

Twin Cities Metro Area Transit Overview

MATT BURRESS

LEGISLATIVE ANALYST, MINNESOTA HOUSE RESEARCH DEPARTMENT

Presentation to the Governor's Blue Ribbon Committee

October 12, 2020

Contents

General Introduction

Transit Finance

Transit Service

Transit Support

Conclusion

Transit Bingo?			
RTC	MPO	G.O.	A-BRT
RA-MVST	RRA	HOT	ADA
HUTD	MVTA	FTA	GF
LRT	TAB	MTS	CTIB

General Introduction

Forms of transit service

- Regular route bus – primarily urban, fixed routes and schedules
- Express/commuter bus – longer routes, fewer stops
- Bus rapid transit (BRT) – fewer stops, various amenities
 - Arterial BRT
 - Highway BRT
- Rail
 - Light rail transit (LRT)
 - Commuter rail

General Introduction

Forms of transit service (cont.)

- Demand response (“dial-a-ride”) – arranged trips
- Route deviation – fixed route with some modifications
- Paratransit – Americans with Disabilities Act (ADA) service
- Also proposed/in development
 - Dedicated BRT
 - Streetcar

General Introduction

Entities involved

- Metropolitan Council
- MnDOT
 - Aid to Greater MN transit providers
 - Transit policies and planning
 - Federal funds administration
- State legislature
- Counties & regional railroad authorities
- Cities

General Introduction

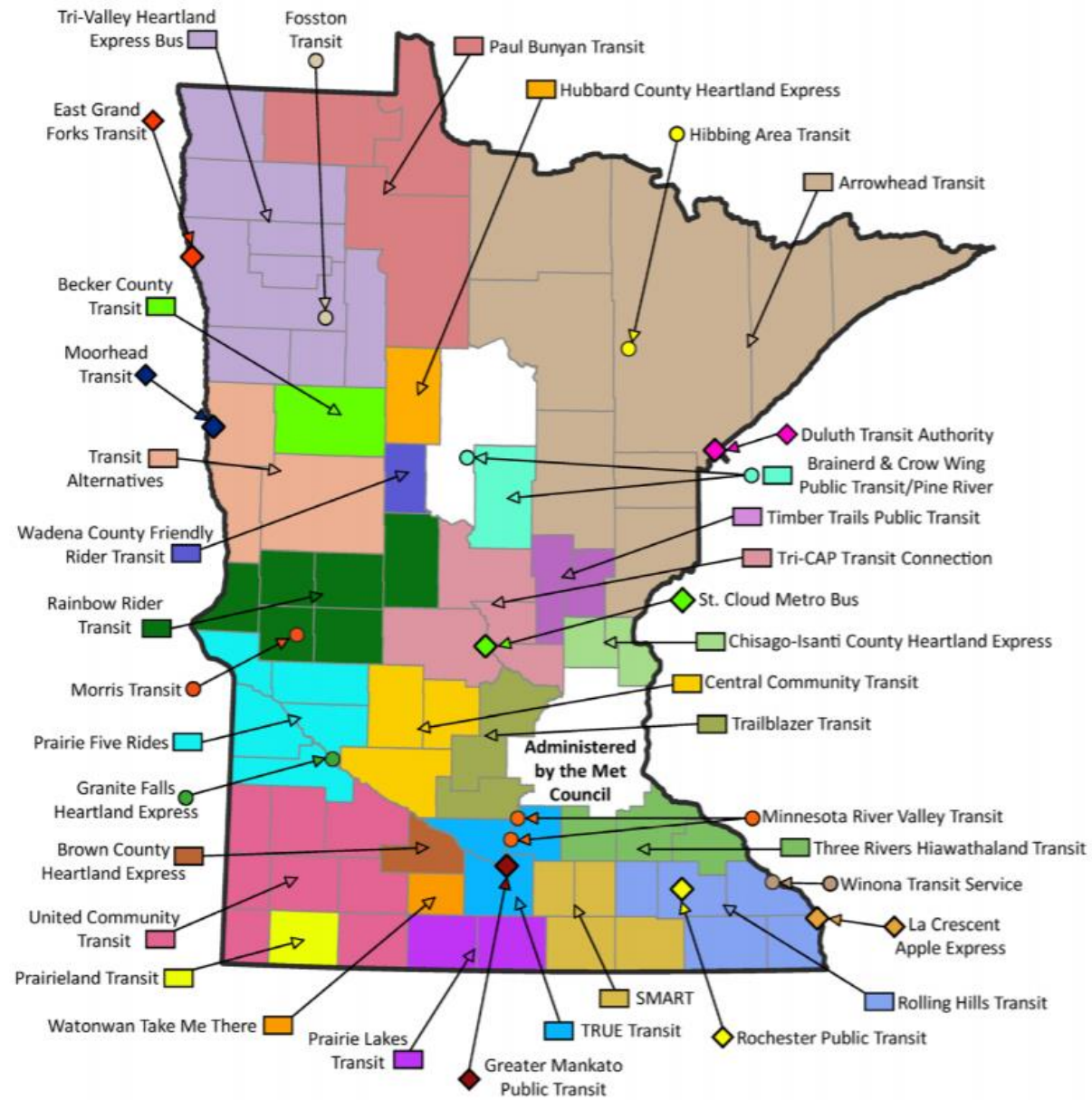
Entities involved (cont.)

- Transit providers
- Private contractors & operators
- Residents
- Other state and regional agencies
- U.S. Department of Transportation
 - Federal Transit Administration (FTA)
 - Federal Highway Administration (FHWA)
 - Federal Railroad Administration (FRA)

General Introduction

Transit service

- Provided by local units of government
- Greater Minnesota
 - Over 40 transit systems
 - Variety of system types
 - Urbanized, small urban, rural, and ADA service
 - Various route and schedule structures



General Introduction

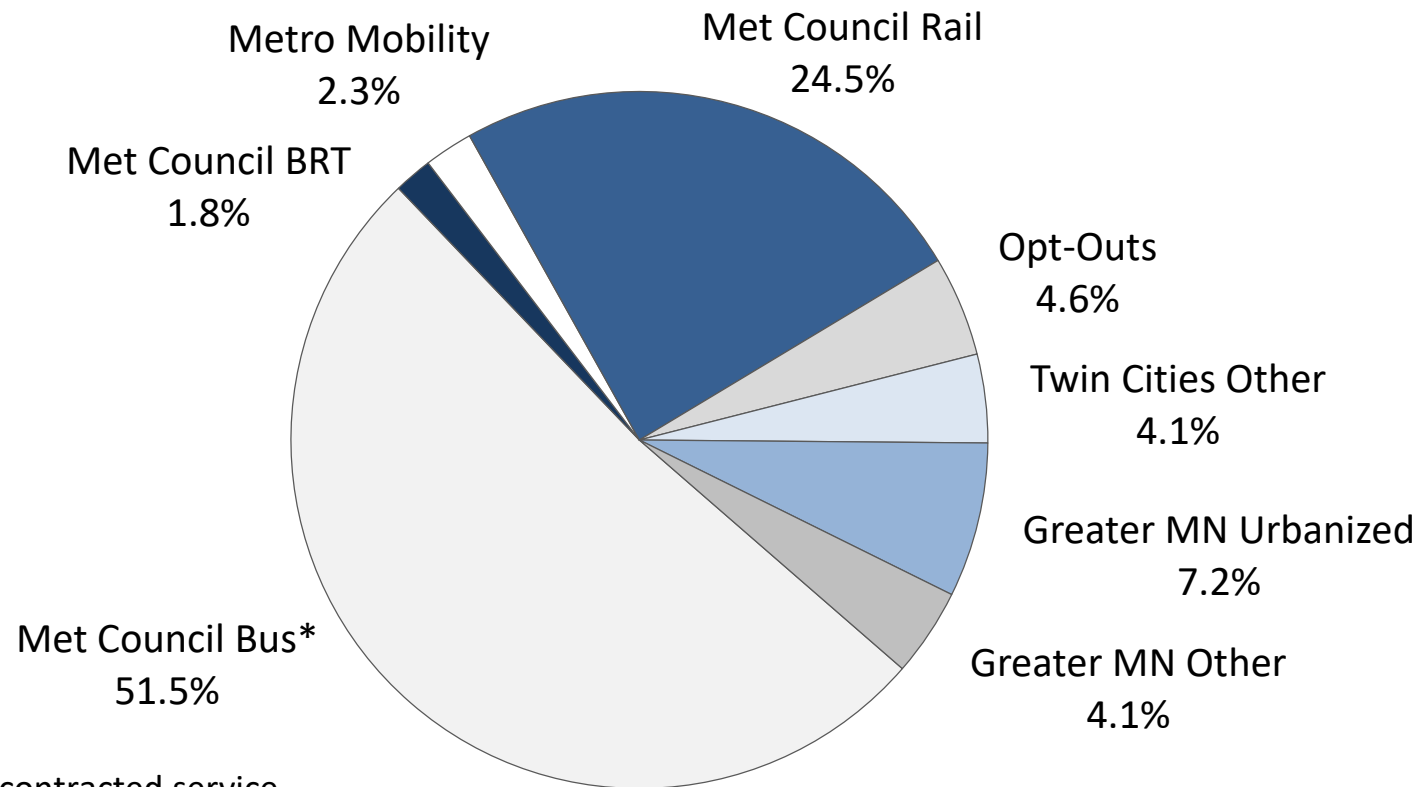
Transit service (cont.)

- Twin Cities metropolitan area
 - Metropolitan Council (e.g., Metro Transit, contracted service)
 - Suburban providers (opt-outs)
 - Other providers (e.g., University of Minnesota)

General Introduction

Transit Ridership Distribution

CY 2018 (105.1 million)



* Includes contracted service

Contents

General Introduction

Transit Finance

Transit Service

Transit Support

Conclusion

Transit Finance

Sources of Twin Cities metro area funding

- Federal
- State
 - Motor vehicle sales tax (MVST)
 - General fund (GF) appropriations
 - General Obligation (G.O.) bond proceeds
- Regional/local
 - Property taxes
 - Sales taxes
- Generated revenue – e.g., farebox, advertising

Transit Finance

Motor vehicle sales tax (MVST)

- 6.5% tax on the sale of new and used vehicles
 - In lieu of state general sales tax
- Historical variation in allocation to transportation
 - Shift away from property taxes for transit operations in 2001
 - Constitutional amendment in 2006
- Constitutional requirements (Minn. Const. art. XIV, sec. 13)
 - Revenue entirely dedicated to transportation
 - “Not more than 60%” for highways
 - “Not less than 40%” for transit

Transit Finance

Motor vehicle sales tax (cont.)

- Allocation specified in state statute (Minn. Stat. § 297B.09)
- Allocation formula:

Recipient	Share	SFY 2019
Highways (HUTD)	60%	\$485.9 M
Twin Cities metro area transit	36%	\$291.6 M
Greater Minnesota transit	4%	\$32.4 M

- MVST funds for transit are statutorily appropriated (Minn. Stat. § 16A.88)

Transit Finance


State bonding

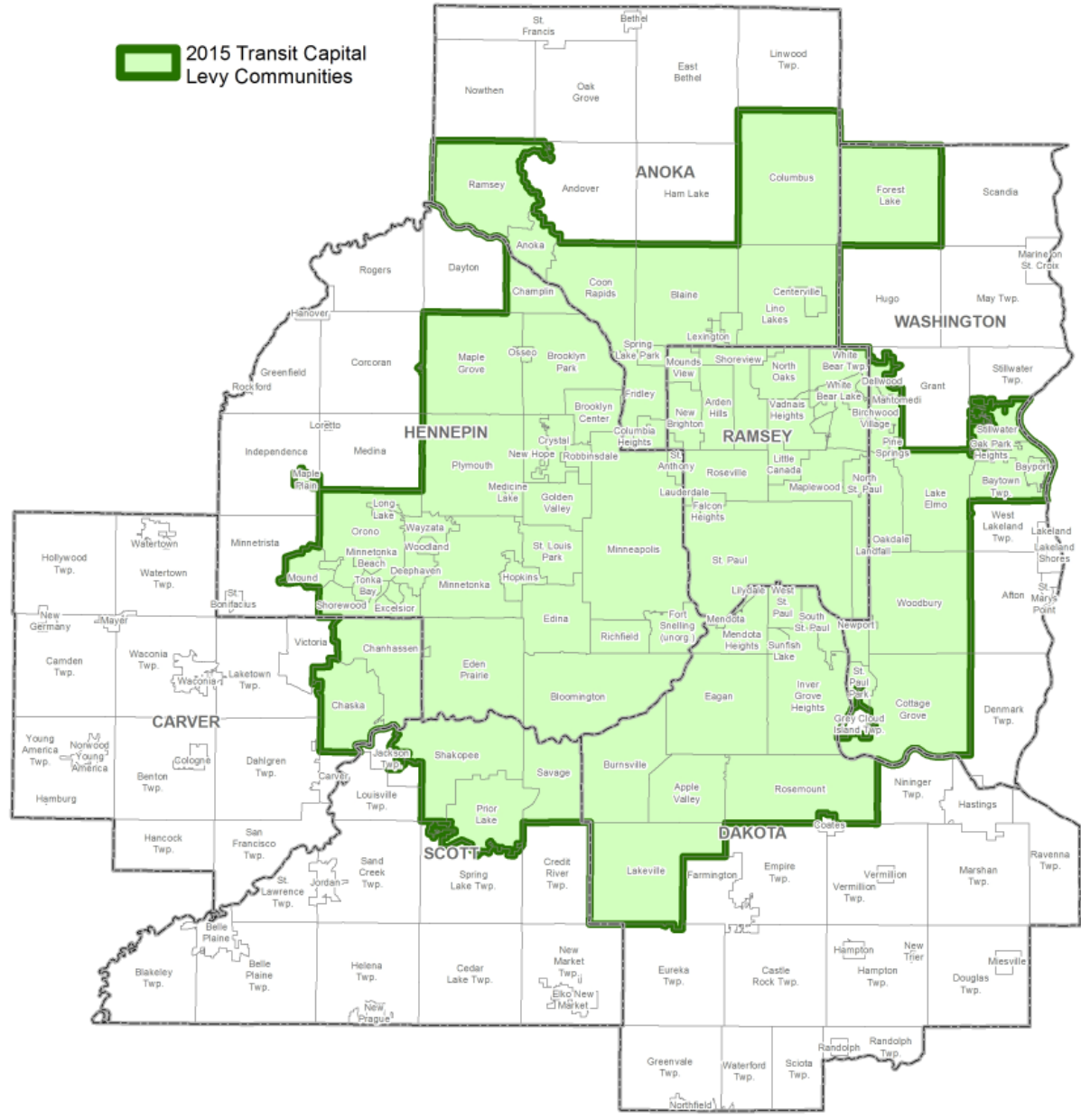
- Debt financing for capital projects
- Various constitutional requirements & limitations
- Authorized in legislation
 - Year-to-year variability
 - No legislation in some years
- Key types
 - Trunk highway bonds – for trunk highway system
 - Other general obligation (G.O.) bonds – for transit & other modes

Transit Finance

Met Council property taxes

- Regional transit capital (RTC) levy
 - Imposed by the Metropolitan Council under state statute (Minn. Stat. § 473.446)
 - Separate from other Metropolitan Council levies
- RTC levy area
 - A geographic subset of the Met Council's 7-county jurisdiction
 - "Transit taxing district" is specified in state statute (Minn. Stat. § 473.446)
 - Can expand based on transit service agreements – e.g., Lakeville, Forest Lake, Columbus, Maple Plain, Ramsey (Minn. Stat. § 473.4461)

 2015 Transit Capital Levy Communities



Transit Finance

Met Council property taxes (cont.)

- RTC tax revenue goes to debt service on bonds
- RTC bonding
 - Bonds issued by the Metropolitan Council under legislative authorization
 - Typically annual or biennial authorizations in state statute (Minn. Stat. § 473.39)
 - Proceeds primarily used for transit fleet maintenance and replacement, and some facilities
 - Proceeds also used as a match for federal aid

Transit Finance

Counties Transit Improvement Board (CTIB), 2008-17

- Former joint powers board from five counties
 - Anoka, Dakota, Hennepin, Ramsey, and Washington
- 0.25% sales and use tax, and \$20 vehicle excise tax
- Dissolved by the counties in 2017

Transit Finance

Counties Transit Improvement Board (cont.)

- Various legislative requirements and CTIB policies
- Main use of revenue
 - Transitway (LRT, commuter rail, highway BRT) capital
 - Limited for arterial BRT
 - 50% of net transitway operating costs
 - Not for bus operations
 - Some transitway planning

Transit Finance

County local option sales and use taxes

- Statewide authority (Minn. Stat. § 297A.993)
- Imposed by numerous counties, including former CTIB counties
- Rate of up to 0.5% and \$20 vehicle sales excise tax
- Use of revenue
 - Can be used for specified transit and road spending
 - Historically used for transitway capital and a share of transit operating costs

Transit Finance

County regional railroad authorities (RRA)

- Tied to each county
 - Separate political subdivision
 - Board typically composed of the county commissioners
- Purpose: preserve and improve rail service and rail right-of-way
- Property tax levy
 - Historically used for transitway capital costs and some project development
- LRT and commuter rail funding limitations (Minn. Stat. § 398A.10)
 - Up to 10% of capital costs of new projects
 - No operating costs

Transit Finance

Major sources recap

Entity / Source	Revenue Type	Geography
Federal	Various (e.g., federal gas tax)	National
State – MVST	Sales tax	Statewide
State – GF	Various (e.g. state income tax)	Statewide
State – bond proceeds	Debt / state taxes	Statewide
Met Council – RTC bonds & levy	Debt / property tax	Regional (RTC levy district)
Met Council – farebox	User fee	Regional
County	Sales taxes	County
County RRA	Property taxes	County

Contents

General Introduction

Transit Finance

Transit Service

Transit Support

Conclusion

Upcoming Transit Maps?

None

1-4

5 or more

Met Council Transit Service

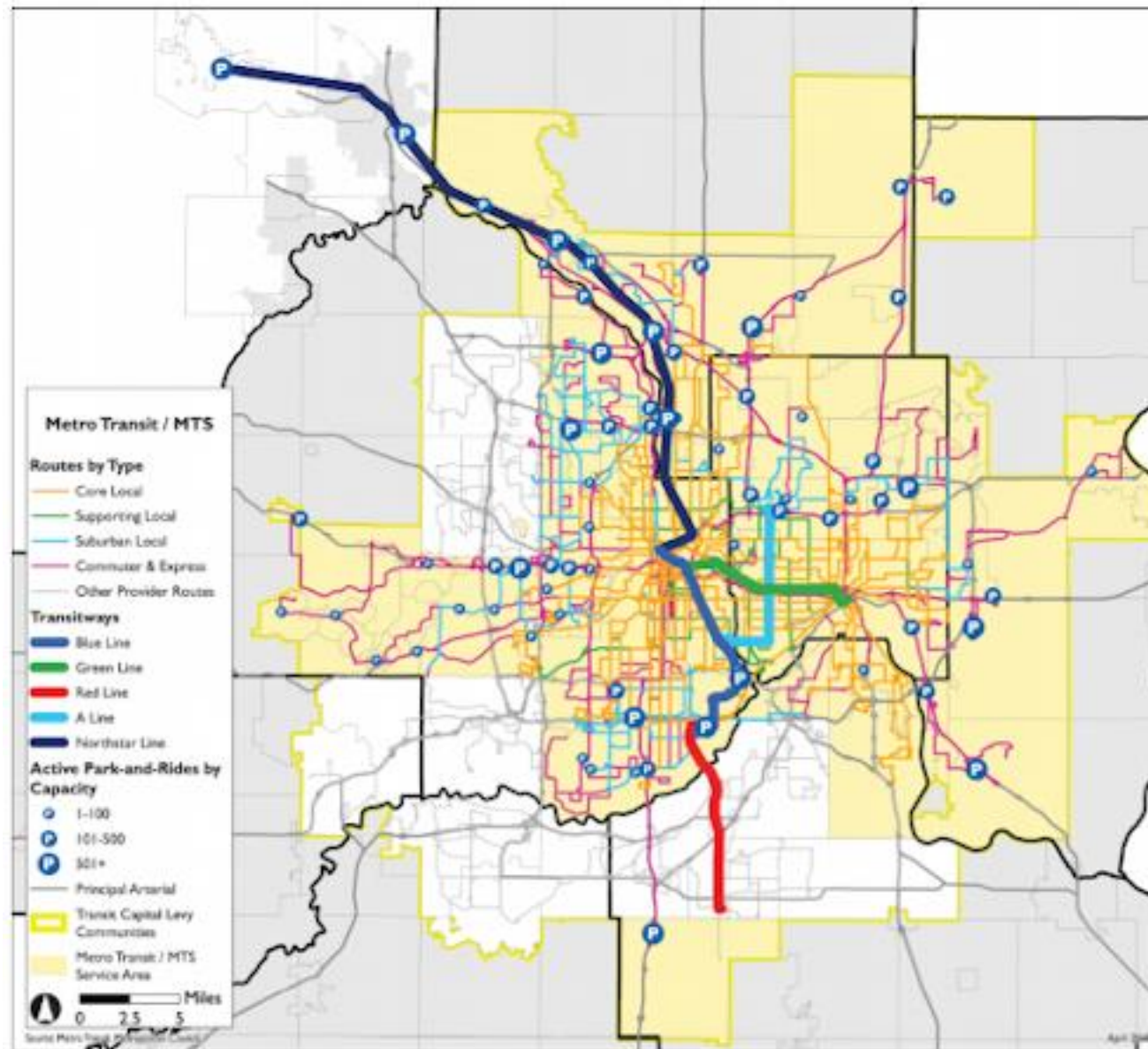
Transit-related activities

Metro Transit	MTS	TAB	Regional Admin
Transit operator Police department Administration	Planning Regional policies & procedures Project development Contracted service (e.g., Metro Mobility) Grant administration Technical assistance	Federal funds allocation Planning and programming input	Legal counsel Government affairs Finance
<p>Notes List is not comprehensive MTS is Metropolitan Transportation Services division TAB is Transportation Advisory Board</p>			

Met Council Transit Service

Regular route bus

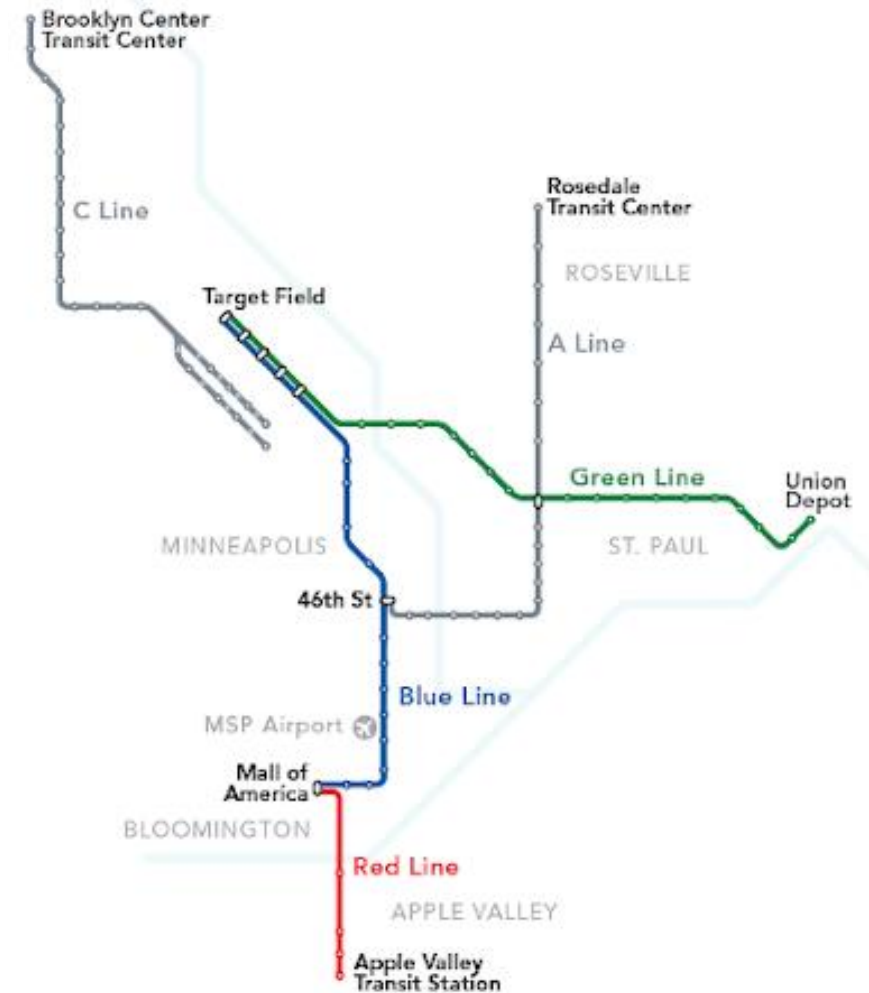
- Fixed route bus
 - Various forms of local service
 - Express/commuter service
- Core transit service in the Twin Cities metro area
 - Network of routes
 - Short station spacing
 - Varying frequencies
- Service within the geographic area of the regional transit capital (RTC) levy



Met Council Transit Service

Transitways

- Multiple transit modes
- Growing network
- Various project approaches
 - Different lead agencies
 - Mix of funding sources
- Study and development of additional lines



Met Council Transit Service

Bus rapid transit (BRT)

- Features
 - Off-vehicle fare collection
 - Various technology, station, and bus enhancements
 - Distinct branding
- Mode comparison
 - Reduced travel time
 - Higher frequency
 - Longer station spacing
 - Higher capital costs



Met Council Transit Service

Bus rapid transit (cont.)

- Arterial BRT (A-BRT)
 - Primarily operated on urban minor arterial roads in mixed traffic
 - A Line in 2016, C Line in 2019
 - Additional lines in planning/project development
- Highway BRT
 - Primarily operated on highways and principal arterial roads
 - In mixed traffic with some dedicated shoulders and managed lanes
 - Larger scale, some indoor station designs
 - Red Line in 2013, Orange Line in progress

Met Council Transit Service

Light rail transit (LRT)

- Features
 - Operation on rails in dedicated right-of-way
 - Off-vehicle fare collection
 - Larger open stations
 - Platform loading
- Mode comparison
 - Longer station spacing
 - Large-scale capital costs



Met Council Transit Service

Light rail transit (cont.)

- Lines
 - Hiawatha LRT (Blue Line) in 2004
 - Central Corridor LRT (Green Line) in 2014
 - Southwest LRT (Green Line Extension) under construction
 - Bottineau LRT (Blue Line Extension) in development



Met Council Transit Service

Commuter rail

- Features
 - Operation on railway in dedicated right-of-way
 - Off-vehicle fare collection
 - Larger open stations
 - Platform loading
- Mode comparison
 - Commuter-oriented service
 - Long-distance
 - Longest station spacing



Met Council Transit Service

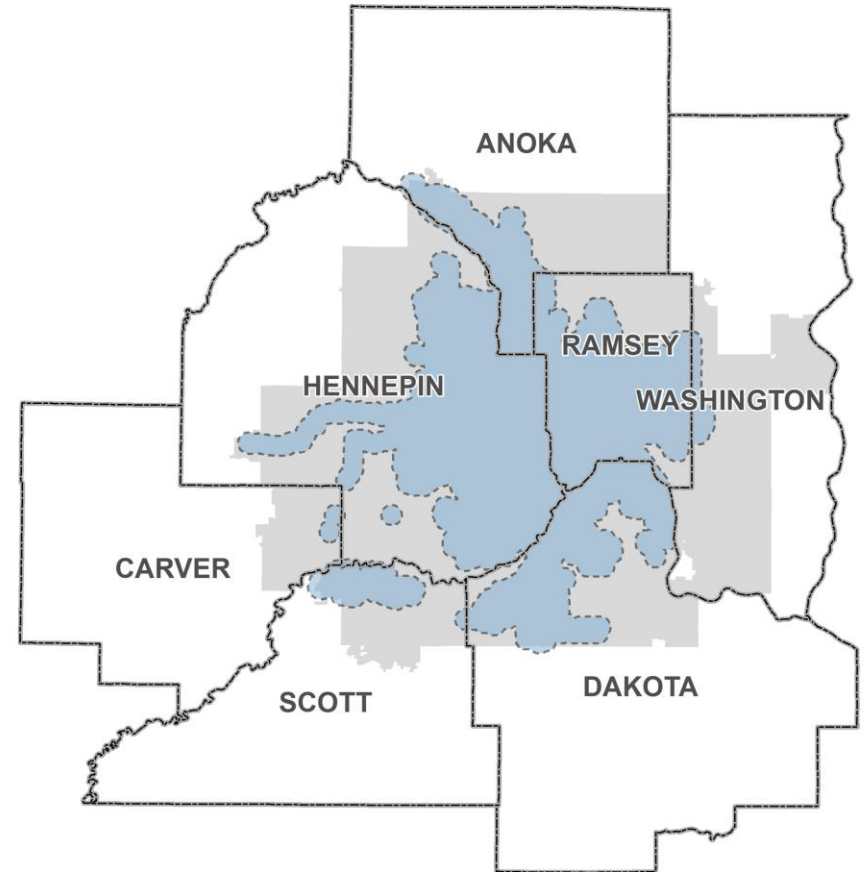
Metro Mobility

- ADA bus service
 - Shared rides for eligible general public
 - Reserved in advance
 - Specified time window/constraints
- Limited to riders who are unable to use regular route bus service
 - Eligibility is based on disability or health condition
 - Certification process used
- Contracted service
- Separate GF appropriation starting in FY 2020-21

Met Council Transit Service

Metro Mobility (cont.)

- Federally mandated & regulated
- Service areas
 - Federal (blue): based on regular route service area
 - State (blue + grey): “static” transit taxing district (Minn. Stat. § 473.386)
- Service level
 - Federal area: comparable to regular route
 - State area: standby rides



Met Council Transit Service

Transit Link

- Dial-a-ride bus service
 - Shared rides for general public
 - Reserved in advance
 - Specified time window and pickup/drop-off locations
 - Limited nights and weekend service
- For areas where regular route transit is limited or not offered
 - Eligibility based on origin/destination distance from regular route transit
- ADA-compliant vehicles, but not ADA service
- Contracted service

Met Council Transit Service

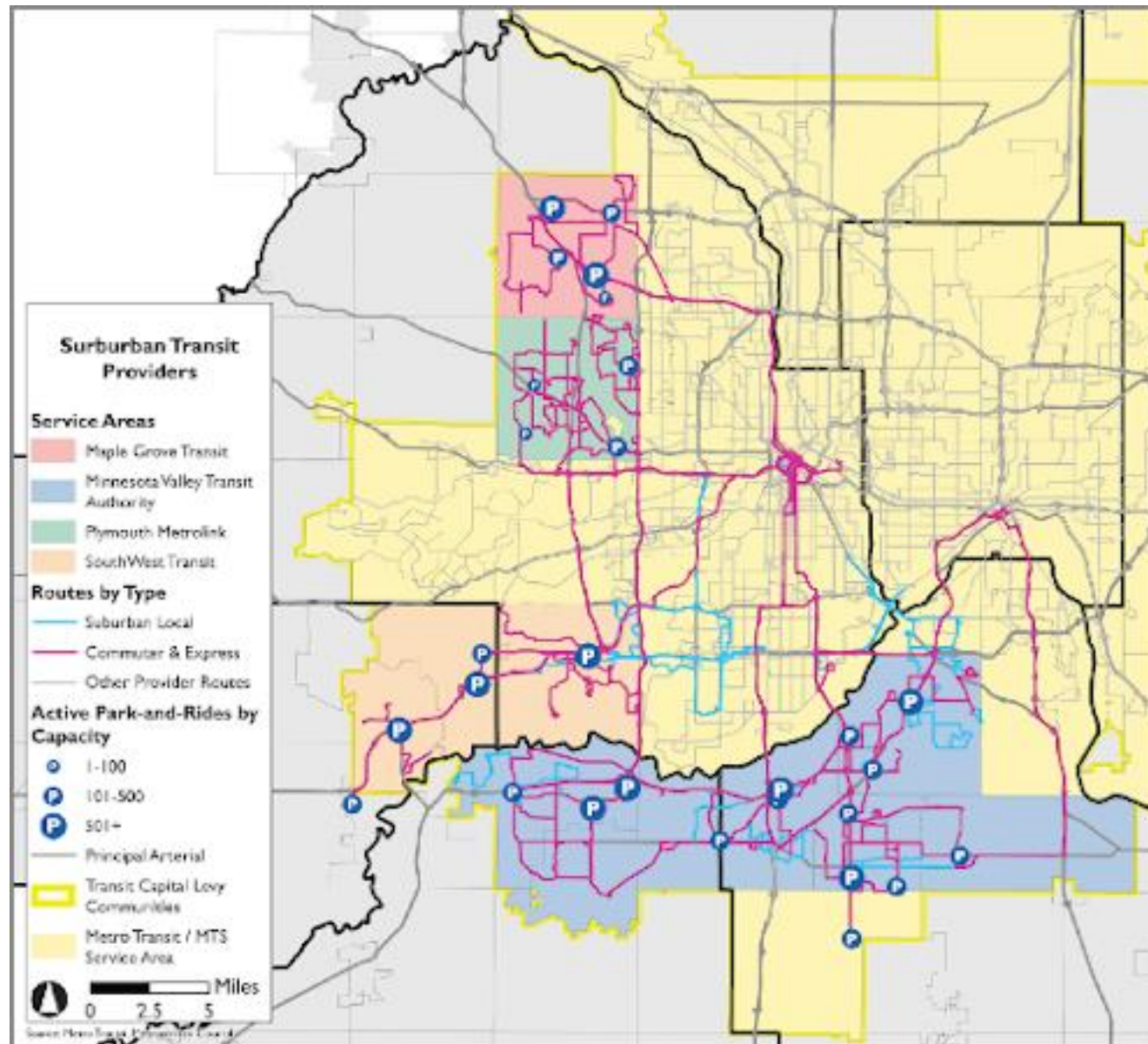
Vanpool

- Organized shared rides
 - Pool of at least 5 commuters a minimum of 3 days a week
 - Driver is among the commuters
 - Must live or work in the 7-county region
- Subsidized vehicle leases
 - SUVs, minivans, vans available
- Remaining costs split by the riders

Other Transit Service

Suburban transit providers (opt-outs)

- Four transit providers in several suburban communities
 - Instead of Met Council regular route bus service
 - Individual cities or multiple cities under joint powers agreements
 - Governed by elected officials or a mix of citizens and elected officials
 - MVRTA consolidations in 2015
- Various types of service
 - Local circulator
 - Express/commuter bus – including service outside the community
 - Some dial-a-ride service



Other Transit Service

Suburban transit providers (cont.)

- Aid
 - TAB – regional solicitation
 - Met Council – bus procurement
 - Portion of MVST
 - Administered by the Met Council
 - Formula-based minimum allocations in state statute (Minn. Stat. § 473.388)
 - Additional amount “regionally allocated” (RA-MVST)

Other Transit Service

University of Minnesota Twin Cities

- Fixed route bus service
 - Local circulator
 - Campus connector
- Paratransit service
- Campuses also served by Metro Transit, Metro Mobility, and suburban transit providers

Contents

General Introduction

Transit Finance

Transit Service

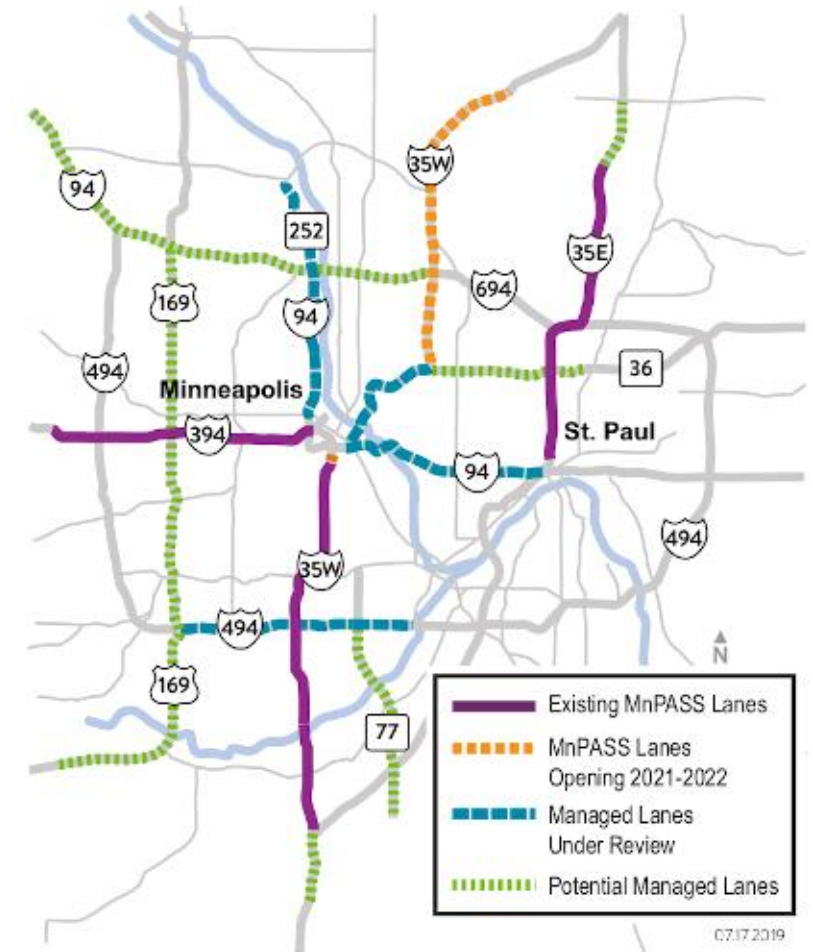
Transit Support

Conclusion

Transit Support

Transit advantages

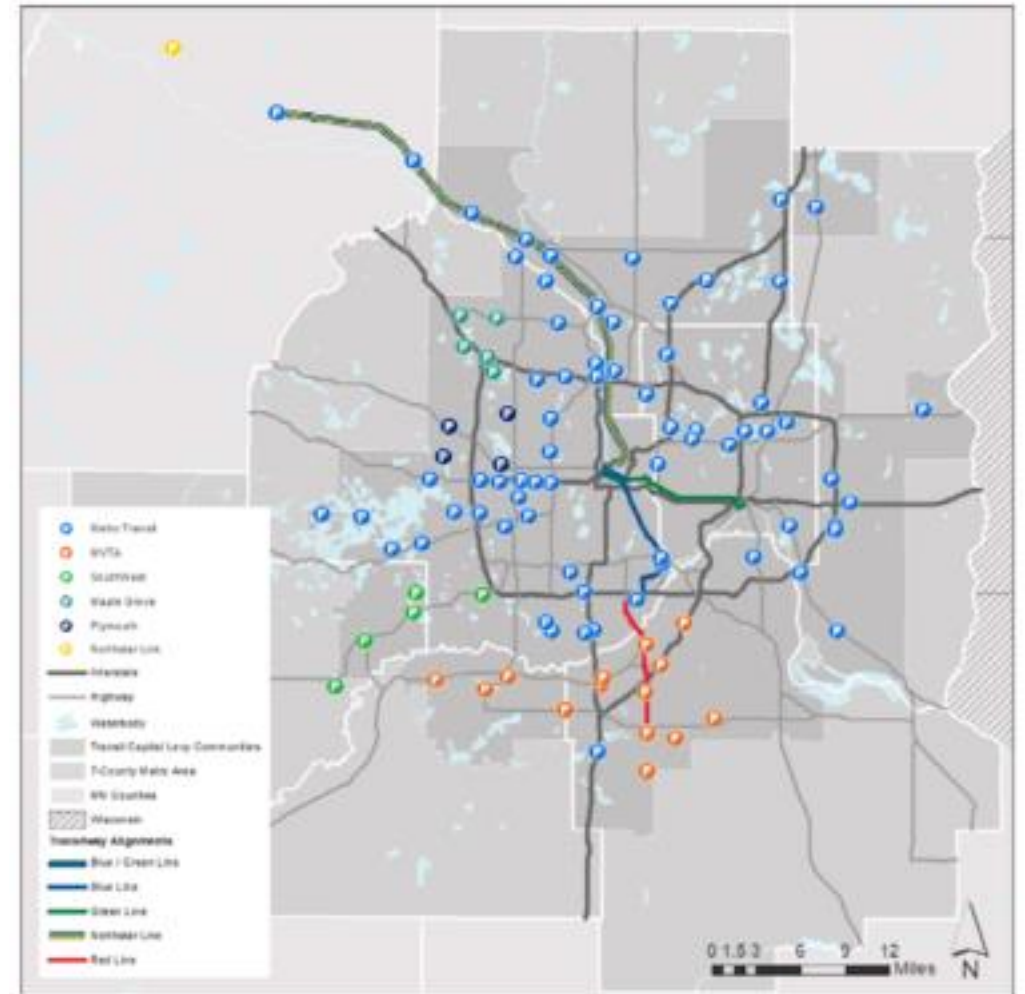
- Bus-only shoulders
- Managed lanes
 - MnPASS / High-occupancy toll (HOT) lanes
 - High-occupancy vehicle (HOV) lanes



Transit Support

Park-and-ride system

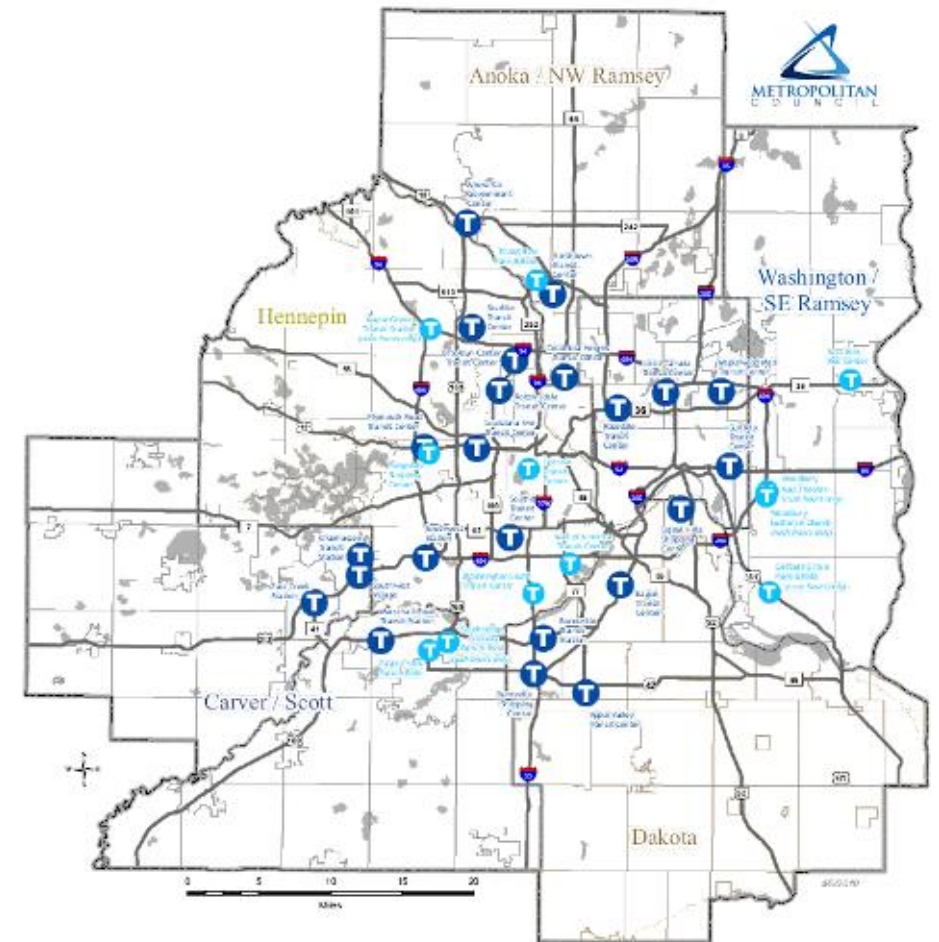
- Parking facilities specifically served by transit
- Some integrated with transit or commercial centers
- Spread throughout the region
- Operated by the various transit providers



Transit Support

Transit facilities

- Transit stations and centers
 - Multimodal hubs – e.g., Union Depot, Mall of America
 - Transit centers
 - Service centers
- Operational facilities
 - Bus service garages
 - Rail maintenance facilities
 - Operations centers
 - Administrative offices



Conclusion

Remarks

- Numerous governmental entities involved

Area	Federal	State	Met Council	Counties	Other Local
Policymaking	✓	✓	✓	✓	✓
Revenue & funding	✓	✓	✓	✓	✓
Planning			✓	✓	✓
Studies & project development			✓	✓	✓
Transit service			✓	✓	✓

- Complexities of transportation finance

Questions?



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives.

www.house.mn/hrd | 651-296-6753 | State Office Building | St. Paul, MN 55155