

2013 PERFORMANCE EVALUATION REPORT

REPORT TO THE MINNESOTA LEGISLATURE



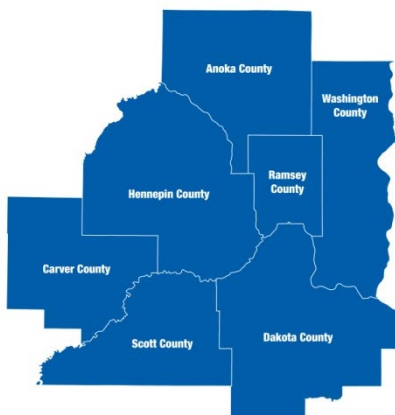
April 2014

The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region.

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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About This Report

The Metropolitan Council recognizes performance evaluation as a key tool to ensure that its functions meet their objectives in a timely and cost-effective manner. The Council has implemented a number of methods to strengthen its performance evaluation process.

This report is required by Minnesota Statutes, section 473.13, subdivision 1a, which calls for the Council to submit annually to the Legislature a "...substantive assessment and evaluation of the effectiveness of each significant program of the Council, with, to the extent possible, quantitative information on the status, progress, costs, benefits and effects of each program."

The report provides a record of the services provided and service levels achieved by the Council in the context of historical trends, performance measures and budget compliance.

The report includes multi-year performance measures for all major operations and summarizes significant accomplishments by division.

The report is organized into four major sections. The introduction provides an overview of the Council and achievements in 2013. The next three sections discuss division results and the accomplishments of the individual units within each division. The last section is the appendix, which includes maps showing Council Districts, the Metro HRA service area, Regional Parks and Trails, transit routes and service areas, the sewer service network and a 2013 Council budget summary.

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Introduction

The Twin Cities Region and the Metropolitan Council

The seven-county metropolitan area is a growing and economically vibrant region with a population of more than 2.8 million. The regional economy is supported by diverse industries and has an unemployment rate below the national average. The region's population is projected to grow to nearly 3.7 million people by 2040.

The Metropolitan Council was created by the Minnesota Legislature in 1967 to plan and coordinate the orderly growth and development of the seven-county area. It has authority to plan for regional systems including transportation, aviation, water resources, and regional parks and open space. The Council's core mission also includes the efficient operation of transit, wastewater collection and treatment, and housing assistance programs for households with low incomes.

The governor appoints a chair, who serves at large, and 16 Council members representing districts, who together govern the Council. To carry out its responsibilities, the Council established divisions for transportation, environment, and community development, along with standing committees to deal with each of these areas. The Council has approximately 3,900 employees and annual operating expenditures of approximately \$571 million, 91% of which covers operating costs for regional transit service and wastewater treatment.

Council Divisions' Percent of Employees and Expenditures

| Division | Employees | Expenditures |
|---|-----------|--------------|
| Environmental Services | 18% | 20% |
| Transportation | 74% | 71% |
| Community Development/Regional Administration | 8% | 9% |
| Total | 100% | 100% |

Major Functions

The **Community Development Division** comprises two departments. Regional Planning includes functions such as regional systems planning (parks and open space), research and growth strategy, planning assistance to local communities, and parks and open space.

The other department, Housing and Livable Communities, includes the Metropolitan Housing and Redevelopment Authority (Metro HRA) and administration of the Family Affordable Housing Program and the Livable Communities programs.

The **Transportation Division** includes Metropolitan Transportation Services (MTS) and Metro Transit. The division is responsible for developing regional transportation policy for all means of transportation, allocating federal transportation funds to projects in the

seven-county area, coordinating regional aviation planning, encouraging alternatives to driving alone, and providing, contracting for and coordinating bus, light-rail and commuter rail transit service in the Twin Cities region.

The **Environmental Services Division** (MCES) operates and maintains approximately 600 miles of regional sewers and treats about 250 million gallons of wastewater daily at seven regional treatment plants. Serving more than two million residents of the seven-county area, MCES provides cost-effective wastewater service to 107 communities. The MCES mission is “to provide wastewater services that protect the public health and environment while supporting regional growth.”

Overview of the Council’s Performance

The Council achieved significant accomplishments in 2013, working in partnership with local governments, state agencies, nonprofit organizations and other groups. The highlighted below fall into seven general categories: Communities, Parks, Transportation, Wastewater and Water, Housing, and Planning.

Assistance Supports Businesses along the METRO Green Line Light Rail

To ease construction impacts on local businesses, the Council and other funders provided \$11.1 million in assistance, including \$6 million in forgivable loans and grants, to 200 businesses that showed a loss in sales due to construction.

The Council also funded a \$1.2 million marketing campaign to attract customers to corridor businesses before Green Line service begins. University Avenue has seen a net gain of businesses.

Livable Communities Grants Support Job Creation, Affordable Housing and Transit-Oriented Development

In 2013, the Council awarded up to \$17.5 million in 2013 in Livable Communities grants.

Since the Livable Communities program began in 1995, the Council has awarded 787 grants totaling \$271 million to build or rehabilitate more than 18,000 affordable housing units and clean up more than 2,100 acres of polluted land. The benefits also include creating or retaining more than 40,000 jobs and leveraging billions of dollars in other investment.

To Better Serve Communities, Transit Police Force Grows and Becomes More Diverse

Nineteen new full-time and 48 new part-time officers were sworn in as Metro Transit Police officers through October of 2013, significantly increasing the size of the department.

Five new Community Service Officers from diverse cultural backgrounds reflect the communities served by transit.

In addition, the department was restructured to support community-based policing, enabling individual officers to become more familiar with transit customers and employees in their areas.

Regional Parks Continue to Be a Top Metro Attraction

Fifty-one parks and park reserves, more than 300 miles of interconnected trails, and seven special recreation features make up the regional park system. The number of annual visits to regional parks grew 4% from 2011 to 2012, reaching 45.8 million in 2012 – more than the 40 million annual visits to the Mall of America.

Park and Trail Investments Expand Legacy of Regional Parks

The Council's investment in parks helped protect sensitive areas of the region's environment in 2013, including \$7.8 million in grants to acquire 700 new acres for future parkland. These grants were financed with \$4.7 million of State funds and \$3.1 million of Metropolitan Council bonds, and matched with \$3.9 million by the regional park implementing agencies that acquire, develop and maintain parkland.

Rehabilitation and construction projects at regional parks and trails – 30 in total – were financed with \$14.58 million of FY 2014 Parks and Trails Legacy Fund appropriations. These projects are projected to create approximately 225 construction jobs.

First Bus Rapid Transit Line Launched

Bus rapid transit (BRT) uses bus vehicles on separate lanes or transitways, with high-frequency service, stations with high amenities, and often specialized vehicles.

The Council led partnering agencies in the successful launch of the METRO Red Line, extending 11 miles connecting Apple Valley, Eagan and Bloomington with the METRO Blue Line (Hiawatha LRT) at Mall of America. The line expects to grow from a current weekday average ridership of 815 to 1,600 riders by 2017.

Transit Ridership Remains Strong

Annual transit ridership in the region in 2013 held steady at 2012 levels – 94 million – the second highest number in a generation.

Northstar Ridership on the Rise

A pilot \$1 fare reduction on the Northstar commuter rail line, combined with new customers from Ramsey Station (opened November 2012), resulted in double-digit ridership growth in 2013. Eight of nine months had seen year-over-year ridership gains in the double-digits. Service includes complimentary onboard Wi-Fi service.

Transit Service Improved and Expanded in East Metro

Customers of eight local bus routes in St. Paul and eastern suburbs enjoyed improvements in trip frequency, additional evening and weekend service and/or new trips running earlier and later in the service day. Operational savings – largely due to fuel conservation efforts – were used to fund the East Metro bus service expansion.

Park-and-Ride Options Expanded

Maplewood Mall Transit Center, with park-and-ride facility, was expanded in July, doubling the number of spaces from 500 to 1,000. A new ramp to the site provides covered parking for most spaces and a climate-controlled lobby area.

Metro Mobility and Transit Link Dial-a-Ride Enhancements

The 7,000 daily riders of Metro Mobility and Transit Link Dial-A-Ride services can now receive automated real-time information prior to their ride pick-up time through calls, emails or texts, thanks to the new automatic vehicle-locator system. The system frees Metro Mobility staff to book rides for customers, rather than providing ride information updates.

The system enables greater efficiency in routing and service delivery, and improved information for drivers, including turn-by-turn directions and up-to-the-minute updates on route changes.

Savings Achieved in Energy and Money

The Council's Environmental Services Division saved \$4 million in reduced 2013 energy purchases for wastewater treatment compared with 2006. The savings result in lower wastewater rates for city and industrial customers, as well as significant environmental benefits.

The division is continuing its energy-conservation and renewable-energy projects for generating energy to be used onsite. In 2014, a new solar facility at the Blue Lake Wastewater Treatment Plant will continue to reduce the need for energy purchases.

Sewer Rates Kept Competitive

The Environmental Services Division provides wastewater treatment services to 107 municipalities in the seven-county area at wholesale rates. Those municipalities then bill the households and businesses within their boundaries for the wastewater treatment services they received, at an average annual rate of \$235.

This \$235 retail sewer rate compares favorably to an average rate of \$334 reported by 97 agencies in a 2011 survey by the National Association of Clean Water Agencies.

Wastewater Treatment Protects Public Health and the Environment

The Environmental Services Division treats approximately 250 million gallons of wastewater from more than two million residents daily – enough to fill the Metrodome in about a day and a half.

This cleaned water is returned to our rivers for re-use. Six wastewater treatment plants earned national awards for five years or more of perfect discharge permit compliance: Hastings (22 years); St. Croix Valley (21 years); Seneca (12 years); Blue Lake (7 years); Eagles Point (7 years); and Empire (5 years).

Solutions Being Sought for Water Supply Issues

Through partnerships with local communities and government agencies, the Council's water supply studies and projects seek to ensure that regional water supplies can support current and future generations.

The projects will support community efforts to protect and manage water supplies and prevent further depletion of groundwater sources in the metropolitan area. The Council's water supply efforts will help identify high-priority areas for protecting groundwater, and will support communities' efforts to preserve groundwater recharge areas.

Metro Housing and Redevelopment Authority Cited for Efficient and Effective Housing Services

Metro HRA earned the highest ranking possible from the U.S. Department of Housing and Urban Development in 2012 for the ninth straight year.

This ranking system measures and grades housing agencies that administer the Section 8 Housing Choice Voucher program. Together, Metro HRA landlords and program participants benefited from effective and efficient service that enabled the Council to maximize the number of households served.

Homeless Veterans Receive Housing Support

Sixty-five homeless, low-income disabled veterans and families receive rent assistance for stable and safe housing through a unique program that combines HRA rental assistance with Veteran's Affairs (VA) case management and clinical services. The program is a three-way partnership with the VA, Metro HRA and veterans.

Thrive MSP 2040 to Provide Framework for Regional Growth and Prosperity

Thrive MSP 2040 is the seven-county region's long-range planning effort to provide a vision for the development and policy guidance for the year 2040.

In 2013, the Council engaged communities and stakeholders throughout the region in more than 100 discussions about *Thrive MSP 2040*. A draft policy document was released for public comment in February 2014, with final adoption expected late spring 2014. A public participation plan will accompany the *Thrive* document and will apply to all the planning efforts facilitated by the Metropolitan Council.

Thrive MSP 2040 will guide the Council's systems and policy plans that detail how the Thrive policies will be implemented by the Council and local communities throughout the region.

Key Transportations Studies Completed in 2013

The Council's **Transportation Policy Plan** is the region's long-range transportation plan for highways, transit and aviation. In 2013 the Council started work to extend its 2030 Transportation Policy Plan to 2040, developing goals and objectives for a performance-

based plan and conducting two innovative studies – a Regional Bicycle System Study and a Highway Transitway Corridor Study.

The **Regional Bicycle System Study** defines the first Regional Bicycle Transportation Network, which can be developed to encourage more use of bicycles for transportation. The Highway Transitway Corridor Study to determine the feasibility of providing fast, frequent, cost-effective all-day service connecting development concentrations in high demand corridors.

The Council also completed the **Travel Behavior Inventory**, a comprehensive set of surveys conducted every 10 years. Key findings: Overall daily per-person travel has declined since 2000; the share of trips being taken by transit and nonmotorized modes (such as bicycle) has increased; and the noncommute travel in the region remains significant.

Corridors of Opportunity Initiative Contributes to Region's Vitality

The Corridors of Opportunity (CoO) program has supported development along transitway corridors to enhance the region's growth, vitality and competitiveness. Over the past three years, CoO helped improve access to jobs, housing and essential services along transitways for residents of all incomes and backgrounds.

Nineteen grants to community-based organizations from historically underrepresented communities helped involve 23,000 people become meaningfully involved in transit, land use and economic development issues.

Work in 2014 will continue aligning resources and programs among partners toward developing a shared vision of an equitable and prosperous region. A new Office of Transit-Oriented Development (TOD) in Metro Transit will partner with local governments and developers to facilitate TOD at transit stations.

Community Development

Overview

The mission of Community Development is to:

- Understand current and future development patterns in order to inform local and regional policy development.
- Provide high-quality, coordinated planning, policy and program development to support regional growth and reinvestment.
- Identify and analyze regional issues.
- Facilitate community collaboration.
- Provide Livable Communities Act grants from three funding accounts to eligible communities to assist them with cleaning up polluted sites, expanding housing choices, and undertaking developments that use land and infrastructure more efficiently and connect housing, jobs and services.
- Deliver state and federally funded rent assistance to create and provide affordable housing for low-income households in the region.

The Community Development Division includes two departments: (1) Planning and Growth Management and (2) Housing and Livable Communities.

The 2013 Regional Planning Department included three units, plus one special project in 2013:

| UNIT | CORE ACTIVITIES |
|---|--|
| Regional Parks and Natural Resources | Provide planning coordination and capital improvement grant administration for regional parks. Support the Metropolitan Parks and Open Space Commission, which advises the Metropolitan Council on regional park policy, master plan reviews and capital improvement grant issues. Review environmental studies. |
| Local Planning Assistance | Implement the Metropolitan Land Planning Act through the <i>Metropolitan Development Guide and its policy plans</i> . Provide planning and technical assistance and foster cooperative relationships with local governments and other organizations to achieve local and regional goals. Accomplishes this role through the Sector Representative Program; review of local comprehensive plans, plan amendments, and environmental reviews; and coordination of policy outreach efforts through the Land Use Advisory Committee. |

Metropolitan Council 2013 Performance Evaluation Report

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|--|---|
| Regional Policy and Research | The Regional Policy and Research unit manages large regional policy initiatives, such as Thrive MSP 2040 and the Housing Policy Plan, and the collection and dissemination of data and analysis about the demographics and development patterns on the Twin Cities. |
| Corridors of Opportunity (Special Project, 2011-2013) | Provide staff to help implement a three-year \$5 million Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development, in collaboration with organizations that implement of grants and loans from the Living Cities Integration Initiative. Craft strategies to ensure that development along the region's emerging transitway network creates distinctive places and strengthens local neighborhoods while increasing ridership and expanding access to jobs, affordable housing and essential services for residents of all incomes and backgrounds. Work with leaders to determine strategies for sustaining learning, implementing plans, and continuing region-wide partnership beyond 2013. |

The Housing and Livable Communities Department included two units in 2013:

| UNIT | CORE ACTIVITY |
|---|---|
| Livable Communities | Implement the Livable Communities Act and its three funding accounts that provide grants to participating communities. Support the planning and development of affordable and lifecycle housing in the region. Help fund Transit Oriented Developments. |
| Metropolitan Council Housing and Redevelopment Authority (Metro HRA) | Provide rent assistance programs for low-income seniors, families, individuals and households with disabilities. |

Regional Parks and Natural Resources

The Regional Parks and Natural Resources unit is responsible for planning and coordinating the regional park system, with the advice of the Metropolitan Parks and Open Space Commission. The park commission reviews park master plans, develops a capital improvement program for the park system, and coordinates the distribution of park grants. The unit also reviews environmental studies, permits and other documents for their affect on regional systems.

In 2013, the unit provided analysis and support for the Council in the following areas:

- Staff evaluated Regional Solicitation applications for federal transportation funding for highway, transit, pedestrian and bicycle projects. Projects were evaluated for support of and consistency with *Development Framework* policies and progress towards

affordable housing goals. Final project selection by the TAB and Metropolitan Council was done in March 2013.

- Provided information, oral testimony and conference committee input on behalf of the Metropolitan Council regarding:
 - \$33.7 million biennial appropriation (FY '14-15) of Parks and Trails Legacy Funds for land acquisition, capital projects and programs of the regional parks system.
 - \$17.08 million biennial appropriation (FY '14-15) of General Fund and Lottery in Lieu of Sales Tax revenues to supplement local funding and user fees to operate and maintain the regional parks system.
- Reviewed and evaluated local comprehensive plans for conformance to the *2030 Regional Parks Policy Plan* and worked with local communities to ensure that their local planning efforts protect the integrity of the existing and planned regional parks system.
- Estimated the annual visitation to the regional parks system and individual regional park and trail facilities to produce the report *Annual Use Estimate of the Metropolitan Regional Parks System*.
- Amended the *2030 Regional Parks Policy Plan* by adding the 106 acre Kingswood Special Recreation Feature, owned and managed by Three Rivers Park District.
- Reviewed master plans or master plan amendments for the following parks and trails:
 - Rice Creek Chain of Lakes Park Reserve (Anoka County)
 - Minnesota River Bluffs Regional Trail Extension (Carver County)
 - Kingswood Special Recreation Feature (Three Rivers Park District)
 - North Mississippi Regional Park (Minneapolis Park & Recreation Board)
 - Hardwood Creek Regional Trail (Washington County)
 - Rum River Regional Trail (Anoka County)
 - Rice Creek North Regional Trail (Ramsey County)
 - Mendota-Lebanon Hills Greenway Regional Trail (Dakota County)
 - Lake Marion Greenway Regional Trail (Dakota County)
 - Nine Mile Creek Regional Trail (Three Rivers Park District)
- Authorized capital grants as follows:
 - Awarded grants financed with \$15,138,000 of FY 2014 Parks and Trails Legacy Fund appropriations for 39 projects that support the Metropolitan Regional Park System.
 - Authorized 14 land acquisition grants that totaled \$7.96 million to partially finance the acquisition of 700 acres from the Park Acquisition Opportunity Fund. The fund is financed with State appropriations and Metropolitan Council bonds and partially finances the costs to acquire land within Council-approved Regional Park or trail master plan boundaries.

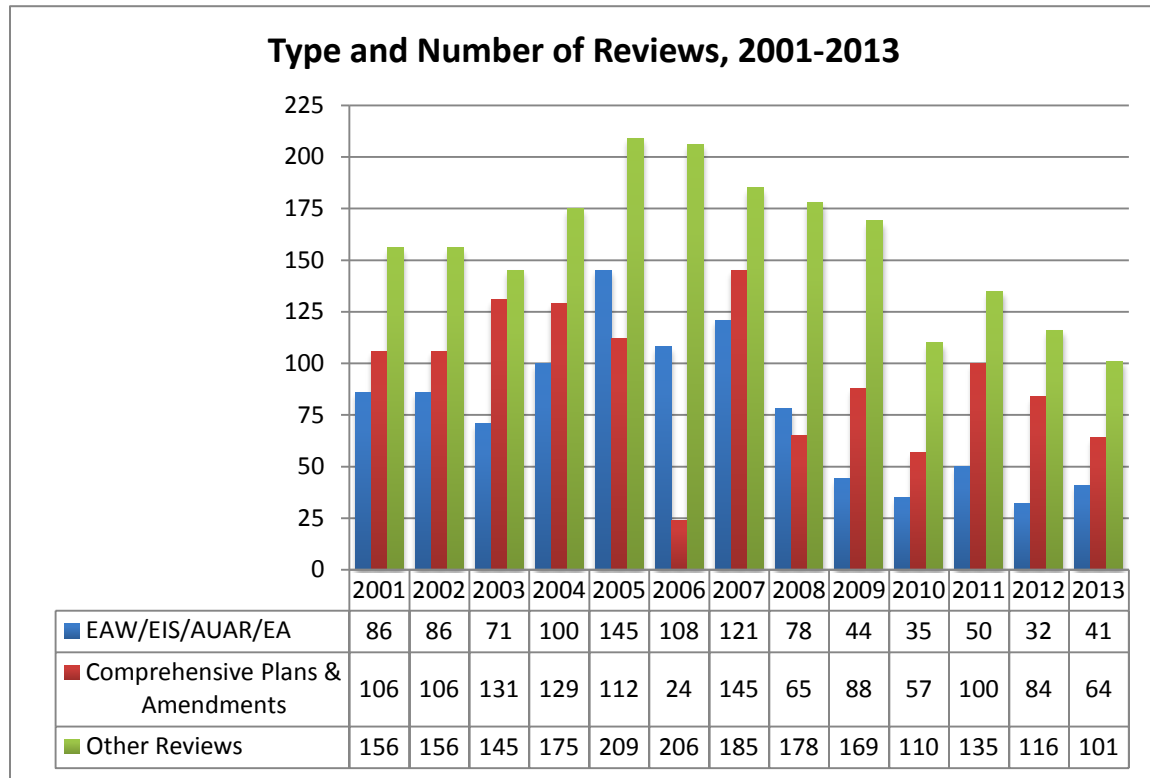
- Amended the scope of nine grants to maximize the use of existing grant funds that did not require amending the Council's Unified Capital Improvement Program.

Local Planning Assistance

In 2013, the Local Planning Assistance unit:

- Coordinated 206 reviews to determine their conformance to the regional systems, consistency with Council policy, and compatibility with adjacent community plans, including:
 - One additional review of a comprehensive plan update out of the 189 required updates, representing a total of 98% of the total, with only two remaining.
 - Reviews of comprehensive plans, plan amendments, EAWs, AUARs, and other environmental reviews (41 environmental reviews, 64 reviews of comp plan updates and amendments).
 - 101 reviews of NPDES Permits, U.S. Army Core of Engineers #404 Permits, wastewater and surface water discharge permits, and other types of reviews.
 - Provided technical planning resources to local community elected and appointed officials and local planning staff through the Council's Sector Representative Program.
 - Provided analysis and updated information on fiscal disparities, including tax base values and impacts of the tax-base sharing program for the public and policymakers. Also used this analysis to meet a statutory requirement to determine which communities are not eligible to participate in the Twin Cities Fiscal Disparities program.
 - Planned and coordinated bimonthly meetings of the Land Use Advisory Committee, which advised the Council on land use issues as part of the Thrive MSP 2040 and the 2040 Transportation Policy Plan planning processes.
 - Reviewed and provided internal comments to Livable Communities unit staff coordinating the Council's Tax Base Revitalization Account grant requests and Livable Communities Demonstration Account grant requests, including the LCA-TOD grant program.
 - Prepared an annual Plat Monitoring Report for 44 developing communities.
 - Coordinated with Minnesota Department of Natural Resources staff on streamlining shared review of Critical Area plans as part of the Critical Area rulemaking process.
 - Implemented the second year of an integrated program for monitoring development and redevelopment in the 60+ developed cities in the region in coordination with the Council's Research staff and with input from the Metro Cities organization.

The chart and accompanying table show the number and type of planning assistance reviews and referrals administered by the Council from 2001 through 2013.



Regional Policy and Research

In 2013, the Regional Policy and Research unit:

- Disseminated data from two American Community Survey releases, including consistently posting data on the Council's website within 48 hours of new data availability and providing a number of public presentations.
- Provided analysis of or assistance with U.S. Census Bureau data to local government and nonprofit partners.
- Released six issues of *MetroStats*, Internet-based publications that incorporate enhanced graphics and focused analysis to disseminate Research data.
- Released preliminary local forecasts, the first release coming from the Council's new land-use forecast model that allocates region-level employment and household forecasts to cities.
- Conducted workshops for local government officials to explain and receive comment on the preliminary local forecasts.
- Conducted annual surveys on building permits (96% response rate), affordable housing production (82% response rate), group quarters (85% response rate), and manufactured home parks (73% response rate).

- Maintained up-to-date data in the Council's Data+Maps website, including tabular geospatial data.
- Participated in the Corridors of Opportunity Evaluation Team, providing data and evaluation to support the Corridors of Opportunity initiative.
- Organized, scanned and classified historical building permit, affordable housing, group quarters and manufactured housing park surveys to facilitate ease of access and reduce space needs.
- Initiated the conversion of most of the Regional Policy and Research web pages to the Council's content management system.
- Updated the Economic and Land Use Component of the Central Corridor (Green Line) Before and After study to meet Federal Transportation Administration requirements.
- Released and revised a draft of *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region*, a fair housing and equity assessment (FHEA) initiated by the Council as a requirement of the \$5 million HUD Sustainable Communities Regionally Planning Grant.
- Convened the 28-member Housing Policy Plan Working Group to advise the development of the Council's first Housing Policy Plan since 1985.

Corridors of Opportunity/HUD Sustainable Communities Regional Planning Grant

Background

In January of 2011, the Metropolitan Council and the McKnight Foundation convened a broad consortium of public, private, and nonprofit partners to lead a 3-year initiative called "Corridors of Opportunity." The Corridors of Opportunity seeks to build and develop our transit corridors now to ensure:

- Our economy competes globally and thrives locally.
- We continue to offer distinctive places to live, work and play.
- People of all backgrounds and incomes share in the opportunities.

Corridors of Opportunity advances this work by:

- Changing the way transit gets done.
- Involving the private market to drive change.
- Ensuring that the benefits of transit and related development reach out widely.
- Corridors of Opportunity funds affordable housing and transit-oriented development, research and planning activities through at \$5 million HUD Sustainable Communities Regional Planning Grant and a \$16 million Living Cities Integration Initiative. It also leverages millions of dollars in other public and private investment.

In 2013 Corridors of Opportunity:

- Continued convening monthly a Policy Board of policymakers, business and nonprofit executives, and community leaders. This Policy Board has been an important table to debate and advance issues of regional competitiveness and transitway development.
- Brought together over \$21 million in grants and loans from HUD and Living Cities and leveraged over \$30 million more in public resources to plan and develop transitway corridors.
- Through a community-led, competitive process, disbursed a total of \$720,000 to 19 community groups to organize underrepresented communities around transit-oriented development issues
- Embarked on several studies to inform the regional economic development strategy, including
 - Market studies of station locations along existing transitways to determine the potential and strategies for development.
 - “Program of Projects” to determine how to accelerate the construction of the transit system.
 - A \$14.3 million (and growing) loan pool has been established to create or preserve 400-600 units of affordable housing along transitways.
- Participated as a partial funder in implementation capacity grants to support planned TOD development, which, if successful, will create 1,876 jobs (1,300 construction and 576 permanent), 1,043 housing units (368 affordable), and \$210.5 million in investments (\$20.2 million public and \$190.3 million private).
- Local job training opportunities for 50 future small business owners in Eden Prairie, Hopkins, and Brooklyn Park.
- Connected over 400 underemployed persons in low-income neighborhoods from underrepresented populations to workforce services and employers along the Central Corridor.

Although the initiative and grant funding came to a close at the end of 2013, the leadership consortium committed to working together throughout 2014 to continue working collectively toward a vision of a prosperous, equitable and sustainable region through a new initiative called Partnership for Regional Opportunity.

Livable Communities

In 2013, 94 metropolitan area communities participated in the Livable Communities program (Minn. Stat. 473.25) to help expand and preserve affordable housing opportunities, recycle polluted sites, revitalize older cities and suburbs, and create new neighborhoods in growing communities.

Communities voluntarily participate in the program and negotiate housing goals with the Council. They are then eligible to compete for funding from the three accounts in the Livable Communities Fund as well as pollution cleanup funds available from the Minnesota Department of Employment and Economic Development. The Livable Communities Fund includes grants from the following accounts:

- Tax-Base Revitalization Account (TBRA) helps cities to pay for cleanup of polluted land and buildings, facilitating redevelopment activities and thus restoring tax base, jobs and housing in urban areas.
- Livable Communities Demonstration Account (LCDA) funds development and redevelopment projects that achieve connected development patterns linking housing, jobs and services and maximize the development potential of existing or planned infrastructure and regional facilities.
- Local Housing Incentives Account (LHIA) preserves and expands housing opportunities through grants to eligible communities to meet negotiated affordable and lifecycle housing goals.

In 2013, the Livable Communities Program unit:

- Awarded 23 Tax-Base Revitalization Account (TBRA) grants totaling \$6.6 million to help clean up polluted land in eight communities. The funded projects are expected to generate \$5.8 million in increased annual net tax capacity, 4,026 new and retained jobs, and 184 affordable housing units.
- Awarded five Livable Communities Demonstration Account (LCDA) development grants and two LCDA pre-development grants totaling \$5.6 million to help projects in three communities. The funded pre-development projects will help prepare projects for developments at key redevelopment and development sites in communities. The funded development projects will help acquire and prepare sites for redevelopment that include a mix of housing, commercial, and other uses that support daily needs and community activities. Projects will also assist with the construction of innovative storm water management solutions.
- Awarded eight grants from the Local Housing Incentives Account (LHIA) totaling \$1.5 million to help preserve 51 rental units, build 273 new rental units, build eight new home ownership units and rehabilitate and resell 20 home ownership units. These grants will support affordable housing activities in six cities. The Council joined forces in these efforts with the Metropolitan Housing Implementation Group (MHIG), whose combined funding will assist 16 homeownership programs and 17 multifamily rental projects, creating 351 new housing units and rehabilitating and preserving 444 affordable units.

- Reviewed 23 local housing revenue bond programs proposals to support affordable, market-rate and senior housing.
- Determined housing performance scores for cities and counties pursuant to the Council's Guidelines for Priority Funding for Housing Performance.
- Continued the category of Transit Oriented Development (TOD) grants for the LCDA and TBRA programs. Over the first three grant cycles, the Council awarded \$30.2 million in grants to 38 projects. LCA TOD Development projects are expected to help generate \$527 million in new private investment and \$60 million in other public investment, over 4,200 jobs and 3,600 housing units, 46% of which will be affordable.
- Responded to grantee requests to amend previously awarded grants through three amendments requiring Council approval and 10 additional administratively approved amendments.

Metropolitan Council Housing and Redevelopment Authority

In 2013, nearly 7,000 low-income households in the metropolitan area benefited from rent assistance through one of 10 programs administered by the Metro HRA unit. The rental assistance programs, funded through federal and state funds, include the Section 8 Housing Choice Voucher, Section 8 Project Based Voucher, Non-Elderly Disabled, Family Unification, Veteran's Affairs Supportive Housing, Bridges, Continuum of Care, Housing Opportunities for People with AIDS, Rental Assistance for Anoka County, and Family Affordable Housing programs.

In 2013, the HRA unit:

- Provided Section 8 vouchers to 6,098 very low income seniors, families, individuals and households with disabilities, enabling households to rent private rental units at rents affordable to each household's income.
- Provided rent assistance to approximately 631 additional households through programs designed to assist households meeting specific eligibility criteria, such as being disabled, homeless, or working toward self sufficiency.
- Issued over \$50 million in direct rent payments to private landlords.
- Maximized use of Section 8 funds by ensuring 100% of the available funding was utilized.
- Maintained the HUD ranking of High Performer in the Section Eight Management Assessment Program (SEMAP).
- Owned and managed 150 scattered site Section 8 Project Based Voucher units (Family Affordable Housing Program), comprising single-family houses, duplexes and town homes located in 11 suburban communities.
- Increased rental assistance opportunities available to homeless veterans through the Veteran's Affairs Supportive Housing (VASH) program.
- Continued support to HousingLink for information and referral services to housing seekers and landlords about affordable housing programs and housing vacancies.

Transportation Division

Overview

The Metropolitan Council adopts regional transportation policies and plans, and coordinates all transportation planning in the Twin Cities area. This includes highways, transit, airports, waterways and rail as well as travel-demand forecasting and air quality planning. The Council also administers and operates transit services in the Twin Cities through directly provided services and contracted transit providers.

These programs are delivered by two divisions – Metropolitan Transportation Services (MTS) and Metro Transit – based on the Council's *Transportation Policy Plan*.

Transportation Policy Plan Focus and Implementation

The philosophy and focus of the Council's *Transportation Policy Plan* is to implement the *Regional Development Framework*. Specifically:

- Focus highway investments first on maintaining and managing the existing system, and, second, on slowing the growth of congestion.
- Make more efficient use of the regional transportation system.
- Plan and invest in multi-modal transportation choices based on the full range of costs and benefits.
- Encourage travel-demand management strategies.
- Encourage local communities to implement a system of fully interconnected arterial and local streets, pathways and bikeways.
- Promote the development and preservation of various freight modes.
- Support airport facilities investments.
- Serve the region's economic needs.

To carry out these overall policies, the Metropolitan Council:

- Develops and maintains transportation policy for the metropolitan area, which is documented in the long-range Transportation Policy Plan.
- Develops and updates the federal Transportation Improvement Program (TIP) for the metropolitan area, which is the short-range capital improvement program for all projects using federal transportation funds.
- Carries out the region's transportation planning program, the Unified Planning Work Program (UPWP).
- Implements transportation policy through the allocation of federal funds, through implementation of its own programs and through coordination with the federal, state, and local governments.
- Acts as the federally designated Metropolitan Planning Organization.
- Provides or coordinates with transit programs throughout the region:

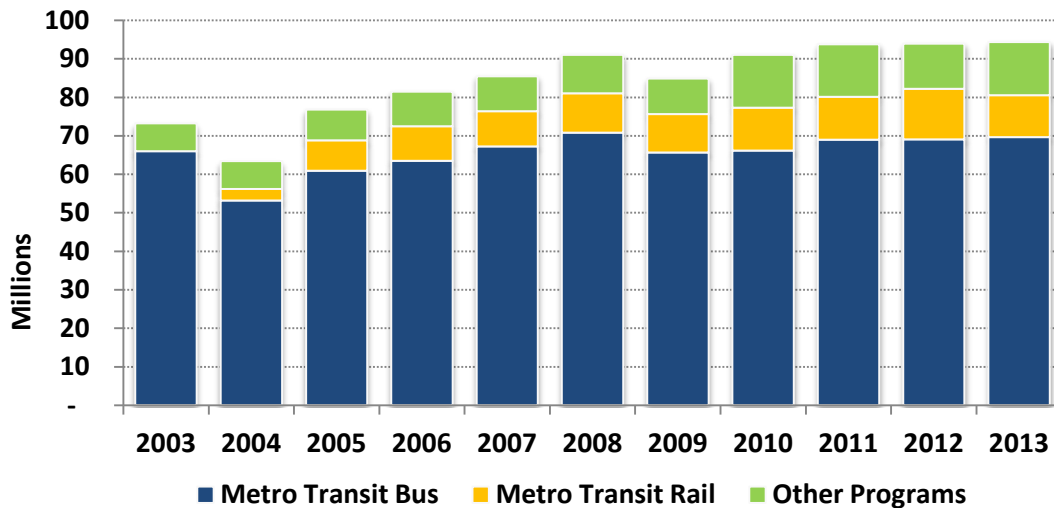
- Operates Metro Transit, the region's largest provider of large-bus, regular-route transit service and light-rail transit service.
- Operates Metro Mobility, the region's primary ADA transit service provider. This program provides demand-response and arranged group-transit services as a legally mandated complement to the regular-route system for persons with disabilities who are unable to use regular-route transit service. Service is provided through contracts with two private companies, two county programs and two nonprofit organizations.
- Operates contracted regular-route transit services, a network of routes operated by contractors. These routes comprise approximately 10% of regular-route transit in the Twin Cities.
- Operates Transit Link dial-a-ride, a shared-ride, curb-to-curb small bus service for the general public operating in the seven counties for trips not available using regular-route bus and rail transit. Transit Link connects riders to the regular route system and to Metro Mobility.
- Partners with Suburban Transit Providers (STPs). Twelve communities, also known as "opt outs," have chosen to provide their own transit service. They provide service through contracts primarily with private companies, although they also contract with nonprofit and other governmental entities. Operating funding flows from the state to the STPs through the Council. The Council coordinates regional support for fares, capital programs and other activities with opt out authorities.
- Provides vanpools through Metro Vanpool. Started in 2001, Metro Vanpool subsidizes commuter vanpools that serve work locations and times not effectively served by the regular- route bus and rail network.

The region also has a transit programs not affiliated with the Metropolitan Council. The University of Minnesota operates all-day intercampus transit service for students, faculty, employees, and the general public. The system is integrated with the regional regular-route network and interchanges passengers with other transit programs.

Regional Transit Ridership

Transit ridership in the region increased slightly from 2012 to 2013, up 0.4%. The dial-a-ride services of Transit Link and Metro Mobility led the way with increases of approximately 7% and 5%, respectively. Metro Vanpool, the Council's commuter vanpool program, also saw an increase, up 4%. These increases were offset by a decrease in rail ridership, primarily due to weekend closures on METRO Blue Line for maintenance work. The following chart shows ridership on all transit in the region for years between 2003 and 2013.

Regional Transit Ridership, 2003-2013



A variety of factors will affect future ridership growth, including funding levels, fuel prices, the economy, employment levels, development patterns, income levels, service improvements, and highway congestion levels.

Metropolitan Transportation Services

Metropolitan Transportation Services has two major functions:

- Conduct transportation planning for the metropolitan area as the region's federally designated Metropolitan Planning Organization.
- Provide direct transit service contracts or partnerships with counties to deliver four major programs: Metro Mobility/ADA, Transit Link dial-a-ride service, contracted regular-route, and Metro Vanpool.

Transportation Planning Activities

As the designated Metropolitan Planning Organization (MPO) for the Twin Cities metropolitan area, the Council is federally required to provide a continuing, coordinated, comprehensive transportation planning process that includes state and local units of government. In return, the metropolitan region is eligible for federal transportation grant funds.

Transportation Policy Plan

Federal regulations require the Council to prepare a long-range transportation plan, which must be updated every four years. The current *2030 Transportation Policy Plan* (TPP) was adopted in November 2010. This plan includes a list of studies to be

completed by 2014. Results of the studies will provide input into the next plan. During 2013 the Council continued work on a number of studies, such as the regional bicycle system inventory and plan, an evaluation of the regional solicitation process and criteria, and a highway transitway corridor study.

The Council also began the process of updating the TPP and extending it to 2040. Key work included forming a policymaker task force and a partner agency work group, drafting goals and objectives, consolidating and refining existing TPP strategies consistent with the new goals, and identifying potential performance measures. A draft plan, including investments for highways and transit, will be released for public comment in mid-2014.

Transportation Improvement Program

The Council is responsible for preparing a short-range Transportation Improvement Program (TIP) and selecting projects for federal funding. This work is conducted through the Transportation Advisory Board (TAB) and its Technical Advisory Committees, and includes broad citizen and interest-group input.

In 2013, the 2014-2017 TIP was prepared and adopted by TAB and the Council. As required by federal law, the TIP includes all federally funded transportation projects.

Highway Planning

The Council participates with MnDOT, cities and counties in highway planning activities to ensure implementation of the policy direction established by the Council in its *2030 Regional Development Framework* and the *2030 Transportation Policy Plan*.

- During 2013, Council staff coordinated with MnDOT's Metro District on a number of highway planning studies, including the update of the Minnesota State Highway Investment Plan (MnSHIP), and several ongoing interagency corridor studies, including I-94 and TH 280 MnPASS, I-35W North MnPASS, I-35E North MnPASS extension, TH 77 managed lane, I-35W/I-494 Interchange, I-35W/Lake Street access, TH 10 access in Ramsey and Anoka, TH 36 access, and TH 41 Minnesota River crossing.
- The Council administers the Right-of-Way Acquisition Loan Fund (RALF), which gives communities no-interest loans to purchase right-of-way for principal arterials and other trunk highways in advance of the time that MnDOT would be in a position to make the purchase. A consultant with real estate experience worked with the Council in 2013 to complete a review the program criteria and process, and determine the costs and benefits of the loans that have been made through the program.

The Council suspended the program and directed staff to develop recommendations for future program changes, including potential legislative changes, that address regional right-of-way priorities for transit and transit-oriented development.

Transit Planning Activities

The Council performs long-range transit planning activities to implement the policy direction established in its *2030 Regional Development Framework* and the *2030 Transportation Policy Plan*.

- The Council led a Highway Transitway Corridor Study examining the potential for bus rapid transit (BRT) in eight regional highway corridors. The study analyzed transit demand and the feasibility of implementing frequent, all-day service with BRT characteristics.
- The Council participated with MnDOT, transit providers, cities, and the county regional railroad authorities during 2013 to conduct feasibility, alternatives analysis, environmental, and engineering studies for several transitway corridors including Cedar Avenue BRT, Southwest LRT, Bottineau LRT, Red Rock, Gateway (I-94 East), Robert Street, Nicollet-Central, and Midtown.

Air Quality Planning

The Council conducts long-term planning required by federal law to ensure that planning for congestion management, transportation, land use and air quality conforms to the requirements of the 1990 Clean Air Act Amendment. In 2013, conformity analysis for the 2014-2017 Transportation Improvement Program (TIP) was completed to ensure the construction of TIP projects would not violate federal air quality standards.

Project Selection for Federal Funding

In its role as the federally designated Metropolitan Planning Organization for the region, the Council approves the bi-annual selection of projects recommended by its Transportation Advisory Board for federal transportation funding. This includes three programs: Surface Transportation Program (STP), Transportation Alternatives Program (TAP) and Congestion Mitigation/Air Quality (CMAQ) Program.

In 2013, the Council's TAB programmed projects selected for 2015-2016 from the 2011 solicitation. Programming these projects was delayed due to the reauthorization of federal transportation funding. The TAB conducted an evaluation of the regional solicitation process throughout 2013 and work continued into 2014. The next solicitation is delayed until the completion of the evaluation and design of a new solicitation; the target date for the next bi-annual solicitation is fall 2014.

Travel Forecasting

As the regional planning agency, the Council is charged with maintaining and applying travel forecast models to support planning for the orderly development and operation of transportation facilities. The Council maintains socioeconomic data and obtains traffic-count data from MnDOT to monitor, revise, and update travel forecasts. Federal regulations require the Council to provide projections of traffic demand and related air quality emissions. These projections are used to evaluate regional transportation investments proposed in the short-range TIP and the long-range *2030 Transportation Policy Plan*.

In 2013:

- Work continued on responding to requests for forecast travel-demand data and providing assistance and model review to consultants and agencies. Council staff also worked with consultants on several regional-scale highway and transit projects that required forecasts, including several transitway projects, including the Southwest, Red Rock, and Gateway corridors.
- Travel Behavior Inventory (TBI) data for 2010 was published and findings were presented to various audiences. Data from the TBI was used in developing and estimating a next-generation Activity-Based travel demand model. Development work and validation of the new model will continue into 2014.
- Work continued to implement the 2010 Limited Maintenance Plan for Carbon Monoxide and to finalize a Transportation Conformity State Implementation Plan for air quality with MPCA and MnDOT.

Aviation Planning Activities

The Council prepares and maintains a plan for the regional aviation system. The Council works closely with MnDOT Aeronautics, the Metropolitan Airports Commission (MAC) and other airport owners to ensure that the region's airports provide state-of-the-art, secure and affordable services for business and leisure travelers, freight transport and general aviation activities. The Council coordinates aviation planning and community development with local, state and federal governmental units, airport users and citizens.

2013 highlights include the following activities:

- Review of aviation components of local Comprehensive Plan Updates.
- Continued coordination with the MAC on aviation issues, including environmental documentation for proposed improvement projects at Minneapolis Saint Paul International Airport (MSP), long-term comprehensive plan updates for three reliever airports, and noise and airspace issues, including new Area Navigation (RNAV) airspace procedures proposed for MSP by the Federal Aviation Administration (FAA).
- Reviewed and approved the 2012-2013 Capital Improvement Program for MSP and MAC's reliever airports.
- Participated in MnDOT's development of an updated State Aviation System Plan.
- Participated in the Master Plan Advisory Group for the South Saint Paul Master Plan Update.

Transit Programs

The Contracted Transit Services unit provides transit service through service contracts for Metro Mobility, Transit Link dial-a-ride, regular-route transit and Metro Vanpool.

Suburban Transit Providers

In 1982, communities were given the option of "opting out" of having transit provided by the then Metropolitan Transit Commission. Twelve communities selected this option,

choosing to manage their own transit services. Four of these communities – Plymouth, Maple Grove, Prior Lake and Shakopee – operate their own municipal programs.

Apple Valley, Burnsville, Eagan, Savage and Rosemount created an intergovernmental entity called Minnesota Valley Transit Authority (MVTA) to provide transit in their communities. (Prior Lake was initially part of MVTA, choosing in 2002 to operate independently.) Chaska, Chanhassen and Eden Prairie created another intergovernmental entity, Southwest Metro Transit.

These communities contract with a variety of providers to deliver service. They also select their own routes and levels of services. A significant share of the service provided by suburban providers meets the needs of commuters traveling to and from downtown Saint Paul and Minneapolis. In 2013 ridership for the suburban transit authority systems was 5.2 million

Contracted Regular Routes

Contracting regular-route service is most beneficial in situations where a small bus is appropriate due to ridership, operational constraints, and neighborhood perception, where performance does not meet regional standards when directly operated, and in certain specially funded service arrangements. Metropolitan Transportation Services manages contracts for approximately 10% of the region's regular-route bus service.

Dial-a-Ride Service

Transit Link dial-a-ride service provides a public transit option in areas not served by the regular-route transit network. The Metropolitan Council contracts with local governments and private companies to provide general public dial-a-ride service in these areas, called Transit Link. Although Transit Link is available to the general public, typical users are the elderly, people who do not own a car, people too young to drive, and persons with disabilities traveling outside the Metro Mobility service area. Growth or reduction in these services will be addressed as a consideration of the overall transit system and as demand warrants. The expansion of the regular-route bus system may result in reduced demand for Transit Link as more people have access to regular-route service.

Metro Vanpool

Commuter vanpools are made up of five or more people, including a volunteer driver, commuting to and from work at destinations throughout the region on a regular basis. The Metro Vanpool program provides financial assistance for vans serving locations or times not well served by the regular-route transit network. In 2013 this program provided approximately 185,000 commuter trips.

Metro Mobility Program Evaluation

This section responds to Minn. Stats. 473.13, which requires the Council's program evaluation report to include "an assessment of progress towards meeting transit goals for people with disabilities... with required elements including, but not limited to: (1) a description of proposed program enhancements; (2) an assessment of progress; (3)

identification of the estimated total number of potential and actual riders who are disabled; (4) an assessment of the level and type of service required to meet unmet ridership needs; and (5) an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.”

Metro Mobility/County ADA Service

The Americans with Disabilities Act (ADA) requires that transit services be provided to persons who, at least under certain circumstances, are not able to use the fixed-route system. Federal law requires this paratransit service be delivered at levels comparable to the fixed-route system. In the Twin Cities metropolitan area, this is a service of the Metropolitan Council, managed by the Metro Mobility Service Center and delivered by several contractors.

The 2013 Metro Mobility ridership was 1,842,358, a 4.67% increase over the 2012 ridership of 1,737,753. Efforts to contain the ADA budget have been successful while ensuring that service is readily available as required by both state and federal law and maintaining service quality.

Program Enhancements

To maintain high-quality service and improve efficiency, Metro Mobility implemented an aggressive plan to upgrade the communications infrastructure. In 2013 Metro Mobility began Phase I of a three phase project to improve real-time communication with both drivers and riders. Phase I of the project implemented mobile data computers (MDC) and automatic vehicle location (AVL) on all Metro Mobility vehicles. The system provides real-time information to dispatchers and managers allowing staff to actively monitor and adjust routes as the day progresses. This allows drivers to stay on schedule and improves service dependability. During the period of September through November, when the AVL/MDC system was fully implemented, Metro Mobility saw on-time performance improve from 95.5% to 97.5% among the three largest contracts, despite an average ridership increase of 5.6% over that same time frame.

The AVL technology offers drivers turn-by-turn directions to each location. This improvement has lead to better retention of new drivers who may be unfamiliar with hard-to-find addresses and locations. It also provides management staff a powerful tool in resolving both motorist and passenger complaints.

Phase II of the project is to implement an interactive voice response (IVR) system that will send riders reminder messages about trips scheduled for the following day, as well as imminent arrival messages to alert riders when the vehicle is minutes away from picking them up. Phase III of the project is to implement electronic fare payment, or the Go-To system, that will allow Metro Mobility riders to move seamlessly between service modes within the region and take advantage of the many fare features currently available to fixed-route riders. Phase II and Phase III are expected to be complete in early 2015.

Assessment of Progress

Premium Same-Day Service

In 2004 Metro Mobility began offering Premium Same Day (PSD) service to customers who want a same-day ride but are not able or chose not to place a ride with Metro Mobility. (ADA regulations do not require same-day service availability.). In 2013 Metro Mobility expanded the Premium Same Day program to include most same-day trip requests. The change was made to ensure that drivers and dispatchers stay focused on delivering quality service to pre-scheduled riders. This change, in conjunction with new technology, has allowed dispatchers to actively troubleshoot and reroute trips so they remain on time.

In addition to expanding the Premium Same Day program, the cost structure was altered slightly to provide a more cost-effective alternative for customers. The Council changed the maximum subsidy for a taxi trip from \$13 to \$15. In addition the Council lowered the threshold at which the Council contributes to the ride. Previously the passenger paid the first \$7.00 in costs plus the cab fare charges above \$20. Now the passenger must pay the first \$5.00 plus all costs over \$20.

Premium Same Day Service increased from 9,916 trips in 2012 to a projected 13,422 trips in 2013, with an increased cost from \$89,586 to \$127,107.

Estimated Total Number of Potential and Actual Riders Who Are Disabled

Under the rules guiding ADA paratransit service, Metro Mobility's customer base is a portion of all persons having a disability within the transit taxing district. Some individuals may have such a severe disability that the Metro Mobility service is not able to meet their transportation needs. At the other extreme, some persons with disabilities do not qualify under the criteria establish by the ADA for public paratransit purposes.

With the aging of the baby-boomer population, Metro Mobility recognizes there will be an increase in the number of people who qualify to ride Metro Mobility as personal mobility becomes impaired with age. In 2014, using the 2010 Census, Metro Mobility will conduct an analysis of the data to determine developing trends and the potential impact on Metro Mobility. Part of this analysis will include comparisons to the 2000 census data and the ratio of eligible customers versus the disability population as a whole.

Summary ridership estimates were published in the November 2005 Metropolitan Council Report: *An Update to Options, Alternatives and Strategies for Future Metro Mobility/ADA Paratransit Service*. In this report, the estimate for persons with disabilities for 2010 was estimated to be between 426,639 and 453,796. As of December 31, 2013, there were just under 14,000 certified ADA riders.

These estimates are the result of calculations made by the Council using the methodology from the Americans with Disabilities Act (ADA)/Special Transportation Services (STS) Needs Assessment in 1999.

- The low-end projection assumed that the disabled population would remain at a constant percentage of the total population over time and uses 14.2% of the disability population for the seven-county metropolitan area.
- The high-end projection assumed an increased proportion of people requiring services because of a larger numbers of elderly within the baby-boom generation and increased life expectancy.

Low-End Forecast of the Population of People with Disabilities

| Year | Population Size | Percent Increase |
|-------------|------------------------|-------------------------|
| 2000 | 375,076 | |
| 2010 | 426,639 | + 14% |
| 2020 | 473,330 | + 26% |
| 2030 | 512,157 | + 36% |

High-End Forecast of the Population of People with Disabilities

| Year | Population Size | Percent Variance |
|-------------|------------------------|-------------------------|
| 2000 | 375,076 | |
| 2010 | 453,796 | + 21% |
| 2020 | 583,478 | + 55% |
| 2030 | 721,532 | + 92% |

Source: Metropolitan Council, *2030 Transportation Policy Plan*

Level and Type of Service Required to Meet Unmet Ridership Needs

Currently, Metro Mobility is able to meet the trip needs of its customers as demonstrated by a trip-denial rate that is a statistical 0% for 2013 while maintaining high operational performance standards (ride times less than 90 minutes and passenger pick-ups within 30 minutes of the scheduled pick-up time).

To meet anticipated ridership growth, Metro Mobility budgeted a 10% increase in revenue hours from 2013 to 2014. The table on the next page is a historical analysis comparing actual Metro Mobility ridership by year with Metro Mobility ridership that was estimated in 2004. For the second year in a row, actual ridership in 2013 outpaced the HIGH ridership growth projection for 2013.

Metro Mobility Ridership Analysis and Projections

| Year | Metro Mobility Actual Ridership | Actual Ridership Percent Change | 2004 Analysis Projected LOW Ridership Growth | Percent Difference LOW vs. Actual | 2004 Analysis Projected HIGH Ridership Growth | Percent Difference HIGH vs. Actual |
|-------------|--|--|---|--|--|---|
| 2004 | 1,336,167 | – | 1,326,246 | -0.75% | 1,326,246 | -0.75% |
| 2005 | 1,275,267 | - 4.78% | 1,352,771 | 5.73% | 1,352,771 | 5.73% |
| 2006 | 1,293,894 | 1.44% | 1,384,585 | 6.55% | 1,393,273 | 7.13% |
| 2007 | 1,366,002 | 5.28% | 1,414,253 | 3.41% | 1,440,800 | 5.19% |
| 2008 | 1,435,951 | 4.87% | 1,444,557 | 0.60% | 1,489,948 | 3.62% |
| 2009 | 1,449,548 | 0.94% | 1,475,510 | 1.79% | 1,540,773 | 6.29% |
| 2010 | 1,494,877 | 3.1% | 1,507,127 | 0.82% | 1,593,331 | 6.59% |
| 2011 | 1,594,808 | 6.68% | 1,531,053 | -4.0% | 1,640,670 | 2.88% |
| 2012 | 1,737,753 | 8.96% | 1,547,036 | -10.97% | 1,682,432 | -3.18% |
| 2013 | 1,842,358 | 4.67% | 1,563,186 | -15.29% | 1,725,258 | -6.51% |
| 2014 | | | 1,579,505 | | 1,769,173 | |
| 2015 | | | 1,595,994 | | 1,814,207 | |

A factor that could push ridership higher in the future is an expected increase in the population in the ADA service area that will become eligible for ADA transportation services as that population grows and ages. While ADA paratransit eligibility is not based on age, there is a high correlation between age and functional disability. Without considering the effects of growth in fixed-route transit, the impending impact on ridership for 2010, 2020 and 2030 are shown in the high-end forecast table on the previous page.

Ridership was estimated based on several factors, including (1) the percentage of active users (percent of individuals who used the service at least once in the last 13 months), (2) demand per capita, and (3) the percentage of trips denied.

To meet the low-end future ADA-related demand using 2000 as the base year, the region will need to expand service to accommodate about 26% by 2020; and about a 36% increase in ridership by 2030.

Costs, Revenue Options and Sufficiency of Paratransit Funds

Based on the increased number of projected revenue hours and increased costs due to inflation, Metro Mobility transit service will need to expand revenues or find ways to decrease costs to fund transit operations that will ensure no ADA denials, while meeting ADA required operational performance standards.

Currently Metro Mobility's revenue comes from a variety of sources, but the majority of revenue consists of legislative appropriations from the state General Fund.

Listed below are Metro Mobility's revenue sources.

Metro Mobility Budgeted Sources of Revenue, 2013

| | |
|----------------------------------|---------------|
| State General Fund Appropriation | 80.3% |
| Passenger Fares | 10.5% |
| Federal Grant (NTD) | 0.0% |
| Motor Vehicle Sales Tax | 8.2% |
| Other Revenues | 1.0% |
| Investment earnings | 0.0% |
| TOTAL | 100.0% |

The table below outlines anticipated costs to operate the service over five years. To address ridership growth, additional revenue will be necessary to maintain the high level of service that is currently provided. However, the implementation of different service delivery strategies and new technology could increase service productivity, thus reducing or slowing the rate of operational cost increases.

Metro Mobility Cost Estimates, 2012-2015

| | Baseline Year 2012 | 12.5% Increase* 2013 | 12.5% Increase 2014 | 10.0% Increase* Proposed 2015 | 10% Increase* Proposed 2016 |
|--------------------------|-----------------------------------|-------------------------------------|------------------------------------|--|--|
| Revenue Hours of Service | 774,146 | 870,914 | 979,779 | 1,077,756 | 1,185,532 |
| Hourly Rate** | \$ 49.68 | \$ 50.92 | \$ 52.20 | \$ 53.50 | \$ 54.84 |
| Est. Total Cost | \$38.5M | \$42.3 M | \$46.5 | \$50.0 | \$53.8 |

* The percent of proposed revenue hours to be increased each year based on historical trends and future estimates of ridership growth.

**The estimated per revenue hourly rate increase for each year (2.5%) starting in 2010.

Cost-reduction strategies, such as customer transfers from paratransit to fixed-route transit, could help lower costs to a modest degree.

On the revenue side, it is difficult to find new sources of revenue. Metro Mobility relies on public sources and passenger fares to support the system. Funding increases will need to come from these two sources, which account for 99% of all revenues.

Metro Transit – A Service of the Metropolitan Council

Based on ridership, Metro Transit, an operating division of the Metropolitan Council, is the largest transit agency in Minnesota and provides about 90% of regular-route service in Minneapolis/St. Paul area. About 87% of rides are taken on the agency's buses and 13% on trains. Metro Transit is the 15th largest transit system in the nation.

Its 3,000 employees transport customers more than 260,000 times each weekday with service on 126 local, express and contract bus routes, as well as the METRO Blue light-rail line and the Northstar commuter rail line.

Metro Transit's fleet includes 912 buses, 58 light-rail rail cars, 18 commuter rail cars and six locomotives.

The Council's *2030 Transportation Policy Plan* – updated and adopted in November 2010 – renews a commitment to double transit ridership from a 2003 base of 73 million rides to 145-150 million rides in 2030. Metro Transit expects to achieve this goal by tailoring cost-effective service to diverse markets with an integrated system of core routes focusing on transit centers, an array of express bus services using park-and-ride facilities and transit advantages on freeways and highways.

Significant ridership growth is expected through the thoughtful planning and implementation of an expanded network of transitways. Metro Transit has aligned its business plans to coincide with the growth objectives of the *2030 Transportation Policy Plan*.

Metro Transit earned several commendations in 2013 due to the agency's record of safety and security achievements.

- The American Public Transportation Association awarded Metro Transit its Gold Award for Bus Safety Excellence among large transit systems for the second time in five years.
- The Transportation Security Administration gave the agency and the Metro Transit Police Department a Gold Standard rating for its leading transit security and emergency preparedness program.
- Longtime Metro Transit bus operator Tony Taylor was named Minnesota Bus Operator of the Year by the Minnesota Public Transportation Association for his record of 34 years of safe driving and leadership by example.
- The Minnesota Association of Government Communicators gave Metro Transit's marketing department its "Best in Show" award for a campaign reminding customers and the public how to be safe using and around transit.

Mission

To implement the *Transportation Policy Plan*, Metro Transit is committed to the following mission: We at Metro Transit deliver environmentally sustainable transportation choices that link people, jobs and community conveniently, consistently and safely.

In pursuit of its mission Metro Transit embraces to these guiding principles:

- **Service Excellence.** We go beyond the expectations of our customers to deliver convenient, comfortable and reliable service; we don't accept today's best as tomorrow's limitations.
- **Environmental Responsibility.** We promote public transportation as an environmentally friendly service and conduct our business in an environmentally responsible manner.
- **Innovation.** We regularly question the status quo; we encourage creativity and innovation in all things.
- **Safety.** We provide a safe and secure environment for our customers, community and employees through consistent training, enforcement and allocation of resources.
- **Teamwork.** As employees we seek shared success, treat one another with respect and consider each other as customers.
- **Financial Responsibility.** We continuously improve the cost-efficiency of our services; we approach our financial relationships with integrity and transparency.
- **Community Orientation.** We are an important part of the Twin Cities region. We engage the community in our decision-making provide well crafted communication and offer opportunities for public involvement.

Ridership

Metro Transit closed 2013 with nearly 81.4 million rides, which represents an increase over 2012 of 0.4%, or 315,000-rides. The year 2013 is only the second time in 32 years in which Metro Transit ridership has reached this level and represents the fourth straight year of ridership growth. Customers rode Metro Transit buses and trains 5 million more times in 2013 than just four years prior.

Ridership highlights from 2013 include:

- Ridership on the Northstar commuter rail line was up 12.4% to 787,000 – the highest number in its four years of operation
- Ridership on core urban local bus routes increased 1% to more than 59 million
- Ridership on the METRO Blue Line was 10.2 million – exceeding ridership projections for the year 2020 by more than 25%.
- Metro Transit offers annual special express service to the Minnesota State Fair. In 2013, fairgoers rode this service 512,000 times.

Rail Service

The METRO Blue Line

Formerly the Hiawatha Line, the region's first light-rail line was re-named METRO Blue Line in May of 2013 with the rollout of the METRO system of light-rail and Bus Rapid Transit lines. Customers rode the METRO Blue Line 10.2 million times. Average

weekday ridership, exceeding projections for the year 2020 by 25%. Trains ran on schedule 92% of the time last year.

The light-rail system includes a fleet of 58 vehicles that are powered by an overhead catenary system. Thirty-one new light-rail vehicles manufactured by Siemens were tested on the METRO Blue Line and added to service in 2013. Twelve of these will remain with the METRO Blue Line in 2014; the remainder will be assigned to the new METRO Green Line. The new light-rail vehicles increased capacity in 2013, permitting all three-car trains on 10-minute schedules for most of the service day. The Blue line features three park-and-ride facilities, 38 at-grade intersections, LRV signal preemption, traffic-signal priority and LRV signaling.

Blue Line trains serve 19 stations along a 12-mile route between downtown Minneapolis and Mall of America in Bloomington with stops at the two terminals at Minneapolis/St. Paul International Airport.

In 2010, Metro Transit first began using three-car trains both in special-event service and in regular rush-hour operations. This followed a two-year construction program to extend by 100 feet 10 light-rail station platforms to accommodate longer trains. The project also included improvements to the Blue Line's signal, safety and communications systems that allow more efficient operation of reverse-running trains through installation of train detection equipment that activates grade-crossing arms when a train is operating opposite its normal direction on a track.

The Blue Line continues to play a major role with the Minnesota Twins' games at Target Field. Target Field Station – just steps from the new ballpark's left field foul pole – proved to be a popular access point for Twins fans. During 2013, about 10% of fans choose Blue Line trains to travel to and from Twins home games.

Northstar Commuter Rail Line

The Northstar commuter rail line, which inaugurated service on Nov. 16, 2009, had a successful fourth year. Customers boarded Northstar trains 787,239 times in 2013, the highest number in the line's four-year history. This overall 12.4% increase is attributable to a fare reduction made permanent in April and the addition of a station in Ramsey in November 2012. Average weekday ridership – the line's primary commuter market – increased 17%. On-time performance was 91%. In September, free Wi-Fi access was added to cars on each Northstar trip, which appealed to commuters looking to increase productivity while travelling.

Northstar service to Twins and Vikings' games downtown continued to be well received by fans. Using a combination of regular-service and special-event trains, Northstar served all home games. Tests providing special event service for large concerts in downtown were also successful in 2013.

Using existing freight tracks of BNSF Railways, the Northstar Line offers five morning trips from Big Lake, Minn., to downtown Minneapolis and five return trips in the afternoon along a 40-mile corridor adjacent to congested Highways 10 and 47. One reverse

commute roundtrip is available on weekdays, and three weekend roundtrips are offered on Saturdays and Sundays.

Each of six suburban stations – Big Lake, Elk River, Ramsey, Anoka, Coon Rapids/Riverdale and Fridley – has adjacent park-and-ride facilities, and platforms are equipped with cameras, emergency telephones, enclosed shelters, heating and other amenities. There are more than 3,000 free park-and-ride spaces at these lots. Connecting bus service is available at four suburban stations, including Northstar Link coach buses, which provide service to commuters between St. Cloud and the Northstar train station at Big Lake.

Base weekday fares for Northstar commuter rail service range from \$3.00 to \$6 each way, depending on the distance traveled. Fares are lower on weekends. Fares include free transfers to the METRO Blue line and regional buses. The \$317 million Northstar rail project was delivered ahead of schedule and under budget through collaborative efforts of the Metropolitan Council/Metro Transit, Northstar Corridor Development Authority and Minnesota Department of Transportation. The Counties Transit Improvement Board and Sherburne County assist with operating funds

Green Line (Central Corridor Light-Rail Line)

The \$957 million Central Corridor project is an 11-mile line that will run along University and Washington avenues between downtown St. Paul and downtown Minneapolis via the East and West Bank campuses of the University of Minnesota beginning June 14, 2014. It will serve a projected weekday ridership of more than 40,000 by 2030.

The project includes 18 new stations, five additional stations shared with the Blue Line in downtown Minneapolis and a new transit mall on Washington Avenue on the University of Minnesota East Bank campus.

Project highlights in 2013 included:

- Began calendar year 2013 at 89% complete and finished at 99% complete
- Examples of work completed:
 - Civil work substantially completed.
 - Operations and Maintenance Facility substantially completed.
 - 39 of 59 light rail vehicles delivered.
 - Fare collection equipment delivered.
- Created 5,470 construction jobs through end of 2013
- Hired over 130 of the 177 permanent jobs for operations and maintenance

Southwest Corridor Light-Rail Project (Green Line extension)

The Southwest Corridor Project is a 15.8-mile light-rail line linking Eden Prairie with downtown Minneapolis along the Kenilworth-Opus-Golden Triangle alignment.

Under current plans, Southwest trains would serve 17 new stations and by 2030 carry an average of nearly 30,000 riders each weekday.

The estimated total project cost is \$1.25 billion in year-of-expenditure dollars.

Once Southwest trains reach downtown Minneapolis adjacent to Target Field, they will continue on Central Corridor light-rail tracks to downtown St. Paul, providing continuous light-rail service along a 26-mile route.

Project highlights in 2013 included:

- Preliminary engineering consultants on the eastern portion (Kimley-Horn and Associates) and western portion (AECOM) of the project resolved 23 of the 25 engineering issues facing the project.
- The Council hired CH2M Hill to complete the Final Environmental Impact Statement through March 31, 2015.
- The Council hired TranSystems and Burns & McDonnell to conduct a freight rail relocation analysis and water resources evaluation, respectively.
- The state of Minnesota appropriated \$37 million from the general fund for Southwest LRT Project.

Bus Service

Metro Transit bus ridership grew by 0.8% in 2013 to 70.4 million. On-time performance for Metro Transit buses was 87% in 2013.

The agency added 58,000 hours of bus service compared to 2012, including significant expansions on eight routes in the east metro. This represents the largest annual service increase in 15 years and was largely possible to achieve operational savings due to fuel conservation and other cost-saving efforts.

In 2013, 133 hybrid-electric buses comprised nearly 15% of the bus fleet. Compared with standard buses operating urban local service, hybrids get about 34% better fuel economy. Metro Transit schedules only these cleaner, quieter buses on Nicollet Mall, presenting a more inviting environment for pedestrians, shoppers and diners while preserving it as an important transit corridor. In 2012, 33 new hybrid-electric buses began service on routes in Saint Paul and its suburbs.

In July, Metro Transit opened an expanded 1,000-space Transit Center and Park & Ride facility at Maplewood Mall with direct service to Minneapolis and Saint Paul. The \$13.9 million project features 600 covered parking spaces, multiple security cameras an enclosed lobby area, a geothermal heating and cooling system, LED lighting and outdoor bike racks.

Metro Transit provided 71 “Rescue Buses” to fires, gas leaks and other public safety hazards throughout the metro area, offering safe haven for displaced victims and staging for first responders.

Customer Service Technology

Metro Transit made several important advances in customer information in 2013 in an effort to make the regional transit system easier to understand and easier to use with confidence.

Use of the agency's website, *metrotransit.org*, continued to increase. There was an average of 248,000 individual users using the site per month. Customers used *metrotransit.org* and *metrotransit.org/mobile* to request NexTrip real-time bus and train departures 49.2 million times last year and planned 7 million trips using online tools.

Among the new web features added in 2013, was My MetroTransit – a feature that allows customers to create a custom dashboard with their personalized transit information. Users can choose their favorite routes, most-used NexTrip, even weather and MnDOT traffic cams for an at-a-glance, one-stop experience.

The number of Metro Transit's Facebook fans increased to 22,000 followers last year and fans of the agency's Twitter account @MetroTransitMN grew to 9,700 followers last year. These social media tools proved to be useful for providing service updates and other transit information.

Transit Security

The Metro Transit Police force grew to 83 full-time officers and 85 part-time officers in 2013. They work in partnership with local police departments and the State Patrol to ensure the safety of customers while they ride buses and trains and wait for service. In addition to riding the Northstar and METRO Blue rail lines to check for fare payment and maintain order, uniformed and plainclothes Metro Transit Police rode buses in excess of 2,500 times per month in 2013, exceeding the onboard bus-riding goal every month of the year.

The department received a perfect score of 100% in a comprehensive security and preparedness review conducted by the Transportation Security Administration. John Harrington was hired as the seventh Chief of Metro Transit Police in 2012.

Transit police presence is supplemented in two important ways. Buses and light-rail trains – as well as rail stations and key bus transit facilities and park-and-ride lots – are outfitted with cameras that record activities, assist in identifying suspects and aid in the prosecution of offenders.

In addition, Metro Transit renewed in 2013 its partnership with MADDADS, a well-respected Minneapolis organization that rides buses to interact with customers, enhance bus riding etiquette and improve civility. Four-person MADDADS teams ride primarily in the afternoon rush hours on some of the busiest inner-city routes, with a special focus on young riders as they head home from school. MADDADS teams also work hotspots where youth gather after school, such as Lake and Hiawatha and 7th and 8th streets at Nicollet Mall.

MADDADS members greet riders on board and at bus stops, create positive energy and build a sense of community among those using transit services. They engage customers in conversation, talk about respecting the ride and they also look out for those who may need referrals to community services like food shelves, job banks and lodging.

Ridesharing and Employer Outreach Services

This important regional service was transferred to Metro Transit in 2005 from the Metro Council's Metropolitan Transportation Services division. The addition of ridesharing services permits Metro Transit to offer the full range of transportation choices aimed at converting solo drivers into shared riders.

Metro Transit works with individuals and businesses to encourage alternatives to driving alone. The program is funded through a CMAQ (Congestion Mitigation and Air Quality) grant, with a match provided by Metropolitan Council and revenue brought in by ridesharing activities.

Major objectives are to:

- Provide regional programs and incentives to encourage commuters to use alternatives to driving alone. Metro Transit also provides regional programs/incentives to encourage employers to provide information on transportation alternatives to their employees. These programs include the Regional Guaranteed Ride Home, ride-matching, preferred and discounted pool parking and transit pass programs.
- Serve as a resource to Transportation Management Organizations (TMOs) in the Twin Cities seven-county metro area. These include Commuter Connection, St. Paul Smart Trips, Anoka County TMO, and the I-494 Corridor Commission. These TMOs promote Metro Transit's regional programs as well as other programs and incentives with a more local focus.

There were three main promotional programs encouraging the use of rideshare services and bicycling, including: Commuter Challenge, Commuter Challenge Trip Tracker and Rideshare to Work Month.

Commuter Challenge (April - June)

The Commuter Challenge asks people to pledge to try alternatives to driving alone. Outreach is done in conjunction with the TMOs and is supported by a website (mycommuterchallenge.org) and by online and out-of-home advertising. This effort resulted in 17,505 people pledging to try an average of two modes (bus, bicycle, train, carpool, etc.) during a 12-week campaign – the highest number in 10-year history of the program.

The program was actively promoted at hundreds of employer locations throughout the region. Over 88% of the people who drove alone before their Commuter Challenge pledged to use alternatives to driving alone more frequently – with 24% saying they choose alternatives “just about every day.”

Commuter Challenge Trip Tracker

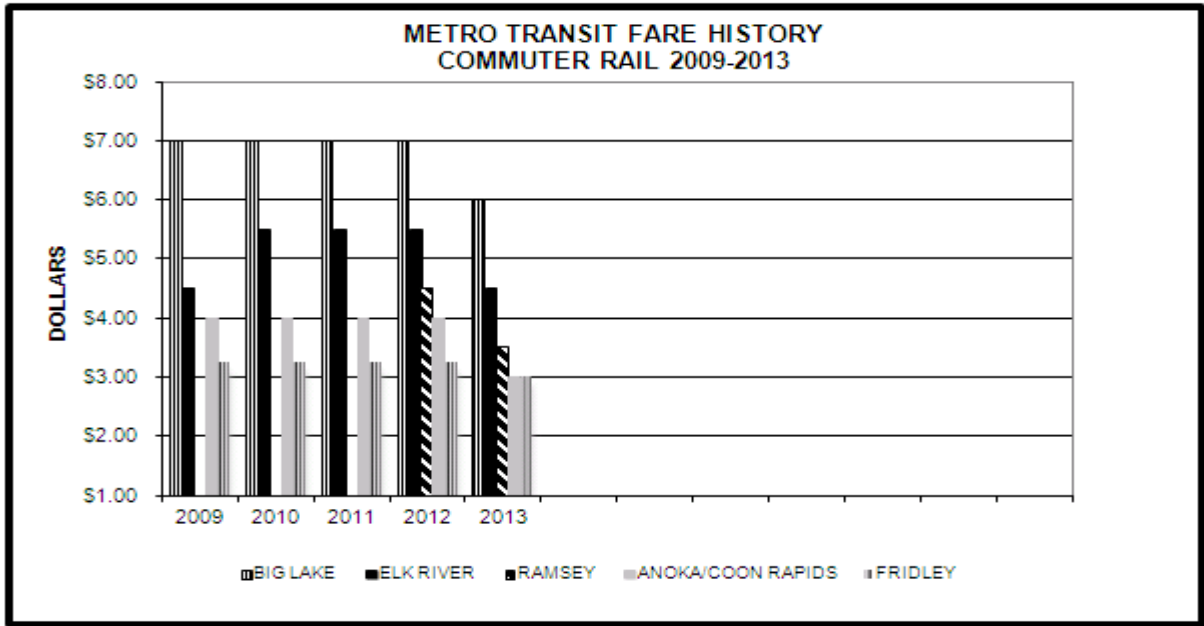
Those who took the Commuter Challenge were invited to extend their challenge by tracking their trips year round in an online calendar. By the end of 2013, members enrolled in the program and recorded more than 116,000 commutes in excess of 2.3 million miles of non-drive-alone trips. The program was partially funded by a Congestion Mitigation Air Quality grant from the U.S. Department of Transportation.

Also in 2013 Ridesharing and Employer Outreach Services:

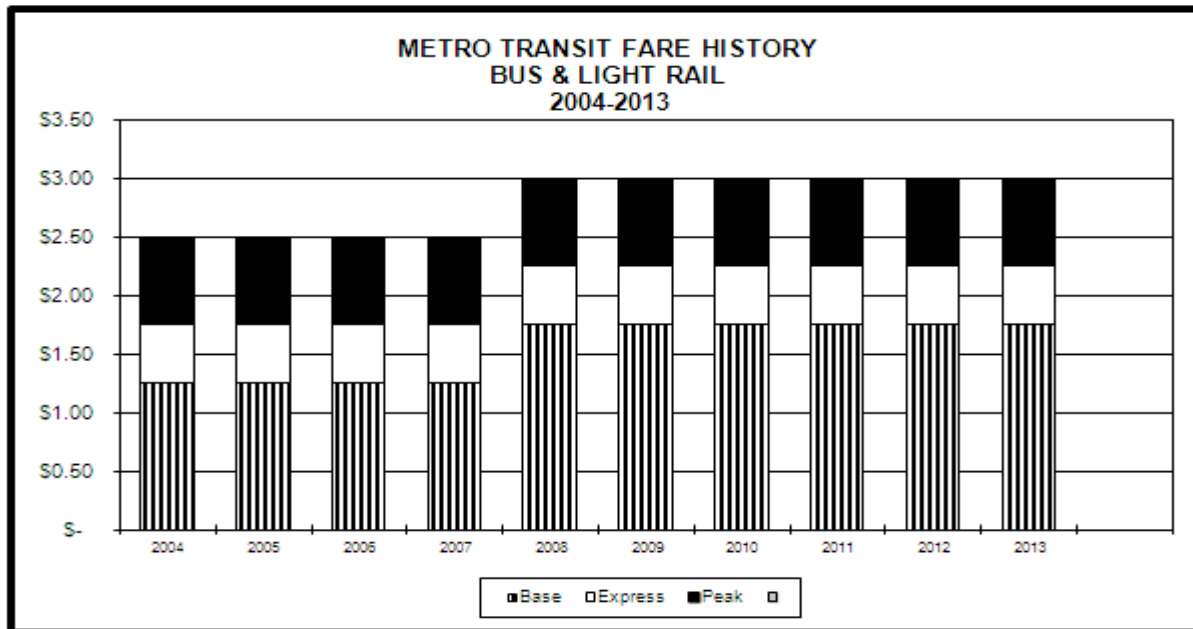
- Operated an online ride-matching system that provides 24/7 availability of the region's ridesharing database at metrotransit.org/rideshare.
- Provided specialists who are available during regular business hours for commuters and others who want to request a ride-match or who need personalized help using the ride-matching database or other programs or services.
- Registered 8,197 users for a new account in the Guaranteed Ride Home program.

Other Metro Transit 2013 Achievements

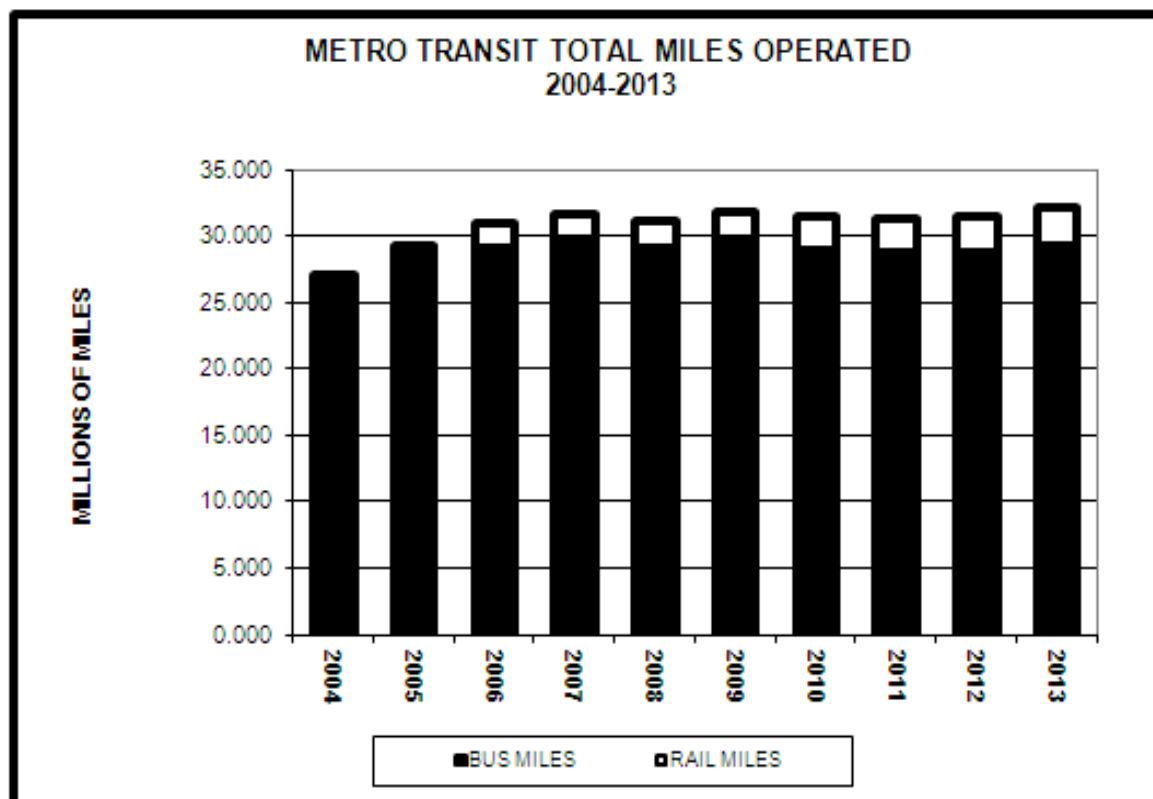
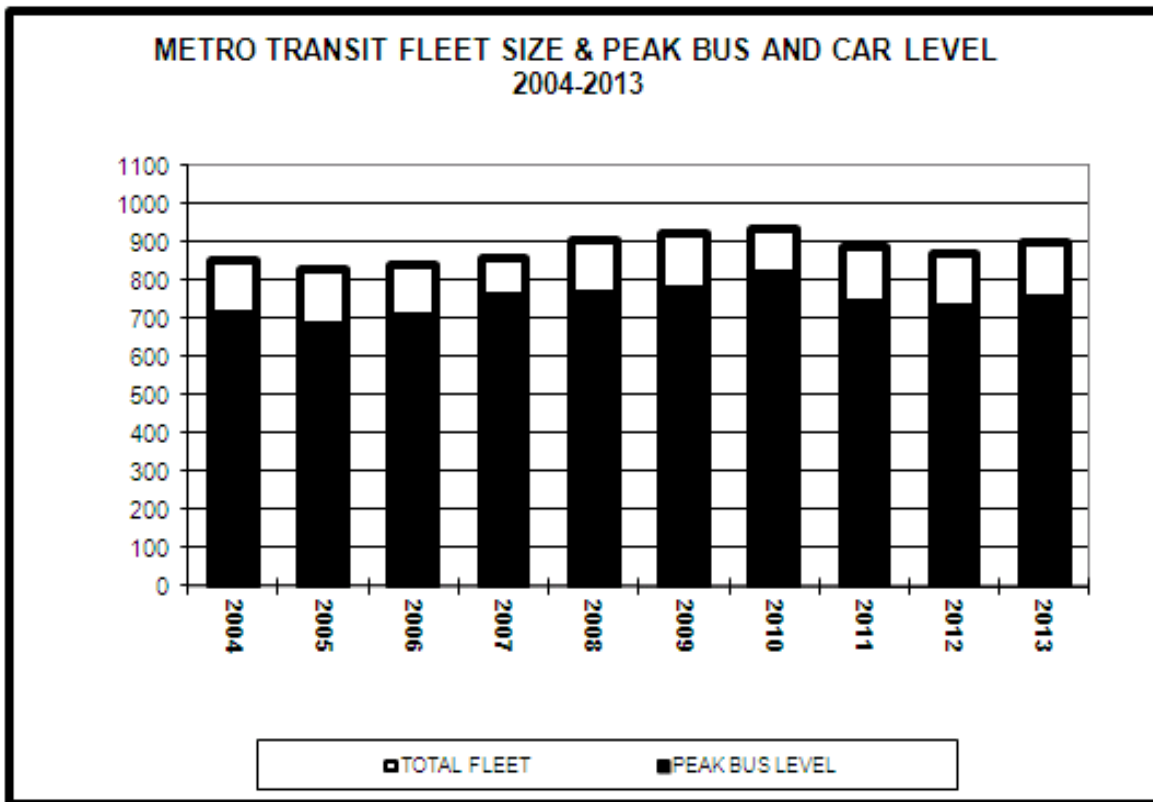
- With the financial support of Miller Brewing Company, provided some 80,000 free rides to bus and light-rail train customers on St. Patrick's Day and New Years Eve. The promotions featured free rides from 6 p.m. until the last scheduled trip of each route. It marked the 16th year of this partnership that is endorsed by police departments and public safety officials.
- Handled 1.2 million calls for personalized trip-planning service in the Transit Information Center, the eighth consecutive year that the call center exceeded one million calls. The NexTrip automated system that provides predicted real-times and schedules by web or phone was used more than 49 million times – the highest number in its history.
- Demonstrated community partnerships by offering free rides to the Uptown, Loring Park and Powderhorn Park art fairs, the annual Minnesota AIDS walk, Holidazzle parade, Living Green Expo, Heart Walk Twin Cities and other events.
- Implemented an expansion of the Student Pass program at Minneapolis Public Schools to South and Southwest high schools.
- Delivered about 500 "How to Ride" presentations to thousands of attendees. The presentations were made by Metro Transit's two customer advocates.
- Collected 22,000 lost articles from buses and trains and reunited 22% of them with their owners.
- Metro Transit's Revenue Operations and Marketing departments have driven Go-To Card use to more than 50% of all rides. This fare tool vastly speeds boardings, reduces inquiries about fares and is easily re-loaded with fare value and passes at metrotransit.org, at sales outlets throughout the metro area, or over the phone.



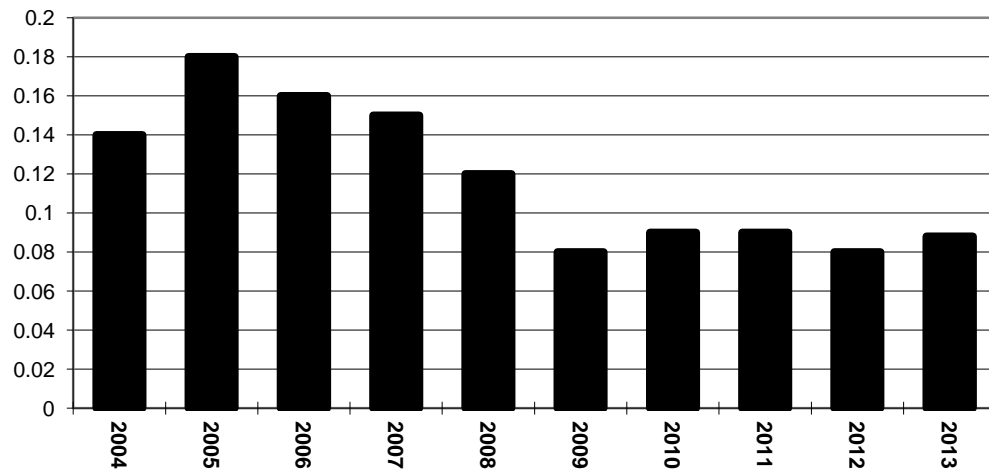
| Stations | 2009 | 2010 | 2011 | 2012 | 2013 | | | | | |
|-------------------|--------|--------|--------|--------|--------|--|--|--|--|--|
| BIG LAKE | \$7.00 | \$7.00 | \$7.00 | \$7.00 | \$6.00 | | | | | |
| ELK RIVER | \$4.50 | \$5.50 | \$5.50 | \$5.50 | \$4.50 | | | | | |
| RAMSEY | \$ - | \$ - | \$ - | \$4.50 | \$3.50 | | | | | |
| ANOKA/COON RAPIDS | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$3.00 | | | | | |
| FRIDLEY | \$3.25 | \$3.25 | \$3.25 | \$3.25 | \$3.00 | | | | | |



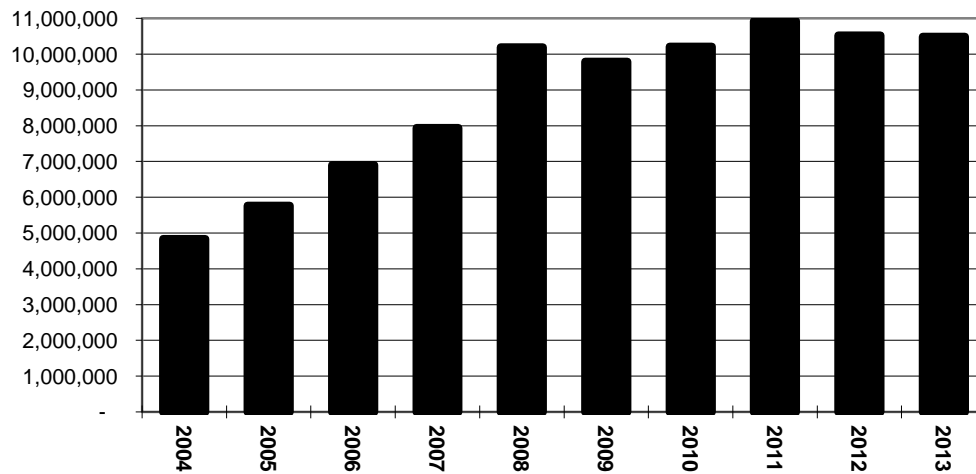
| Regular fare | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Base | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.75 | \$1.75 | \$1.75 | \$1.75 | \$1.75 | \$1.75 |
| Express | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 |
| Peak | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 |

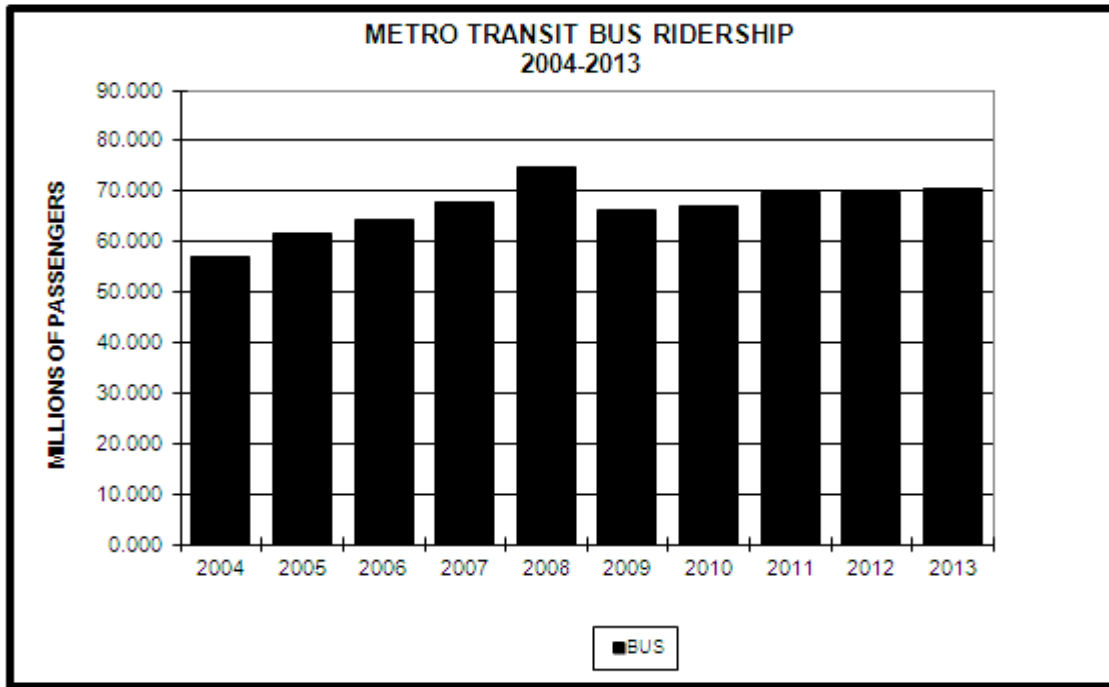


**METRO TRANSIT AVERAGE DAILY TRIPS MISSED
2004-2013**



**METRO TRANSIT INFORMATION CALLS HANDLED
2004-2013**

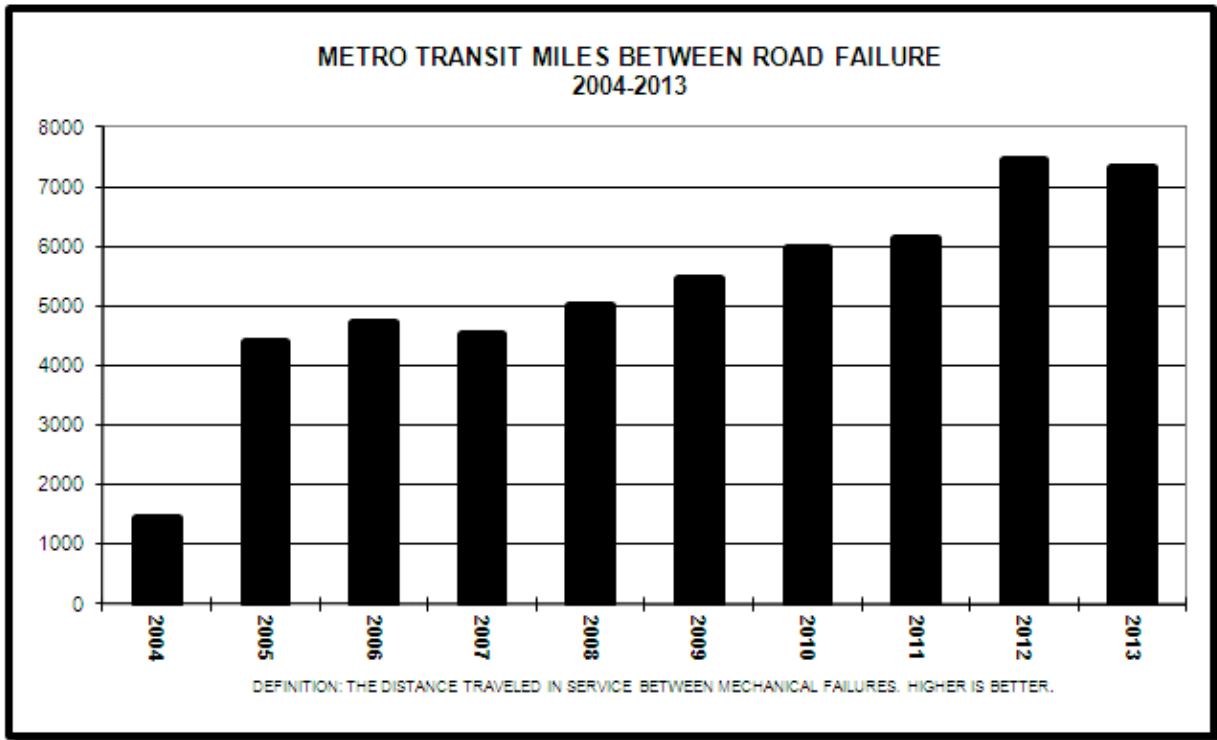




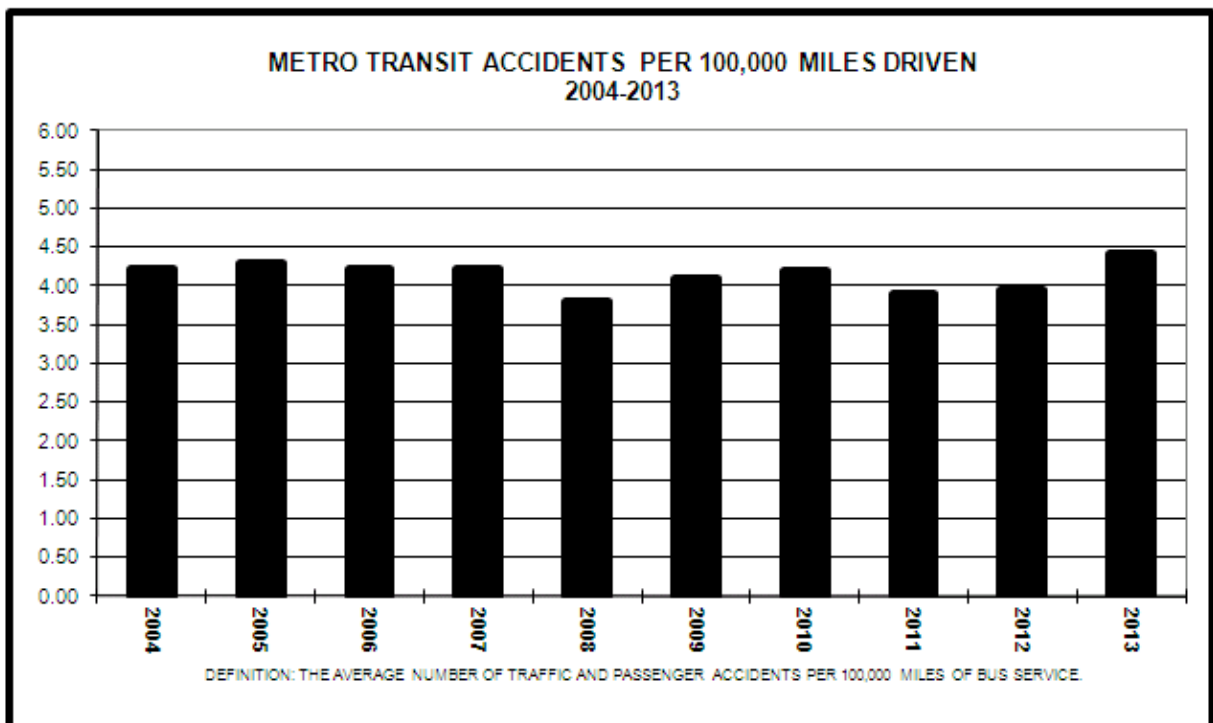
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BUS | 56.902 | 61.797 | 64.399 | 67.866 | 74.656 | 66.401 | 66.882 | 69.783 | 69.855 | 70.419 |



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|-------|-------|-------|-------|--------|-------|--------|--------|--------|--------|
| Commuter Rail | | | | | | 0.082 | 0.710 | 0.703 | 0.700 | 0.787 |
| Light Rail | 2.939 | 7.902 | 9.357 | 9.101 | 10.222 | 9.863 | 10.456 | 10.401 | 10.498 | 10.163 |



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------|------|------|------|------|------|------|------|------|------|------|
| MECHANICAL FAILURES | 1459 | 4392 | 4720 | 4536 | 5003 | 5468 | 5988 | 6128 | 7456 | 7310 |
| ACCIDENTS | 4.23 | 4.30 | 4.21 | 4.22 | 3.80 | 4.09 | 4.19 | 3.91 | 3.95 | 4.42 |

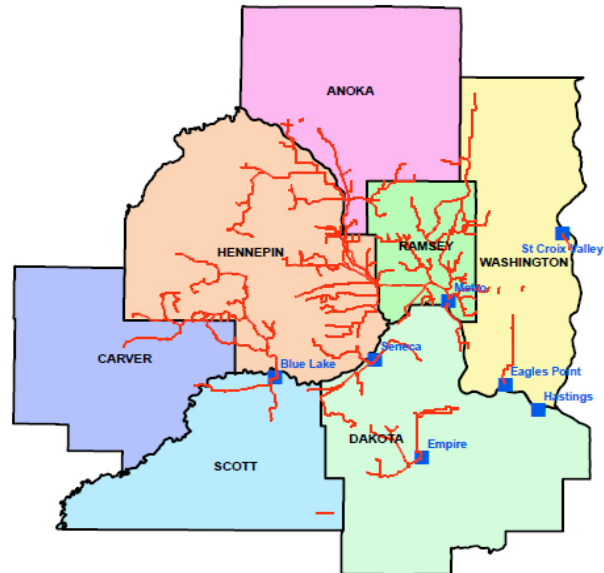


Environmental Services Division

Overview

Metropolitan Council Environmental Services (MCES) owns and operates the regional wastewater system in the seven-county Twin Cities metropolitan area. In providing this service to more than 90% of the seven-county metropolitan area, MCES:

- Operates and maintains approximately 600 miles of regional sewers that collect flows from more than 5,000 miles of sewers owned by 107 communities in the seven-county Twin Cities Region.
- Treats approximately 250 million gallons of wastewater a day.
- Runs seven regional wastewater treatment plants: Blue Lake, Eagles Point, Empire, Hastings, Metropolitan, Seneca and St. Croix Valley
- Continues to achieve near-perfect compliance with federal and state clean water discharge standards.
- Establishes user fees that pay 100% of wastewater operations and debt service costs, which are below national averages.
- Works with approximately 800 industrial permit holders to substantially reduce the amount of pollution entering the wastewater collection system.
- Ensures sufficient sewer capacity to serve planned development.
- Makes capital investments to support growth, maintain infrastructure and improve water quality.



Mission

The mission of MCES is to provide wastewater services that protect the public health and environment while supporting regional growth. This section is divided into six categories:

- Operations Performance
- Capital Projects
- Customer Service
- Finance
- Employees in the Workplace
- Water Resources Management

Operations Performance

MCES treatment plants continued to perform at a high level in complying with clean water discharge permits. All seven treatment plants continued to earn Peak Performance Awards from the National Association of Clean Water Agencies (NACWA).

MCES was recognized with many awards in 2013, including the National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award for five or more consecutive years of perfect NPDES permit compliance through 2012. Six of the seven treatment plants received this award: Hastings (22 years), St. Croix Valley (21 years), Seneca (12 years), Blue Lake (7 years), Eagles Point (7 years), and Empire (5 years)

- Additional 2013 Awards Certificate of Commendation from the Minnesota Pollution Control Agency
- Communication Award from the American Society of Landscape Architects-Minnesota
- Energy Efficiency Partner Award from Xcel Energy

Combined Sewer Overflows

In 2013 there were no combined sewer overflow events, continuing an eight-year downward trend.

Capital Projects

Capital improvement projects for 2013 supported maintaining and increasing infrastructure efficiency, safety and reliability of the regional wastewater system, along with implementing expansion of the system to serve planned regional growth.

Infrastructure Efficiency, Safety and Reliability Projects

Metropolitan Plant

At the Metro Plant, seven projects were completed or substantially completed, involving construction, rehabilitation or maintenance. Facilities included non-condensing steam turbine generator, primary settling tank equipment, sludge storage tank, East final tank, Solids Management Building, and roof replacements.

Two design projects were started in 2013 – improvements to the Liquid Waste Receiving Building, and to the East pretreatment and flotation thickening facility.

Preliminary engineering work began in December 2013 and will extend to mid-2014 on eleven additional improvement projects.

Solids Processing Improvements

Facilities plans were adopted for the Empire and Seneca treatment plants, with design work to be started in spring 2014, and completion expected in 2015.

A facilities plan for the Metro Plant will be adopted in late 2015.

Assessment of the Interceptor System's Condition

Assessments are complete for the Minneapolis and St. Paul Deep Sewers and the North Area interceptors, with planning and implementation ongoing.

Minneapolis Interceptor System

The design, construction, and rehabilitation portions of this project were complete or substantially completed in 2013.

For the Hopkins lift station and forcemain project, the design of remainder of forcemain was completed, with construction planned for 2014 and 2015.

Interceptor Construction

Various construction phases of five interceptor projects were complete in 2013, as well as for the Wayzata forcemain, design for L-38 and maintenance facility in the Mound area, and .phase 1 of the Eagan interceptor.

Planned Regional Growth Projects

Portions of two projects to serve regional growth were substantially completed for Golden Valley–St. Louis Park and East Bethel.

Customer Service

MCES reaches out to new customers and works to maintain good relations with current customers.

Building Good Relations with Customers Involved in 2014 Budget Planning

Budget meetings for MCES customer communities were held in June, along with a meeting for MCES industrial customers held in June. The meetings included information on proposed 2014 budget and rates and an opportunity for customer input and questions.

Additional customer involvement activities in 2013 included:

- Three SAC training sessions were held for city building officials, as requested by the cities.
- A work group to address SAC issues comprised of MCES customers, Metro Cities staff and private-sector stakeholders met several times. After 6 months, the group completed its work and made four recommendations and a produced a report that was presented to the Council in 2014.

Voluntary Dental Mercury Reduction Program

The Council continues its voluntary mercury reduction program with the Minnesota Dental Association. Currently, 730 dental offices are using amalgam separators, representing almost 100% of the program-eligible dental clinics in the metro area. Since 2003, there has been a decline of more than 50% in mercury flowing to the Metro Plant.

Waste Discharge Rules Revision Completed

The Council adopted the revised *Waste Discharge Rules for the Metropolitan Disposal System* on February 13, 2013. A public notice of this action was published in the *State Register* on May 20, 2013.

Finance

MCES management keeps the organization competitive, as compared to other similarly sized wastewater utilities across the country. Additionally, wastewater service charges (approx. \$20/month) are lower than most other metro-area utility charges, such as gas, electric and high-speed Internet.

Budget

MCES staff completed 2013 operations and routine maintenance activities within the Annual Operating Budget limits.

Savings

Performance and accountability savings accomplished during 2013 include the following:

Energy Work Plan

MCES reached its goal of reducing its purchased nonrenewable energy usage 15% from 2006 through 2010 by increasing the efficiency and/or use of renewable energy. A new energy goal of reducing purchased energy 25% by 2015 and 50% by 2020 was developed (2006 will remain the base year). At year-end 2013, MCES was 84% toward reaching the 2015 goal, with the main project contributor being the purchased gas reduction from the new digesters at the Blue Lake Plant. MCES remains on track to make or exceed the 2015 goal.

City SAC Reviews

Staff completed more than 40 reviews of municipal Sewer Availability Charge (SAC) reporting in 2013.

Energy Recovery and Conservation

In an effort to minimize the economic and environmental impact of MCES's current and future energy purchase, former MCES General Manager Bill Moore formed the MCES Energy Team in 2006. The team, comprised of employees from across the Division, works with internal business units to identify and implement energy conservation and renewable energy opportunities.

The team, along with Bill Moore, set a 15% purchased energy reduction goal for the division by 2010. That goal was reached and represented about \$2.5 million in savings that was passed on to customer communities. In 2011 MCES set new goals: Reduce purchased energy 25% by 2015 and 50% by 2020 (2006 will remain the base year).

Additionally, MCES uses energy grants and rebates from utilities to further expand its energy- saving, energy-reduction and energy-reuse options. In 2013, MCES received the Energy Efficiency Award from Xcel Energy for achieving the highest electrical savings of all the utility's large commercial/industrial customers in Minnesota.

Energy Reduction

At year-end 2013, MCES was about 84% toward achieving the 2015 energy reduction goal. A main contributor is the purchased gas reduction from the new digesters at the Blue Lake Plant. MCES remains on track to achieving or exceeding the 2015 goal.

Energy Recovery

MCES obtained approval to build a solar facility at Blue Lake Plant. This project is a collaboration with a private partner to design, build, own and operate a 1.25-1.75 Mega Watt AC (alternating current) facility. MCES is currently seriously considering expanding solar to its other treatment plants.

Energy Conservation & Rebates

MCES's Energy Star Rating has improved as its facilities have become more energy efficient. For example, Metro Plant's rating was 54 and climbed to 78. System wide, the MCEs energy star rating has improved 20 points.

MCES works closely with utilities to identify opportunities for rebates. MCES received about \$450,000 in rebates from utilities in 2013. The most notable rebates include \$150,000 from Centerpoint Energy for the Blue Lake digester and \$233,000 from Xcel Energy for the non- condensing steam turbine at Metro Wastewater Treatment Plant. Also, MCES received a bonus \$22,000 from Xcel Energy for meeting the 2013 energy reduction goal outlined in the Memorandum of Understanding (MOU) with Xcel.

Energy Collaborations

MCES joined national and local energy collaborations including being a founding member of the Climate Registry, a nonprofit that sets consistent and transparent standards to calculate, publicly report, and, in some forms of membership, independently verify greenhouse gas emissions, and provide that information in a single registry. MCES also collaborates with the University of Minnesota, state agencies, metro counties and Xcel Energy.

Employees in the Workplace

The MCES work environment continues to improve with new program implementation, the leadership and support of management, and the commitment from employees and stakeholders.

The MCES workforce, 670 full-time equivalents (FTEs), meets the needs of a high-tech and capital- intensive industry that operates 24 hours a day, 7 days a week, 365 days a year. Employees work at multiple wastewater collection and treatment facilities throughout the Twin Cities metro area. Positions include engineers, environmental scientists, machinists, electricians, pipefitters, painters, plant operators, technicians, interceptor service workers and administrative support personnel.

MCES Workforce Plan

More than 30% of MCES employees are currently eligible or will be eligible for retirement within the next five years. The *2008-2012 Workforce Plan* was created to help address the challenges of succession planning and recruiting diverse candidates. The *2014-2018 Workforce Plan* is currently in review and is tentatively scheduled for completion in 2014.

Safety–2013 Leading Edge Safety Goals

Each safety committee/work area established leading edge safety goals that are measureable to include accident reduction goals, monthly area safety audits, job hazard analysis (JHA), monthly safety committee meetings, and increasing safety awareness to include:

- Safety training
- Weekly safety talks
- Safety posters/banners
- Active safety committees

Water Resources Management

The Council's *Water Resources Policy Plan* integrates water resources management and protection with planning for the region's growth. The policy plan contains guidelines for developing and maintaining service systems that support development and for which the Council has some statutory responsibility, including wastewater service, surface water management, and regional water supply.

Among the initiatives being implemented under the *Water Resources Policy Plan* are the following activities.

Inflow & Infiltration (I&I) Reduction Program

The ongoing I&I mitigation program continued through 2013. Thirteen communities were identified in 2013 as exceeding their peak discharge limits and were required to develop I&I mitigation plans for implementation in 2014. The second round of municipal I&I

grants was distributed to some of the communities that qualified for the program. A public meeting was held and an application process was developed for private property I&I grants.

Metro Area Water Supply Planning

The Council continued its planning activities outlined in the *Water Supply Master Plan*, as directed by the Minnesota Legislature. Today, increased groundwater pumping to accommodate development is depleting aquifers and affecting lakes, streams, and wetlands. One result of this can be seen in lakes in the northeast metro, especially White Bear Lake. In 2013, the State Legislature approved \$2,537,000 from the Clean Water Legacy Fund to evaluate the reliability and sustainability of the water supply throughout the seven county metropolitan area, including the northeast metro (Minn. Laws 2013 Ch. 137, Art. 2, Sec. 9). These appropriation finances activities and projects included:

- Investigation of groundwater and surface water interaction in the northeast metropolitan area and guidance for other areas to use in addressing groundwater and surface water interaction issues.
- Determination of a sustainable regional balance of surface water and groundwater.
- Feasibility assessment of potential solutions to rebalance regional water use and identification of potential solutions to address emerging subregional water supply issues.
- Development of an implementation plan that addresses regional targets and timelines and defines short- and medium-term milestones for achieving the desirable surface water and groundwater regional balance.

The Council reported on the expenditure of this appropriation on January 15, 2014 to fulfill a legislative requirement.

Surface Water Planning and Management

Technical Assistance

- Staff continued providing technical assistance to watershed districts and organizations in developing Watershed Restoration and Projection plans (WRAPs) and Total Maximum Daily Load (TMDLs). Staff provided water quality and quantity data, loading information and data analysis and assessment information to partners for use in evaluating resources and preparing TMDLs and WRAPs.
- Technical assistance is also provided to local units of government and watershed management organizations. The assistance has been targeted to aid those local government organizations in developing and implementing local water plans, watershed management plans and innovative storm water practices with the goal of protecting and restoring valuable water resources within the region.

Planning

The Council continued providing planning and management direction for regional surface water resources including:

- Water quality monitoring at 22 river locations along the Mississippi, Minnesota, Rum, St. Croix and Vermillion Rivers; 22 sites at 21 metro area streams; 7 sites on 6 lakes; and MCES partners monitored an additional 174 sites at 165 lakes. The *2012 Stream Water Quality Summary* and the *2012 River Water Quality reports* were completed. In 2014, staff will also be completing a comprehensive stream assessment report that will include general water quality information as well as loading information for all of the stream sites MCES monitors in partnership in the metro area.
- Staff continues to maintain the Environmental Information Management System (EIMS) which was developed to provide timely and reliable information for environmental planning and decision-making for the metropolitan area.
- Staff provides maintenance of the Council's Water Quality Database which includes river, stream, lake, groundwater, precipitation and biological monitoring data. The database populates EIMS.
- Staff also continued to provide water quality data as requested, to partner agencies including federal, state and local government agencies, environmental groups and citizens of the region. Staff also analyzed water quality data for internal use, as well.
- Staff is currently providing input on the new version of the *2030 Regional Development Framework, Thrive MSP 2040* – the Twin Cities region's long-range planning effort. This plan will provide a regional vision for the seven-county metropolitan area for the next 30 years. MCES staff developed a draft water sustainability goal and associated policies for Thrive as well as to guide the direction for the updated *Water Resources Policy Plan*.
- Staff continues to work on establishing and stabilizing and maintaining MCES best management practices projects such as rain gardens, infiltration basins, native prairies and green roofs installed as part of MCES capital projects.
- Efforts initiated and funded through the Clean Water Fund continue. These include working with sub-regional groups to address local water supply issues and developing plans to meet future demands while protecting natural resources. Clean Water Funds also help pay for several of our stream monitoring sites

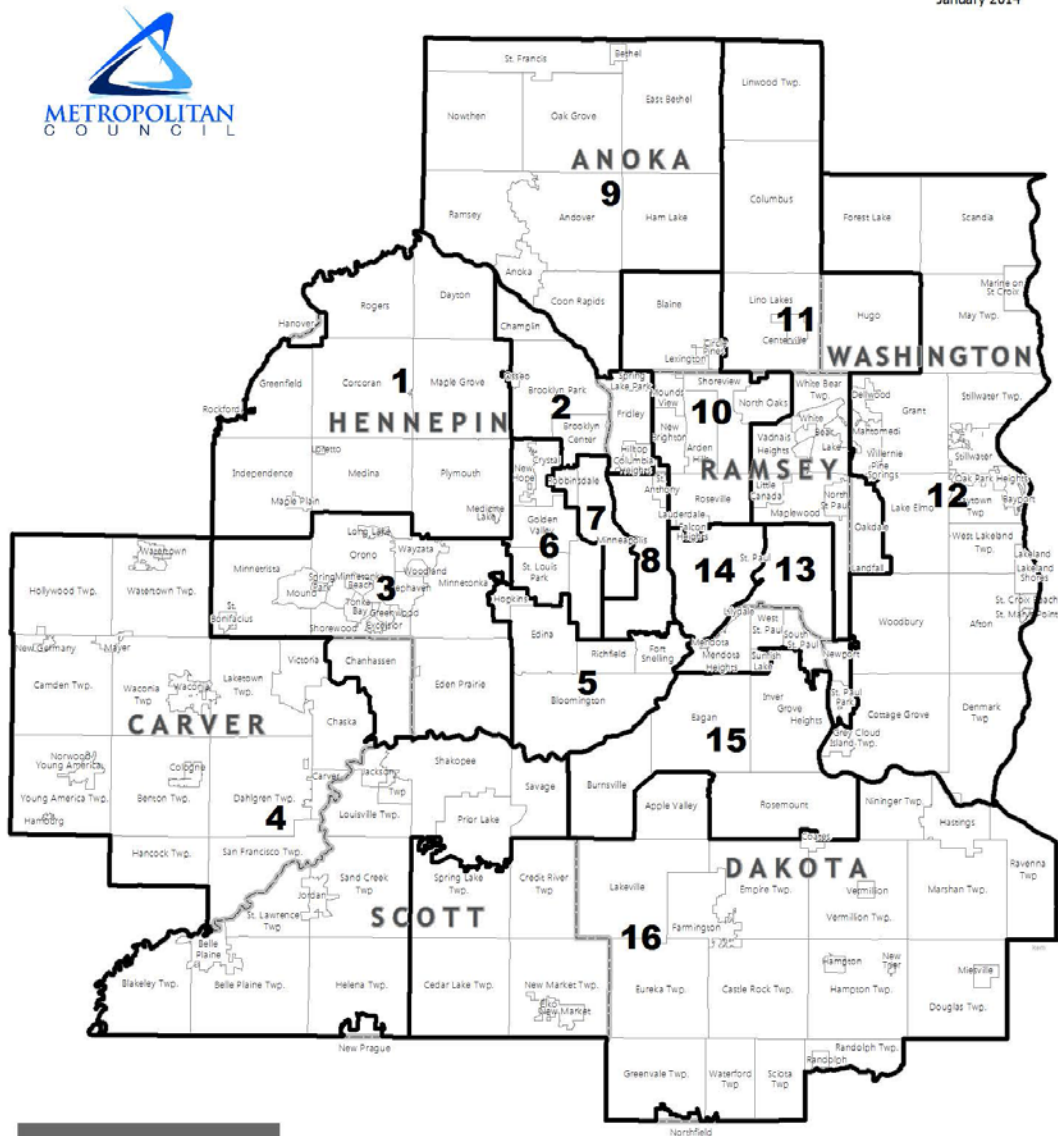
Review/Guidance

Staff reviewed and provided direction on 12 local surface water management plans and plan amendments, 16 watershed management plans and plan amendments, and many other planning activities.

Appendix: Maps and Budget Summary

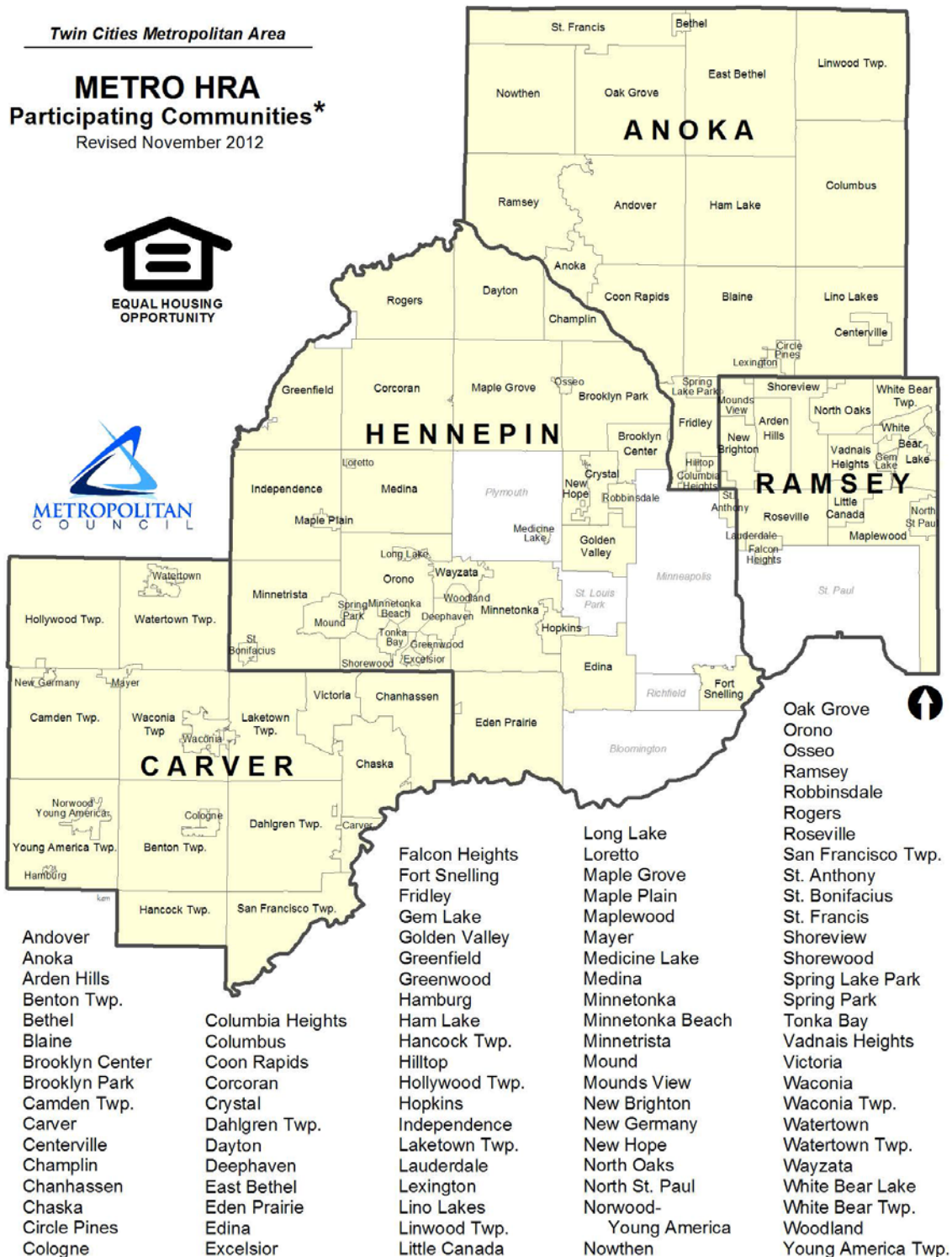
Metropolitan Council Districts and Members

January 2014



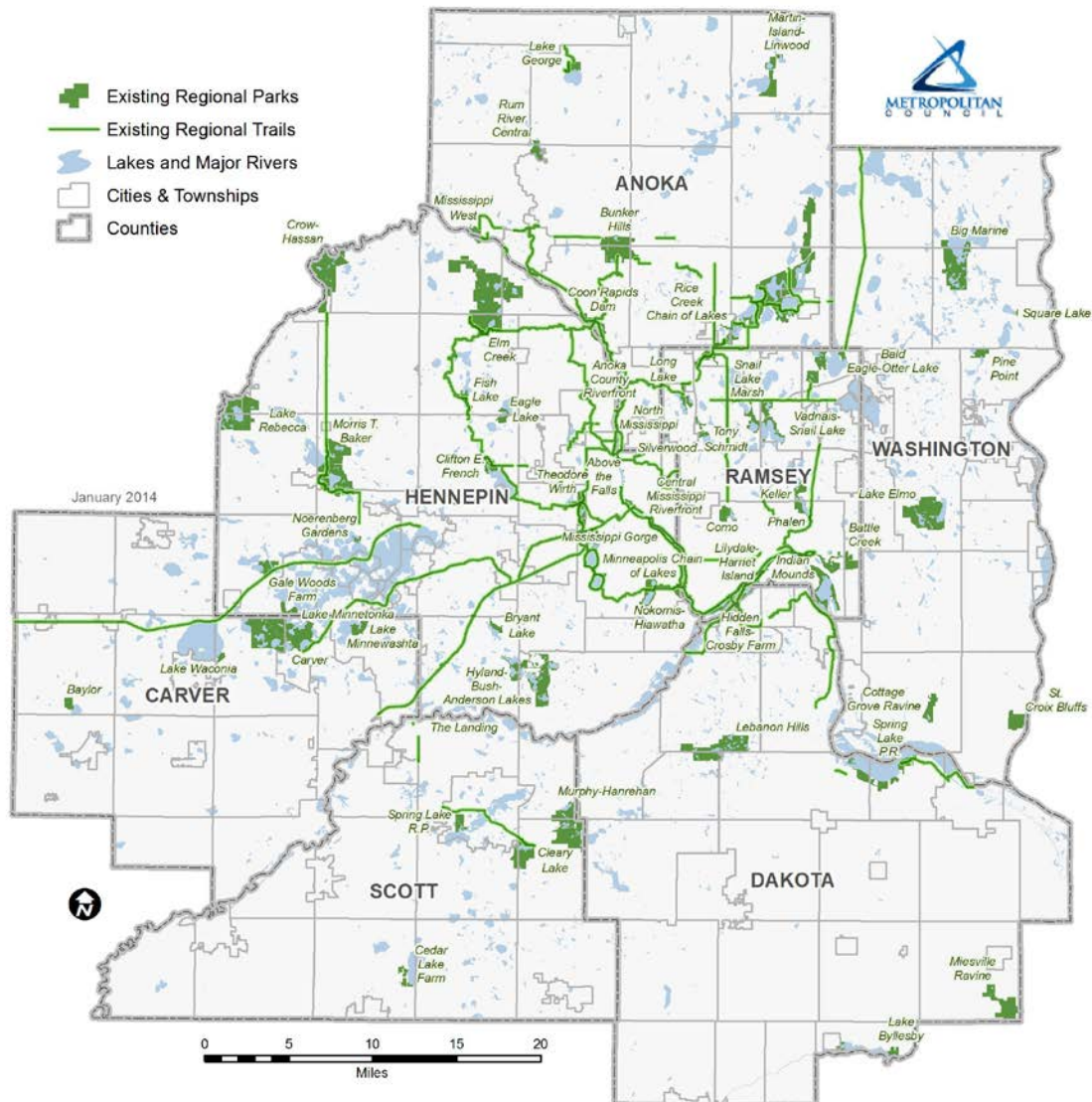
Council Members Chair – Susan Haigh

| | | | |
|-------------------|----------------------|-------------------|---------------------|
| 1 Katie Rodriguez | 5 Steve Elkins | 9 Edward Reynoso | 13 Richard Kramer |
| 2 Lona Schreiber | 6 James Brimeyer | 10 Marie McCarthy | 14 Jon Commers |
| 3 Jennifer Munt | 7 Gary L. Cunningham | 11 Sandy Rummel | 15 Steven T. Chávez |
| 4 Gary Van Eyll | 8 Adam Duinink | 12 Harry Melander | 16 Wendy Wulff |

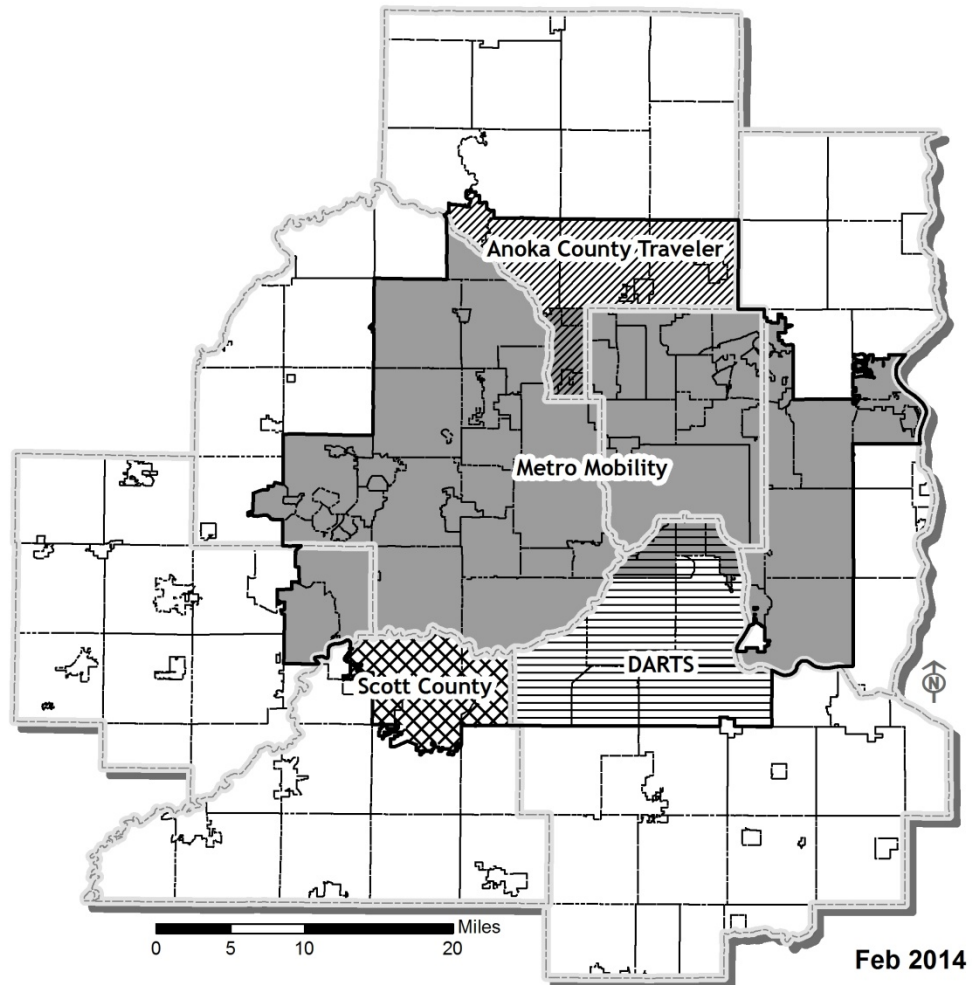


* For some programs, the Metro HRA service jurisdiction is expanded.

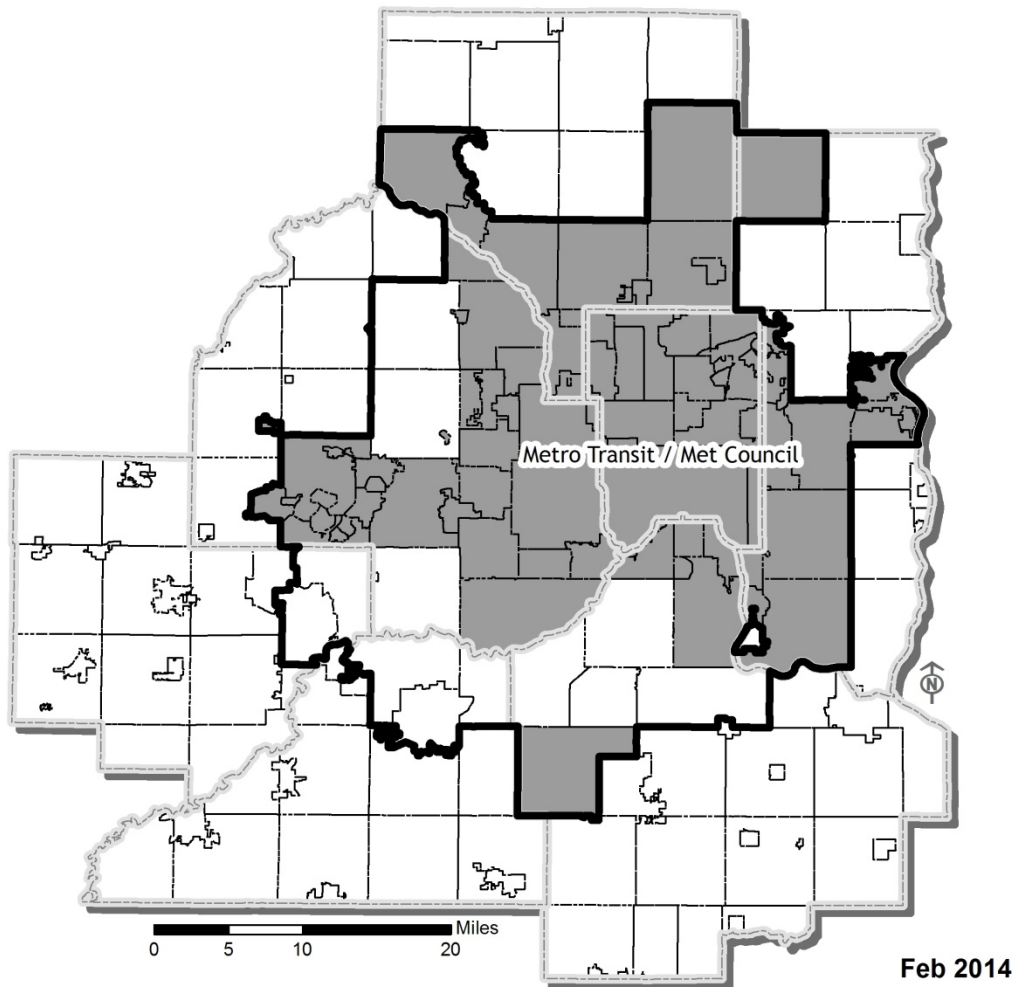
Regional Parks and Trails



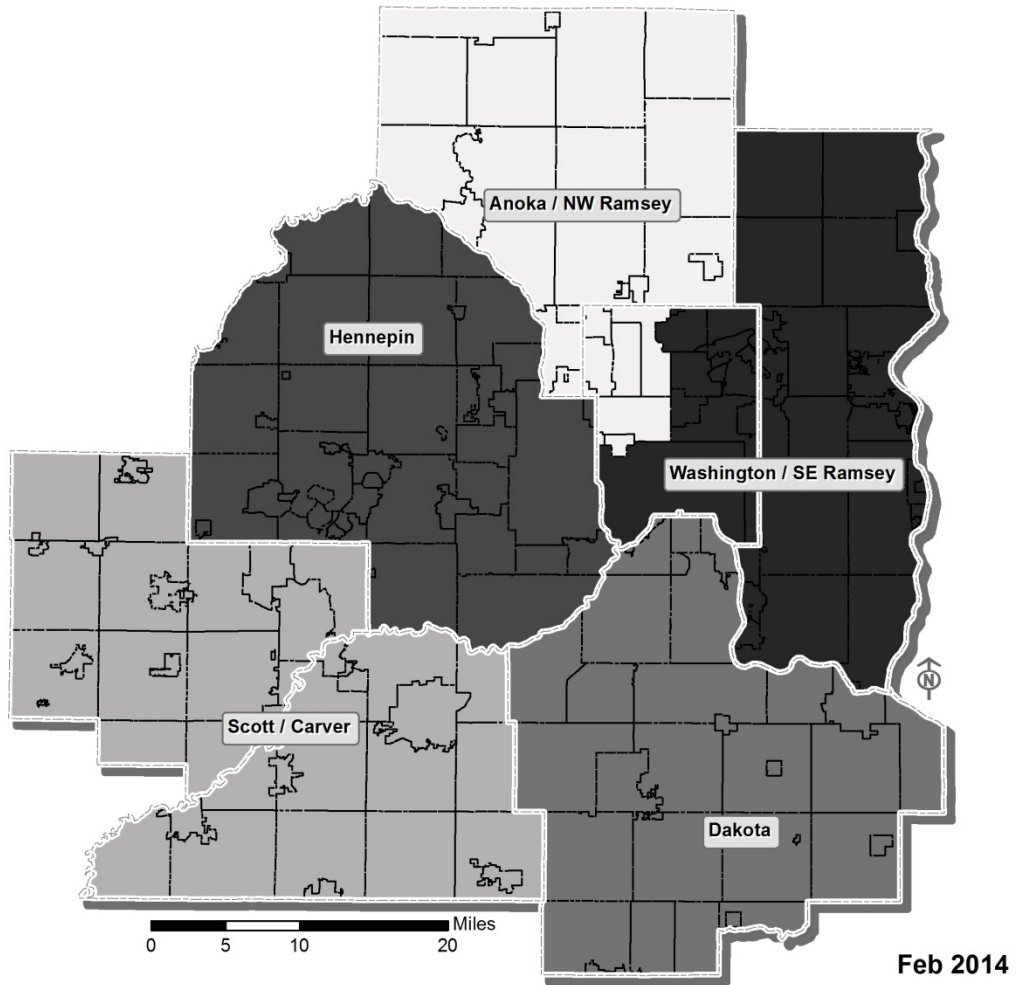
Metro Mobility and Other ADA Services



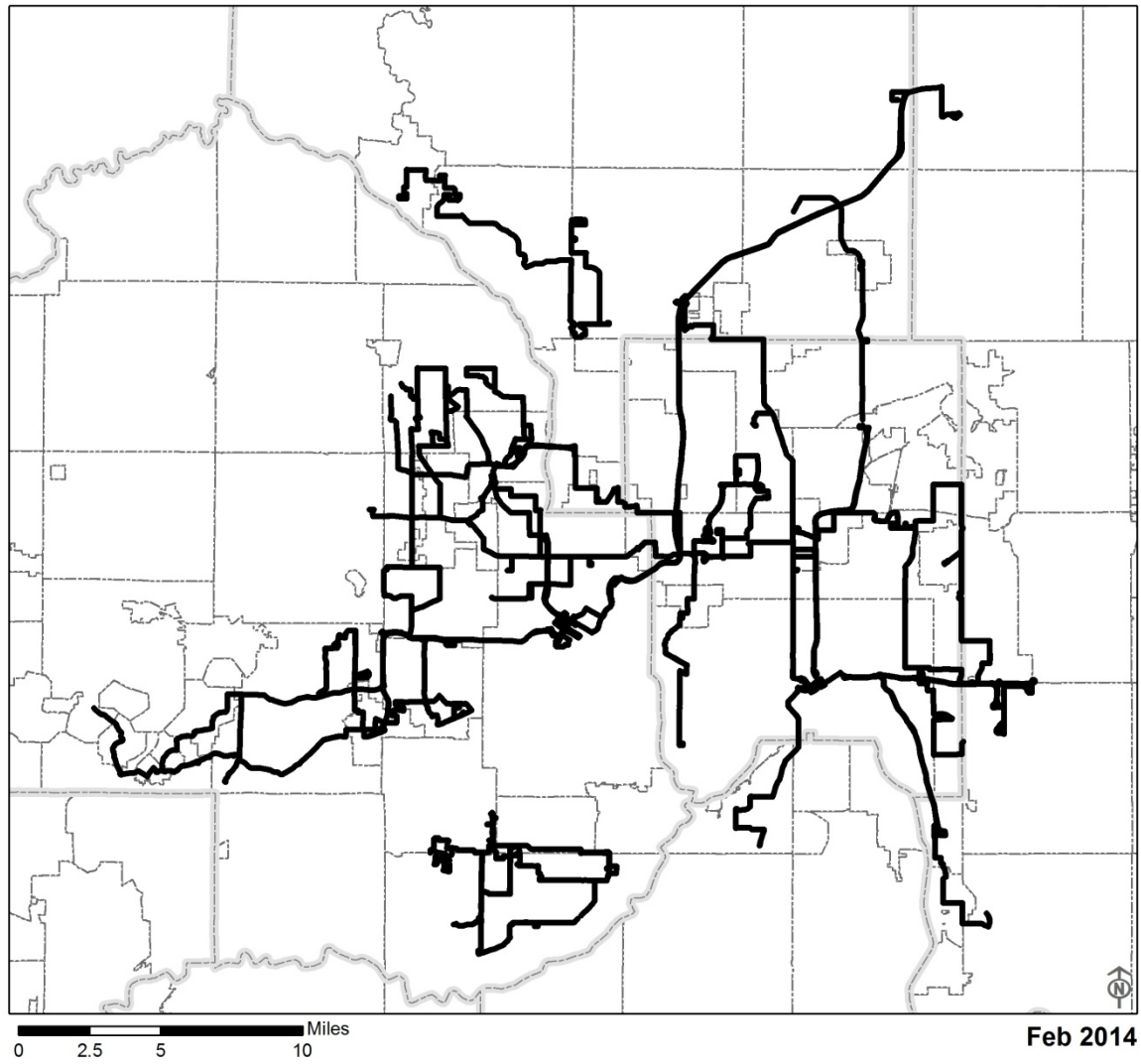
Metro Transit / Met Council Service Area



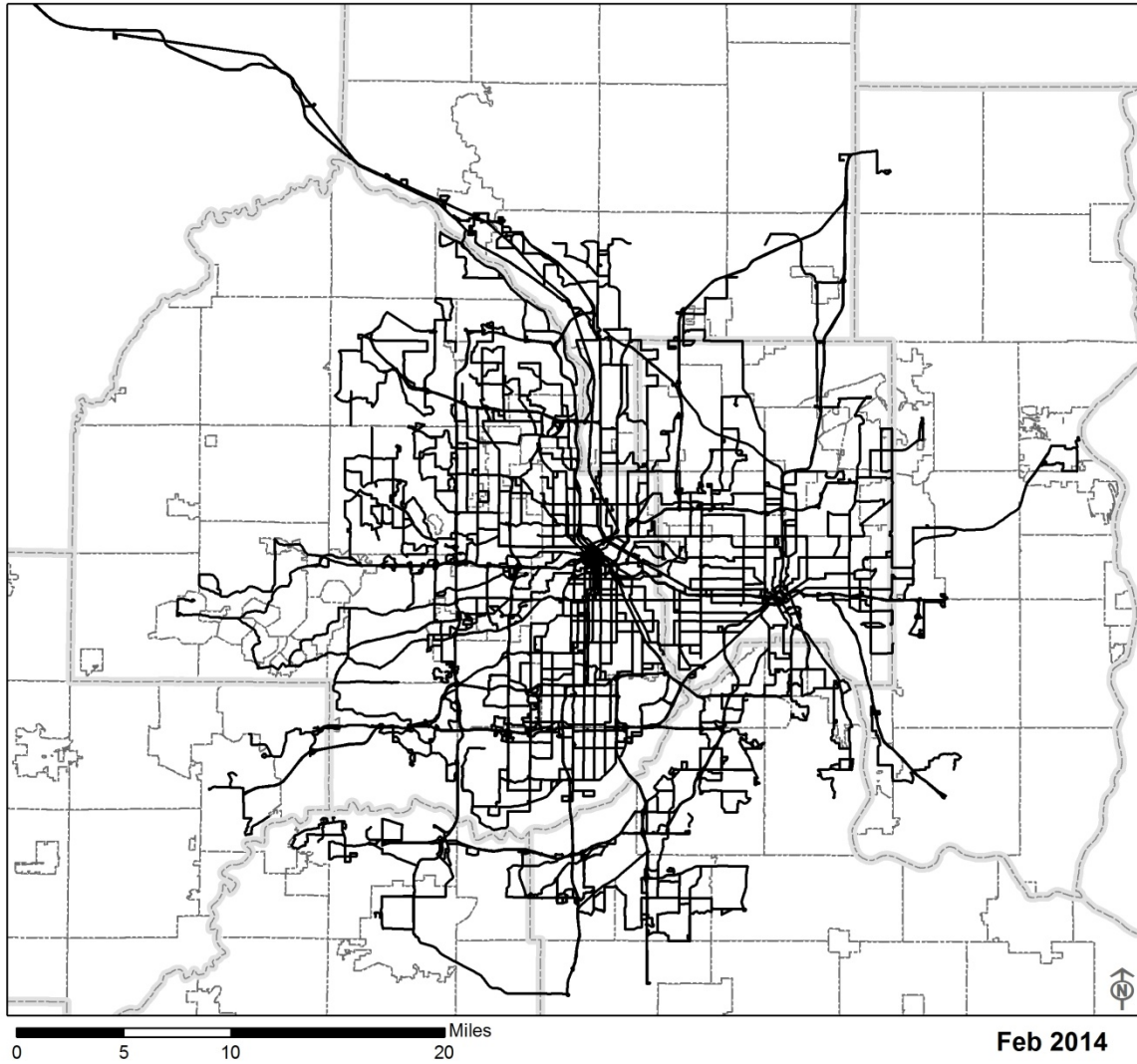
Transit Link Dial-a-Ride Service Areas



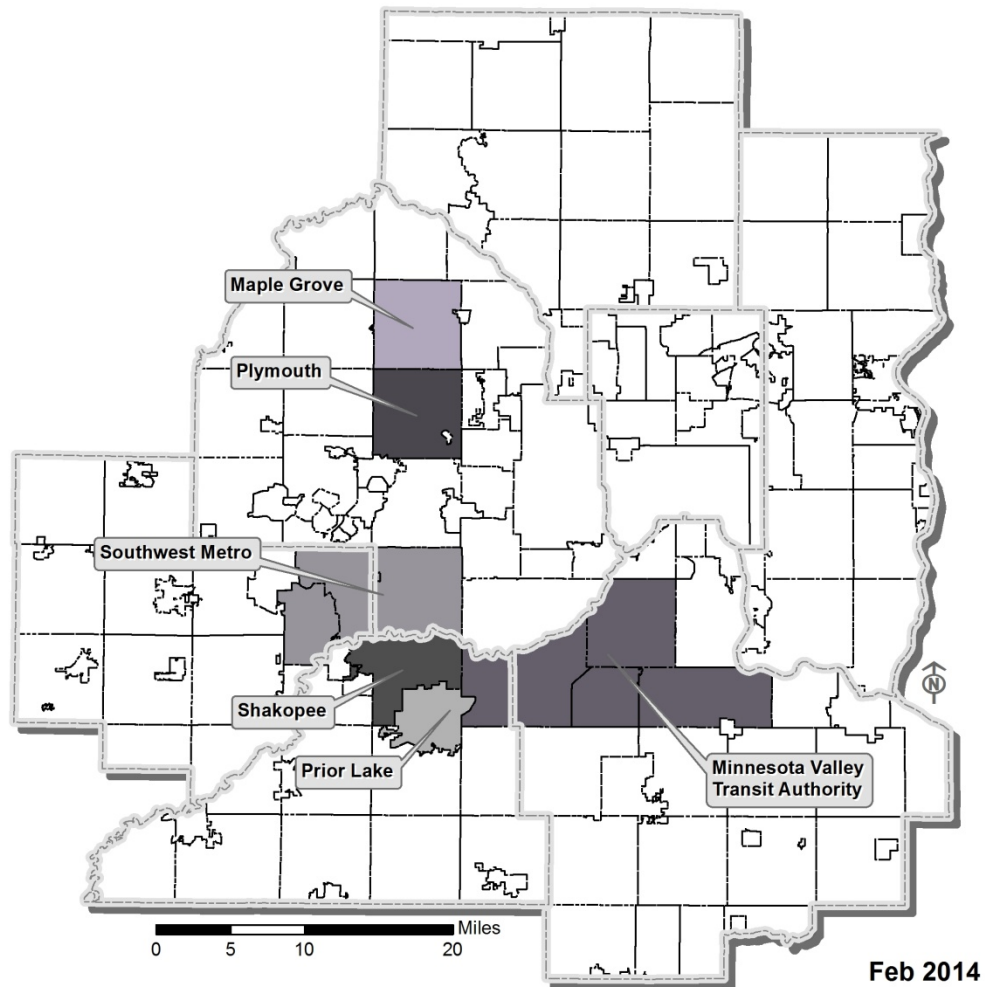
Privately Contracted Regular Route Transit



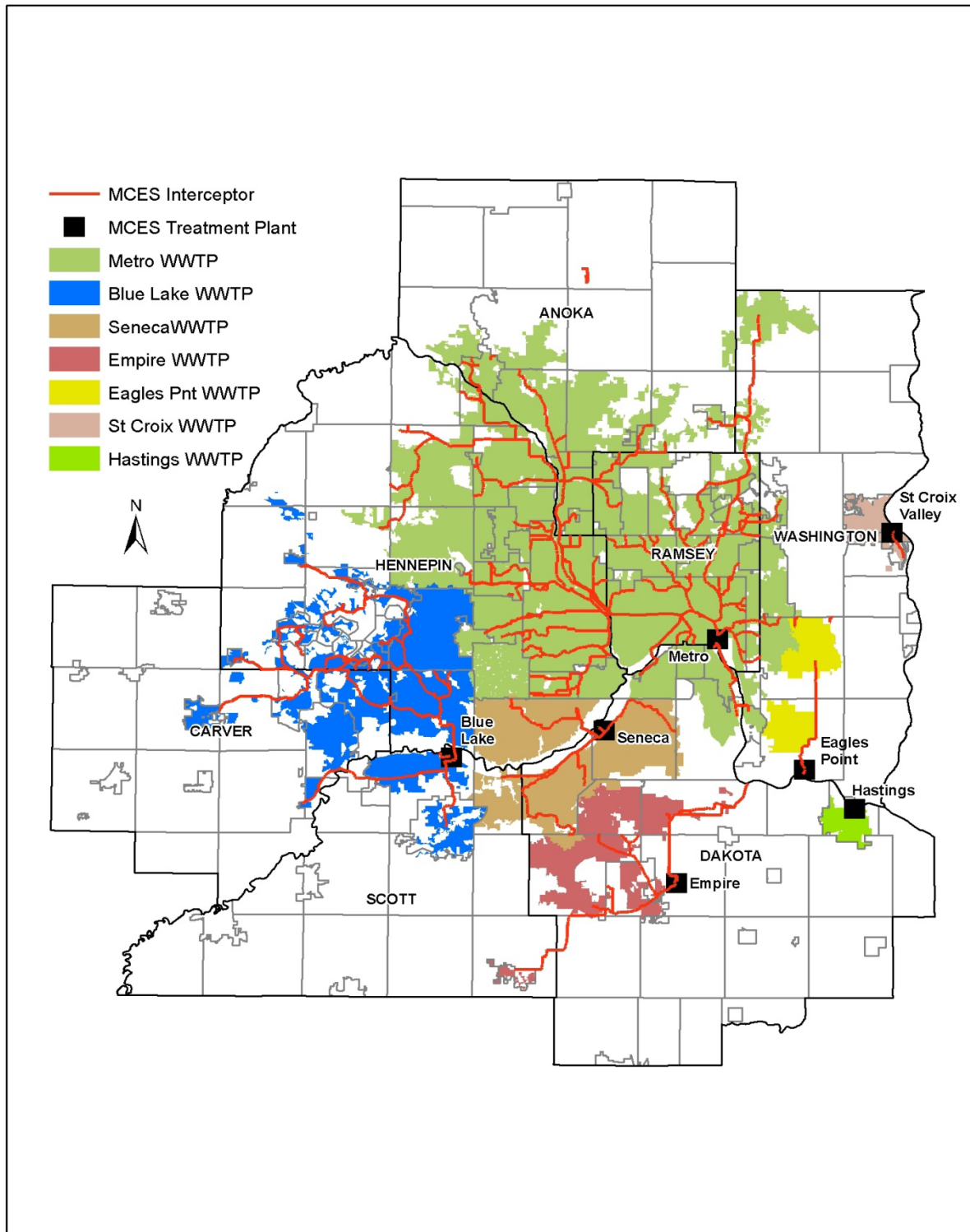
Metropolitan Area Regular Route Transit Service



Suburban Transit Providers



Environmental Services Wastewater Treatment Plants and Interceptors



Metropolitan Council 2013 Performance Evaluation Report

Metropolitan Council

2013 Budget Summary

| | REGIONAL ADMINISTRATION/COMMUNITY DEVELOPMENT AND HRA OPERATING ONLY | | | ENVIRONMENTAL SERVICES DIVISION INCLUDING DEBT SERVICE | | | TRANSPORTATION DIVISION OPERATING ONLY | | |
|---|--|--|----------------------------------|--|--|----------------------------------|--|--|----------------------------------|
| | BUDGET | (Unaudited) Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE | BUDGET | (Unaudited) Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE | BUDGET | (Unaudited) Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE |
| Revenues: | | | | | | | | | |
| Property Taxes..... | \$ 10,668,120 | \$ 10,893,633 | \$ 225,513 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal Revenue..... | 6,628,444 | 3,988,348 | (2,640,096) | - | - | - | 9,958,555 | 10,239,571 | 281,016 |
| State Revenue..... | 125,685 | 134,891 | 9,206 | 1,781,402 | 2,419,908 | 638,506 | 268,311,408 | 263,216,408 | (3,095,000) |
| Local Revenue/Other Gov't Revenue..... | 86,000 | 111,199 | 25,199 | - | - | - | 22,597,733 | 21,730,988 | (866,745) |
| ES Fees..... | - | - | - | 222,295,786 | 220,891,178 | (1,404,608) | - | - | - |
| Fares & Related Revenue..... | - | - | - | - | - | - | 103,628,712 | 105,825,918 | 2,197,206 |
| Interest..... | 798,348 | 429,306 | (369,042) | 700,000 | 779,707 | 79,707 | 920,024 | 1,721,955 | 801,931 |
| Other Revenue..... | 5,681,770 | 4,600,553 | (1,081,217) | 444,275 | 1,097,783 | 653,508 | 13,766,946 | 859,489 | (12,907,457) |
| Total Revenues..... | \$ 23,978,367 | \$ 20,157,930 | \$ (3,820,437) | \$ 225,221,463 | \$ 225,188,576 | \$ (32,887) | \$ 417,183,378 | \$ 403,594,329 | \$ (13,589,049) |
| Expenditures: | | | | | | | | | |
| Salaries, Wages, & Fringes..... | \$ 33,344,969 | \$ 32,185,758 | \$ 1,159,211 | \$ 63,308,945 | \$ 62,716,227 | \$ 592,718 | \$ 249,190,249 | \$ 233,899,591 | \$ 15,290,658 |
| Consulting & Contractual..... | 15,584,133 | 10,327,580 | 5,256,553 | 18,512,468 | 14,830,388 | 3,682,070 | 13,855,161 | 7,934,458 | 5,920,703 |
| Materials, Chemicals & Supplies..... | 520,378 | 963,243 | (442,865) | 7,070,793 | 8,375,006 | (1,304,213) | 54,198,530 | 46,451,589 | 7,746,941 |
| Chemicals..... | - | - | - | 7,709,110 | 7,303,641 | 405,469 | - | - | - |
| Rent & Utilities..... | 2,915,170 | 2,905,572 | 9,598 | 15,999,364 | 17,345,107 | (1,345,743) | 8,620,552 | 7,882,195 | 738,357 |
| Printing..... | 295,390 | 189,122 | 106,268 | 53,042 | 34,870 | 18,172 | 444,532 | 426,817 | 17,715 |
| Travel..... | 462,338 | 419,595 | 42,743 | 358,522 | 261,816 | 96,706 | 501,451 | 387,577 | 113,874 |
| Insurance..... | 125,000 | 111,654 | 13,346 | 989,094 | 1,057,444 | (68,350) | 5,112,490 | 3,436,210 | 1,676,280 |
| Operating Capital..... | 1,669,350 | 477,070 | 1,192,280 | 2,933,436 | 1,702,212 | 1,231,224 | 68,820 | 69,384 | (564) |
| Debt Service Expense..... | - | - | - | 100,245,000 | 100,245,000 | - | - | - | - |
| Other Expense..... | 4,237,375 | 3,129,224 | 1,108,151 | 2,096,190 | 2,708,583 | (612,393) | 29,790,540 | 36,197,473 | (6,406,933) |
| Transit Programs..... | - | - | - | - | - | - | 65,305,959 | 61,936,061 | 3,369,898 |
| Total Expenditures..... | \$ 59,154,103 | \$ 50,708,818 | \$ 8,445,285 | \$ 219,275,964 | \$ 216,580,304 | \$ 2,695,660 | \$ 427,088,284 | \$ 398,621,355 | \$ 28,466,929 |
| Operating Income/(Loss)..... | \$ (35,175,736) | \$ (30,550,888) | \$ 4,624,848 | \$ 5,945,499 | \$ 8,608,272 | \$ 2,662,773 | \$ (9,904,906) | \$ 4,972,974 | \$ 14,877,880 |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers from..... | \$ 34,665,761 | \$ 32,468,551 | \$ (2,197,210) | \$ 253,850 | \$ 28,567 | \$ (225,283) | \$ 20,055,150 | \$ 24,614,681 | \$ 4,559,531 |
| Transfers To..... | (2,797,484) | (1,563,600) | 1,233,884 | (12,366,130) | (11,460,340) | 907,790 | (23,130,697) | (18,992,012) | 4,138,685 |
| Total Other Financing Sources (Uses)..... | \$ 31,868,277 | \$ 30,904,951 | \$ (963,326) | \$ (12,114,280) | \$ (11,431,773) | \$ 682,507 | \$ (3,075,547) | \$ 5,622,669 | \$ 8,698,216 |
| Surplus/(Deficit)..... | \$ (3,207,459) | \$ 354,063 | \$ 3,661,522 | \$ (6,166,781) | \$ (2,823,501) | \$ 3,345,280 | \$ (12,980,453) | \$ 10,595,643 | \$ 23,576,096 |



390 Robert Street North
Saint Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org

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