

A Comparative Case Study of Local Option Transportation Taxes in

Albuquerque, New Mexico and Charlotte, North Carolina

Michael Callahan

Masters Project - Spring, 2009

Abstract

This paper presents the findings of a comparative case study of local option transportation taxes in the Albuquerque, New Mexico and Charlotte, North Carolina regions. A local option transportation tax (LOTT) was defined by Goldman and Wachs as “a tax that varies within a state, with revenues controlled at the local or regional level, and earmarked for transportation-related purposes” (Goldman and Wachs, 2003, pg. 21). LOTTs have become increasingly popular in recent years as the dominant source of funding for transportation project, the fuel tax, has become less productive. Among the most prominent examples of LOTTs are those used to fund light rail projects (Goldman & Wachs, 2003).

One common criticism of LOTTs is that county sales taxes for transportation undermine regional bodies, such as MPOs, which were strengthened through federal legislation in the early 1990s (Wachs, 2005). While many regions, such as Charlotte, adopt a LOTT in one county to support transit, the Albuquerque region adopted a three-county gross receipts tax to support transit. The Albuquerque arrangement may mitigate some of the concerns about the potential for LOTTs to undermine the regional transportation planning process. The paper presents the factors and environment under which a regional LOTT (Albuquerque) rather than a more local LOTT (Charlotte) is adopted in a region.

My findings suggest that state involvement is a critical ingredient in overcoming the political fragmentation and tension that exists in a region. Legislation in New Mexico allowed for the creation of regional transit districts and gave them the authority to collect tax revenue with voter approval. A strong champion is also important in securing a regional LOTT. New Mexico Governor Bill Richardson was an ardent supporter of regional transit in Albuquerque, while the champion of the Charlotte LOTT was the Charlotte mayor. Additionally, it is important to have strong business community support and the public must be able to visualize the projects that will be supported by the LOTT.

Introduction

Local option transportation taxes (LOTTs) are increasingly an important source of funding for transportation projects in the United States (Goldman & Wachs, 2003). A local option transportation tax is defined by Goldman and Wachs as “a tax that varies within a state, with revenues controlled at the local or regional level, and earmarked for transportation-related purposes” (2003, p. 21). A common LOTT that many people are familiar with is a ½ cent sales tax for transit. These taxes are typically implemented at the city, county, or regional level unlike the traditional sources of funding for transportation projects and programs. Foremost among traditional sources are fuel taxes on gasoline, diesel, and other fuels that are collected at both the state and federal level. These taxes generated 64% of the \$107 billion in user fees collected by governments in 2004 (The National Academies, 2006).

The increasing popularity of LOTTs can be attributed in part to the declining productivity of fuel taxes (Crabbe, Hiatt, Poliwka & Wachs, 2005). When accounting for inflation, the fuel tax revenues collected by federal and state government declined by 13% between 1995 and 2001 (Puentes & Prince, 2003). There are several reasons why the gasoline tax has been unable to keep up with the demand to improve and expand infrastructure. Neither the federal government, nor most states, index fuel taxes to inflation (Crabbe, et al, 2005) and vehicle fuel economy improvements, combined with a plateau in the average annual vehicle miles of travel (VMT) by Americans, creates doubt as to whether fuel taxes will be viable source of transportation funds in the future (Puentes & Prince, 2003). Additionally, as of 2003, thirty states restricted the use of fuel tax revenues to road construction, which forces local governments to find other sources of revenue for other modes (Puentes & Prince, 2003). Meanwhile, according to the federal National Surface Transportation Policy and Revenue Study Commission, the United States is currently only spending about 40% of the \$225 billion needed each year to upgrade the existing transportation system to a state of good repair and create a more advanced surface

transportation system (2007, pg. 1). It has also been estimated that there is an approximately \$10 billion annual shortfall in funding needed to maintain and expand transit systems in the United States to satisfy demand (Transportation Research Board, 2009). In this environment, a particularly popular alternative revenue source for public transportation projects is the local option transportation tax (Goldman & Wachs, 2003).

In 2005, local and regional governments collected approximately \$26 billion in locally-generated revenues to support transit. Between 1995 and 2005, revenue from all local and regional sources to fund transit projects and operations rose by 15 percent, after accounting for inflation (Transportation Research Board, 2009). Approximately half of the local and regional transit revenue is generated by fares, which typically support operations exclusively. Capital projects are more likely to be supported by LOTTs such as a sales tax ranging from ¼ to 1 cent (Transportation Research Board, 2009). According to data obtained by the Transportation Research Board, approximately \$4.6 billion in sales tax revenue was collected to support transit in 2005 by local governments or regional agencies in urbanized areas with more than 200,000 residents. Goldman and Wachs claim that the most visible examples of LOTTs in recent years have been voter approved sales taxes to fund light rail projects (Goldman & Wachs, 2003). According to a report by the Transportation Research Board, “generally, sales taxes provide the greatest yield and stability as well as being among the most broadly acceptable sources of funding for public transportation” (2009, pg. 16).

While these taxes are very popular and constitute a significant source of funding for transit projects, some have criticized their impact on regional transportation planning efforts. One effect of the rise of local option transportation taxes has been to increase the influence of elected local governments over transportation planning (Goldman & Wachs, 2003). At the same time, regionally-focused Metropolitan Planning Organizations have assumed a larger role in transportation decisions since the

passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 (Sciara & Wachs, 2007). As Goldman and Wachs write, “the rising use of local option transportation taxes and growing role for metropolitan planning under federal law are part of the same trend toward devolution in transportation finance” (Goldman & Wachs, 2003, pg. 29). But the rise of local option transportation taxes, and focus on regional transportation planning, appear to be at odds. “While Congress and many states are devolving transportation decision making to the regional level by enhancing the powers of metropolitan planning organizations, county sales taxes can undermine the influence and authority of those groups by focusing resources and decision making on counties and other smaller units of government” (Wachs, 2005, pg. 15).

The purpose of this paper, therefore, is to explore and better understand the events leading up to and influencing the implementation of a local option transportation sales tax in a region. More specifically, to explore the questions Goldman and Wachs raised about the interaction of regional transportation planning and LOTTs, this paper will present, through a comparative case study, the factors and environment under which a regional LOTT is adopted against the factors and environment under which a more locally-based LOTT is adopted in a region. The case of the Albuquerque, New Mexico region was selected to study the former while the Charlotte, North Carolina region was selected to study the latter. My goal is to understand what factors and actions lead a region to adopt a regional tax, which I propose will strengthen regional transit planning and service. I will then generalize these findings to the Raleigh-Durham (Triangle) region of North Carolina, which is considering a local option transportation tax to fund regional public transportation projects.

Literature Review

Traditional funding issues

The traditional sources of transportation funding are losing their ability to meet the infrastructure needs of the United States. Funds have traditionally been generated by fuel taxes, which charge those who use the roads based on their consumption of fuel. But there are several problems with relying heavily on this source of revenue. First, the gasoline tax, at the federal level, is not indexed to inflation (Crabbe, et al, 2005). Therefore, its strength has been reduced with the passage of time. Secondly, federal CAFÉ (corporate average fuel economy) standards have made vehicles more efficient over time (Crabbe, et al, 2005). It also appears that this trend will continue as the federal government will soon be raising the standard. Legislation passed by the U.S. Congress in 2007 will require automakers to reach a new minimum CAFÉ standard of 35 miles per gallon between 2011 and 2020 (Vlasic, 2008). The current average fuel economy for cars and light trucks in the United States is approximately 25 miles per gallon (Vlasic, 2008). Additionally, the cost of constructing transportation projects has outpaced inflation (Crabbe, et al, 2005). Therefore, even if fuel taxes were indexed to inflation, they would not be able to keep up with the cost of necessary infrastructure. Finally, the burden of paying for projects is shifting from federal to local governments (Crabbe, et al, 2005). Local governments do not traditionally collect fuel taxes and therefore rely on other forms of funding.

The rise of local option taxes

Economist Steven Rock, in his article "Equity of Local Option Taxes," claimed in the early 1990s that disrepair of infrastructure would ensue if local governments did not implement additional local funding sources for transportation (Rock, 1990). Funding transportation projects with local option taxes, particularly the sales tax, is therefore becoming more popular as fuel taxes are increasingly less

productive (Forkenbrock, 2006). Local and regional sales taxes raised approximately \$4.6 billion in 2005 for transit projects in regions with more than 200,000 residents (Transportation Research Board, 2009). Several benefits of using the sales tax to fund transit projects were identified by the Transportation Research Board including the breadth of the tax base, its low administrative cost, the fact that sales tax revenues keep pace with inflation, and that all transportation system users pay. While sales taxes are the most popular LOTT, local governments and regional agencies have also used local option fuel, payroll, income, vehicle license, and vehicle registration taxes to fund transportation projects (Goldman & Wachs, 2003).

Recently there were 32 ballot initiatives on the November 4, 2008 ballot asking for voter approval to fund transportation repairs or new projects, according to the Center for Transportation Excellence (Center for Transportation Excellence, 2008). Despite a slowing economy, more than 70 percent of the 2008 ballot initiatives were approved by voters. Researchers have offered multiple explanations for the popularity of these taxes (Hannay & Wachs, 2007). First, they are approved directly by voters, typically through a referendum (Crabbe, et al, 2005). Secondly, they are spent on projects within the local jurisdiction where they are approved (Crabbe, et al, 2005). Additionally, most of the local option transportation tax provisions have a sunset clause (Crabbe, et al, 2005). In California, the sunset clause is typically 15 to 20 years. Finally, the measures often include a specific list of projects to be funded by the tax (Crabbe, et al, 2005).

Previously conducted case studies have identified factors influencing the success of local option transportation taxes. A case study of jurisdictions in 11 states led by Henry B.R. Beale found several factors that appeared to be important in successful referenda (Beale, Bishop & Marley, 1996). Among the factors identified by Beale and his colleagues were proper identification of critical transportation needs, involving the electorate in the planning process, selection of a suitable tax that is viewed as fair

by the electorate, and provision of a detailed earmarking of the funds (Beale, et al, 1996). Additionally Beale and his colleagues reported that effective private and public leadership were important factors. While Beale and his colleagues focused more on planning factors, Robert Hanney and Martin Wachs studied the relationship between support for a LOTT and social, political, and geographic characteristics of the electorate. Their analysis of Sonoma County, California uncovered several apparent relationships. The proportion of Democrat voters in an area was found to have a positive association with support for a LOTT that emphasized a multi-modal transportation system, but not one that emphasized highway construction (Hanney & Wachs, 2007). They also found that one or no car households, as well as renters, were more likely to support a LOTT that emphasized multiple modes of transportation. Finally, distance from a proposed commuter rail line was found to be negatively associated with support for the LOTT in Sonoma County.

Some researchers, however, have raised concerns in the literature about using the sales tax to fund transportation projects. A primary concern is that sales taxes are regressive with the poor paying a larger proportion of their incomes than the rich (Crabbe, et al, 2005; Rock, 1990). Rock claimed that federal sources of funding are likely to be less regressive than local sources, which may rely heavily on the sales tax (Rock, 1990). Also, the sales tax and other common LOTTs do not generally affect travel behavior in beneficial ways (Crabbe, et al, 2005), unlike fuel taxes which may discourage driving by increasing its cost. Another concern is that the funds raised by local option transportation taxes are not flexible (Crabbe, et al, 2005). Policy and technology can change a lot in 15 to 20 years, yet the funds are often earmarked towards specific projects or programs. Additionally, researchers have claimed that the planning process associated with local option transportation taxes has included polling to gauge the public's interest in specific projects (Crabbe, et al, 2005). This is clearly at odds with the more traditional and rational approach to transportation planning. Finally, questions have been raised about how this

method of funding affects the regional transportation planning process that was strengthened through federal legislation beginning in the 1990s (Goldman & Wachs, 2003). Despite these negative aspects of LOTTs, and particularly the sales tax, legal realities, political realities, and the efficacy of the tax for generating revenue are important considerations of local governments and help explain their popularity (Rock, 1990).

Local option transportation taxes and the regional planning process

The conflict between LOTTs and regional planning efforts that cross jurisdictional boundaries is an impetus for this paper. Metropolitan Planning Organizations (MPOs) were originally created by the Federal-Aid Highway Act of 1962 to strengthen the coordination among the many governments in regions. But MPOs did not have strong influence over transportation planning until the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. This act recognized the need to strengthen regional transportation planning due to problems such as traffic congestion, air pollution and urban sprawl, which transcend local municipal boundaries (Goetz, Dempsey & Larson, 2002). ISTEA increased the role of MPOs in the expenditure of federal transportation funds through the development of a 20-year fiscally constrained regional Long Range Transportation Plan and a three-year Transportation Improvement Plan (Wolf & Farquhar, 2005). Additionally, ISTEA made MPOs equal partners with the states in selecting transportation projects, gave them greater flexibility in the use of federal funds, and enumerated a new list of policy goals to be considered in planning efforts (Goldman, 2007). Among these goals, a Long Range Transportation Plan is required to comply with Environmental Protection Agency air quality standards and to consider equity and environmental justice (Wolf & Farquhar, 2005). According to Todd Goldman, "U.S. Congress created the metropolitan planning process to promote a regional approach to transportation programming decisions and integration with other planning processes" (Goldman, 2007, pg. 13) MPOs therefore filled the gap between top-down (federal) and

bottom-up (local) transportation planning (Goetz, Dempsey & Larson, 2002). However, “MPOs vary considerably in their ability to coordinate regional transportation planning” (Goetz, Dempsey & Larson, 2002, pg. 105). And as Wolf and Farquhar assert, the institutional context of MPOs substantially limits their effectiveness as regional transportation planning organizations (Wolf & Farquhar, 2005). “MPOs lack the functional and institutional strength that member cities and counties have” (Wolf & Farquhar, 2005, pg. 1069).

This is the context in which local governments are increasingly seeking local funding for transportation projects and the influence that comes with those funds. The plans funded through local option transportation taxes, and controlled by local governments, are not, however, compelled to consider air quality or other important regional issues (Goldman, 2007). In four cases, from the San Francisco area, Goldman noted that the local governments “specifically excluded the regional MPO from the planning process, except for the nominal procedural role assigned to it by law” (Goldman, 2007). This highlights the enigma of devolution. Giving greater control to regional bodies (MPOs) over how federal transportation funding is spent, while also forcing local governments to raise more transportation funds themselves, creates the potential for conflict between regional interests and the local government raising transportation funds on its own. As Goldman noted, “the use of local option taxes as a vehicle for transportation policy reflects many current trends in contemporary governance; the devolution of state and federal power; the sidelining of expertise-led planning; and the emergence of voluntary, extra governmental policy-making processes” (Goldman, 2007, pg. 15).

Some have argued that a potential solution to the problems created by sub-regional revenue sources would be to give greater control of locally generated tax revenue to the regional MPO. Gian-Claudia Sciara and Martin Wachs argued that MPOs could be strengthened through control over local funding sources (Sciara & Wachs, 2007). They claim that future MPO directed funding sources should

have several attributes, including MPO control over the account, MPO discretion over expenditures, and protection of MPO generated revenue from sub-regional competition. A case study highlighted by Sciara and Wachs was the Las Vegas region. The MPO in the Las Vegas region (The Regional Transportation Commission of Southern Nevada) essentially borrows Clark County's taxing authority, under a state law permitting the arrangement, and therefore is able to raise and spend funds that further the goals of the region's long range transportation plan. The Las Vegas region, however, is unique because the boundaries of Clark County and the MPO are coterminous. This likely makes the decision to give the MPO control over LOTT revenues less complex and difficult. The Las Vegas arrangement is simply not realistic in most metropolitan areas. There are, however, regions such as Albuquerque that have implemented a local option transportation tax at the regional level and given control of the funds to a regional entity, such as a transit agency or in the case of the Albuquerque region, a Regional Transit District (RTD). In light of the literature on this topic, I believe the Albuquerque arrangement is better for regional transportation planning than the more common approach of giving control of funds raised through local option taxes to local governments or transit agencies, as is the case in Charlotte, NC. The Albuquerque approach should reduce conflict that is inherent when revenues are concentrated on the projects of one jurisdiction with LOTT revenue rather than advancing projects and programs that can provide the greatest benefit for the region by being used where the greatest need exists. Given this assumption, understanding the factors and environment that allow an area to implement a LOTT at the regional level is important for decision makers in other regions wrestling with difficult transportation finance questions and considering a LOTT as the solution.

Methods

A comparative case study was the research strategy used to explore the local option transportation taxes approved in the Albuquerque, New Mexico and Charlotte, North Carolina regions.

These cases were chosen for their many similarities and a key difference. Albuquerque won approval in November, 2008 for a 1/8 cent gross receipts tax covering the three primary counties of the metropolitan region (Bernalillo, Sandoval, and Valencia). Election results compiled by the Center for Transportation Excellence (www.ctfe.org), identified 20 locations holding local option sales tax referenda for transit on November 4, 2008. Only three of these referenda sought a multi-county sales tax for transit, with the remaining 17 applied at the county or city level. The revenues from the Albuquerque region LOTT are dedicated to covering the operating expenses of the Rail Runner commuter rail system and the capital and operating expenses of implementing regional bus services. Charlotte, on the other hand, took a more traditional path of raising funds locally, in this case at the county level, and spending those funds on projects approved by voters. Voters in Mecklenburg County (Charlotte) approved a ½ cent sales tax for transit in 1998. Despite the difference of the geographic scope of the LOTT, the two regions have many similarities. Both are fast growing regions with a strong central city. Additionally, because the regions both have strong central cities, there is a lot of commuting to the core from the peripheral counties. In neither region was public transportation a popular mode of transportation prior to the respective referendum. The U.S. Census Bureau estimated that 2.0 percent of trips to work in Bernalillo County, New Mexico, were by public transportation in 2007. The share was even smaller in outlying Sandoval County, where the Census Bureau estimated that 0.7 percent of work trips were by transit in 2007. Approximately 3.0 percent of Mecklenburg County commuters used transit for their work trips in 2006, according to Census Bureau estimates.

Two general tools were used to analyze the cases. A primary tool was open-ended interviews with current and past actors in politics, business, and transportation planning in both regions. An interview guide was created to ensure consistency in the interviews. However, the interviews were open-ended allowing for deeper consideration of any unforeseen issues or events. Additionally,

documents were examined to gain additional insight into the thoughts and actions of the various actors involved in the planning process. Among the documents analyzed were plans supported by the LOTT, ballot language, editorials, position papers and newspaper reports from *The Albuquerque Journal* and *The Charlotte Observer*.

Table 1.

Albuquerque Interview Subjects				
Person	Title	Organization	Method	Date
Terri Cole	President/CEO	Greater Albuquerque Chamber of Commerce	Phone	1/27/2009
Paul Gessing	President	Rio Grande Foundation	E-mail	2/16/2009
Lawrence Rael	Executive Director	Mid-Region Council of Governments	Phone	2/6/2009
Bruce Rizzieri	Regional Transit Manager	Rio Metro Regional Transit District	Phone	3/2/2009
Charlotte Interview Subjects				
Person	Title	Organization	Method	Date
George Alexiou	Project Manager (2025 Plan)	Parsons Brinckerhoff	In-person	1/27/2009
Robert Cervero	Consultant	UC-Berkeley	E-mail	2/14/2009
Bill Coxe	Planner	Mecklenburg County	Phone	2/23/2009
David Hartgen	Professor	UNC-Charlotte	Phone	1/23/2009
Phil Leazer	Engineer	York County, SC	Phone	2/27/2009
<i>*Title and organization as of November 1998 for Charlotte subjects.</i>				

Cases

The remainder of this paper will explore the details of the local option transportation taxes approved in both the Albuquerque and Charlotte regions. In order to better understand the regions, some basic demographic and commuting information is presented in this introductory section.

Both regions experienced rapid growth during the last several decades. The region, for the purpose of this study, was defined by the counties where regional transit service was either implemented, or expansion is considered for the future. The 2025 Integrated Transit/Land Use Plan, released in the Charlotte region in 1998, identified four surrounding counties for possible future transit expansion - Cabarrus, Gaston, and Union in North Carolina and York in South Carolina. The Rio Metro Transit District in the Albuquerque region, created following the State Regional Transit District Act of 2003, covers the counties of Bernalillo, Sandoval, and Valencia.

The population of the 3 counties comprising the Albuquerque region grew from 171,641 residents in 1950 to 712,748 in 2000. Recent estimates prepared by the Mid-Region Council of Governments put the regional population at 855,389. Bernalillo, home to Albuquerque, had very high growth rates in the 1950s and 1970s, but slowed to approximately 15 percent during the 1980s and 1990s. While growth has slowed in Bernalillo County, it accelerated in neighboring Sandoval and Valencia Counties during the 1970s, 1980s, and 1990s. The population of Sandoval County grew by approximately 99 percent during the 1970s while Valencia experienced a population growth rate close

Table 2.

Albuquerque Regional Population and % Change from Previous Decade By County, 1950 - 2000						
	Bernalillo		Sandoval		Valencia	
Year	Population	% Change	Population	% Change	Population	% Change
1950	145,673	-	12,438	-	13,530	-
1960	262,199	80.0%	14,201	14.2%	16,146	19.3%
1970	315,774	20.4%	17,492	23.2%	20,451	26.7%
1980	419,700	32.9%	34,799	98.9%	30,769	50.5%
1990	480,577	14.5%	63,319	82.0%	45,235	47.0%
2000	556,678	15.8%	89,908	42.0%	66,162	46.3%
<i>**Includes counties that adopted the transit sales tax in November, 2008. Source: www.mrcog-nm.gov</i>						

to 50 percent during each of the last three decades. As expected, the share of the regional

population residing in Bernalillo County slowly declined since its high of 89.6 percent in 1960. As of the 2000 census, approximately 78 percent of residents in the three counties lived in Bernalillo County. The growing share of population residing in Sandoval and Valencia Counties led to a large amount of cross-county commuting for work. The U.S. Census Bureau in 2000 estimated that 19,875 people commute each day from Sandoval County in Bernalillo, and 12,995 from Valencia County into Bernalillo.

The five counties identified as comprising the Charlotte region also experienced significant growth between 1950 and 2000. Approximately 489,301 residents resided in the five-county region in 1950. As of 2000, the U.S. Census Bureau estimated that approximately 1,305,155 residents resided in

Table 3.

Charlotte Regional Population and % Change from Previous Decade, by County, 1950-2000										
	Cabarrus		Gaston		Mecklenburg		Union		York, SC	
Year	Population	% Change	Population	% Change	Population	% Change	Population	% Change	Population	% Change
1950	67,783		110,836		197,052		42,034		71,596	
1960	68,137	0.5%	127,074	14.7%	272,111	38.1%	44,670	6.3%	78,760	10.0%
1970	74,629	9.5%	148,415	16.8%	354,656	30.3%	54,714	22.5%	85,216	8.2%
1980	85,895	15.1%	162,568	9.5%	404,270	14.0%	70,380	28.6%	106,720	25.2%
1990	98,935	15.2%	175,093	7.7%	511,433	26.5%	84,211	19.7%	131,497	23.2%
2000	131,063	32.5%	190,336	8.7%	695,370	36.0%	123,772	47.0%	164,614	25.2%

**Includes counties considered for future extension of transit in 2025 Integrated Land Use/Transit Plan. Source: <http://www.census.gov>

the region, an increase of 167 percent. Mecklenburg County demonstrated consistently strong growth for each decade between 1950 and 2000, while York, Cabarrus, and Union Counties each experienced growth spurts between the 1970 and 2000 censuses (Table 3). Gaston

County, meanwhile, experienced its fastest growth rates during the 1950s and 1960s. Mecklenburg County – the central county of the region –increased its share of the regional population between 1950 and 2000. Therefore, unlike the Albuquerque region, it appears that

Table 4.

Daily Worker Flow to Mecklenburg County, 2000	
County	Flow
Cabarrus	22,695
Gaston	23,100
Union	24,890
York, SC	23,905

Source: <http://www.census.gov>

the Charlotte region has become more centralized with time, although the Albuquerque region was, and continues to be, much more centralized. This could, however, be a result of the scale at which I have decided to examine each region. Finally, the Charlotte region also experienced a large amount of cross-county commuting for work in 2000 (Table 4). Between 22,000 and 25,000 people entered Mecklenburg County each day from the four surrounding counties of Cabarrus, Gaston, Union, and York.

The fast population growth and commuting patterns were cited by interviewees from each region as an impetus for the LOTT proposal. The remainder of this paper will be dedicated to understanding why Albuquerque pursued a regional approach while Charlotte pursued a more local approach to the local option transportation tax. Additionally, the paper will attempt to identify the key

actors that made each respective referendum successful and examine why the public was willing to support an increase of the sales tax to support transit.

Albuquerque Case

Introduction & History

Voters in the three-county Albuquerque, New Mexico region voted on November 4, 2008 in favor of a 1/8 cent gross receipts tax to pay for the operation of a regional commuter rail service and to support enhanced and new regional bus service. A gross receipts tax is similar to a sales tax, but it is imposed on the sales and leases of goods by persons engaged in business in New Mexico rather than the consumer. The tax was expected to generate approximately \$26 million annually in the three counties in which it was approved – Bernalillo, Sandoval, and Valencia (Jojola, November 5, 2008). Municipalities located within these three counties include Albuquerque, Rio Rancho, Bosque Farms, Los Lunas, Corrales, Los Ranchos, Bernalillo, and Belen. Exactly half of the generated revenue was committed to regional bus service, which included 13 commuter express bus routes, expanded dial-a-ride service, neighborhood circulator buses, five new park and ride lots, and passenger amenities. Additionally, half of the revenues were proposed to be spent supporting the operating expenses of the Rail Runner commuter rail system (Hay, October 19, 2008). Rail Runner, a \$400 million state project, connects the cities of the Albuquerque and Santa Fe regions. Supporting Rail Runner was a primary objective of the Plan and most of the commuter express bus routes were planned to deliver passengers to Rail Runner. The Plan also called for the construction of new Rail Runner stations in the three counties.

The LOTT approved in the Albuquerque region was made possible by a series of events beginning in 2003 when Governor Bill Richardson signed the Regional Transit District Act, also known as Senate Bill 34. The purpose of this Act was to allow multijurisdictional public transportation systems,

reduce congestion, decrease automobile accidents, reduced noise and air pollution, prolong the life of New Mexico's road network, provide alternatives to automobile travel, improve the state's economy through better access to jobs and education, and prolong oil resources (New Mexico Legislature, 2003). The Act allowed local governments to exercise joint authority over the transit system with the approval of the state transportation commission. Prior efforts in the 1990s had attempted to create Regional Transportation Authorities with the power to tax, but these efforts failed according to Bruce Rizzieri, the Regional Transit Manager for Rio Metro, the RTD of the Albuquerque region (Bruce Rizzieri, personal communication, March 2, 2009). Legislation in 2004 gave the Regional Transit Districts the ability to impose taxes, with voter approval, to finance regional transportation projects (Hay, October 19, 2008).

Once state enabling legislation was in place a RTD was formed for the Albuquerque region. Rio Metro is staffed by the Mid-Regional Council of Governments, which also serves as the region's Metropolitan Planning Organization. In order to implement the LOTT, the board of Rio Metro had to approve the ballot measure and create a plan for how the revenues would be spent. The proposed 1/8 cent gross receipts tax and accompanying transit service plan, was approved by the board on July 16, 2008. The margin of victory among board members for the proposal was 14 to 2. After voting in favor of the proposal, Bosque Farms Mayor Wayne Axe told *The Albuquerque Journal* that "regionalization...has to be the way of the future to get things accomplished" (Jojola, July 17, 2008). The proposal required pooling the votes of the three counties, meaning that the measure could not be defeated simply through defeat in one of the three counties. It was determined that the LOTT would be approved at a three-county level by the state legislation giving RTDs the authority to collect the tax, according to Rizzieri. Once approved by the Rio Metro, the ballot measure had to be approved by elected officials in each of the three counties, which subsequently were required to publish a legal notice about the measure. The tax measure was approved by each of the counties, and subsequently

voters in the jurisdiction in November, 2008. The following ballot measure language was used in Bernalillo County, the largest county in the region (Albuquerque Journal, 2008):

Shall Bernalillo County, New Mexico impose a one-eighth of one-percent gross receipts tax which shall be dedicated to the Rio Metro Regional Transit District in equal portions for the purpose of management, operations, capital planning, construction or maintenance of the New Mexico Rail Runner Express, and for the management, operations, capital, planning construction or maintenance of the Rio Metro Regional Transit District system, pursuant to the Regional Transit District Act?

Revenue generated by the 1/8 cent gross receipts tax was assigned to fund the Rio Metro Service and Financial Plan. The Plan explained the reasons that a regional transit system would be necessary for maintaining and improving the region's quality of life, offered a detailed description of new services that would be supported by the transit gross receipts tax, and also outlined the projected revenues and expenses for the system. While the regional system would not supplant incumbent providers, such as ABQ Ride in the City of Albuquerque, it was proposed to improve regional connections and feed the nascent commuter rail system (Jojola, October 17, 2008).

During the process of creating the Plan, Rio Metro examined four alternative scenarios. The preferred scenario included an assumption that the LOTT would be approved by voters in November 2008. Under the preferred scenario, Bernalillo County would receive five new commuter express bus routes, four neighborhood circulator routes, dial-a-ride service for the eastern part of the County, and a passenger amenity fund that would be established in year two of the Plan. The Plan stated that Bernalillo was going to attract 80 percent of the new jobs in the region, but only 50 percent of the new residents, by 2025. Meanwhile, Valencia County was projected to attract approximately 22 percent of

the new residents, but less than 4 percent of the new jobs, by 2025. Therefore the Plan emphasized the need to connect Valencia County to the jobs in Bernalillo County. The improvements suggested by the Plan for Valencia County included a vastly expanded dial-a-ride service, four new commuter express bus routes, and passenger amenities such as bus shelters and a Next Bus system, which would provide passengers with information about the expected arrival time of buses. Sandoval County, to the north of Bernalillo, was also projected to grow rapidly between 2008 and 2025. Improvements suggested by the Plan for Sandoval County included additional dial-a-ride service, two new commuter express bus routes, and amenities such as shelters and a Next Bus system. In order to implement the services quickly, the Plan called for Rio Metro to contract with private and public entities to provide the service. Most of the new services were scheduled to be implemented within one to two years, with none taking longer than four years to implement. Clearly each of the counties contributing to the tax revenue is expecting to receive services. Rizzieri said that in crafting the plan he had to be very aware of where the money would be generated and where it would be spent (Bruce Rizzieri, personal communication, March 2, 2009). The revenues generated and funds spent in each county had to be similar, and ultimately were according to Rizzieri.

Underpinning the approved Plan was the assumption that the transit tax would be approved by voters in November 2008. The approval of the tax gave Rio Metro the financial resources necessary to implement the Plan. Collection of the gross receipts tax was scheduled to begin in July 2009 and the first payment is expected by Rio Metro in October 2009 (Bruce Rizzieri, personal communication, March 2, 2009). In the first full year of tax collection (fiscal year 2011), the tax is anticipated to generate \$25.375 million for Rio Metro (Rio Metro Service and Financial Plan, 2008). The Plan anticipated that revenue would increase to \$30.8 million by year 15 of the tax and that it would generate a total of approximately \$410 million over 15 years. Considering that Rio Metro's total anticipated revenue is

approximately \$440 million over 15 years, the tax is expected to be a major source of revenue for Rio Metro. Neighborhood circulators are expected to be the most expensive of the new services costing approximately \$58 million over the next 15 years. Commuter express bus service was just below the neighborhood circulators, costing approximately \$56 million over the next 15 years.

Scope of the Regional Transit Gross Receipts Tax

As discussed in the introduction, the Albuquerque region experiences a significant amount of commuting for work into Bernalillo County from the surrounding jurisdictions. It was estimated by the U.S. Census, from data collected in 2000, that 19,875 individuals travel daily for work into Bernalillo County from Sandoval County. An additional 12,995 individuals travel daily for work into Bernalillo County from Valencia County. These commuting patterns suggest that transportation issues, like travelers, cross jurisdictional boundaries in the Albuquerque region. Unlike the Charlotte region, however, the LOTT approved in the Albuquerque region covered the three primary counties of the region. The tax revenues therefore can be spent on transit projects that, like many commuters, cross county boundaries.

A primary reason for this fundamental difference is the composition of the entity assigned with planning and funding the regional transit system in the Albuquerque region. The New Mexico state legislature created regional transit districts in 2003 and later gave them the ability to collect a gross receipts tax to pay for transit projects and programs. These transit districts were not created to simply encompass one County or municipality, but rather included multiple counties to allow the region to address transit issues at a regional scale. The legislation did not, however, require transit planning and operation at a regional scale. Lawrence Rael, the executive director of the Mid Region Council of Governments identified four primary reasons for this development. First, there was a concern among

elected officials about commuting into Bernalillo County from the outlying counties (Lawrence Rael, personal communication, February 6, 2009). This implies that elected officials recognized the regional nature of the problem. Secondly, tribal lands in the region historically created a unique obstacle to road construction that does not exist in many other places. Negotiating with sovereign tribes to build roadways is very expensive, according to Rael, and increased the need to seek alternatives to highway construction. A third reason, which Rael said was the most important, was the perceived impact on air quality and the quality of life that excessive auto commuting was having on the region. And finally, Governor Bill Richardson believed there needed to be a regional approach to building and operating transit infrastructure, according to Rael. The Rail Runner project was conceived by Governor Richardson and the state legislature, and conversations between the Governor and local elected officials resulted in a consensus that the transit system and its funding mechanism had to be regional in scope. So while the state legislature created the potential for a regional LOTT, it took a recognition of the regional nature of the transportation problem by elected officials and cooperation among them for implementation to be successful.

Actors and Actions affecting Support for Regional Transit Gross Receipts Tax

Once the enabling legislation was in place creating RTDs and allowing them to collect taxes, a broad coalition of support from the business community and government apparently played a very important role in securing LOTT approval by elected officials and the electorate in the Albuquerque region. These actors encouraged elected officials and voters to recognize the regional nature of the transportation problems facing Albuquerque and to take action by supporting the tax. Among the key governmental actors supporting the LOTT in the region were Governor Bill Richardson, and Lawrence Rael of the Council of Governments. The business community, through the Greater Albuquerque and Rio Rancho Chambers of Commerce, also offered influential support. Their support, however, came

after some initial skepticism according to Rizzieri (Bruce Rizzieri, personal communication, March 2, 2009). Terri Cole, President and CEO of the Greater Albuquerque Chamber of Commerce, called the business community, Lawrence Rael and Bill Richardson a three-legged stool, which supported and made possible the regional tax (Cole, personal communication, January 27, 2009).

Advocacy was the primary role played by the business community in supporting the LOTT according to Rael (Lawrence Rael, personal communication, February 6, 2009). This point is well illustrated by the activities of the Greater Albuquerque Chamber of Commerce. Terri Cole was an ardent supporter of the tax. A position paper issued by the Chamber in July 2008 explained the Chamber's support. "The Chamber has championed an approach of regionalism competitiveness to spur economic growth by promoting the greater Albuquerque region as a single economic entity. The Rail Runner and the improved bus services further this goal because they help bind the three-county region together and move commuters more efficiently between work and home" (Greater Albuquerque Chamber of Commerce, 2008, pg. 1). According to Cole, taking a regional approach to the tax "made the most sense. It was the most logical and fair approach" (Terri Cole, personal communication, January 27, 2009). Cole cited the fact that the region experiences a lot of cross-county commuting from Sandoval and Valencia Counties into the central county, Bernalillo. Therefore, Cole said that all three counties should contribute to the operating cost of Rail Runner. Cole also said that the Chamber supported a cumulative majority vote for the tax. According to Cole, the three counties had to behave as one unit for transportation planning and funding. To build support among the public for the LOTT Cole said the Chamber engaged in lobbying efforts to win the support of their approximately 5,700 members. According to Cole this campaign was very effective despite opposition from some members.

Governmental actions taken by Rael and Governor Richardson were also frequently cited as influential to the approval of the tax. Cole said that public sector support translated into business

community and general public support for the tax (Cole, personal communication, January 27, 2009). She specifically singled out Rael calling him a strong leader who is well respected for how he manages taxpayer money. Cole said that a weak Council of Governments would have made the tax difficult to implement. Rael supplied information to voters through his position with the Chamber of Commerce and also was the co-chair of a four week advertising campaign promoting the tax, according to Cole. The primary message of the advertising campaign was reducing the cost of travel for commuters, said Cole. Rizzieri said that Rael was also heavily involved in pitching the concept of regional transit to the local governments in the region (Bruce Rizzieri, personal communication, March 2, 2009).

Governor Bill Richardson's support was also cited as a very important factor by Rael, Rizzieri, and Cole in building support for the tax. Richardson believed in the rail system and built support in the state's legislative branch for the enabling legislation that allowed the three counties to hold a referendum (Cole, personal communication, January 27, 2009). His role, much like the business community, was to advocate on behalf of the tax (Lawrence Rael, personal communication, February 6, 2009). Richardson also formed a citizens' committee that supported the tax and raised funds for advertising in Santa Fe and Albuquerque according to Rael. The Governor also reached out to elected officials in the Albuquerque region through phone calls seeking support for the tax (Bruce Rizzieri, personal communication, February 2, 2009). The efforts by Richardson, Rael, and others led to nearly unanimous support among elected officials for the tax. Rizzieri said he was aware of no mayor or county commissioner in the Albuquerque region opposed to the tax. This was important because the commissioners in each county had to vote in favor of including the tax on the November 2008 ballot.

The actions of the business community and government officials made possible the support of the public, which ultimately was necessary for the tax to win approval (Cole, personal communication, January 27, 2009). The people of the region had to be able to see the possibilities of regional transit in

order to support it (Cole, personal communication, January 27, 2009). “Once people start knocking doors down it got hard for elected officials to ignore,” said Cole. Critical to building public support was the Rail Runner pilot project. Once the state spent the money to get the Rail Runner operating, people could see it and understand what their tax dollars would be supporting, said Cole. Rael said that people in the region are very proud of the Rail Runner and therefore were more willing to support the tax. But without the initial support of Rail Runner from Governor Richardson, the transit sales tax would not have passed, Cole claimed.

Albuquerque Conclusion

Unlike the Charlotte region, it is too early to judge the success or failure of the regional transit system implemented through the LOTT. The Albuquerque region does, however, appear to have a strong regional commitment to transit. They also continue to have an advocate in the Governor’s office at least until 2010 when Governor Bill Richardson’s current term expires. Despite the popularity of the Rail Runner and the strong support voters gave the tax in the November referendum, there is some opposition to the LOTT. The Rio Grande Foundation, a free market research institute, was critical of the gross receipts transit tax leading up to the referendum. Paul Gessing, President of the Foundation, said that transit taxes should be approved and controlled by local jurisdictions rather than regional bodies (Paul Gessing, personal communication, February 16, 2009). He also claimed that the gross receipts tax was selected for funding transit because its full impact is hidden from view. Presently, however, the regional transit advocates have won a major victory that will allow a regional transit system to take shape. Time will tell if opponents, such as Gessing, will be able to swing public opinion against regional transit and the tax.

Charlotte Case

Introduction and History

Voters in Mecklenburg County, North Carolina approved a ½ cent sales tax for transit on November 3, 1998. The tax, expected at the time to generate \$46.2 million in its first year and \$54.9 million by the fourth, was approved by a 58 to 42 margin by voters (Batten, August 15, 1997). The additional ½ cent increased Mecklenburg County's sales tax to 6.5 percent and was not applied to food, gasoline or prescription drugs. The municipalities within Mecklenburg County that were subject to the tax increase included Charlotte, Davidson, Cornelius, Huntersville, Matthews, Pineville, and Mint Hill. Like the Albuquerque tax, it did not include a sunset provision and the revenue was used to implement a plan – the 2025 Integrated Transit/Land Use Plan in the case of Charlotte.

The idea of a sales tax for transit originated with a group of business and community leaders from Mecklenburg and surrounding counties called the Committee of 100, which was formed in the early 1990s to originally find a long term, sustainable financing mechanism for Charlotte's bus system, according to Bill Coxe, a transportation planner for Mecklenburg County from 1978 to 1998 (Bill Coxe, personal communication, February 23, 2009). Despite its original intentions, the Committee took on a life of its own, according to Coxe, and began to discuss regional transportation planning. From this discussion came the Centers and Corridors Plan, which recommended that growth be focused in the central city and in radial corridors that could be served by transit. The recommendation that transit support land use was, according to Coxe, a very important development to come out of the Committee's work. It marked a change in the way people thought about transit in the Charlotte region, said Coxe. A funding mechanism, however, was necessary to support this concept. It was recommended by the Committee that a one-cent sales tax be used for \$1.7 billion in road and transit projects over a 20-year

period in Mecklenburg, Union, Gaston, Iredell, Cabarrus, Lincoln, and York (S.C.) counties (Whitacre, December 11, 1994; Lyttle, December 2, 1994). The recommendation, according to Coxe, did not garner much support because of the anti-tax movement of the time and a fear among outlying counties that sales tax revenues would be spent in Mecklenburg County, despite reassurances from Committee of 100 members that revenues would be spent in the counties in which they were raised (Lyttle, December 2, 1994). Charlotte's City Council endorsed the Committee's transportation proposals, but voted against raising the sales tax in late 1994 (Whitacre, December 11, 1994). Mecklenburg County commissioners were ultimately the only county board of commissioners to support both the Plan and the one-cent sales tax. Ultimately, a lack of consensus within and among the many jurisdictions in Mecklenburg County doomed the plan and the one-cent LOTT (Chapman, November 28, 1994).

The defeat of the one-cent LOTT to support the Committee of 100's recommendations left unresolved the problem of funding needed transportation projects in the area. Another committee of business and political leaders, the Committee of 10, was formed by Charlotte mayor Pat McCrory in the mid-1990s to advise the creation of a new transportation plan for Mecklenburg County. The Committee of 10's work led to the development of the 2025 Integrated Transit/Land Use Plan, according to Coxe. Development of the 2025 Integrated Transit/Land Use Plan was guided by the Transit Planning Advisory Committee, which consisted of people well connected to the business and political community in Charlotte, according to Coxe. The Plan was released in 1998 and was used, according to Coxe, to build support for the ½ cent sale transit sales tax that would appear on the ballot in November of 1998. State enabling legislation was necessary, however, before a referendum on the LOTT could be held.

The LOTT approved in Mecklenburg County that November was made possible by House Bill 1231, which was passed by the North Carolina General Assembly on August 14, 1997 and subsequently signed by Governor Jim Hunt on August 25 of the same year. Also known as "An Act to Authorize

Supplemental Sources of Revenue for Local Government Transit Financing,” Section 1 of the act gave Mecklenburg County the authority to levy a ½ cent sales tax for the purpose of financing a public transportation system. Before levying the tax, however, the County was required to create a financial plan describing how the net proceeds of the tax would be distributed to public transportation systems in the County. Additionally, the legislation required Mecklenburg County to hold a referendum seeking the approval of voters to levy the ½ cent sales tax for transit. The bill stipulated that the ballot question ask voters if they are in favor or against a “one-half percent (1/2%) local sales and use taxes, in addition to the current two percent local sales and use taxes, to be used only for public transportation systems” (General Assembly of North Carolina, 1997). Despite the County’s lack of an expenditure plan for the sales tax revenue, the bill was approved with the support of Governor Jim Hunt and strong lobbying from Charlotte Mayor Pat McCrory, who later was a candidate for North Carolina Governor in the 2008 election (Batten, August 15, 1997). Just before the bill was passed by the General Assembly, Mecklenburg County Commissioner Park Helms told *The Charlotte Observer* that “we’re going to have to find some effective system of mass transit in order to maintain the health and prosperity of this community” (Batten, August 6, 1997). While Mecklenburg was the only county to be granted the authority to raise its sales tax, the bill also allowed counties in the Triange region – consisting of Raleigh, Durham, and Chapel Hill - to charge a five percent tax on rental cars and allowed any city with a public transportation system (with the exception of Gastonia and Durham) to increase the vehicle registration tax by \$5.

With enabling legislation in place, Mecklenburg County politicians – led by McCrory – began to lobby for the inclusion of the ½ cent sales tax on the November 1998 ballot. Judging by reports in *The Charlotte Observer* in 1997 and 1998, the primary impetus for expanding transit was the region’s rapid population growth. County planners in 1998 were predicting that the county’s roads would have to

accommodate 250,000 more cars in the next 18 years. There was fear among leaders that this growth would lead to congestion and hamper economic growth and quality of life in the region. During the summer of 1997, McCrory told *The Charlotte Observer* that “transit will probably be the most important economic and quality of life issue for Charlotte for the next 50 years” (Batten, July 16, 1997). Later that year, following his reelection as Mayor of Charlotte, McCrory said, “if we do nothing on transportation, it’s going to cost the taxpayers much more money in the long run. It’s really going to determine our quality of life. You have to anticipate future pain and try to prevent it” (Batten, November 5, 1997).

As political pressure for transit expansion continued to mount, a plan was created for Charlotte, Mecklenburg County, and the six other towns within the County. The purpose of the Plan, titled the 2025 Integrated Transit/Land Use Plan, was to build support for a referendum on the ½ cent sales tax in November 1998. As was written in the Plan, a goal of the process was to present a plan to elected officials and the community for them “to decide whether to place a referendum on the ballot for a half-cent sales tax to support transit” (2025 Integrated Transit/Land Use Plan, 1998, pg. 59). Coxe, a transportation planner for Mecklenburg County at the time, called the Plan a “strategic sales document” (Bill Coxe, personal communication, February 23, 2009).

Consultants spent six months during the spring and summer of 1998 working on the specific elements of the Plan. The 2025 Integrated Transit/Land Use Plan intended to support the “Centers and Corridors Plan,” adopted by Charlotte and Mecklenburg County in 1994. The 1994 Plan called for concentrating future growth in the center of Charlotte and in transit corridors (2025 Integrated Transit/Land Use Plan, 1998). Other goals of the 2025 Integrated Transit/Land Use Plan were to provide alternatives to congestion and support of Charlotte’s economic growth. The Plan identified five corridors, radiating out from the center of Charlotte, for major transit infrastructure investment between 1998 and 2025. Recommendations for three of the corridors – Independence, Airport, and

University – called for bus rapid transit service. Rail service was recommended on the remaining two corridors – the North and South. Before implementation of the rail proposal, however, the Plan identified a major five-year expansion of bus service as a critical first step. The total capital cost for the project was estimated to be \$760 million over a 25-year period. The inclusion of operating expenses over the period brought the total expected cost to approximately \$1.085 billion.

The Plan also recommended changes to zoning ordinances to allow for development supportive of transit. As stated in the Plan, “a primary goal of the land use recommendations is to transform current, unfocused development patterns in the corridors to more compact, mixed use development along the transit lines, especially at the stations” (2025 Integrated Transit/Land Use Plan, 1998, pg. 9). One recommendation of the Plan, intended to promote this goal, was for the creation of a new zoning designation called “transit district.” It was recommended that development within the transit district would include a mix of uses, density sufficient to support transit, design standards to support transit, relaxed parking requirements, and pedestrian amenities.

While the 2025 Integrated Transit/Land Use Plan was for Mecklenburg County only, consideration of future expansion to surrounding counties and municipalities was considered in the Plan. “Ultimately, the transit system is envisioned as serving a 20-mile ring of towns beyond Charlotte, as the long-term regional map suggests,” the Plan stated (2025 Integrated Transit/Land Use Plan, 1998, pg. 49). Among the municipalities identified for future expansion of the corridors were Gastonia (Gaston County), Mooresville (Iredell County), Kannapolis and Concord (Cabarrus County), Monroe (Union County), and Rock Hill, South Carolina (York County). These extensions were only given cursory consideration, however. The Plan was intended primarily for generating support for the referendum in November, 1998.

During the year prior to the referendum, polling conducted by the Urban Institute at the University of North Carolina at Charlotte found that 62 percent of Mecklenburg residents would definitely or probably support the tax (Whitacre, November 20, 1997). Another poll, released in November of 1997 by Charlotte's transportation department, also showed about 62 percent of area residents supported a transit sales tax (Whitacre, November 22, 1997). The 2025 Integrated Transit/Land Use Plan apparently did not increase the percentage of voters in favor of the tax. Despite a Plan described by the Charlotte City Manager as a "rough outline" (Whitacre, August 10, 1998), Mecklenburg County voters supported the ½ cent sales tax measure by a 16-point margin.

Regional influence over the expenditures of the transit sales tax revenue is now only exerted by the Metropolitan Transit Commission. The Commission, recommended by the 1998 Plan, is comprised of the mayors and managers of Charlotte, Mecklenburg County, and the six towns within Mecklenburg County. Regional interests are represented on the Commission by five non-voting members from the outlying counties. However, the transit sales tax revenue is ultimately spent by the Charlotte Area Transit System (CATS). While the Commission has influence over transportation planning and decision making in the region, the director of the Charlotte-Mecklenburg Planning Department said that Charlotte ultimately makes the final determination of how the tax revenues are spent because they vote on CATS budget each year (Campbell, 2009).

Since the approval of the transit sales tax in 1998, the revenues have been used by CATS to greatly expand local bus service and complete the first rail corridor (Campbell, 2009). The LYNK Blue Line, the official name given to the light rail service in the South Corridor, opened on November 24, 2007. It cost Charlotte \$462.7 million to construct the 9.6 mile LYNX line and its 15 stations, but the ridership has greatly exceeded expectations (Campbell, 2009). According to Debra Campbell, the Charlotte-Mecklenburg Planning Director, ridership on the line averaged 13,000 per weekday during the

first year of operation, thereby exceeding the 2030 ridership projection for the corridor (Campbell, 2009). The 2025 Integrated Transit/Land Use Plan produced an estimate of 11,000 daily riders if land use trends were to continue, and 14,000 daily riders if future South Corridor development included

Table 5.

Ridership	
Year	Daily
2025 Trend Land Use	11,000
2025 Mixed Land Use	14,000
2007 Actual	13,000
<i>Source: 2025 Integrated Transit/Land Use Plan</i>	

mixed uses and higher density. These estimates, however, were based on expert opinion (2025 Integrated Transit/Land Use Plan, 1998). Two models – a traditional four-step model and a regression model – produced daily 2025 ridership estimates ranging from 10,621 to 18,118 (2025 Integrated Transit/Land Use Plan, 1998). Therefore,

claims that daily ridership in 2007 exceeded earlier projections for 2025 should be acknowledged with caution. Campbell said that work continues in the other corridors with preliminary engineering currently underway in the northeast and north corridors, and enhanced bus service ready for implementation in the west corridor (2009). The southeast corridor is the furthest behind and a technology decision is expected in 2011 according to Campbell (2009).

Scope of the Transit Sales Tax

As discussed in the introduction, the Charlotte region experiences a significant amount of commuting for work into Mecklenburg County from the surrounding jurisdictions. It was estimated by the U.S. Census, from data collected in 2000, that between 22,000 and 25,000 traveled daily for work into Mecklenburg County from each of the surrounding counties of Cabarrus, Gaston, Union, and York (South Carolina). Yet, the transit sales tax adopted by voters in 1998 was only applied to Mecklenburg County and the surrounding counties were unable to place the issue on their ballots because they were restricted by the enabling legislation. Therefore, revenues generated by the transit sales tax are applied only to projects in the County. According to Debra Campbell, the director of the Charlotte-Mecklenburg

Planning Department, surrounding counties must “pay to play” for any service that is extended to their jurisdiction (Campbell, 2009).

There was, however, some discussion of including the surrounding counties in the 1997 enabling legislation that gave Mecklenburg permission to implement the transit sales tax with voter approval. David Hartgen, an emeritus professor of transportation at the University of North Carolina at Charlotte, said seeking a regional transit sales tax was discussed by members of the Citizens Advisory Board, which was a group of 25 people asked to vet the planning process for the 2025 Integrated Transit/Land Use Plan (D. Hartgen, personal communication, January 23, 2009). Hartgen, who was a member of the Board, said that the conversation did not go far though. Additionally, the original work of the Committee of 100 had recommended a one-cent sales tax that would be applied to Mecklenburg and the surrounding counties. This was also very unpopular in surrounding counties who feared that Mecklenburg would receive a disproportionate amount of revenues (Lyttle, 1994).

Interviews of people possessing knowledge of the events that led up to the approval of the tax indicated that the political environment was not supportive of a larger regional approach in 1998. According to Hartgen, Charlotte “was not ready to be a region” then (D. Hartgen, personal communication, January 23, 2009). In fact, Hartgen claimed that Charlotte in 2009 is still not a region and that the notion of regionalism is a dream. Outlying areas feared that Charlotte would impose its will on the region and receive all of the investment in transportation infrastructure, said Hartgen. Newspaper reports indicate that this fear also was a factor that prevented implementation of the Committee of 100’s recommendations in 1994 (Lyttle, December 2, 1994). Additionally, Hartgen said the surrounding counties in 1998 were largely led by Republicans who did not have a favorable opinion of transit and desired more investment in roads. George Alexiou, project manager for the 2025 Integrated Transit/Land Use Plan, made similar statements, saying that while the Plan was constructed

so that it could easily be extended beyond the boundaries of Mecklenburg County, the outlying counties had very little chance of securing taxpayer support for a transit sales tax (G. Alexiou, personal communication, January 27, 2009). According to Alexiou, the surrounding counties wanted more roads, retail development, and tax base and they were not supportive of higher density transit-oriented development. University of California at Berkeley transportation expert Robert Cervero, who was a consultant to the Charlotte-Mecklenburg Department of Transportation during the transit planning process in 1998, also concurred that politics inhibited the ability of the Charlotte area to mount regional planning (R. Cervero, personal communication, February 14, 2009). Conversely, Alexiou said that the outlying counties should not be exclusively blamed for the failure to extend the transit system and funding mechanism beyond the boundaries of Mecklenburg County. Charlotte did not want to dilute the power it had by expanding the scope of the project outside of the city's jurisdiction, said Alexiou. He added that Charlotte was the primary player in the entire process and also was home to those who most strongly believed in the transit plan. Coxe made similar statements as Alexiou saying that Charlotte and Mecklenburg County did not show much interest in involving others out of fear that the enabling legislation might get "shot down" (Bill Coxe, personal communication, February 23, 2009).

Tensions within Mecklenburg County between Charlotte and the six other towns in the County have also arisen since 1998. Pineville, a municipality south of Charlotte, but within Mecklenburg County, was originally expected to receive light rail service through the LYNK link in the south corridor. But Pineville resisted the extension due to concerns over parking associated with being the last stop on the line (D. Hartgen, personal communication, January 23, 2009). Plans to extend service into the other corridors continue to push ahead, however, and there have been renewed calls to extend the transit system beyond the Mecklenburg County boundaries through financial support of a transit sales tax in the surrounding counties (Marshall & Peirce, October 12, 2008). A bill introduced in the General

Assembly of North Carolina on February 12, 2009 – the Congestion Relief/Intermodal Transport Fund – if approved would give other urban counties in North Carolina the ability to seek voter approval for a ½ cent transit sales tax (Siceloff, February 11, 2009). Additionally, it would give all other counties, including rural ones, the ability to seek voter approval for a ¼ cent transit sales tax. Should this legislation be approved by the North Carolina General Assembly, it would at least make possible – should politics allow - an extension of the transit sales tax to those counties surrounding Mecklenburg.

Actors and Actions Affecting the Support for the Transit Sales Tax

While little support for transit existed outside of the boundaries of Mecklenburg County, widespread support could be found within the City of Charlotte. A broad coalition of support from the business and political communities of Mecklenburg County, and Charlotte in particular, appears to have been an important factor leading to the success of the tax measure. Among the key players identified as having played an important role in the successful adoption of the transit sales tax were Charlotte Mayor Pat McCrory and leaders in Charlotte’s business community. It must also be mentioned that the mayors of each of the six outlying towns in Mecklenburg County supported the transit sales tax measure.

Pat McCrory was first elected as Charlotte’s mayor in 1995 and most recently won reelection in 2007. His support was identified by all interviewees as very important for the successful adoption of the tax. Several ways were identified in which he influenced the outcome. First, he effectively lobbied the North Carolina General Assembly to approve enabling legislation that permitted Mecklenburg County to hold the referendum (Batten, August 15, 1997). Without the enabling legislation from the State of North Carolina, none of the subsequent actions, such as the development of the 2025 Integrated Transit/Land Use Plan or the referendum, would have occurred. Secondly, he enthusiastically supported and promoted the 2025 Integrated Transit/Land Use Plan and the transit sales tax to the public,

according to Alexiou (G. Alexiou, personal communication, January 27, 2009). While Alexiou said McCrory was not involved in much of the “nitty gritty” planning details, he said that McCrory had a gift for public relations and believed in public transportation. According to Alexiou, McCrory “was the glue” that held the Plan together and built support among the general public. Transportation expert and consultant Robert Cervero also said that McCrory’s stamp of approval was needed to move the Transit/Land Use Plan forward (R. Cervero, personal communication, February 14, 2009). His support, however, was not popular with some of his fellow Republican politicians. Campbell, the director of the Charlotte-Mecklenburg Planning Department, said transit is “generally not a perspective Republicans support” and claimed that McCrory was vilified by some in his own party for supporting the Transit/Land Use Plan and the tax (Campbell, 2009). She added, however, that he was later celebrated for standing firm and supporting the transit tax in the face of strong opposition. Finally, McCrory was credited by both Alexiou and Campbell for his decision making during the creation of the 2025 Integrated Transit/Land Use Plan. Alexiou said that he preferred not to specify a particular technology, such as light rail, in each corridor (G. Alexiou, personal communication, January 27, 2009). But, according to Alexiou, McCrory insisted on specifying the technology in the Plan. McCrory thought that the concept of transit in Charlotte could not be sold to the public unless they knew what the vehicles and stations were going to look like. The Mayor was also very supportive of public outreach through public meetings in each of the corridors. Debra Campbell also said that specifying the technology was an important factor in the success of the transit sales tax referendum (Campbell, 2009).

The business community in Charlotte, and particularly the banking sector, were also influential in the approval of the tax. Alexiou identified specific businesses whose support of the tax was instrumental including First Union, Bank of America (previously known as NationsBank), Duke Energy, and representatives of the professional sports franchises in Charlotte (G. Alexiou, personal

communication, January 27, 2009). Hartgen also singled out Bank of America, and particularly former Vice President Jim Palermo, as being influential (D. Hartgen, personal communication, January 23, 2009). An article in *The Charlotte Observer* published the day prior to the referendum identified the Charlotte Chamber of Commerce, Bank of America, First Union, and Duke Energy as the largest financial contributors to a campaign supporting the transit sales tax (Whitacre, November 2, 1998). Each of these businesses gave \$50,000 to the campaign supporting the transit sales tax, it was later revealed (Whitacre, November 4, 1998).

Charlotte Conclusion

In conclusion, the transit sales tax allowed the Charlotte region to begin implementing the vision established in 1998 by the 2025 Integrated Transit/Land Use Plan. Robust revenues generated by the tax (approximately \$70 million in 2006) allowed CATS to greatly increase its bus service and open the first light rail corridor in 2007. The sales tax also allowed Charlotte to leverage greater support from the state and federal governments. With ridership exceeding projections for 2030 in the first year of operation for the LYNX Blue Line, many claimed that the first stages of the Transit Plan have been successful.

Using a sales tax to fund transit improvements in Charlotte does have its drawbacks however. The transit sales tax appeared again on the ballot in 2007 after more than 48,000 people signed a petition to allow the voters of Mecklenburg County to decide on a repeal measure (Harrison, November 7, 2007). While the voters of Mecklenburg County voted to keep the tax by a 70 to 30 margin, the repeal attempt highlights the instability of LOTTs. Had the repeal attempt been successful, work on implementing the Transit/Land Use Plan and more recent plans may have been halted while alternate sources of revenue were identified. Sales tax revenue also is susceptible to economic downturns

because it depends largely on consumer spending (R. Cervero, personal communication, February 14, 2009). Cervero said that sales taxes often are selected by default because there are few other options. Because sales taxes are regressive, and inefficient because they fail to link funding to the beneficiaries of transit service, Cervero said he promoted joint development, benefit assessment financing, or land value capture as alternatives. With the repeal attempt behind it, however, Charlotte appears poised to continue expanding transit options for its residents with the possibility of fully implementing its transit plans still intact.

Findings

Several interesting observations were revealed through the cases of Charlotte and Albuquerque. Several key similarities confirm much of what was discovered about LOTTs in past research. For instance, the electorate in both Albuquerque and Charlotte found the tax to be a fair funding mechanism, or voters would not have approved the LOTT in each region by such large majorities. Additionally, thanks to planning work and campaigning done prior to the referendum in each region, the voters were well aware of what their tax payments would be supporting. Finally, the electorate was heavily involved in the planning process in both regions through public meetings and media events, and both regions had strong champions supporting the LOTT. These findings conform to those of Beale and his colleagues in their 1996 case study of LOTTs (Beale, et al, 1996). Additionally, statements made by interviewees suggest public opinion helped shape the plans in both regions and the plans therefore generated broad public support. This is at odds with the more traditional, rational approach to transportation planning and was previously identified as a problem by Crabbe and her colleagues in their 2005 article (Crabbe, et al, 2005). Yet the purpose of this report is not to confirm or challenge theories previously established in the literature on LOTTs. The purpose is to understand the factors that led these regions to successfully adopt a LOTT and to do so in different, but important, ways with

Albuquerque taking a regional approach and Charlotte taking a more local approach. The following observations can inform other high growth, sprawling sunbelt regions, such as the Raleigh-Durham, to formulate a strategy for funding and planning a more robust regional transit system.

A fundamental difference between the Albuquerque LOTT and the Charlotte LOTT is the scope at which the tax is applied. Voters in the Albuquerque region approved a gross receipts tax to be collected in the three primary counties of the metropolitan region. Alternatively, voters in the Charlotte region approved the sales tax for only the primary county of the region. One explanation for this difference is the existence of a regional transit district in the Albuquerque region. The Rio Metro Regional Transit District, serving Albuquerque, was created following enabling legislation passed by the New Mexico legislature in 2003. The RTDs were not originally given the authority to collect taxes, but later legislation gave them the ability to collect a gross receipts tax for transit if allowed to do so by voters in a referendum. The legislation, strongly supported by Governor Bill Richardson, allowed Albuquerque to overcome the political divisions that exist in most regions. The legislation did not, however, require the three counties to form a RTD and adopt a regional approach. Therefore, some local initiative and leadership was required to produce this outcome. A lack of similar legislation prevented the Charlotte region from being able to take an approach that would have included outlying counties. Therefore, it appears that strong state support, and the ability to create a regional body with the authority to collect tax revenue with voter approval, was the primary difference between Albuquerque and Charlotte.

A second important observation gleaned from the case study is the importance of a strong champion of the LOTT and the accompanying transit plan. The support of Charlotte mayor Pat McCrory was cited by all interviewees as crucial to the success of the LOTT. Some interviewees mentioned that it was especially important for McCrory to support the Plan and tax because of his party affiliation. As a

Republican, McCrory was the target of criticism from within his own party, but still supported transit (Campbell, 2009). He was joined in support from Democrats such as Park Helms, a Mecklenburg County commissioner at the time. Bill Coxe cited the bipartisan efforts of elected officials in Mecklenburg County, led by McCrory, as a factor influencing the success of the LOTT. Political support in the Charlotte region, however, was limited to Mecklenburg County. It is not surprising, therefore, that the champion in Charlotte was the mayor of the central city. The champion mentioned frequently by interviewees in Albuquerque was Governor Bill Richardson. Richardson played an important role in building the Rail Runner, which was a pilot project of the State of New Mexico. The project, according to Cole, Rael, and Rizzieri, was very popular among the electorate and generated support for the three-county LOTT. Richardson, in an effort to support operations of the Rail Runner, reached out to elected officials in the three counties through personal communication and encouraged them to support the 1/8 cent transit gross receipts tax. Another champion of the LOTT in Albuquerque was Rael, the executive director of the Mid-Region Council of Governments. Like Richardson, Rael represents a jurisdiction greater than any individual county or city. Therefore, it appears that a champion at the state or regional level is a factor that supports a larger, regionally-focused, approach to transit planning and taxation to support it.

A third observation identified through the case study is that the electorate's ability to visualize the project appears to increase support. Interview subjects frequently mentioned the importance of the Rail Runner for generating public support. People were able to see and ride the Rail Runner and it became very popular before the referendum according to Rael (Lawrence Rael, personal communication, February 6, 2009). Therefore, the public was more supportive of the LOTT, which would support not only the Rail Runner, but regional bus service. Although Charlotte area voters could not see the light rail before voting on the LOTT, they were able to visualize it through presentations and

descriptions. George Alexiou, the project manager of the 2025 Integrated Transit/Land Use Plan, said that he was in favor of leaving the technology for some corridors undefined in the final report (George Alexiou, personal communication, January 27, 2009). But the mayor told Alexiou that a concept could not be sold to the public; they want to know what the vehicles and stations will look like, said the mayor according to Alexiou. Alexiou admitted that there was some pressure to create a plan that would win over public support and capture people's imaginations. Therefore, another critical ingredient for a successful LOTT, regardless of geographic scope, appears to be either planning or existing technology that people can visualize and about which they can become excited.

The importance of business community support is a fourth observation gleaned from the case study. Terri Cole, the executive director and CEO of the Greater Albuquerque Chamber of Commerce, called the support of the Chamber, Rael, and Richardson the "three-legged stool" that allowed the LOTT to be successful. The Chamber lobbied its approximately 5,700 members and also released a position paper supporting the LOTT. The business community in Albuquerque was also involved in financially supporting a four week advertising campaign promoting the tax. Business community support was also frequently cited as a factor supporting the success of the LOTT in Charlotte. Bank of America, First Union, and Duke Energy each contributed \$50,000 to a campaign supportive of the LOTT. Additionally, a Bank of America Vice President, Jim Palermo, was a co-chair of the Transit Planning Advisory Committee, which advised the planning for the 2025 Integrated Transit/Land Use Plan. Also heavily involved on that committee, according to Coxe, was Bob Morgan, who later became president of the Charlotte Chamber of Commerce in 2005.

A final observation from these cases is the close connection between land use and transportation planning exhibited in both regions. As Coxe and newspaper articles indicated, the mid-1990s marked a turning point in how people thought of transit in the Charlotte area. People began to

think of transit as a way to shape future land use, according to Coxe (Bill Coxe, personal communication, February 23, 2009). The result of this shift in thinking was the 2025 Integrated Transit/Land Use Plan, which cemented the connection between the two. Debra Campbell, the director of the Charlotte-Mecklenburg Planning Department, identified the dense residential redevelopment of land surrounding stations as a reason why the ridership on the South Corridor greatly exceeded expectations in its first year of operation (Campbell, 2009). While the Rio Metro Service and Financial Plan, in the Albuquerque region, did not contain a land use element, the agency is nested within the Council of Governments. This arrangement, one could theorize, produced more communication between land use planners and transportation planners. The person who manages Rio Metro, Bruce Rizzieri, is actually employed by the Mid-Region Council of Governments. Because the plan has yet to be implemented, it is not yet possible to determine whether or not this arrangement has produced any benefits.

Recommendations

Findings from the Albuquerque and Charlotte regions are the basis for the following recommendations to the Triangle region of North Carolina. Like both regions, the Triangle spans multiple counties. The three primary counties of the region are Wake (contains the City of Raleigh), Durham, and Orange (contains the Town of Chapel Hill). Therefore, transit planning must encompass the three counties and beyond. The recommendations of the Special Transit Advisory Commission (STAC), which was formed to make regional transit recommendations to the region's two MPOs, cover all three counties plus services, such as commuter rail, that will stretch beyond the boundaries of the three counties (Special Transit Advisory Commission, 2008). Therefore, I recommend that the Triangle adopt the approach taken by the Albuquerque region and adopt a LOTT at the three-county level. This is essentially what was recommended by STAC, which suggested its projects be funded with a ½ cent sales tax for transit and a \$10 increase in the vehicle registration fee to pay for its \$8.2 billion plan. The three

counties are waiting, however, for enabling legislation that would allow them to place the sales tax on a ballot. House Bill 148, known as the Congestion Relief/Intermodal Transport Fund, was introduced in the North Carolina legislature in 2009 and would allow the three Triangle counties to hold a referendum on a ½ cent sales tax for transit.

The success of the Albuquerque region suggest that the Triangle may successfully secure a LOTT by identifying a champion at the regional or state level. Governor Bev Purdue recently took office in North Carolina and advocates of the transit sales tax should seek her support if they wish to be successful at securing enabling legislation, and ultimately approval, for a ½ cent transit sales tax. Governor Richardson was able to gain the support of elected officials in the three county Albuquerque region by speaking directly with them and encouraging them to support the LOTT. Similar outreach to the leaders of Orange, Durham, and Wake Counties may produce similar results if enabling legislation is approved. Purdue can also encourage state lawmakers to support the enabling legislation that in early 2009 was introduced in the state legislature.

The creation of Regional Transit Districts are another lesson from the Albuquerque case study that may be applicable to the Triangle. No body similar to the Rio Metro Regional Transit District exists in the Triangle. While the Triangle does have a regional transit provider, Triangle Transit, they lack a revenue source sufficient for building any of the recommendations in the STAC report. Giving Triangle Transit control of expenditure of LOTT revenues would strengthen regional transit planning and give people commuting across county boundaries more options. Additionally, the state legislation enabling a LOTT in the Triangle could require the vote totals of the three counties to be combined. This would further support the regional concept and not allow one county to reject a regional LOTT and transit system. Like Albuquerque, the commissions of each county could be required to vote in favor of holding the referendum. But once approved by each county, the LOTT referendum would be approved or

rejected at the three-county level, or the jurisdiction of the Regional Transit District, should one be created.

Visualization of the project by the electorate is also vital. As was done in Charlotte and Albuquerque, the leaders in the Triangle must give the electorate a vision of what a future with transit will look like if they wish to be successful at the ballot box. A frequent remark of people interviewed in both cities was that support for the LOTT was generated by the public's ability to visualize what they were getting through the LOTT. Once enabling legislation is secured, and elected officials in the Triangle agree to hold a referendum on a LOTT, they will need to explain clearly and visually to the public what they will be getting should they vote in favor of the LOTT. They must also be able to visualize the land use changes that the transit investment may stimulate. The 2025 Integrated Transit/Land Use Plan in Charlotte included sketches of transit oriented developments surrounding transit stations. For a public that is unfamiliar with terms such as transit oriented development, and is not familiar with the concepts of using transit for commuting or other trips, it will be important to offer visual examples of what planners are proposing.

Finally, it will also be important for transit plans in the Triangle to incorporate land use recommendations. The STAC report focused mostly on transit technologies and corridors, and appeared to leave land use changes to the local municipalities. A key to the Charlotte region's transit planning was that it integrated transit and land use in one document. It even went so far as to recommend a specific new zoning designation for transit oriented developments. Finally, the business community in the Triangle must be supportive of transit and funding transit if a LOTT is to be approved by the electorate. Businesses in Albuquerque and Charlotte contributed financially to advertising campaigns to support transit and the LOTT.

Conclusion

Despite the many shortcomings of local option transportation taxes, many communities have adopted them as a solution to growing local transportation needs at a time when federal funds are more difficult to attract. Albuquerque and Charlotte offer several lessons to fast growth southern regions where transit has not traditionally been as popular as it is in more urbanized northern cities. These two regions demonstrate that a strong champion, clear understanding and visual image of the projects by the electorate, and community support for transit may increase a region's likelihood of successfully implementing a LOTT. The experience of the Albuquerque region indicates that state involvement is an important factor in extending the LOTT beyond the boundaries of the central city or county. Meanwhile, the Charlotte experience indicates that integrated land use and transit planning may help a project meet or exceed expectations.

It is difficult, however, to generalize the findings of this case study to other regions, despite my efforts to do so. Each region has a unique history, spatial structure, and political environment. These factors influence the solutions a region will find palatable and ultimately feasible to implement. While the Triangle does share some characteristics with these regions, leaders in the region will have to determine the best path for its unique situation. The experiences of Albuquerque and Charlotte do, however, offer some lessons that may be helpful as Triangle leaders and residents grapple with similar problems.

References

- 2025 Integrated Transit/Land Use Plan. (1998). Charlotte (NC) Department of Transportation.
- Albuquerque Journal. (2008). Sample Ballot – Bernalillo County. Retrieved December 16, 2008 from <http://www.abqjournal.com/voter/nov42008sampleballot.pdf>.
- Batten, Taylor. (1997, July 16). N.C. cities unite, revive transit tax. *Charlotte Observer, The (NC) THREE* ed., 1A. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers) on the World Wide Web: <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.
- Batten, Taylor. (1997, August 6). Transit tax referendum endorsed – Sales tax hike would first expand bus system. *Charlotte Observer, The (NC) ONE-3* ed., 1C. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.
- Batten, Taylor. (1997, August 15). Mecklenburg can decide on new transit tax. *Charlotte Observer, The (NC) ONE-3* ed., 1C. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.
- Batten, Taylor. (1997, November 5). Mayor McCrory easily keeps best job in nation. *Charlotte Observer, The (NC) THREE* ed., 11A. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.
- Beale, Henry B.R., Elbert R. Bishop, and William G. Marley. (1996). How to Pass Local Option Taxes to Finance Transportation Projects [Abstract]. *Transportation Research Record* 1558: 74-82. Retrieved March 9, 2009 from: <http://pubsindex.trb.org/document/view/default.asp?lbid=471162>.

Campbell, Debra. (2009, February 17). *Planning for Transit and Transit-Oriented Development*.

Presented at Student Union room 3411 at the University of North Carolina at Chapel Hill.

Center for Transportation Excellence. (2008). Voters approve more than \$75 billion for transportation.

74% of transportation measures pass. Retrieved March 14, 2009 from <http://www.cfte.org>

Chapman, Dan. (1994, November 28). Regional transportation project in jeopardy. *Charlotte Observer*,

The (NC) FOUR ed., 1C. Retrieved March, 11 2009 from NewsBank on-line database (America's

Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>

Crabbe, Amber E., Rachel Hiatt, Susan D. Poliwka & Martin Wachs. (2005). Local Option Sales Taxes:

California's Experiment in Transportation Finance. *Public Budgeting & Finance*. Retrieved October

10, 2008 from EBSCOhost.

Forkenbrock, David J. (2006). Financing Local Roads – Current Problems and New Paradigm.

Transportation Research Record. Issue 1960. Retrieved September 28, 2008 from ISI Web of

Knowledge.

General Assembly of North Carolina. (1997). *House Bill 1231*. Retrieved January 9, 2009 from:

<http://www.ncga.state.nc.us/Sessions/1997/Bills/House/HTML/H1231v4.html>

Greater Albuquerque Chamber of Commerce. (2008). Chamber Supports Rail Runner Gross Receipts Tax.

Goetz, Andrew R., Paul Stephen Dempsey & Carl Larson. (2002). Metropolitan Planning Organizations:

Findings and Recommendations for Improving Transportation Planning. *Publius*. Vol. 32, No. 1.

Oxford University Press. Retrieved November 1, 2008 from EBSCOhost.

Goldman, Todd & Martin Wachs. (2003). A Quiet Revolution in Transportation Finance: The Rise of Local Option Transportation Taxes. *Transportation Quarterly*. Vol. 57, Issue 1. Retrieved September 28, 2008 from ISI Web of Knowledge.

Goldman, Todd. (2007). Transportation Tax Ballot Initiatives as Regional Planning Process. *Transportation Research Record*. Pgs. 9-16. Retrieved September 28, 2008 from ISI Web of Knowledge.

Hannay, Robert & Martin Wachs. (2007). Factors Influencing Support for Local Transportation Sales Tax Measures. *Transportation*. Vol. 34, Issue 1. Retrieved September 28, 2008 from ISI Web of Knowledge.

Harrison, Steve. (2007, November 7). Tax supporters, foes surprised by margin of victory – Light rail, buses score overwhelming endorsement. *Charlotte Observer, The (NC) THREE* ed., 1A. Retrieved February 21, 2009 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Hay, Kiera. (2008, October 19). Transit tax to help or hurt? - Measure garners supporters, critics. *Albuquerque Journal*. Retrieved December 16, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Jojola, Lloyd. (2008, July 17). Counties can put transit tax on ballot - Money would go to Rail Runner, bus. *Albuquerque Journal (NM)* C1. Retrieved December 16, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Jojola, Lloyd. (2008, October 17). Proposed tax To fund regional transit system - Voters in Albuquerque area asked to approve eighth-cent increase. *Albuquerque Journal (NM)* A1. Retrieved December 16,

2008 from NewsBank on-line database (America's Newspapers):

<http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Jojola, Lloyd. (2008, November 5). Voters approve measures – Transit, UNMH levies get OKs.

Albuquerque Journal. Retrieved December 16, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Lyttle, Steve. (1994, December 2). Plan for road improvements hits a snag – State, local officials oppose funding by 1-cent sales tax increase. *Charlotte Observer, The (NC) TWO ed.*, 7U. Retrieved March, 13

2009 from NewsBank on-line database (America's Newspapers):

<http://infoweb.newsbank.com.libproxy.lib.unc.edu>

Marshall, Alex & Neal Peirce. (2008, October 12). Green, great, and global: A Citistates report – Region's

options: Sprawl or expand transit if growth is organized around trains and buses, cars will no longer be a necessity. *Charlotte Observer, The (NC) STATE ed.*, 19A. Retrieved March, 13 2009 from

NewsBank on-line database (America's Newspapers):

<http://infoweb.newsbank.com.libproxy.lib.unc.edu>

National Surface Transportation Policy and Revenue Study Commission. (2007). Final Report.

Retrieved November 2, 2008 from <http://www.transportationfortomorrow.org>.

New Mexico Legislature. (2003). *Regional Transit District Act*. Retrieved January 9, 2009 from

<http://lcmpoweb.las-cruces.org/RTD/documents/archive/RTD%20files-general/RTD%20Act%202003.pdf>

Puentes, Robert & Ryan Prince. (2003). Fueling Transportation Finance: A Primer on the Gas Tax. The Brookings Institution. Washington, D.C. Retrieved November 1, 2008 from http://www.brookings.edu/reports/2003/03transportation_puentes.aspx

Rio Metro Service and Financial Plan. (2008). Retrieved February 21, 2009 from <http://www.mrcog-nm.gov/content/view/132/223/>

Rock, Steven M. (1990). Equity of Local Option Taxes. *Transportation Quarterly*. Volume 44; Issue 3. Eno Foundation for Transportation, Inc. Westport, Conn.

Sciara, Gian-Claudia & Martin Wachs. (2007). Metropolitan Transportation Funding: Prospects, Progress & Practical Considerations. *Public Works Management & Policy*. Volume 12; Issue 378. Retrieved October 3, 2008 from <http://pwm.sagepub.com>

Siceloff, Bruce. (2009, February 11). Transit bill re-introduces the local-option, half-cent sales tax. *The News and Observer*. Retrieved February 21, 2009: <http://blogs.newsobserver.com/crosstown/transit-bill-re-introduces-the-local-option-half-cent-sales-tax>

Special Transit Advisory Commission Final Report and Recommendations. (2008). Retrieved March 11, 2009: <http://www.transitblueprint.org/stac.shtml>.

The National Academies, Committee for the Study of the Long Term Viability of Fuel Taxes for Transportation Finance. (2006). *The Fuel Tax and Alternatives for Transportation Funding*. Transportation Research Board, Washington, D.C. Retrieved November 1, 2008 from <http://www.nap.edu>.

Transportation Research Board. (2009). Local and Regional Funding Mechanisms for Public Transportation. Transit Cooperative Research Program Report 129. Transportation Research Board. Washington D.C. Retrieved March 22, 2009 from www.trb.org.

Vlasic, Bill. (2008, April 22). Early Target for Fuel Economy is Expected. *The New York Times*. Retrieved November 2, 2008 from www.nytimes.com

Wachs, Martin. (2005). Local Option Transportation Taxes: Devolution as Revolution. *Access*. No. 22. Retrieved November 2, 2008 from <http://www.uctc.net>

Whitacre, Dianne. (1994, December 11). Council members blast proposed sales tax hike. *Charlotte Observer, The (NC)* FOUR ed., 6M. Retrieved March, 11 2009 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>

Whitacre, Dianne. (1997, November 20). Tax hike for mass transit has broad support, poll says. *Charlotte Observer, The (NC)* ONE-3 ed., 1A. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Whitacre, Dianne. (1997, November 22). 2ND poll finds support for tax hike to finance transit. *Charlotte Observer, The (NC)* ONE-3 ed., 3C. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Whitacre, Dianne. (1998, August 10). Voters likely to get \$1 billion transit question – Most Mecklenburg Commissioners favor referendum. *Charlotte Observer, The (NC)* THREE ed., 1A. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Whitacre, Dianne. (1998, November 2). Vote on rapid-transit tax considered vital. *Charlotte Observer, The (NC) ONE - THREE* ed., 1A. Retrieved December 17, 2008 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>.

Whitacre, Dianne. (1998, November 4). Voters ok transit tax, bond issue. *Charlotte Observer, The (NC) THREE* ed., 1A. Retrieved March, 13 2009 from NewsBank on-line database (America's Newspapers): <http://infoweb.newsbank.com.libproxy.lib.unc.edu>

Wolf, James F. & Mary Beth Farquhar. (2005). Assessing Progress: The State of Metropolitan Planning Organizations under ISTEA and TEA-21. *International Journal of Public Administration*. Retrieved November 1, 2008 from EBSCOhost.