Metropolitan Council
Budget Overview
SFY 2016-2017

House Transportation Committee
February 4, 2015
Transit connects us to the places that matter
Transportation Needs Grow as the Region Grows

By 2040:

- **29%** population growth (over 800,000 people)
- **36%** employment growth (550,000 jobs)
- **62%** of net new households will not have children
- **100%+** growth in seniors
Types of Transit

Regular Route Bus—base bus system.

Express Bus—bus service with limited stops. Routes are longer, typically designed for commuters.


Light Rail Transit—dedicated rail service. METRO Blue Line and METRO Green Line.

Commuter Rail—locomotive passenger service running on freight railroad tracks. Northstar.

Metro Mobility—ADA required dial-a-ride bus service for individuals with a certified disability.
Today’s regional transit system

97.5 million annual rides in the metro region
1800+ buses
220 bus routes
2 light rail lines (Green & Blue)
1 commuter rail line (Northstar)
1 bus rapid transit line (Red)
How Minnesota pays for transit

- Fares (operations)
- Motor Vehicle Sales Tax (MVST) (operations)
- State appropriations (operations)
- Federal funding (capital)
- Met Council regional property tax levy (capital)
- State bonding (capital)
- ¼ cent metro sales tax (transitway capital and operations)
- Local rail authorities (transitway capital)
State Funding in Recent Years
No Bus System Growth

• Past 10 years focused on overcoming bus funding shortfalls and maintaining the existing regular route system. Over this time:

  – Bus ridership has grown 14%

  – Recession resulted in significant declines in MVST revenues, recently stabilized

  – Bus General Fund appropriations spent to cover growing Metro Mobility demand and unfunded state share of rail operations
Next 10 yrs: No New Investment

- Transit system faces a significant deficit

- Transitway development will be limited and rely on local partners to contribute state shares

- Regular route bus system will deteriorate due to:
  - Growing population and demand
  - Aging of bus fleet, shelters and other facilities
  - Continued growth in Metro Mobility
  - Required funding of existing rail operations
SFY 2016-2017
Budget Proposal
Governor’s Budget Proposal: increases transit funding

- 1/2 cent transit dedicates sales tax for the metro area raises $2.8 billion over ten years
  - SFY 2016: $163.1 million
  - SFY 2017: $256.7 million

- Allows for accelerated expansion of the entire system

- Covers transit capital and operating costs
Governor’s Budget Proposal: relieves pressure on state budget

- Relieves General Fund of operating costs for current and future transitways
  - $270 million over 10 years for current transitways alone

- Relieves state’s GO bonding share for future transit capital investments
Governor’s Budget Proposal: provides stable & reliable funding

- Predictable funding source allows for long-term transit system investment

- Governor’s budget would:
  - Keep the metro area highly competitive with other regions
  - Encourage private economic investment by bringing greater certainty to transit investment
  - Provide easy to administer collection source
Transit-dedicated sales tax is ongoing and stable

1.8 cents - Seattle
1 cent - Cleveland, Dallas, Denver, Houston
.9 cents - San Jose
.75 cents - St. Louis
.50 cents - San Diego, Salt Lake City
.375 cents - Kansas City
.25 cents - Mpls/St. Paul
Next 10 yrs: $2.8B stable investment keeps our region economically competitive with significant transitway expansion and bus system growth
Next 10 yrs: $2.8B investment

Allows our region to build:

- **Southwest LRT** (Green Line Extension)
- **Bottineau LRT** (Blue Line Extension)
- Red Line Extension
- Orange Line BRT (35W)
- Gold Line BRT (Gateway)
- 11 Arterial BRT lines
- Red Rock, Riverview, Robert Street
- Additional transitways under development
Next 10 yrs: $2.8 B investment

- Expands regional bus system by almost 30% by 2025
- More routes, more frequent service, more coverage
- Modernized system using new technologies and real-time updates
- Adds 1000 more shelters, many with light and heat
Transit Capital Levy Communities are shown in white.
Suburban Transit Provider Service Expansion Areas are shown in dark grey.
New / Additional service will be added
Budget Proposal
Outcomes
Outcomes

• Ridership increases to 170-180M riders by 2025

• Attracts new residents and jobs to the region

• Improves bus access to 1M jobs

• Gives regional employers access to an additional 500K people within a 30 minute commute

• More frequent service and more hours of service
Transit improves mobility
A strong transit system contributes to regional competitiveness.
Transit investment spurs development

METRO Green Line (Central Corridor)
Over $2.8 billion in development

METRO Blue Line (Hiawatha)
Over 15,000 new housing units
Transit investment creates jobs

METRO Green Line (Central Corridor) approximately 5,500 jobs created