

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.



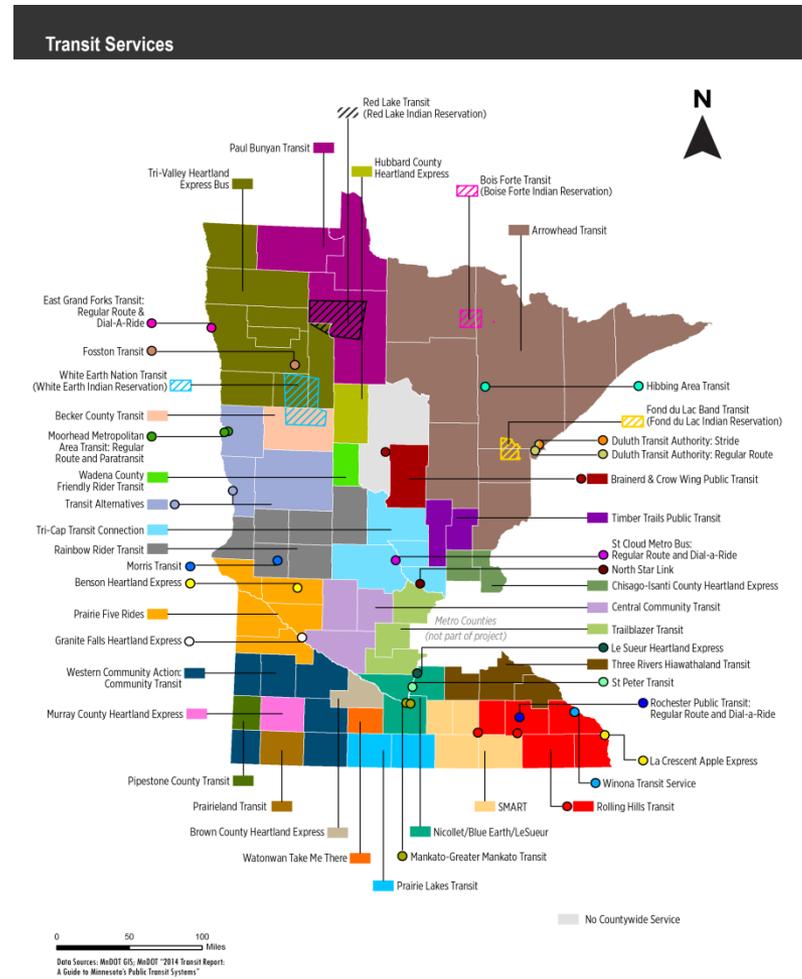
CONNECTIONS

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

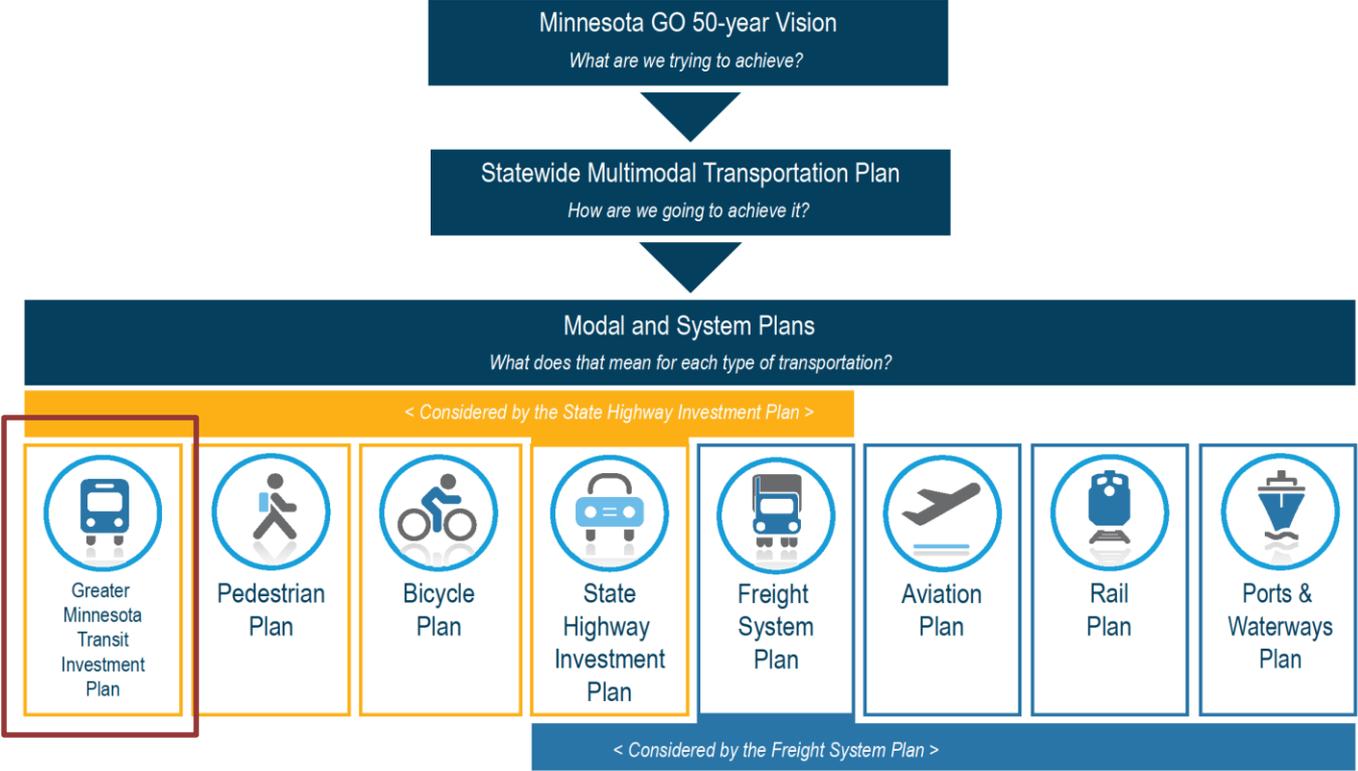


Greater Mn Transit Systems

- 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 \approx 1.21M hours in 2015



MnDOT Family of Plans



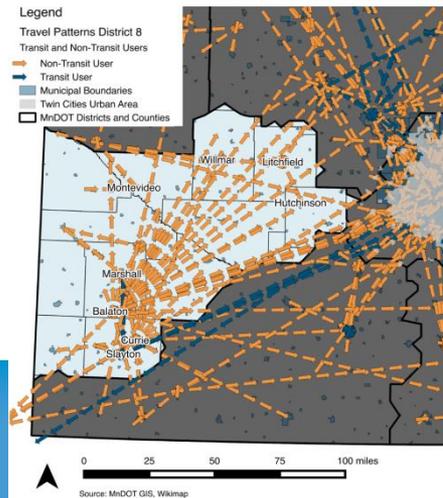
2016 Plan Objectives

- 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

- Collected over 6,300 results
- Onboard survey – reliability, span of service
- Online budgeting tool – where/when I need it
- Wikimaps – regional travel
- “Hard to reach population” - convenience



Measuring Demand for Transit

Demand = # of passenger trips to meet the need

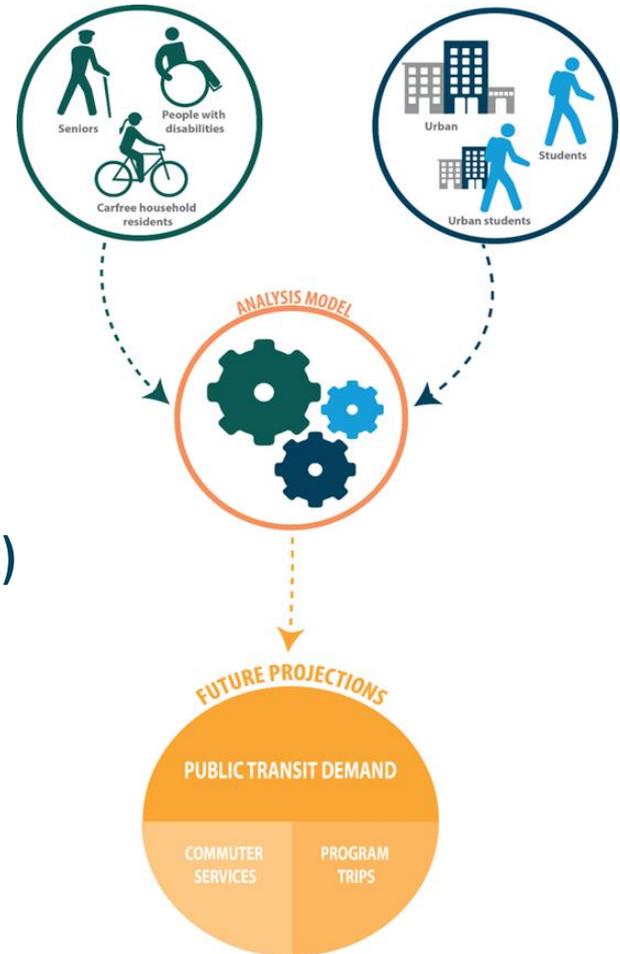
Ridership = actual trips made on public transit.

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	104,832 new hours
	Unserved Urban Areas	Improve urban transit service coverage	31,632 new hours
	Peak Hour Frequency	Provide 30-minute peak hour frequency	33,133 new hours
	Regional Express Buses	Six routes	30,000 new hours
Rural Service Improvements	Regional Mobility	Route operates min. 2 days/week connecting communities for shopping and medical	32,000 new hours
	Intercity Feeder	Regional service tied to intercity bus service	NA
	Unserved Rural Areas	Improving rural transit coverage	NA
	Additional Contract Services (Outside of Public Transit)	Assumes contracts requiring expanded service pay full cost	NA

Estimating Ridership

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

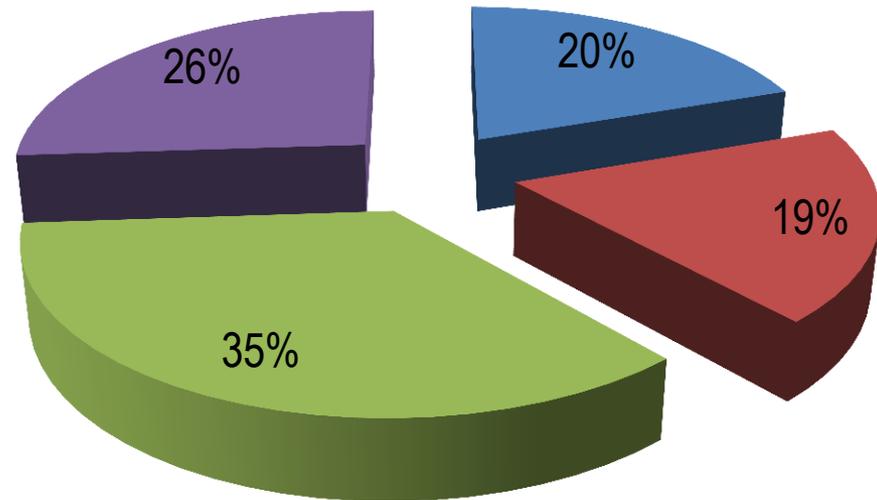
Improvements	Additional Hours	Low ridership Estimate (2025)	High Estimate Ridership (2025)
Baseline Service	277,370	1,710,510	3,575,197
Urban	199,597	1,735,944	2,550,922
Rural	32,000	96,000	150,400
Grand Total	508,967	3,542,454	6,276,119

Greater Minnesota Funding Sources

- Shares are changing
- GMFTA ↑
- 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.



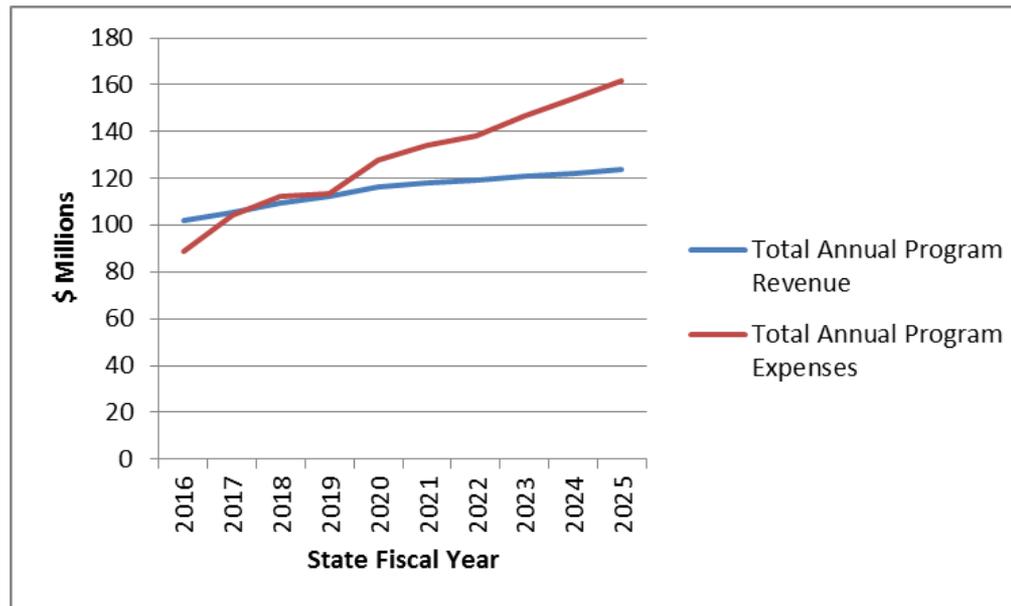
Total Operating Cost (all service)

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

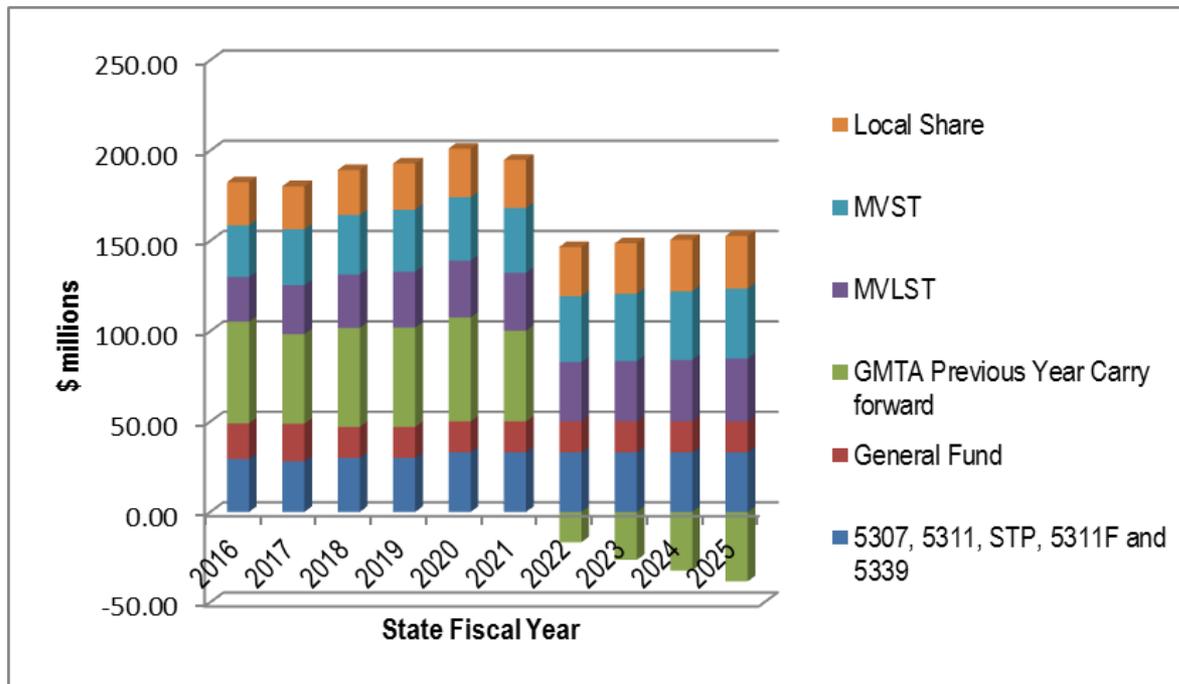
Revenues vs Expenses

- 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.



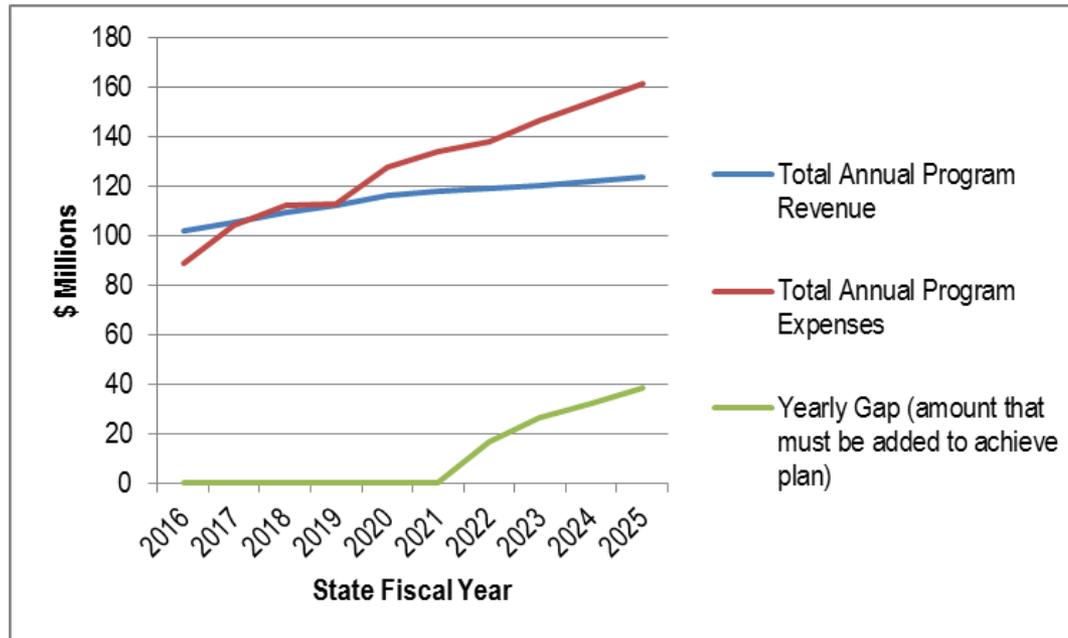
Available Funds

- 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.**



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

Timeline

- 45-day public comment period (Oct. 14th)
- Outreach in Greater Minnesota
- Final plan adopted in January
- Comments at www.minnesotago.org/draft-plans

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