

Proposed Timeline

Date	Activity
December 22, 2017	Technical Chapters posted for review
January 2018	TAC Planning review of Technical Chapters
February 1, 2018	TPP Overview posted for review
February 2018	TAC Planning review of TPP Overview
March 2018	TAC-Planning Recommendation
April 2018	TAC and TAB Recommendation
May 2018	Transportation Committee and Council release draft TPP for public comment
June 2018	Public hearing at Transportation Committee
Early July 2018	Public comment period closes, changes incorporated
August 2018	Information item at Council and TAB on public comment and changes
September 2018	Final <i>2040 TPP Update</i> to TC and Council for adoption

2040 Transportation Policy Plan Update Finance Summary

TAC Planning
December 14, 2017



Fiscal Changes

- Total metro area revenues and spending at \$91 billion, up from \$84 billion, 2015 – 2040
- Due to:
 - Inflationary assumption changes
 - Inclusion of higher levels of State Highway operations funding
 - New State Highway mobility funding
 - CTIB/county sales tax changes

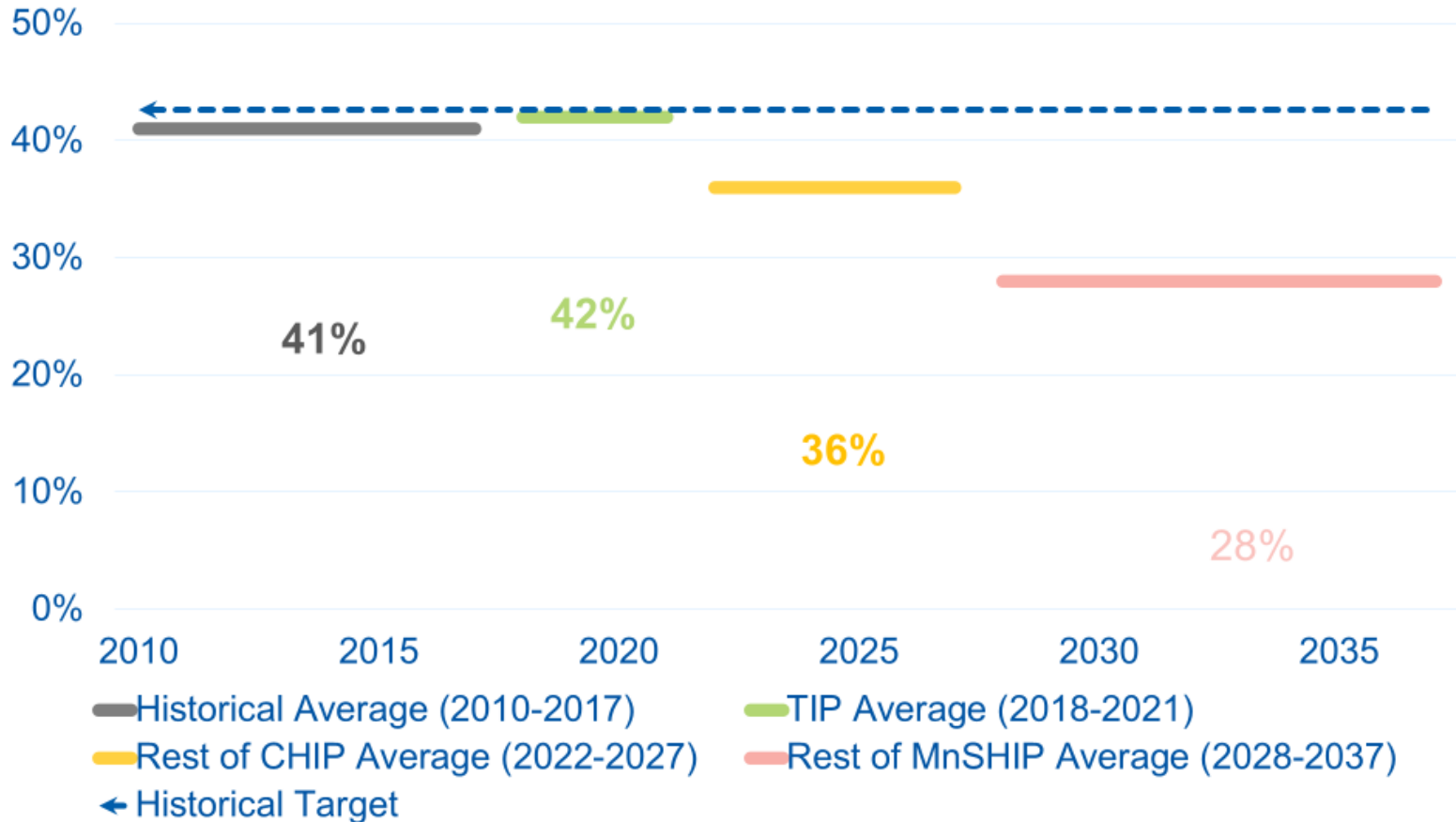
Highway Funding Big Picture

- Historic Revenue Formula: 42.6% of MnDOT funds go to the Metro
- Recently MnDOT moved to performance-based planning for pavement and bridges
 - No performance target for congestion yet
- More miles of pavement and more bridges in Greater MN and less expensive projects
- MnDOT's long-range plan shows metro revenue share dropping to 36% 2022-2028; 28% beyond

Results

- Pavement and bridge funding is sufficient in the Metro to largely meet 10-year targets
- To meet statewide pavement and bridge targets, requires MnDOT to shift funds to Greater MN
- Result is \$0 to metropolitan area mobility (expansion) projects after 2023
- Both asset preservation and mobility/congestion relief are important for the state

MnDOT Share to Metro District



*Metro District is 8 counties, this chart reflects planning before 2017 State Legislation

MnDOT Share to Metro

- Statewide spending increases; however,
 - Spending declines in Metro from \$323M/year to \$308M/year
 - Spending increases in Greater MN
- 94% of net population growth in MN anticipated in Metro

	Average Annual Investment*		Population in 8 Counties Share of Growth	
	STIP 2018-2021	CHIP 2022-2027	Current [2015]	[2015-2040]
Metro District	\$323 M	\$308 M	56%	94%
Greater MN Districts	\$435 M	\$559 M	44%	6%

Source: MN State Demographic Center, MN Dept. of Administration

MnDOT Share to Metro

- To get to 42.6% for 2022-2027, Metro requires \$644 M more
- To get to 42.6% for 2028-2037, Metro requires \$3.0 B more
- Small bright spot is MnDOT's freight solicitation: 80% of \$93M to Metro
- Metro benefits from fair and equal comparison with other districts

Agency Cooperation, Next Steps

- Council/MnDOT meetings to understand issues and identify potential solutions
- As a first response, MnDOT approved an additional \$20M/year for mobility (as opposed to \$0 past 2023); does not solve the issue in short or long-term
- MnDOT decisions expected by the end of January
- One option is continue current mobility funding levels (i.e. add \$50 M/yr) past 2023, until next MnDOT long-range plan update (expected in 2022) can redirect funds toward Metro
- Additional option is commitment that new funds be directed to mobility projects with competitive selection

Highways Fiscal Outlook

- **Principal Arterial Highways:**
 - Investment heavily driven by pavement and bridge performance
 - Metro district able to meet pavement and bridge targets; Greater Minnesota requires higher investment levels
 - Mobility funding very limited; no mobility funds after 2023
 - Freight program, Corridors of Commerce provide short term opportunities for mobility investment
- **Minor Arterial Highways:**
 - Largely able to maintain and preserve asset condition, unmet need level differs between MnDOT, counties, cities
 - Limited mobility/expansion funding opportunities through Regional Solicitation, county sales tax and wheelage tax

Transit Fiscal Outlook

- Able to maintain existing bus system provided:
 - Regular fare increases to maintain fare recovery ratio
 - Motor vehicle sales tax (MVST) continues to grow with inflation
 - State funds and RTC bonding authority provided
 - Federal formula funding grows moderately
- Regional Solicitation funds:
 - Provide very limited expansion funding for bus system and some transitways
- Transitway funding provided through:
 - New/Small Starts federal competitive grants
 - New county sales tax replaces state share of capital and Counties Transit Improvement Board funding
 - County Regional Railroad Authority funding

County Transportation Sales Tax

- Anoka, Carver, Dakota, Scott, Washington at ¼ cent tax; Hennepin, Ramsey at ½ cent tax
- Scott county tax ends 2023
- Approximately \$6 billion through 2040
- Revenues assigned to known Transitway capital and operating projects
- Hennepin and Ramsey unallocated Transitway revenues after 2027
- Other counties revenues and spending in Local Transportation