

# Business Item

Transportation Committee



Committee meeting date: May 12, 2025

For the Metropolitan Council: May 28, 2025

## Business Item: 2025-97

Authorization to Apply for Section 5311 Formula Grants for Rural Areas Funding – Resolution 2025-9

<b>District(s), member(s):</b>	All
<b>Policy/legal reference:</b>	Policy FM 15-1 Income/Grants
<b>Staff prepared/presented:</b>	Charles Carlson, Executive Director MTS (651) 602-1761 Gerri Sutton, Director Contracted Services (651) 602-1672 John Harper, Manager Contracted Transit Service (651) 602-1744 Sheila Williams, Senior Project Administrator (651) 602-1709
<b>Division/department:</b>	Metropolitan Transportation Services/Contracted Transit Services

### Proposed action

That the Metropolitan Council approve resolution 2025-9 authorizing the Metropolitan Council to Apply for Section 5311 Formula Grant for Rural Areas funding from the Minnesota Department of Transportation (MnDOT) to support Transit Link dial-a-ride services for the 2026 calendar year.

### Background

The Federal Transit Administration (FTA) Formula Grants for Rural Areas program provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations. MnDOT is the designated recipient for Minnesota and administers funds apportioned to the state on an annual basis.

The apportionment formula considers land area, population, revenue vehicle miles, and low-income individuals in rural areas. Based on the 2020 census, the seven county metro area accounts for approximately 12.5% of the state's rural area population and 2.3% of the state's rural geographic area.

Transit agencies throughout the state apply to MnDOT for grants that may be used to reimburse both capital projects and transit operations in rural parts of the state. A portion of Transit Link service operates in the rural area of the region making those trips eligible for this program. Up to fifty percent of expenses for trips provided in the rural parts of the region may be reimbursed by 5311 grant funds.

MnDOT currently awards funds on a one-year cycle and the application for 2026 funding is due to MnDOT midyear, with the award finalized in the third quarter. The Council anticipates receiving approximately \$1.3M in 2026.

### Rationale

The Metropolitan Council may enter into agreements with other governments and organizations which provide income/grants to the Council which are consistent with the Council's mission and priorities.

### **Thrive lens analysis**

This item supports Livability by increasing mobility opportunities for residents of the non-urban portion of our region who do not have access to regular route service. Also, Stewardship of financial resources is furthered by coordination of activities with MnDOT. Finally, this action helps balance investments across the region, which furthers Prosperity.

### **Funding**

MTS will include \$1M in its proposed 2026 operating budget for this funding source. The budget will be adjusted to reflect the actual Section 5311 funding award when that value is determined.

### **Small business inclusion**

The purpose of the proposed action is to receive FTA grant funds that will be applied to Transit Link service delivered through existing operating agreements. There is no contracting or subcontracting associated with the proposed action. Therefore, there are no Small Business Inclusion implications.



## **METROPOLITAN COUNCIL**

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### **RESOLUTION NO. 2025-9**

#### **RESOLUTION AUTHORIZING THE METROPOLITAN COUNCIL TO APPLY FOR SECTION 5311 FORMULA GRANT FOR RURAL AREAS FUNDING FROM THE MINNESOTA DEPARTMENT OF TRANSPORTATION (MnDOT)**

#### **NOW, THEREFORE, BE IT RESOLVED:**

1. That the Council enter into an Agreement with the State of Minnesota to receive Section 5311 Formula Grants for Rural Areas funds to provide public transportation service in the Twin Cities Metropolitan Area.
2. That the Council agrees to provide a local share of 20% of net capital costs and 50% of net operating costs.
3. That the Council authorizes the Regional Administrator to execute the aforementioned Agreement and any amendments thereto.

Adopted this 28<sup>th</sup> day of May 2025.

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Charles A. Zelle, Chair

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Recording Secretary