among other areas, the dashboard would reflect operating expenses to ensure efficiency as well as operational performance measures to inform Statewide efforts to improve service and the customer experience.

Beyond the development of the dashboard report, expanded data collection and spatial analysis Statewide could be used to inform future transit investment decisions. While some exists today, a more unified approach to the development of mapping of rail and bus services, shuttle services, demographic and employment information, land use and zoning would serve to identify service gaps and opportunities for expanded regional services.

This type of analysis is conducted in varying levels of detail in different areas of the State. The Committee recommends that the CTDOT, through appropriate budgets as well as direct agency control over staff recruiting, hiring and development, form a more centralized public transit planning staff with the capabilities to conduct comprehensive and detailed Statewide transit plans to meet current and plan and prioritize future needs.

### **4. Community Engagement and Participation in Planning and Service Monitoring, Multi-Modal Regional Collaboratives and the Establishment of a Transportation Systems Working Group.**

Public transportation will improve with increased public participation. While there are currently avenues for public participation across the State, they are often limited to events designed to vet already planned service changes or reductions. To increase public participation, the Committee recommends several low or no cost initiatives:

*Increased Community Engagement and Opportunity for Public Participation* - Where regular outreach to the users of public transportation does not currently exist, bus transit operators should develop mechanisms for on-going community engagement and opportunities for public comments along with processes for the consideration of public recommendations. Currently, regularly scheduled meetings at Transit Districts provide opportunity for public comment on service planning, quality, financial decisions and budgeting. In some parts of the State, no such regular public meetings are held. Agencies providing transit services across the State should work collaboratively on improved public engagement using public input for continuous improvement. Additionally, the Committee recommends programs to ensure robust engagement with local planning, economic development staff, planning and zoning and transit boards to better coordinate land use and transit planning and the use of transit development guidelines (e.g. standards for bus stop signage, shelters, amenities, sidewalks, transit access, bicycle accommodations, real-time information systems, complete streets, etc.).

*Multi-Modal Regional Collaboratives for Service Development* – In addition to a hearty public engagement process, the Committee recommends that transit operators, in partnerships with Councils of Government, form regional collaboratives with the twin goals of monitoring regional service quality and identifying bus and rail transit service gaps. There is precedence for these collaborations. In an effort to enhance transportation options for individuals with disabilities, older adults, and individuals with limited income, SAFETEA-LU called for the development of a *Locally Coordinated Public Transit-Human Service Transportation Plans* (LOCHSTP).

*"Federal transit law requires that projects selected for funding under the Enhanced Mobility for Individuals and Individuals with Disabilities (Section 5310) Program be "included in a locally developed, coordinated public transit-human services transportation plan," and that the plan be "developed and approved through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers and other members of the public" utilizing transportation services. These coordinated plans identify the transportation needs of individuals with disabilities, older adults, and people with low incomes, provide strategies for meeting these needs, and prioritize transportation services for funding and implementation."*

These plans were developed via groups which included not only transit operators, but also job developers, business councils, advocates for persons with disabilities, advocates for veterans, social service agencies and other with an interest in improving bus service and increasing access to jobs. Collectively, they reviewed local transit services, identified geographic, service span and other service gaps, formulated and prioritized regional service plans which were then considered for funding in competition with all regions of the State. Many of the services developed during this period were successful and are an important part of the State's bus transit system today.

The reestablishment and expansion of these voluntary collaboratives to include representation by the business community, would require staffing and the Committee recommends that the State's Councils of Governments be considered for this role with additional funding to support the work derived from the Transit Operations budget line item or other suitable source(s). There should also be CTDOT representation on the collaboratives.

*A New Transportation Systems Working Group* – While there is some level of coordination among modes (Bus and Rail) the Committee recommends a new *Transportation Systems Working Group*, led by the Governor's office, with representation from all modes, the Councils of Governments, municipal representatives and business leaders with the aim of coordinating intermodal activity, identifying service design and customer experience problems and, identifying innovative services and technologies.

## **5. Creating a Seamless Public Transportation System for Connecticut**

Most importantly for customers, efforts should be undertaken to remove the two largest barriers to a seamless public transportation system in Connecticut – fare structures and customer information. The

Committee recommends that CTDOT and all transit and rail operators implement a Statewide fare system allowing users to access any State funded public transit mode with a single fare medium of their choice (card, mobile ticketing). Progress has already been made in this area by the State-run operations and the extension of the new program to all operations would be beneficial to riders and remove one of the perceived barriers to seamless interregional travel on the State's public transit systems. The Committee recommends that the CTDOT consider the engagement of a third-party contractor to assist in the development of seamless fair system for Connecticut across all modes.

It is noteworthy that, given the State's current fiscal condition, care should be taken not to implement any fare systems changes which would diminish revenues received through the fare box. Bus transit fares in Connecticut are among the lowest in the northeast with a base fare of \$1.75 (RIPTA = \$2.00, MTA = \$2.75) and a strong farebox recovery ratio should be maintained. The underlying operating investment formula across all recipients of State transit operating investment must also be considered in the development of a new fare structure.

In addition to creating a unified fare program, efforts should be made to create a central source for key transit information including trip planning, live bus tracking of arrival and departure information, and fare purchasing. The Committee recommends a greatly enhanced marketing program for public transportation. Today, less than one percent of the transit operating budget is spent on marketing. A hearty marketing program for transit coupled with easily accessed quality customer information will lead to increased ridership and customer satisfaction and an expansion that public transportation brings to the State. Associated mobile applications developed for passenger information may also serve as a potential revenue source.

It is noteworthy that the CTDOT, working in cooperation with two Transit Districts (9-Town and Norwalk Transit District) is currently conducting pilot projects to test the impact and efficiency of innovative "micro transit" service plans. Micro-transit is a form of demand response public transportation which uses technology to enable transit providers to offer flexible routing and scheduling of transit vehicles. Additionally, across the State, new bike-share and electric scooter services are being implemented. These services are offered by private companies in partnership with cities and towns and offer shared use of bicycles or scooters by individuals on a short-term basis, often for low or no cost.

Micro-transit services are now being used to offered transit services in locations and at times where densities and demand are not supportive of fixed route service. Bicycle and scooter sharing services help to address what has come to be known as the "first / last mile" problem - getting people between transit hubs/rail stations/ferry terminals, and their final destinations. The Committee recommends the expansion of these innovative services.

To these ends, the Committee recommends that the CTDOT be directed to first engage a third-party team to meet the immediate needs, then build an in-house marketing and public relations staff to implement and sustain a hearty program of public education which focuses on both the services

(sustained marketing to grow rail and bus transit ridership) and, more urgently, promote the economic benefits of investment in the State's mobility infrastructure and all of its modes and the costs associated with *not* making the commensurate investment.

## **6. Continued investment in the Bus Transit Capital Improvement Program**

The CTDOT oversees a superb transit capital program ensuring that the State of Good Repair (SGR) and modernization needs of the transit operations in the State are met. While much of the funding for the capital program is derived from the US Department of Transportation, the Committee recommends that the State continue to provide the requisite match to leverage all available federal formula funding and prepare to match upcoming discretionary/competitive funding programs with "shovel ready" programs and projects.

It is noteworthy that new federal regulations related to keeping transportation systems safe and in a state of good repair as well as the management of transit assets have been promulgated by the USDOT impacting both rail and bus operations. These new programs require new assessments of facilities, equipment and infrastructure - all underway at this time. The outcome of the assessments will likely be an expanded list of projects and the associated capital funding required to maintained SGR. Connecticut should be prepared for this increased demand on the transit capital program.

## **7. Continue the Incorporate Sustainability Principles into Transit Planning and Service Development.**

*"Transportation emissions significantly impact the State's air quality and attainment designation, being the source of 67% of the State's NOx emissions and 41% of its greenhouse gas emissions"* (State of Connecticut Mitigation Plan, Appendix D 2018 - Connecticut Department of Energy and Environmental Protection). The Committee supports the efforts now underway to incorporate zero emission buses into the State's transit Fleet and the expansion of zero emissions buses as a percentage of the State transit fleet in the future.

Through a partnership with Greater Bridgeport Transit (GBT), the CTDOT is leading an effort to incorporate zero emission battery buses into bus transit fleet. This project will begin with the deployment of two fully electric zero emission buses in 2019, an additional three buses in 2020, with a target of eleven buses by 2025 - twenty percent of the bus fleet in Bridgeport. Recently, the CTDOT was awarded funding from the DEEP to continue this effort in other transit operations in Connecticut.

## Appendix C: Supplemental Document | Maximize the Connecticut Aviation System

### **Airports Policy Recommendations**

Connecticut's airport system plays a critical role in connecting regional passengers to business and leisure destinations, and it also conveniently links incoming travelers to the state's strong tourist offerings. The state is currently home to 23 public-use airports. Bradley International Airport, which is the second-largest airport in New England, is owned and operated by the Connecticut Airport Authority (CAA), which is the quasi-public agency in charge with developing six of the state's major airports. The CAA also services as the statewide regulatory body for aviation across the state. Other significant, commercial service airports in the state include Sikorsky Memorial Airport and Tweed-New Haven Airport (both municipally owned). The state's airport system combines to provide billions of dollars in economic impact, and they play a critical role in the state's economic development efforts.

### **POLICY GOALS**

#### **A. Alleviate statutory impediments**

- Numerous statutes are currently in place that restrict airport infrastructure and drive higher costs at airports
  - For example, state law currently restricts the length of the runway at Tweed Airport and imposes a number of state-driven processes on the CAA
    - Such restrictions and high costs make state airports less attractive to airlines, and makes our airports less competitive in pursuit of new services

#### **B. Transportation Systems Working Group**

- The Business Advisory subcommittee can play an important role for state airports
  - Commercial service airports need information on business travel to make effective pitches to airlines for new routes
    - This subcommittee would allow airports to interact directly with the state business community to understand their needs and obtain the data necessary to tailor their air service development discussions to those needs
  - This body could also consider an air service development fund to provide incentives to airlines for particularly needed routes
    - Airports are restricted, per federal regulations, from providing direct grants to airlines in return for starting new services

- However, states and private businesses across the country have increasingly started pooling funds to offer such incentives for airlines to start services that are important to their communities
  - In recognition of this trend, the Commission on Fiscal Stability and Economic Growth suggested that the State and business community partner to establish a \$10 million air service incentive fund for CT airports

C. Concentrate authority for statewide aviation funding in the Connecticut Airport Authority

- Currently, a portion of the state's aviation fuel tax revenues is diverted into a separate, non-lapsing account that is dedicated for the benefit of statewide aviation
  - This was achieved to bring the state in compliance with federal rules that govern the use of revenues generated by aviation-related businesses
- Funding flows into a nonlapsing, restricted account, which is accessed by DOT to send funding to CAA for distribution amongst state airports
  - Legislation needed to let CAA access the account directly, allowing for more efficient, timely distribution of funds for necessary airport projects

D. Coordination on air service development

- A mechanism needs to be created to ensure coordination amongst the state's commercial service airports, particularly as it relates to air service development
  - Such coordination body could be led by the CAA, and it would help ensure that the state's airports are not developing their services in a manner that is detrimental to the development of the others

## Appendix D: Supplemental Document | Infrastructure Bank Proposal

***Cross-cutting proposal from the Transportation, Energy, Economy/Jobs and Environment Committees to: Establish a Connecticut State and Northeast Regional Infrastructure Bank to accelerate investment, create jobs and fuel economic activity.***

A Connecticut Infrastructure Bank, owned and operated by the state, would leverage public investments by up to 10 times with private debt raised from institutional investors. Proceeds would be used to finance revenue-producing projects, including highway, bridge, railroad, port, and airport projects, along with environmental infrastructure like green energy, clean water, waste, zero emission vehicle charging (including electric buses), and resilience to climate change (including microgrids and property protection projects). This proposal would establish a funding platform to attract businesses, drive innovation, support the green economy and create jobs – making Connecticut and the Northeast a model for shared prosperity and regional partnership.

The Transportation Committee recommends that the Governor move expeditiously to establish a Connecticut Infrastructure Bank (CIB) with the aim of launching the entity in 2019, taking the following initial steps:

1. Appoint a task force to examine and progress the CIB model
  - Membership to include the CT DOT Commissioner, CGB CEO, Treasurer, Comptroller, etc.
2. Draft legislation for the creation of a CIB using the CT Green Bank as a template, while expanding additional investment areas beyond clean energy to other environmental markets (e.g., waste) for the CT Green Bank
3. Meet with stakeholders
  - Legislative committees, key legislators, business leaders, unions, rating agencies and target investors
  - Reach out to similar entities established in neighboring states to exchange best practices and discuss potential for regional cooperation
4. Create a plan to operationalize the model (leadership, staffing, core functions, etc.)

**The Problem: Crumbling national infrastructure and congressional gridlock**

According to the American Society of Civil Engineers, the US needs \$4.5 trillion in infrastructure investment by 2025 just to achieve a state of good repair. Despite warnings that America is falling dangerously behind other advanced economies in infrastructure competitiveness, we struggle to find the political will and resources to fund the necessary improvements. The result is that the US ranks 9th

when it comes to quality of overall infrastructure in the World Economic Forum's Global Competitiveness Report, behind countries like France, Switzerland and Japan.

While there seems to be bi-partisan support for an infrastructure program in the US, Congressional gridlock has thus far failed to create a national funding plan. The political uncertainty caused by federal inaction has increased the pressure on states to tap new funding sources in a race to address decades of underinvestment. Since states account for 75% of all public infrastructure spending, it makes sense for them to take the lead.

#### **The Gaps: State Fiscal Constraints and Limited Access to Institutional Capital**

Historically, states have funded infrastructure through federal grants, dedicated fees (like tolls and state gas taxes), and municipal bonds. However, as Highway Trust Fund balances have dwindled, Congress has had to approve stop-gap funding measures, making federal appropriations less reliable. State gas tax revenues have also not kept pace, and while there is an increased need for 'user fees,' some states have found it politically difficult to implement them. Finally, the retail-targeted, tax-exempt municipal bond market represents only 9% of the total US bond market, ignoring a vast pool of institutional investors. With fewer sources of predictable revenue and a patchwork of fragmented federal funding programs, there is a pressing need for states to find innovative financing and structuring solutions to make the needed investments.

Like other states, Connecticut's infrastructure is in dire need of repair with 57% of its public roads in poor condition and 338 bridges rated as structurally deficient. Chronic neglect and tight budgets have taken a toll on the state's competitiveness with *US News and World Report* ranking the state near the bottom (#41) of all US states in infrastructure quality, making it even more difficult for us to attract companies and create jobs. Connecticut's fiscal situation will likely remain constrained with recurring projected budget deficits mainly due to large pension and healthcare obligations. A 21st century infrastructure is one of the key pillars of an economic resurgence plan for the state, requiring a new paradigm to attract private capital.

#### **A Proposed Solution: Creating a Connecticut State and Regional Infrastructure Bank**

A logical solution is for Connecticut to establish a State Infrastructure Bank, modelled on successful development banks around the world. The Connecticut Infrastructure Bank (CIB) would be owned and operated by the State. The equity would be funded from the state's annual budget or from other sources. It could leverage that equity up to 10 times with private debt raised from institutional investors—like pension and sovereign wealth funds—who need long-dated cash flows to match their actuarial liabilities. The proceeds would then be used to finance revenue-producing projects, like highways, bridges, railroads, airports, water and waste systems, and renewable energy.

The CIB would be economically self-sustaining, relying on project cash flows for debt service, like the \$18 billion in toll collections (over 20 years) estimated by the CT DOT. The equity would serve as a buffer for expected losses, using a risk methodology similar to other financial institutions. As a separately capitalized entity, the CIB would be excluded from the indebtedness of the state, reducing pressure on CT's bond ratings. This approach would have several benefits: it would create a multiplier effect on state funds, consolidate expertise for negotiating complex projects with the private sector, unlock access to

institutional investors that control over \$80 trillion in assets, and allow projects to be funded on a portfolio basis rather than piecemeal. The CIB could also be established as a parallel entity to the Connecticut Green Bank (CGB), with the CGB expanding into other environmental infrastructure sectors and the CIB focusing on mobility infrastructure. A shared services model, with common support functions, could deliver greater efficiency.

### **Achieving Scale: Partnering to Launch a Regional Infrastructure Bank**

Over the past several years, a number of states have established state-sponsored enterprises to mobilize investment in infrastructure and green economy projects. Connecticut launched the nation's first Green Bank in 2011, which quickly became a successful model for other states to emulate. New York also created a Green Bank (2013) and Infrastructure Bank (2012) to attract private investors. Rhode Island's Infrastructure Bank, established in 1989, had its charter significantly expanded in 2015. Massachusetts filed legislation to create an infrastructure bank in 2017. And, New Jersey created a State Infrastructure Bank in 2018 to complement existing entities for water systems, surface transportation and the environment.

A new approach is required—one that leverages best practices and pools resources across the region to mobilize investment in critical projects, especially those that cross state borders. The Northeast region represents 20% of US GDP and 50 million people. Its success is critically important for the US economy and our global competitiveness ranking. The tristate area is strategically positioned in the Northeast's Boston to Washington D.C. corridor. Modernizing the infrastructure in this nexus will have a catalytic and positive impact on the efficient movement of people and goods across the region and beyond. This will fuel productivity and enhance national competitiveness.

While each state and local community has specific projects that can and should be funded locally, there is great potential to coordinate on major, multi-state initiatives. Additionally, sharing of best practices and knowledge across the three states (NY-NJ-CT) could help create a unified approach. The ultimate goal would be to create a Northeast Regional Infrastructure Bank (NRIB) to fuel regional cooperation on projects. A similar approach could be taken for transforming the green economy with the creation of a Regional Green Bank. This would establish a holistic funding platform to attract businesses, fuel innovation and create jobs—making Connecticut and the northeast a model for shared prosperity and regional partnership.