



Minnesota
A Collaborative Vision
for Transportation

Greater Minnesota
Transit Investment
Plan

**Minnesota Council on Transportation
Access**
Aug. 25, 2016



Overview

- Review of Greater MN Transit
- Results of community input
- Transit Need and Demand
- Strategic Investments
- Financial Outlook
- Action Timeline



THE BENEFITS OF TRANSIT

ECONOMIC
Transit provides access to jobs for community members and stimulates economic development.

HEALTH
Transit provides access to healthcare services and increases physical activity.

AIR QUALITY
Transit reduces the number of single occupancy vehicles (SOV) trips, reducing carbon emissions and greenhouse gases.

QUALITY OF LIFE
Transit enhances quality of life, providing access to services and allowing community members to age in place.

CONNECTIONS
Transit connects people to educational, cultural, social, and recreational outlets.

Greater Mn Transit Systems

- 27 county and multi-county systems
- 6 Small Urbans (2,500-49,999 pop.)
- 7 Urbans (50,000 – 200,000 pop)
- 4 Tribal systems

- 12.2M rides and ≈ 1.21M hours in 2015

Transit Services

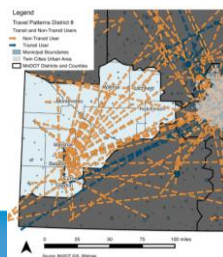
2016 Plan Objectives

- Update the 20-year strategic plan and investment priorities
 - emphasis on youth, seniors, low-income, homeless population, individuals with disabilities, veterans, new Americans and commuters
- Audience is the Greater MN transit providers



Public Input

- Onboard survey – reliability, span of service
- Online budgeting tool – where/when I need it
- Wikimaps – regional travel
- “Hard to reach population” - convenience



Strategies	Community Benefits				Cost
	Access to Employment	Access to Education	Access to Healthcare	Access to Recreation	
Other transit services to rural areas					
Expand bus services to rural areas	++	++	++	++	\$5
Expand bus services to small cities	++	++	++	++	\$5
Expand bus services to large cities	++	++	++	++	\$5
Enable more regional bus services	++	++	++	++	\$5
Provide services to areas with no transit	++	++	++	++	\$5

YOUR OVERALL BENEFITS

Access to Employment:

Access to Education:

Access to Healthcare:

Access to Recreation:

YOUR TOTAL COSTS

Access to Employment:

Access to Education:

Access to Healthcare:

Access to Recreation:

\$40

Maximum \$ 50

Maximum \$ 100



Measuring Demand for Transit

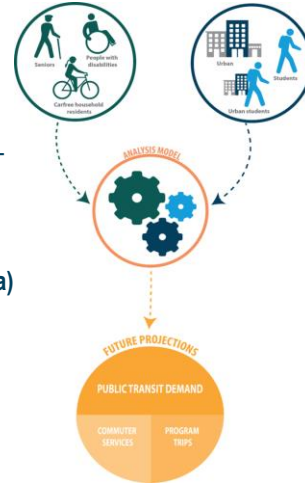
Demand = # of passenger trips to meet the need
Ridership = actual trips made on public transit.

Ridership Est. Model estimated the demand for public transit and ridership by incorporating trip rates for transit-dependent population.

Using the 2014 Statewide Transit Demand Model:
Total statewide ridership demand (Greater Minnesota)

=

- 13.3 million trips in 2014
- 18.9 million in 2025 (90% is 17 million)
- 20.7 million in 2035



Service Plan to Meet Demand

Leg target of 90% by 2025 = 17 million trips.

Current is 12.2 million, **need to grow by 4.8 million by 2025**

Three-part solution

1. Baseline Span of Service
2. Urban Service Improvements
3. Rural Service Improvements



- This service plan draws directly from the public input and will implement service that is: reliable, on-time, available earlier and later in the day, and more frequent.
- Low and High ridership estimates project that these improvements will reach 4.8 million trips by 2025



Baseline Span of Service

Service Population	Peer Group	Weekday	Saturday	Sunday
Cities over 50,000	Urban	20	12	9
Cities 49,999 – 7,000	Small Urban	12	9	9
Cities 6,999 – 2,500	Small Urban	9	9	NA
County Seat Town/Small Communities < 2500*	Rural	8 (3 days per week)	NA	NA



Low ridership = 1.7 million
High ridership = 3.5 million



Urban and Rural Improvements

Urban Service Improvements	ADA Complementary Service	Service to support fixed route improvements
	Unserved Urban Areas	Improve urban transit service coverage
	Peak Hour Frequency	Provide 30-minute peak hour frequency
	Regional Express Buses	Six routes
Rural Service Improvements	Regional Mobility	Route operates min. 2 days/week connecting communities for shopping and medical
	Intercity Feeder	Regional service tied to intercity bus service
	Unserved Rural Areas	Improving rural transit coverage
	Additional Contract Services (Outside of Public Transit)	Assumes contracts requiring expanded service pay full cost



Estimating Ridership

Service plan should grow ridership to meet the legislative target of meeting 90% of demand by 2025 at **4.8 million rides**.

Improvements	Additional Hours	Low ridership Estimate (2025)	High Estimate Ridership (2025)
Baseline Service	277,370	1,710,510	3,575,197
Urban	199,597	1,735,944	2,550,922
Rural	32,000	96,000	150,400
Grand Total	508,967	3,542,454	6,276,119



Strategic Investments

- Transit is an attractive and viable transportation option
- Improve coordination of services
- Increase ridership
- Elevate public information and outreach
- Ensure fiscal responsibility as a funding agency
- Support the Minnesota Go vision for an integrated multimodal transportation system



Investment Scenarios

Expansion

- Enhance service in existing systems according to the baseline service plan

Preservation

- Maintain viability of existing systems that demonstrate fiscal capacity and meet performance standards

Contraction

- Do not fund systems enhancements
- Work with local partners to redesign underperforming services
- Reduce funding for existing systems

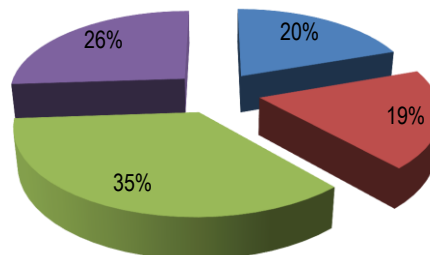


Greater Minnesota Funding Sources

- Shares are changing
- GMTA ↑
- Local, GF ↓
- Federal →

2014 Operating Funding Sources

■ Federal ■ State GF ■ Greater MN Transit Account ■ Local



Cost for Improvements

Total	Additional Annual Hours	Operating Cost	Local Share 20/15%
Total Baseline	277,370	\$17,817,352	\$3,002,003
Total Urban Service Improvements	199,597	\$19,763,730	\$3,481,002
Total Rural Service Improvements	32,000	\$1,760,000	\$264,000
Grand Total	508,967	\$39,341,082	\$6,747,005

These are the improvements that will reach the 2025 goal and the additional annual operating costs.



Capital Investments

Baseline Service Improvements	Fleet Supplement Required	Supplemental Capital Cost Estimate	Local Share 20%
Urban 50,000+	120	\$36,288,000	\$7,257,600
Rural and Small Urban	126	\$8,802,000	\$1,760,400
Total Expansion Vehicles	246 vehicles	\$ 45,090,000	\$9,018,000

These are the capital costs for the **extra service** to meet the 2025 goal. They are one time costs, but must be replaced when they age out.



Total Operating Cost (all service)

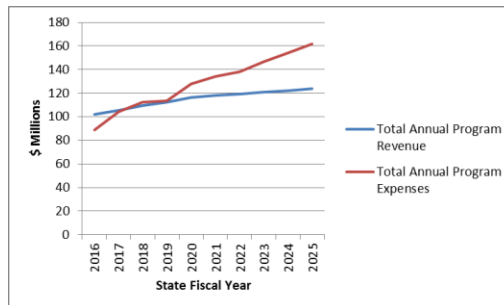
Total Operating Cost for All Service, Including Service Improvements

Year	Number of hours to implement service improvements	Hourly Operating Cost	Operating Cost (Millions)
2017	1,257,000	\$65.00	\$81.7
2018	1,314,000	\$66.95	\$88.0
2019	1,371,000	\$68.96	\$94.6
2020	1,428,000	\$71.03	\$101.4
2021	1,485,000	\$73.15	\$108.6
2022	1,542,000	\$75.35	\$116.2
2023	1,599,000	\$77.61	\$124.1
2024	1,656,000	\$79.94	\$132.4
2025	1,713,000	\$82.34	\$141.1



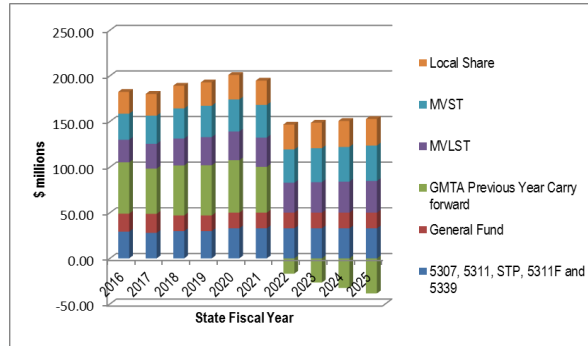
Revenues vs Expenses

- Revenues for Greater MN Transit have exceeded expenses.
- But with planned expansions and inflation expenses will be very close to revenues in 2017-2019.
- Then expenses will exceed revenues from 2020 forward.



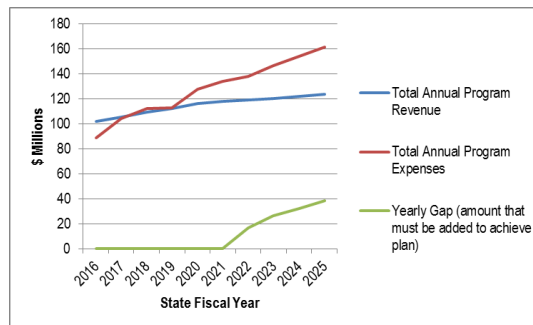
Available Funds

- Because revenues exceeded expenses recently, the GMTA built up a balance of about \$50 million.
- As expenses exceed revenues, that balance will be used by 2022.



Funding Gap

- By 2025, the gap approaches \$40 million per year and is growing. **The total gap through 2025 (NexTen) is \$114 million. Additional revenues will be needed for 2021 and beyond to achieve the long term goals of this plan.**



Summary

- There is a statutory target of meeting 90 percent of demand by 2025.
- MN citizens told us longer hours and more frequency will best serve them.
- We built this plan to achieve the goal with these understandable service improvements.
- An additional \$114 million is needed by 2025 to achieve this plan.



Timeline

- 45-day public comment period (SMTP and MnSHIP)
- Outreach in Greater Minnesota
- Final plan in November, adopted in January

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