



Minnesota Transit Investments Support Minnesota Jobs



Investments in public transportation from Minnesota and the federal government support thousands of manufacturing jobs, in communities small and large, across the state.

From New Flyer's industry-leading modern bus assembly facilities in Crookston and St. Cloud that employ over 1,200 people, to smaller businesses like Waldoch's mobility van production facility in Forest Lake, the supply chain for public transportation in Minnesota is as deep as it is wide, touching many parts of the state and employing thousands who produce everything from HVAC systems, to fuel pumps, communications equipment, fasteners and everything else in between.

Investments in Minnesota transit benefit the people and communities who build buses as surely as they benefit the people and communities who use the buses. In the same way, any cuts to transit funding would have a devastating effect on Minnesota businesses and the thousands of jobs they support.

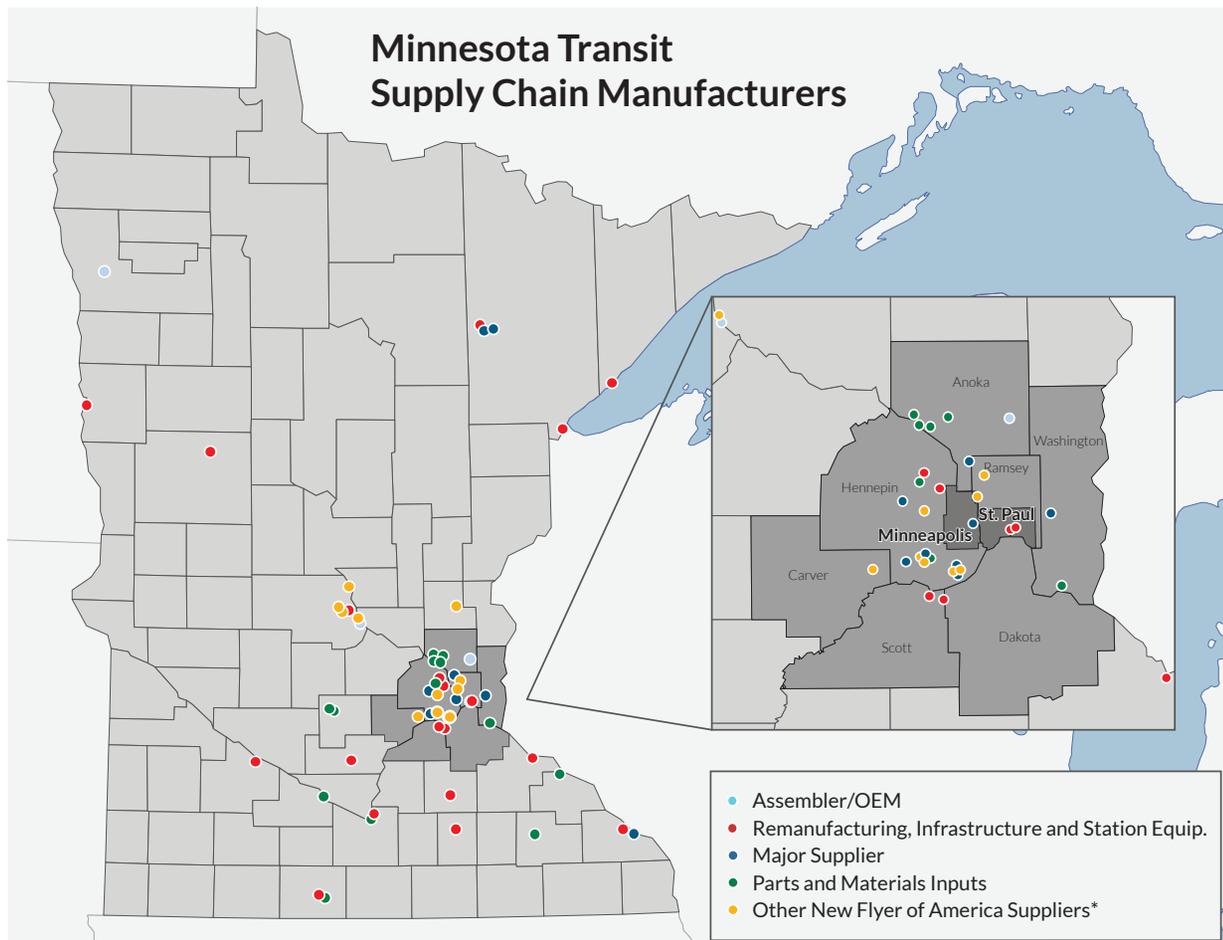
Like any business, the Minnesota factories and suppliers that produce or manufacture components for transit systems depend on a steady pipeline of projects. Without continued state and federal support for transit projects—including those in the Twin Cities and all the way down to the smallest local bus systems—employers would have to downsize or even shutter.

Photos courtesy of New Flyer of America (top) and Waldoch (bottom).



To preserve these jobs and support local economies across the state of Minnesota:

- The Minnesota Legislature should advance modern arterial bus rapid transit (aBRT) services.
- The Minnesota Legislature should improve the current bus system by funding the top projects in the Metro Transit Service Improvement Plan, fully funding Greater Minnesota transit needs, and fully funding core Metro Transit operations.
- On a federal level, Congress and the administration should continue supporting and funding the transit Capital Investment Grants (CIG) Program, which supports capital expansion and improvements to transit systems throughout the country.



Minnesota is home to 60+ transit manufacturers, including major facilities for one of the biggest providers of transit buses for both Minnesota and North America.

Transit construction supports jobs in Minnesota and the nation

More than 60 manufacturing facilities and companies, spread across Minnesota, are tied directly to the manufacture or supply of new transit systems and repairs and upgrades to existing systems both in Minnesota and across the country. This supply chain employs thousands of workers assembling transit vehicles and manufacturing components and electronics.

* "Other New Flyer of America Suppliers" refers to companies that are not included in data from the American Public Transit Association (APTA) which can be found at <https://www.apta.com/resources/industryfootprint/index.html>. Data courtesy of APTA and New Flyer of America.

Investment in transit creates tens of thousands of jobs

Every billion dollars invested in transit capital (construction, rehabs, and upgrades) supports more than 15,000 jobs.¹ Many of those are located in Minnesota. For each billion, whether that money is federal, state, or local, communities across the country benefit from well-paying manufacturing jobs and transportation options.



A New Flyer employee works on a window assembly for a new bus. Photo courtesy of New Flyer of America.

Transit capital projects benefit businesses across Minnesota

Each investment in transit capital construction (or repairs and upgrades to existing transit systems) spurs business at dozens of individual companies and factories in the supply chain for transit, all across the state (and the country). Here are just some of the many components that go into any new bus, rail car, or transit line—many of which are produced right here in Minnesota by Minnesota workers:



TRANSIT BUS

- Engines
- Tires
- Fuel systems
- Transmissions
- Axles
- Brake systems
- Suspensions
- Windows
- Door systems
- Lighting
- Seating/flooring
- HVAC (including defroster)
- Air systems
- Bodies



TRANSIT TRAIN

- Electric generators
- Engines
- Fuel systems
- Truck systems
- Wheel sets
- Suspension
- Brakes
- Traction motors
- Communication systems
- Integrated software
- Security system
- Driving control systems
- Auxiliary power units
- HVAC

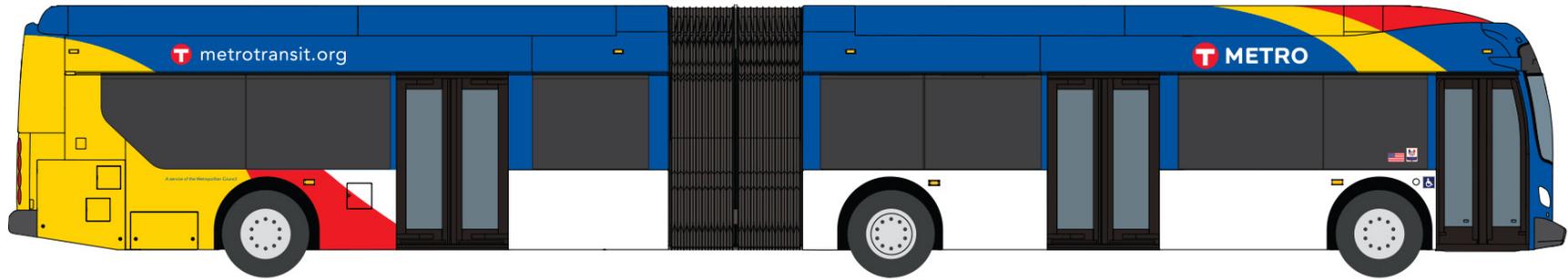


TRANSIT TRACK

- Rails
- Crossties
- Signal lights
- Switches
- Ballasts
- Power systems
- Platform infrastructure
- Track sensors/transmitters
- Interlocking systems
- Track inspection equipment

1 <https://www.apta.com/resources/reportsandpublications/Documents/Economic-Impact-Public-Transportation-Investment-APTA.pdf>

Buses for Minnesotans, made by Minnesotans, with materials sourced from Minnesota companies



Graphic courtesy of Metro Transit

Transit investments benefit communities large and small across Minnesota. For example, Metro Transit has a current order for eight electric buses from New Flyer of America (New Flyer) being fulfilled right now. These future C Line buses are being built with Minnesota-made components and assembled by workers in St. Cloud. According to New Flyer, nearly 10 percent of the investment in bus components for the Minneapolis Metro Xcelsior CHARGE™ battery electric, zero-emission electric buses was in Minnesota.

Air filters

Bloomington, MN: Donaldson Company

Air lines

Arden Hills, MN: Nott Company

Aluminum extrusion

Rice, MN: NETTwork Manufacturing

Fittings

Chaska, MN: Swagelok Minnesota

FRP (fiberglass)

St. Cloud, MN: Carfair Composites

Hardware

Minneapolis, MN: Allegis Corporation

Hoses and fittings

Waite Park, MN: Air-Hydraulic Systems

HVAC and filters

Bloomington, MN: Thermo King

Metal fabrication

Cambridge MN: RITZ Machine Works

St. Joseph, MN: Sunset Manufacturing

Minneapolis, MN: Triangle Precision

Stamping

Oils and grease

Golden Valley, MN: Lubrication Technologies

Steel fabrication

Bloomington, MN: Dalsin Industries

WIFI

Eden Prairie, MN: GetWireless

3M products

Eden Prairie, MN: Replenex

The federal Capital Investment Grant program creates manufacturing jobs

Through the transit Capital Investment Grant program the federal government matches state and local funds to invest in new transit systems or make major upgrades to expand system capacity. This is the primary way that the federal government supports local communities that want to improve or expand their transit networks. Both the Green Line and Blue Line in the Twin Cities were partially funded by the Capital Investment Grant program.

Federal transit capital funds are generally matched at least one-to-one with non-federal funds, making this program particularly effective at leveraging additional funding. When cities like San Francisco or Chicago invest their own dollars into transit projects alongside federal dollars, they support jobs in the transit supply chain throughout the country. New Flyer sells buses all over the country, so when Chicago buys buses with federal transit dollars, those dollars come to Minnesota, along with an equal number of Chicago dollars.



Photo courtesy of New Flyer of America.

The pipeline of transit projects in various stages of development awaiting federal grants for construction includes approximately 52 projects in 19 states; four of those projects are in Minnesota. For those four projects, any cuts to state funding and federal funding would have a devastating effect on Minnesota and U.S. suppliers, and the thousands of jobs they support.

This pipeline means reliable business for the transit supply chain and allows companies to open specialized manufacturing facilities, keep workers employed, and have some measure of confidence that their business has the potential for more work in the future.

A closer look at Minnesota transit manufacturers

New Flyer of America (Crookston and St. Cloud, MN)

Minnesota manufacturing jobs directly rely on the transit funding decisions made by state and federal government.

New Flyer of America (New Flyer), a U.S. subsidiary of NFI Group Inc. (NFI), North America's largest bus manufacturer and a publicly-traded company, is the largest transit bus manufacturer in United States and is headquartered in St. Cloud, MN. Two of New Flyer's four manufacturing facilities are located in Minnesota, together employing more than 1,200 workers between its locations in Crookston and St. Cloud. Carfair Composites Inc., another subsidiary of NFI responsible for supporting bus and coach manufacturing with composite parts, employs an additional 70 people in St. Cloud.

New Flyer's business is focused on delivering quality, reliable heavy-duty buses to public transit agencies across the country, and approximately 75 percent of NFI's \$2.5 billion in annual business comes from public transit agencies, which includes Minnesota public transit agencies like Metro Transit. Federal grants, managed by the Federal Transit Administration (FTA) and paired with state and municipal funding, comprise almost all funding for transit bus purchases.



It's unlikely that any of these transit agencies would be able to purchase new buses—a large up-front capital expense—with local funding alone.

New Flyer serves all 25 of the largest transit agencies in North America, and is responsible for about half of the transit buses seen on U.S. roads today. Each week at its Crookston and St. Cloud facilities, over 1,200 Minnesotans produce 46 buses that serve communities and transit riders across the United States and Canada.

New Flyer is focused on workforce development in Minnesota, and supporting long-term careers in manufacturing. Like many manufacturers, New Flyer needs a trained and consistent workforce to succeed; both time and money are wasted if one has to retrain a workforce every few years. Margaret Lewis, Senior Vice President of Manufacturing and Facilities, has noted that these are skilled manufacturing jobs, not jobs that can be switched on and off as needed.

In the transit industry, new buses are paid for on delivery, so while New Flyer has a three-year backlog of orders and options, it will only be able to keep completing orders if transit agencies have the state and federal funding they are expecting and have budgeted for.

New Flyer employees welding and assembling buses at one of their facilities. Photos courtesy of New Flyer of America.



Waldoch (Forest Lake, MN)

Waldoch relies on predictable public funding to help their 40 employees supply mobility vans for transit agencies.

Waldoch is a small, family-owned business in Forest Lake, MN. Established in 1974, this company started by building luxury vans and over the years has evolved to outfitting trucks and building shuttles and mobility vans.

Waldoch prides themselves on their ability to listen closely to customer needs and develop products that make lives easier, as with their mobility vans. Mobility vans are a vital piece of the public transportation network, providing essential connections for people with disabilities. Waldoch’s mobility vans are purchased by transit agencies across the country, including the Central Ohio Transit Agency, as well as school bus dealers like Hogland Bus which is headquartered in Monticello, MN.

Waldoch is 40 employees strong and depends on predictable public funding. When asked what would happen if federal and state funding for transit were cut, a Waldoch representative stated that “it would absolutely impact us. We would have to cut back on employee labor as many of our mobility vans are purchased with state and federal funds.”

Thermo King (Bloomington, MN)

Approximately 11 percent of Thermo King’s North American business comes from contracts to supply public transit and \$2 million of their public transit business is in Minnesota.

For over 80 years, Thermo King has engineered and manufactured transport climate control systems for a variety of transport types, including buses, railway cars, trailers, trucks, and shipboard containers. A world leader in transport climate control systems for transit buses, Thermo King is a Minnesota-based company and employs over 500 people at their headquarters in Bloomington, MN.

Back in 1956, Thermo King was the first company to successfully design and develop an air conditioning unit for passenger buses. Committed to providing high-quality products, Thermo King works closely with its vendors, like New Flyer of America, to test and ensure that their HVAC systems perform as expected in vehicles. This type of connection between two different companies shows just how interconnected the supply chain for transit is within Minnesota and the United States as a whole.

Thermo King employees testing new HVAC systems in buses manufactured by New Flyer. Thermo King specializes in climate control systems. Left photo by Transportation for America. Other photos courtesy of East Metro Strong.

ISC Applied Systems (Eden Prairie, MN)

This small company has had a vital role in the production of transit vehicles for major Metro Transit projects.

ISC Applied Systems (ISC) is a small company with a big impact. ISC designs and manufactures communications and security systems and equipment such as audio amplifiers, intercoms, control units, and computerized information signs for public transit vehicles across the U.S.

Their Eden Prairie location in Minnesota acts as the manufacturing site for American contracts. The Eden Prairie workforce has created some of the essential communication components for over 50 rail cars used on Metro Transit's Blue Line and Green Line.

Losing state and federal transit funding would be crippling for their company. If ISC lost state funding they would have to reduce their staff and if federal funding was cut completely they would be forced to eliminate their Eden Prairie plant and relocate to Canada.

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About this report

This report was written by Mae Hanzlik for Transportation for America. Geri Rosenberg of Smart Growth America created the map. Will Schroeer of East Metro Strong, and Robert Harris of the Minneapolis Regional Chamber provided guidance throughout the process. Additional editing, research and production by Dan Levine, Sam Sklar, Chris Rall, Brian Lutenegger and Stephen Lee Davis for Transportation for America; and Sarah Kline of SK Solutions LLC for the national version of this report.

East Metro Strong is a public-private partnership of businesses, cities, and counties working together to bring more and better transit investment to the East Metro and catalyze job growth and economic development opportunities.



The Minneapolis Regional Chamber is the largest and most diverse local business association in the MSP region. Founded in 1881, the Chamber today includes more than 1,500 member organizations. The Chamber is the region's chief leading advocate to improve economy and quality of life. We bring people and organizations together around issues that matter to our economic competitiveness, including workforce development, education, transit and housing. Through a unified voice, we convey the needs and priorities of our region to decision makers and urge action to constantly improve our standing.



Transportation for America is an alliance of elected, business, and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions—because these are the investments that hold the key to our future economic prosperity.



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