Metropolitan Transit System Planning and Funding

Austin Delegation Visit
September 27, 2010
Today’s topics

- Transit planning
- Metropolitan transit system
- Transit revenues and expenses
- Funding challenges
Transit roles: Mn/DOT

- Planning and implementing transit in Greater Minnesota
- 80 non-metro counties
Metropolitan Council

- Transit long-range planning and implementation in metro area (7-counties)
- Metropolitan Planning Organization (MPO)
- Major transit operator (bus and rail)
Transportation Policy Plan (TPP)

- Metropolitan Council is required to produce this plan as the region’s MPO.
- Meets federal requirements for a long-range transportation plan (minimum 20-year period).
Transportation Policy Plan (TPP)

- Plan must be fiscally constrained
- Includes all modes of transportation:
  - Highways
  - Transit
  - Airports
  - Freight
  - Bicycling
  - Pedestrians
TPP priorities

Regional transportation investments policy states:

“The priorities for regional transportation investments are to adequately preserve, operate and maintain existing transportation systems and to make additional investments on the basis of need and demand....”
TPP transit goals

- Double transit ridership by 2030
- 50% ridership growth by 2020
- Grow and improve base bus system
- Build and operate a system of regional transitways
Annual transit rides

- **2003**: 73 M (Base)
- **2009**: 89 M
- **2020**: 118 - 120 M
- **2030**: 145 - 150 M

**Legend**:
- Yellow: Bus Rides
- Green: Bus Rides Shifting to Rail
- Blue: Rail Rides
Progress since 2003

Region is well on the way to achieving ridership goal:

- Opening of Hiawatha LRT 2004
- Opening of Northstar 2009
- Urban Partnership Agreement and Marq 2 projects
Progress since 2003

- Central Corridor LRT FFGA expected late 2010
- Station-to-station BRT service on Cedar Avenue and I-35W open 2012
- Southwest LRT application for PE
Metropolitan Transit System Overview

- 2009 system ridership: 85 million rides
- 200+ bus routes, almost 1600 buses
- One light rail line (Hiawatha), 10 M rides, 24 LRT vehicles
Metropolitan Transit System Overview

- Northstar commuter rail opened late fall 2009
- 25% of system privately contracted
Metropolitan Transit Funding Sources and Uses

**Sources**
- State General Funds
- Motor Vehicle Sales Tax (MVST)
- Fares
- Federal
  - NTD formula
  - New Starts
  - CMAQ
  - Other
- State Bonds

**Uses**
- Operating Budget
- Capital Budget & 6 Year Plan
- CTIB Metro Sales Tax
- Regional Transit Capital (RTC)
Metropolitan Transit

CY 2010 operating revenue:
$385.2M

- MVST $134.5 (35%)
- General fund $71.6 (19%)
- Fares $100.7 (26%)
- Federal $51.7 (13%)
- Transfers in $6.5 (2%)
- Other $20.2 (5%)
Metropolitan Transit
CY 2010 operating expenses: $385.2M

- Metro Transit bus: $259.1M (67%)
- Hiawatha LRT: $25.7M (7%)
- Northstar LRT: $16.8M (4%)
- Metro Mobility: $39.4M (10%)
- Suburban Transit Providers: $18.7M (5%)
- Contracted transit & planning: $25.5M (7%)
Transit capital

- Council annually prepares 6-year transit capital improvement program (CIP)
- CIP includes all local, state and federal (formula and competitive) funds reasonably expected to be received
- Includes federal funds for other entities passed through the Council
- As funds are received, Council adopts projects into the authorized capital program
Capital funding sources

- **Federal funds**: Formula funds and other project specific grants, i.e. New Starts, discretionary
- **Regional Transit Capital Bonds**: About $35 M annually in property-tax supported bonds levied within transit taxing district
- **State bonds**: Primarily for transitways and major bus facilities
- **CTIB Sales Tax**: $88 M per year, awarded for transitway capital and operating
Transit capital spending

- Capital spending varies dramatically depending on current projects
- Major transitway construction can more than double annual capital spending, i.e. Central Corridor will average $200+ M per year
- Excluding major transitways, recent spending is about $120 - $150 M annually
- On-going spending primarily for fleet replacement and expansion, park and rides, garages and other facilities, technology improvements
Funding challenges

- Long-term structural imbalance in existing operating revenues and expenses
- MVST volatility and uncertainty
- Existing capital revenues will allow for system growth (though not as aggressive as some would like)
- Uncertain operating revenue for planned growth/service expansion
Funding challenges

- Statutorily specified 50% state funding for rail operations has not materialized
- Lack of federal reauthorization bill limits ability to plan for transit funding
- New Starts and other discretionary funding programs are competitive and limited
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