

# 2014 PERFORMANCE EVALUATION REPORT

*REPORT TO THE MINNESOTA LEGISLATURE*



**METROPOLITAN**  
C O U N C I L

April 2015

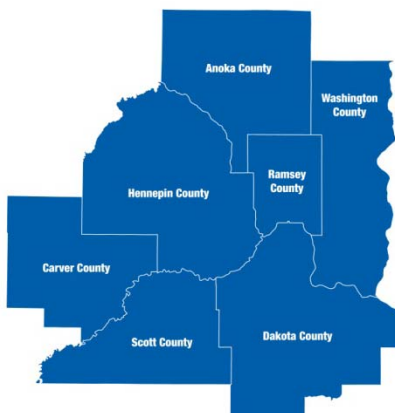
The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region.

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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 2014. 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, participating communities in the Council's Livable Communities program, the Metro HRA service area, Regional Parks and Trails, transit routes and service areas, the sewer service network and a 2014 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 nearly 3 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 over 3.6 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 4,100 employees and annual operating expenditures of approximately \$618 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	16%	19%
Transportation	75%	72%
Community Development/Regional Administration	9%	9%
Total	100%	100%

### Major Functions

The **Community Development Division** comprises two departments. The Regional Planning Department includes the functions of regional parks system and open space planning, regional policy and research, and planning assistance to local communities.

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 an average of 250 million gallons of wastewater daily at eight regional treatment plants. Serving more than two million residents of the seven-county area, MCES provides cost-effective wastewater service to 108 communities. The MCES mission is “to provide wastewater services and integrated planning to ensure sustainable water quality and water supply for the region.”

### Overview of the Council’s Performance

In 2014, the Metropolitan Council made significant progress in a number of areas that support the region’s economic vitality and environmental sustainability:

- Adopting the Thrive MSP 2040 regional vision and the first Housing Policy Plan in 30 years
- Moving several key transitway projects forward, including opening the region’s second light rail transit service, the METRO Green Line
- Reducing purchased energy use in the wastewater collection and treatment system by 21% since 2006
- Conducting groundbreaking research on use of regional parks by communities of color
- Completing a key study on groundwater sustainability in the northeast metro
- Investing regional funds in affordable housing, connected development
- Contaminated land cleanup for economic development, and more.

### Adopting Thrive MSP 2040

State law requires the Council to adopt a long-range plan for the seven-county Twin Cities region every 10 years. Thrive MSP 2040 is the vision for the seven-county region. It reflects regional concerns and aspirations, anticipates future regional needs, and addresses our responsibility to future generations.

It sets the policy foundation for the systems and policy plans that are developed by the Council: the Transportation Policy Plan, Water Resources Policy Plan, and Regional Parks Policy Plan; and the Housing Policy Plan.

### Livable Communities Act Grants

In the 2014 funding cycle, the Council will award up to \$21.6 million in Livable Communities grants. The grants support revitalization of brownfields for job creation; transit-oriented development; and affordable housing.

Since 1995, the Council has awarded 876 grants totaling \$307 million to build or rehabilitate nearly 20,000 affordable housing units; clean up 2,100 acres of polluted

land, creating or retaining 41,000 jobs; and support development of transit-oriented, connected land uses. The grants have leveraged billions of dollars in other public and private investments.

### **Adoption of the New Housing Policy Plan**

The Council adopted a new regional Housing Policy Plan, its first in nearly 30 years. The plan establishes the Council's broad housing policy direction for the coming decades. It will assist local communities throughout the region to plan for and create housing options that give all people, no matter their life stages or economic means, viable choices for safe, stable, and affordable homes.

### **Highest-Possible Ranking for Metro HRA**

In 2014, the Council's Housing and Redevelopment Authority (Metro HRA) earned the highest ranking possible for program operation from the U.S. Department of Housing and Urban Development (HUD) for the 10th straight year. This 2014 ranking is for the calendar year 2013.

HUD and Congress use 14 indicators to measure and grade the performance of housing agencies that administer the Section 8 Housing Choice Voucher program. Working with landlords and program participants, Metro HRA ensured effective and efficient service. The result is that the Council is able to maximize the number of households served with rent assistance.

### **Regional Parks Continue to Be a Top Metro Attraction**

Twin Cities metro area residents love their parks. The number of annual visits to regional parks grew 3.3% from 2012 to 2013 (the latest figure available), reaching 47.3 million. For context, the Mall of America receives about 40 million annual visits.

### **Two Parks and 15 Miles of Regional Trails Opened**

Whitetail Woods Regional Park northeast of Farmington in central Dakota County and Kingswood Special Recreation Feature managed by Three Rivers Park District in the City of Minnetrista were opened for public use in 2014. An additional 15 miles of regional trails were opened to extend 12 trails with segments ranging from 0.2 to 3.2 miles in the Counties of Anoka, Carver and Ramsey, plus suburban Hennepin County.

### **Region's Second Light Rail Transit Line Launched**

To link downtown Saint Paul and Minneapolis, the University of Minnesota, the Midway area and State Capitol area by light rail, the Council finished construction and, on June 14, opened the METRO Green Line—on time and on budget. The opening brought all-day, frequent rail service to one of the busiest transit corridors in the Twin Cities.

Average weekday ridership is around 37,000, exceeding the 2015 ridership goal in the first few months, with some days reaching 41,000 rides, which exceeds the 2030 ridership goal. Including routes 16 and 94, ridership in the Central Corridor has nearly

doubled from the previous year. Several connecting bus routes were also improved to allow for easier transfers to and from Green Line stations.

### **Transit Ridership Keeps Growing**

Despite low gas prices, total annual Metro Transit ridership will grow to more than 84.5 million in 2014, a 33-year high. Average weekday ridership on all modes was 8.4% higher than 2013. Ridership has grown for nine of the last ten years and each of the last six. Ridership is at its highest level since 1981, when there were 90.5 million rides. Ridership is up 21% since 2005.

### **New Park & Ride Continues Commitment to Sustainability**

A new Park & Ride in Brooklyn Park came as the latest sign of Metro Transit's continuing commitment to sustainability. The 1,000-space Park & Ride at Highway 610 and Noble Parkway features a geothermal heating and cooling system, electric vehicle charging stations, and a solar array that offsets energy use at the site. Metro Transit also became one of 12 transit agencies to earn Gold Level certification through the American Public Transportation Association's Sustainability Commitment program.

### **Advancing METRO Green Line Extension Project**

In an important step towards extending the METRO Green Line from Minneapolis to St. Louis Park, Hopkins, Minnetonka, and Eden Prairie, the Council received municipal consent from all five cities and Hennepin County. The Council also secured 85% (\$705 million) of the local funding commitment, which is more than the 70% local funding commitment that the Federal Transit Administration looks for before approving the project's entry into Engineering. That approval is expected in 2015. In 2014, engineers completed 30% design plans, and the Council issued an RFP for the Advanced Design Consultant and prepared for award of the contract.

### **Snelling Avenue BRT A Line Construction Under Way**

The Council approved plans for the region's first arterial Bus Rapid Transit Line. Named the A Line, it will run on Snelling Avenue and Ford Parkway between the Rosedale Transit Center in Roseville and the METRO Blue Line's 46th Street Station in Minneapolis. The line will include 20 enhanced stations, faster and more frequent bus service, and specialized train-like features that make boarding more efficient.

### **Metro Mobility Technology Projects**

Metro Mobility completed a multi-year Mobile Data Computer (MDC) installation project on its fleet in 2014. MDCs provide real-time, up-to-date schedule information for drivers, dispatchers, and customers. This project improved on-time performance and increased the number of riders served per hour while managing an 8.5% ridership increase from 2013 to 2014.



## **Savings Achieved in Energy and Money**

The Council's Environmental Services (MCES) division saved \$4.7 million in 2014 energy purchases for wastewater treatment, compared to 2006. The savings result in lower wastewater rates for city and industrial customers, as well as significant environmental benefits. MCES is continuing its energy conservation and renewable energy projects that generate energy to be used onsite. MCES is on track to meet its 25% purchased energy reduction goal by 2015, having reduced purchased energy 21% (220,000 MMBTU) by end of 2014. This 21% reduction equates to 65 million kilowatt hours.

## **Sewer Rates Kept Competitive**

MCES provides wastewater treatment services to 108 municipalities in the seven-county area at wholesale rates. In turn, those municipalities bill the households and businesses within their boundaries for the wastewater treatment services received, at an average annual rate of \$255. This \$255 retail sewer rate compares favorably to an average rate of \$393 reported by 24 similarly sized wastewater treatment "peer" agencies in the U.S., according to the most recent survey (2011) by the National Association of Clean Water Agencies (NACWA).

## **Wastewater Treatment Protects Public Health and the Environment**

MCES treats approximately 250 million gallons of wastewater from more than two million residents daily. This cleaned water is discharged to our rivers or used to recharge the groundwater. Six MCES wastewater treatment plants earned national awards for five years or more of perfect discharge permit compliance through 2013 and awarded in 2014: Hastings (23 years); St. Croix Valley (22 years); Seneca (13 years); Blue Lake (8 years); Eagles Point (8 years); and Empire (6 years). These compliance records are among the highest in the nation.

## **Seeking Solution to 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. In 2014, the Council completed a study of alternatives for ensuring the sustainability of water resources in the northeast metro area.

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

## 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) Regional Planning and (2) Housing and Livable Communities.

The Regional Planning Department includes three units:

UNIT	CORE ACTIVITIES
<b>Regional Parks and Natural Resources</b>	Develop the Regional Parks Policy Plan and implement the plan by providing planning coordination and capital improvement grant administration for the Regional Parks System. 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. Protect the region's investment in the Regional Parks System through the review of local comprehensive plans and environmental studies.
<b>Local Planning Assistance</b>	Implement the Metropolitan Land Planning Act through the <i>Metropolitan Development Guide</i> and its policy plans. Provide planning and technical assistance and foster cooperative relationships with local governments and other organizations to achieve local and regional goals. Accomplish this responsibility through the Sector Representative Program and review of local comprehensive plans, plan amendments, and environmental reviews; and coordination of policy outreach efforts through the Land Use Advisory Committee.

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<b>Regional Policy and Research</b>	Manage large regional policy initiatives, such as <i>Thrive MSP 2040</i> and the <i>2040 Housing Policy Plan</i> , and collect and disseminate data and analysis about the demographics and development patterns on the Twin Cities.
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The Housing and Livable Communities Department includes two units:

UNIT	CORE ACTIVITY
<b>Livable Communities</b>	Implement the Livable Communities Act and its three funding accounts to provide grants to participating communities. Support the planning and development of affordable and lifecycle housing in the region. Help fund Transit-Oriented Development.
<b>Metropolitan Council Housing and Redevelopment Authority (Metro HRA)</b>	Administer rent assistance programs for low-income seniors, families, individuals and households with disabilities. Manage the Family Affordable Housing Program

### Regional Parks and Natural Resources

The Regional Parks and Natural Resources unit is responsible for the development and implementation of the Regional Parks Policy Plan, with the advice of the Metropolitan Parks and Open Space Commission (MPOSC). The MPOSC provides recommendations to the Metropolitan Council regarding its reviews of park master plans, the capital improvement program for the Regional Parks System, and the distribution of park grants. The Regional Parks and Natural Resources unit also protects the Regional Parks System through the review of local comprehensive plans and environmental studies for consistency with the Regional Parks Policy Plan.

In 2014, the Regional Parks and Natural Resources unit:

- Developed the 2040 Regional Parks Policy Plan in collaboration with the Metropolitan Parks and Open Space Commission, regional park implementing agencies, and other partners and stakeholders. This process included conducting community engagement activities throughout the region to inform the development of the plan.
- Conducted research with more than 300 people of color to better understand preferences and barriers to regional park and trail visitation and presented the research findings at statewide conferences, associations and other venues.
- Provided information, oral testimony and conference committee input at the Legislature on behalf of the Metropolitan Council regarding:
  - \$4 million appropriation of State bonds that partially financed the Metro Council's 2014-15 Regional Parks Capital Improvement Program. This appropriation was matched with \$2.66 million of Metro Council bonds. To date, these funds have financed 16 capital improvement grants for projects that are consistent with park and trail master plans that the Metro Council has approved.

- \$1.5 million appropriation from the Environment and Natural Resources Trust Fund (ENRTF) as recommended by the Legislative Citizens Commission on Minnesota Resources (LCCMR). This appropriation was matched with \$1 million of Metro Council bonds. It is used to acquire land containing high-quality natural resource features that have been approved by the LCCMR as part of the work plan for the appropriation. The ENRTF appropriation, plus Metro Council bonds finance up to 75% of the acquisition cost for parcels in the work plan.
- 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*. The Regional Parks System draws more than 47 million annual visits.
- Reviewed master plans or master plan amendments for the following regional parks and trails:
  - Above the Falls Regional Park (Minneapolis Park & Recreation Board)
  - Anoka County Riverfront Regional Park (Anoka County)
  - Bruce Vento Regional Trail (Saint Paul)
  - Chain of Lakes-Bald Eagle Regional Trail (Anoka County)
- Authorized grants as follows:
  - Awarded grants financed with \$15,257,000 of FY 2015 Parks and Trails Legacy Fund appropriations for projects that support the Metropolitan Regional Park System.
  - Authorized four land acquisition grants that totaled just over \$3.1 million from the Park Acquisition Opportunity Fund to partially finance the acquisition of 186 acres. 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.
  - Authorized \$5,254,000 in grants from the Regional Parks Capital Improvement Program, which is financed with State and Metropolitan Council bonds.
  - Amended the scope of six grants to maximize the use of existing grant funds within the Regional Parks System.
- Evaluated Regional Solicitation applications for federal Transportation Alternative Program grants.

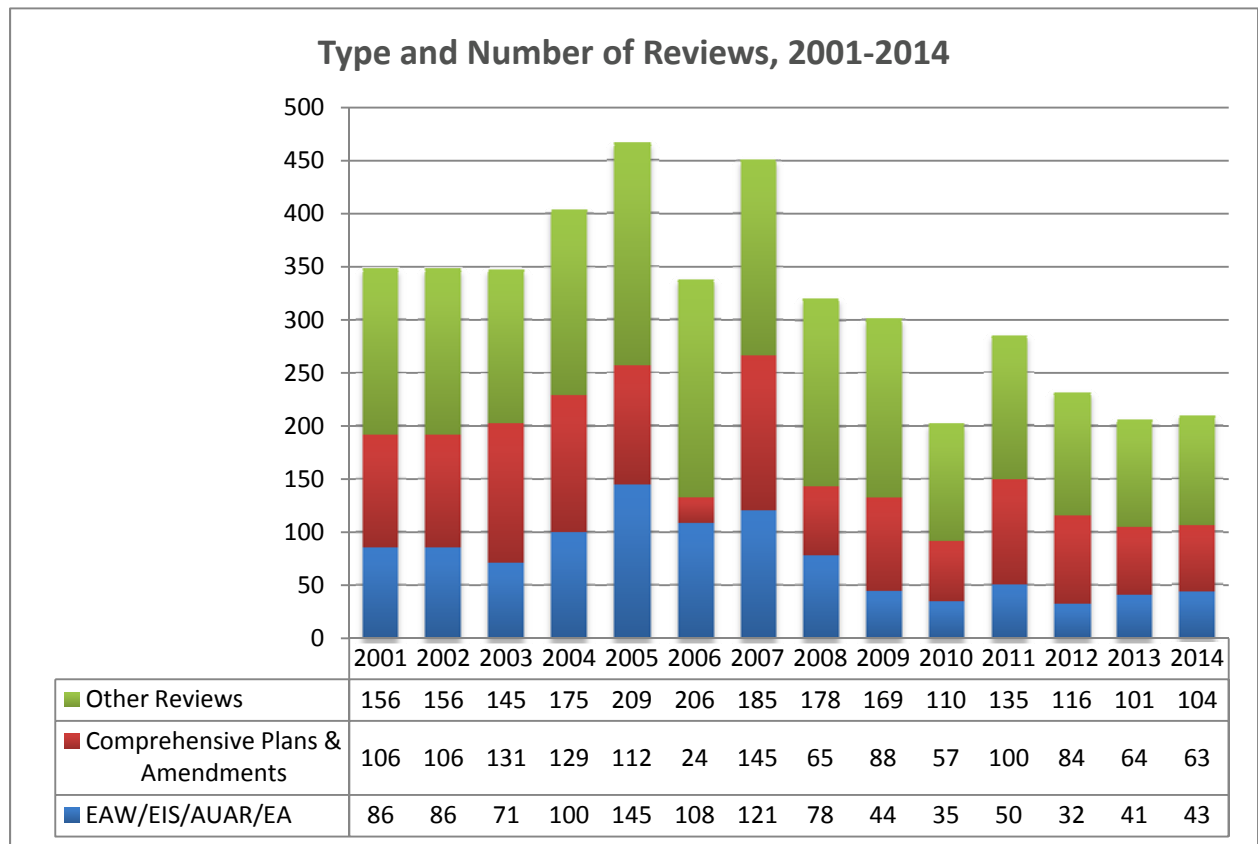
## Local Planning Assistance

In 2014, the Local Planning Assistance unit:

- Coordinated 210 reviews to determine their conformance to the regional systems, consistency with Council policy, and compatibility with adjacent community plans, including:
  - Reviews of comprehensive plans including amendments, and environmental reviews such as environmental assessment worksheets (EAWs), alternative urban area-wide reviews (AUARs): 63 reviews of comprehensive plan updates and amendments, and 43 environmental reviews.
  - Continued work with the small staff at each of the two remaining communities needing to complete their 2030 comprehensive plan updates.
  - 104 reviews of NPDES Permits, U.S. Army Corps of Engineers #404 Permits, wastewater and surface water discharge permits, and other types of reviews.
- Provided technical planning assistance and resources to local community elected and appointed officials and local planning staff through the Council's Sector Representative Program.
- Completed significant work on the updated *Local Planning Handbook*, which guides local governments regarding local comprehensive planning requirements and connects them to additional resources. Work completed this year included building a new online platform, developing system requirements for online plan submittal, and began assembling an extensive resource library.
- 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 bi-monthly 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, and assisted in shaping new technical resources under development for the updated *Local Planning Handbook*.
- Transitioned the Council's Reviews Database, which includes records of all of the Council's official reviews since 1967, to a new system that is integrated with the staff workload management software and online review submittal currently under development.
- 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 45 developing communities.

- Prepared a report on the Metropolitan Agricultural Preserves program, monitoring enrollments in the region.
- Coordinated with Minnesota Department of Natural Resources staff on streamlining shared review of Critical Area plans as part of the Critical Area rulemaking process.

The chart and accompanying table show the number and type of planning assistance reviews and referrals administered by the Council from 2001 through 2014.



## Regional Policy and Research

In 2014, the Regional Policy and Research unit:

- Released a draft of *Thrive MSP 2040* for public comment, received written comments and testimony at two public hearings from 132 individuals and organizations, and finalized *Thrive MSP 2040* for Council adoption in May 2014.
- Released a draft of the *2040 Housing Policy Plan* for public comment, received written comments from 77 individuals and organizations, heard testimony from 22 individuals at the public hearing, and finalized the *2040 Housing Policy Plan*, the Council's first Housing Policy Plan since 1985, for Council adoption in December 2014.
- Released *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.

- Released draft local forecasts, developed with the Council's new land-use forecasting model, of households, population, and jobs for local government comment. Finalized local forecasts for 2040 for Council adoption in May and forecasts for 2020 and 2030, after an additional round of local comment, for Council adoption in October 2014.
- Developed forecasts of population, households and employment for transportation analysis zones within cities and worked with Metro Transit project offices to invite comments from local government officials.
- Produced annual estimates of populations and households per Minn. Stat. 473.24.
- Released nine issues of *MetroStats*, Internet-based publications that incorporate enhanced graphics and focused analysis to disseminate Research data.
- Disseminated data from two American Community Survey releases, including consistently posting data on the Council's website within 12 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, nonprofit partners, the media, and the public.
- Released a commissioned report on housing implications of demographic change.
- Conducted annual surveys on building permits (97% response rate), affordable housing production (85% response rate), group quarters (67% response rate), and manufactured home parks (90% response rate).
- Maintained up-to-date data in the Council's Data+Maps website, including tabular geospatial data.
- Completed the organization, scanning and classification of historical building permit, affordable housing, group quarters and manufactured housing park surveys to facilitate ease of access and reduce space needs.
- Provided extensive data to inform the Green Line Extension application to the Federal Transit Administration (FTA) for New Starts funding and initiated a project to institutionalize the collection, maintenance, and dissemination of data to both monitor development and disseminate demographic data on station areas along transitways to inform future applications to FTA for New Starts and Small Starts funding.

### **Livable Communities**

In 2014, 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. A 95<sup>th</sup> city, Chanhassen, joined the program in late 2014.

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 2014, the Livable Communities Program unit:

- Awarded 22 Tax-Base Revitalization Account (TBRA) grants totaling \$5.8 million to help clean up polluted land in eight communities: Brooklyn Center, Edina, Fridley, Hastings, Minneapolis, Saint Louis Park, Saint Paul, and White Bear Lake.
- Awarded eight Livable Communities Demonstration Account (LCDA) grants totaling \$7.5 million to help projects in six communities: Apple Valley, Carver, Hastings, Minneapolis, Roseville, and Saint Paul. The funded 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 nine grants from the Local Housing Incentives Account (LHIA) totaling \$1.5 million to help preserve or build affordable housing in six cities: Lakeville, Minneapolis, Ramsey, Roseville, Saint Paul, and Waconia.
- Awarded 16 Transit Oriented Development (TOD) grants totaling \$7.1 million in five communities, through the LCDA and TBRA programs, Hopkins, Minneapolis, Ramsey, St. Louis Park, and St. Paul. The funded projects will help promote higher density projects within easy walking distance of a major transit stop that will typically include a mix of uses oriented to the transit stop.
- Collectively, the 2014 Livable Communities grants are expected to:
  - create or retain 1,600 jobs
  - leverage \$629 million in private funds and \$162 million in other public funds
  - add or preserve over 1,450 housing units, 840 of which will be affordable at 60% of Area Median Income
  - cleanup 119 acres of polluted property to prepare it for redevelopment
- Reviewed 17 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.

## **Metropolitan Council Housing and Redevelopment Authority**

In 2014, 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 2014, the HRA unit:

- Provided Section 8 vouchers to 6,205 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 640 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 98% 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 legislatively mandated regional development framework called *Thrive MSP 2040*.

Specifically:

- Plan and invest in multi-modal transportation choices.
- Focus highway investments on preserving, operating and managing the existing system, and on slowing the growth of congestion.
- Encourage growth and density along transitway corridors.
- Encourage travel-demand management strategies.
- Encourage local communities in the urbanized area to implement a system of fully interconnected arterial and local streets, pedestrian pathways and bikeways.
- Promote the development and preservation of various freight modes.
- Support airport facilities investments.
- Serve the region’s economic prosperity through investments that attract and retain successful businesses and a talented workforce.
- Connect residents of all races, ethnicities, income and abilities to opportunities.

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 metropolitan area federal Transportation Improvement Program (TIP), 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, light-rail transit service, and commuter rail transit service.
- Operates Metro Mobility, the region's ADA transit service. 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 private companies and two counties.
- Operates contracted regular-route transit services, a network of routes operated by private 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.

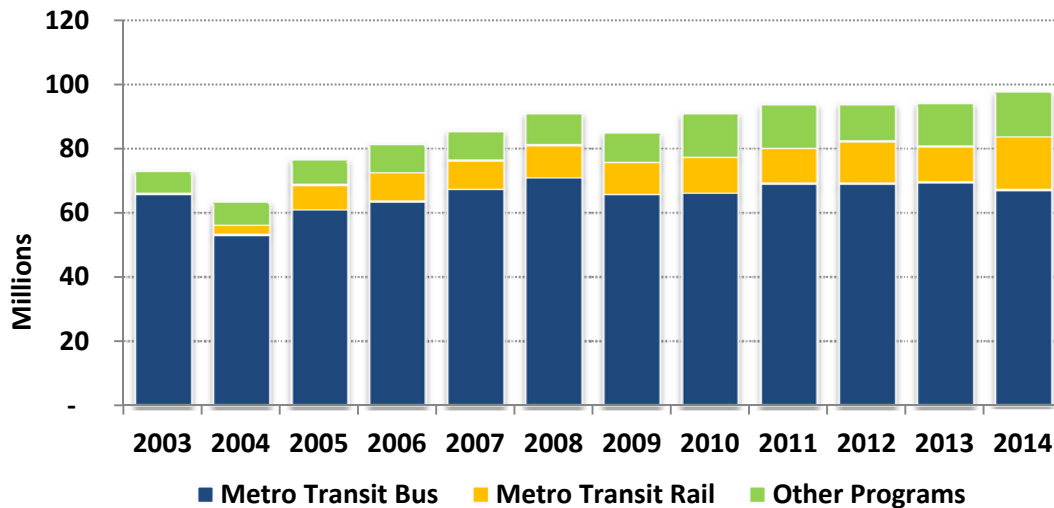
The region also has transit programs not affiliated with the Metropolitan Council. The University of Minnesota operates all-day intercampus transit service for students, faculty, employees, and the general public. The system is integrated with the regional regular-route network and interchanges passengers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

### **Regional Transit Ridership**

Regional transit ridership in 2014 was up 3.5% in the seven-county metro area. Total transit ridership in the region in 2014 was 97.6 million rides. The region's largest provider, Metro Transit, experienced a nearly 4% increase.

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.

### Regional Transit Ridership, 2003-2014



## 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, 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 funds.

## Transportation Policy Plan

Federal regulations require the Council to prepare a long-range transportation plan, which must be updated every four years. 2014 work followed the adopted *2030 Transportation Policy Plan (TPP)*. The *2040 Transportation Policy Plan* was prepared in 2013-14 for adoption in January, 2015. Key work during 2014 included working with a policymaker task force and a partner agency work group to develop investment plans for highways, transit, aviation and bicycles/pedestrians. The plans are based on goals, objectives, and strategies developed in 2013. The draft plan was released for public comment in mid-2014 and revised based on the comments received prior to adoption.

### 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 2014, the 2015-2018 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 Thrive MSP 2040 and the *2030 Transportation Policy Plan*.

- During 2014, Council staff coordinated with MnDOT's Metro District on a number of highway planning studies, especially 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, 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 moratorium on the use of the RALF fund was lifted in early 2014 after the Council completed a review of the program and determined that loans that have been made through the program have had positive benefits. Future loans will be more focused on acquiring right of way for projects consistent with the TPP.

### 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 completed a Highway Transitway Corridor Study examining the potential for bus rapid transit (BRT) in eight regional highway corridors and the results were included in the 2040 TPP. The study analyzed transit demand and the feasibility of implementing frequent, all-day service with BRT characteristics.
- The Council continued to participate with MnDOT, transit providers, cities, and the county regional railroad authorities during 2014 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), Orange Line (I-35W South) Robert Street, Nicollet-Central, and Midtown. New studies begun in 2014 include Riverview, Rush Line and W Broadway corridors.
- The Council also participated in intercity passenger rail studies, including Zip Rail and the Minneapolis/Saint Paul – Milwaukee High-Speed Rail.

### 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 2040 Transportation Policy Plan and 2015-2018 Transportation Improvement Program (TIP) was completed to ensure the construction of Plan and TIP projects would not violate federal air quality standards.

In 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.
- Work began on responding to proposed more stringent federal ozone standards. The Council participated in the state Climate Strategies and Economic Opportunities work group and the Thrive work group on Climate Change and began work to integrate climate change mitigation and adaptation planning into transportation planning.

### 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 (TAB) for federal transportation funding through adoption of the TIP. This includes three programs: Surface Transportation Program (STP), Transportation Alternatives Program (TAP) and Congestion Mitigation and Air Quality (CMAQ) Program.

In 2014, the Council's TAB programmed projects selected for 2017 for the Transportation Alternatives Program and for Congestion Mitigation and Air Quality-funded transit projects. The TAB initiated an evaluation of the regional solicitation process in 2013 and work continued into 2014. After completion of the evaluation, a new solicitation was held in fall 2014 for transportation projects to be funded in 2018-19. These applications will be evaluated early in 2015, and projects selected will be incorporated into the 2016-2019 TIP.

### 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 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 *transportation policy plan*.

In 2014:

- Work continued on responding to requests for forecast travel-demand data and providing assistance and model review to consultants, agencies and local

governments. Council staff also worked with consultants on several regional-scale highway and transit projects that required forecasts, including the Southwest, Bottineau, Rush Line, Riverview, Red Line, Orange Line, Red Rock, and Gateway transitway corridors and the I-94, I-35E, I-35W, I-494, TH 169 MnPASS and highway 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, estimating, validating, and implementing a next-generation Activity-Based travel demand model. The new model will be released in 2015 and will continue to be developed and improved.
- Work began on planning for the next Travel Behavior Inventory. In 2015 this will involve a study to evaluate the TBI's structure, funding, frequency, and composition. Work on the 2016 transit on-board study will begin in 2015.

### **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.

2014 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 2015-2021 Capital Improvement Program for MSP and MAC's reliever airports.
- Participated in the Master Plan Advisory Group for the South Saint Paul Master Plan Update. The Council adopted this plan in fall, 2014 for inclusion in the 2040 TPP.

### **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. In 2014 Prior Lake and Shakopee developed a merger plan with MVTA.

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.

### **Contracted Regular Routes**

Contracting regular-route service is most beneficial in situations where a smaller 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.

### **Metro Mobility Program Evaluation**

This section responds to Minn. Stat. 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 2014 Metro Mobility ridership was 1,977,205, an increase over 8% from 2013. Metro Mobility ridership has increased over 56% in the past eight years. Efforts to manage the ADA budget have been somewhat 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. As a result of this program Metro Mobility saw improvements in on time performance and productivity with a minimal increase in complaints.

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.

In 2014 Metro Mobility implemented Phase II of the project. In Phase II real time schedule information became available to riders. This interactive voice response (IVR) system sends riders reminder messages about trips scheduled for the following day, as well as imminent arrival messages to alert riders when the vehicle is 10 minutes away from picking them up. In addition customers are able to get an email confirmation when their trips are scheduled or cancelled. This program began on a voluntary basis in July 2014.

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. The electronic fare readers have been installed on all Metro Mobility vehicles.

### **Program Redesign**

In 2014 Metro Mobility staff completed a one-year analysis and study of the Metro Mobility Service Delivery model. Since 1993 Metro Mobility has used two large “core contractors” and smaller county- based programs to deliver service. The two “core” contracts were competitively procured while the smaller “county” contracts were either sole source or intergovernmental agreements. In 2014 there were five different providers of Metro Mobility Service. This included Anoka County Traveler (contracting to with a private provider), SmartLink in Scott and Carver Counties and DARTS in Dakota County until November 2014. These three entities accounted for approximately 10% of the Metro Mobility service.

In order to provide better customer service, reduce duplication and improve efficiency, in 2014 Metro Mobility proposed a new operating model. In mid-2015 Metro Mobility will move from two core contractors and three small county contractors to three large contractors. The service areas are designed to be roughly the same geographic size and honor current travel patterns. All three contracts will be competitively procured. The new service model will begin in June 2015 with the final implementation completed in August 2015.

One of the key components of this plan is the elimination of transfer rides. Under the current system, a customer traveling between a core contractor and a county contractor is likely to transfer vehicles and contractors to complete their trip. Under the new model, the transfer between contractors is eliminated.

### **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 all same-day trip requests. The change was made to ensure that drivers and dispatchers stay focused on delivering quality service to pre-scheduled riders on Metro Mobility. 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 just over 17,000 trips in 2013. The demand for this service increased again in 2014. Through November 24,846 same day trips were provided with an estimated year-end 2014 total of over 26,000. The Council's cost per trip is \$9.19. At the writing of this report, December 2014 data is not yet available.

### Estimated Total Number of Potential and Actual Riders Who Are Disabled

Metro Mobility's customer base is all persons having a mobility-related disability, as defined by the Department of Transportation's American's with Disabilities Act, within the transit taxing district as it existed on March 1, 2006, although some individuals may have such a severe disability that the Metro Mobility service is not able to meet their transportation needs. With the aging of the baby-boom 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 Metro Mobility transported 18,973 certified riders. There are over 45,000 registered ADA riders with Metro Mobility. In 2014 ridership again outpaced the report estimates that were done in 2005. 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*. 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 2014 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 an 8.5% increase in revenue hours. Revenue hours paid to our contractors and fuel account for the majority of the Metro Mobility budget. 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 third year in a row, actual ridership in 2014 outpaced the HIGH ridership growth projection for 2014.

**Metro Mobility Ridership Analysis and Projections**

<b>Year</b>	<b>Metro Mobility Actual Ridership</b>	<b>Actual Ridership Percent Change</b>	<b>2004 Analysis Projected LOW Ridership Growth</b>	<b>Percent Difference LOW vs. Actual</b>	<b>2004 Analysis Projected HIGH Ridership Growth</b>	<b>Percent Difference HIGH vs. Actual</b>
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	1,977,205	8.67%	1,579,505	-20.11%	1,769,173	10.52%
2015			1,595,994		1,814,207	

A factor that could push ridership higher in the future is an expected population increase within 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.

## Metropolitan Council 2014 Performance Evaluation Report

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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 a 26% increase 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, 2014

<b>State General Fund Appropriation</b>	87.6%
<b>Passenger Fares</b>	11.8%
<b>Other Revenues</b>	0.1%
<b>Investment earnings</b>	0.6%
<b>TOTAL</b>	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, slowing the rate of operational cost increases.

### Metro Mobility Cost Estimates, 2012-2015

	<b>Baseline Year 2012</b>	<b>12.5% Increase* 2013</b>	<b>12.5% Increase 2014</b>	<b>10.0% Increase* Proposed 2015</b>	<b>10% Increase* Proposed 2016</b>
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	\$46.5M	\$50.0M	\$53.8M

\* 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 80% of rides are taken on the agency's buses and 20% on trains.

Its 3,134 employees transport customers more than 289,000 times each weekday with service on 132 local, express and contract bus routes, as well as the METRO Blue Line, METRO Green Line and the Northstar Commuter Rail Line.

Metro Transit's fleet includes 905 buses, 86 light-rail rail cars, 18 commuter rail cars and six locomotives.

Metro Transit expects to achieve this goals set in the Council's 2040 Transportation Policy Plan 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 *2040 Transportation Policy Plan*.

### **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

Bolstered by the highly successful opening of the METRO Green Line along the University Avenue Corridor, Metro Transit closed 2014 with more than 84.5 million rides, which represents an increase over 2013 of 3.9%, or 3.1 million more rides. Total ridership for 2014 represents the highest number of rides given in more than three decades. It also represents the fifth straight year of ridership growth.

Ridership highlights from 2014 include:

- Metro Transit provided 84.5 million total rides in 2014, the highest total since 1981. There were 67.8 million total bus rides, 16 million total light-rail rides and 721,000 total commuter rail rides.
- Metro Transit provided an average of 289,000 rides per day in 2014.
- Ridership growth can be attributed largely to the opening of the METRO Green Line, connecting downtown Minneapolis and Saint Paul with service to the University of Minnesota and the State Capitol.
  - Average weekday ridership on the METRO Green Line was 34,548. Projected ridership for 2030 is nearly 41,000.
  - Ridership on the METRO Green Line and the reduced-service local and express routes has doubled since the corridor was served by buses alone.

Overall ridership also benefited from several large events, including the 2014 All-Star Game at Target Field, which is served by two light rail lines, commuter rail and several bus routes. About 25% of fans took transit to Minnesota Vikings games this season – twice the number from previous years.

### Rail Service

#### The METRO Green Line

The 11-mile line that runs along University and Washington avenues between downtown St. Paul and downtown Minneapolis via the East and West Bank campuses of the University of Minnesota opened to service on June 14, 2014. The METRO Green Line and its operators provided more than 34,500 rides on the average weekday. That figure is just 5,500 rides shy of projected weekday ridership of nearly 41,000 by 2030.



The METRO Green Line is made up of 23 stations, including five stations shared with the METRO Blue Line in downtown Minneapolis. While ridership remained strong all along the METRO Green Line, it was particularly robust on the University of Minnesota campus. East Bank Station, at the heart of the U of M's main campus, had 690,169 total boarding and an average of 3,871 boardings per weekday.

Not only were more people moving along the University Avenue Corridor, they did so more efficiently. Previously, buses made 519 trips daily on routes 16, 50 and 94. Now with the Green Line in service, there are about fewer than 230 daily Green Line trips and 220 bus trips along routes 16 and 94 (bus route 50 was eliminated).

During construction of the Green Line, 134 businesses opened along the corridor, compared with 90 that closed. Employment along the line is projected to grow by more than 90,000 by 2030, bringing total employment in the area to nearly 375,000. 126 development projects, representing more than \$2.8 billion in investment, have been built or are being planned within a half-mile of the Green Line corridor since engineering work began on the LRT line more than six years ago.

Metro Transit was recognized by Meet Minneapolis with the Innovation in Tourism Award, given to an organization that has developed important tourism infrastructure and contributed to the growth of the hospitality community in the Twin Cities. The award singled out the Green Line. Ridership for Vikings games at TCF Bank Stadium has been strong, with approximately 21% of attendees taking the METRO Green Line.

### **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. Ridership since service first began has now exceeded a total of 100 million, which was celebrated with the community through a social media contest in which riders posted photos and Blue Line memories with the hash tag *#blueline100million*. In 2014, customers rode the METRO Blue Line almost 9.5 million times. Average weekday ridership, was more than 27,600 rides, continuing a trend of exceeding projections for the year 2020 by 25%.

The light rail system includes a fleet of 86 vehicles that are powered by an overhead catenary system. When the trains are coupled three-in-a-row during especially busy times or during special events, they have the ability to carry 600 passengers. They can operate on either the Green or Blue Lines, but in general there are 39 trains in service on the Green Line and 33 on the Blue Line. The trains generally run on 10-minute schedules throughout most of the service day.

Along the 12-miles that make up the Blue Line, there are 2,800 park-and-ride spaces and 19 stations, including the five shared with the Green Line. Blue Line Service connects downtown Minneapolis with the Mall of America in Bloomington and the two terminals at the Minneapolis/Saint Paul International Airport.



### **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 721,214 times in 2014. This is a decrease of about 9% due mainly to on-time performance challenges related to historically severe cold weather in the 2013-2014 winter and large-scale track maintenance to address those challenges.

In December of 2014, a Customer Service Guarantee program was announced to take place in 2015 to help entice riders who had left to return and to bring the option to new potential riders. The program launched at a fortuitous time as on-time performance became significantly better in December, which has carried through the new year.

Northstar service to Twins and Vikings games downtown and other special events continued to be well received by riders. Using a combination of regular-service and special-event trains, Northstar served all home games.

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. Two reverse commute roundtrips are available on weekdays, one in the morning and one in the afternoon. Additionally, 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. The Link also provides service during Twins and Vikings home games.

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, METRO Green 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

### **METRO Green Line extension (Southwest Light-Rail Project)**

The Southwest LRT is an estimated \$1.65 billion light rail project that will serve the communities of Minneapolis, St. Louis Park, Hopkins, Minnetonka and Eden Prairie. Under the current 16-mile route, Southwest trains would serve 17 new stations and by 2030 carry a projected average of 34,000 riders each weekday. Service is scheduled to begin in late 2019. 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 27-mile route.

In 2014, highlights for the Southwest LRT project included approval for various project elements including plans for the westernmost station at Mitchell Road in Eden Prairie and an operations and maintenance facility in Hopkins. Additionally, the five cities along the alignment and Hennepin County gave municipal consent for the project this summer and approved the route through the cities and station locations.

Funding highlights for the project included the Counties Transit Improvement Board committing to funding \$496 million (30%) of the SWLRT project and the Hennepin County Regional Railroad Authority committing to funding \$165 million (10%) of the Southwest LRT Project. The project now has 85% of its local funding commitment, which is more than the 70% required by the Federal Transit Administration before projects can be approved for entry into the engineering phase.

Finally, in December, the Metropolitan Council in December authorized a contract with AECOM to serve as the Advanced Design Consultant on the Southwest LRT Project. AECOM will lead a team of engineering firms to take the project from 30% design detail to 100%.

### **METRO Blue Line extension (Bottineau LRT)**

The METRO Blue Line Extension is an estimated \$1 billion light rail line that will serve the communities of Minneapolis, Golden Valley, Robbinsdale, Crystal and Brooklyn Park. As currently planned, the 13-mile line would serve 10 or 11 new stations and Target Field Station. Planners project that the primarily at-grade double-tracked line will have 27,000 average weekday riders by 2030.

The line will begin revenue service in 2021. When complete, the METRO Blue Line Extension will offer a single-seat ride from the Target North Campus in Brooklyn Park to the Mall of America. A highlight for the Blue Line Extension in 2014 was Counties Transit Improvement Board approval of \$27.6 million toward project development, representing 60 percent of the local commitment to this phase. In the fall of 2013, the Hennepin County Regional Railroad Authority had committed the other 40%, or \$17.4 million.

The project also received federal approval to enter the Project Development phase and to begin designing the line, which will be the region's fourth light rail transit project. By granting the project entry into the New Starts program, the Federal Transit Administration allowed the Blue Line Extension to begin preliminary engineering. The Metropolitan Council will lead the engineering work, while Hennepin County plans for areas near the light rail stations through its Community Works program.

The Metropolitan Council and Hennepin County held several public hearings on the Draft Environmental Impact Statement in cities along the alignment. Other signs of the project's progress included Metropolitan Council approval of KHA as the Engineering Services Consultant and HDR as the environmental consultant on the Blue Line Extension.

### Bus Service

Metro Transit bus ridership remained strong and the pillar of transit with more than 67.8 million rides and a weekday average of 224,208 rides given in 2014. With growing popularity of rail service, bus route schedules allow riders to time their transfers so the different modes can work closely and seamlessly. In fact, about 40% of METRO Blue Line and 30% of METRO Green Line customer transfer to or from a bus during their trip.

In 2014, about 84% of bus trips were on local routes while another 13% were on express routes. To accommodate riders, Metro Transit bus routes have 74 Park and Rides with 15,000 spaces dedicated solely to Metro Transit bus riders.

One highlight on bus service in 2014 was emphasis on bus reliability. There was an average of 7,518 miles between maintenance road calls in 2014, more than double the 2003 average.

Increased fuel efficiency also remained a highlight in 2014, cementing Metro Transit's mission of delivering environmentally sustainable transportation. Efficiency has improved 15% since 2008 with improved performance on diesel buses and the introduction of more hybrids, which now account for 15% of the Metro Transit fleet. In 2015, Metro Transit will further explore feasibility of the use of fully electric buses.

Metro Transit continued efforts to collaborate with the communities we serve, partnering with emergency responders by providing "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.

Work continued in 2014 to bring the A Line (Snelling Avenue Bus Rapid Transit) to fruition. Service is expected to begin in late 2015 within the 20 planned stations connecting light rail with the Snelling Avenue commercial corridor and popular destinations, including Hamline University, Macalester College, Highland Village, Rosedale Shopping Center, Minnehaha Park and Midway Shopping Center.

The A Line will bring bus service every 10 minutes, supplementing local service that will continue every 30 minutes. It is expected that the A Line will provide an average of 8,700 weekday rides. Included in the \$25 million project are \$13 million for stations and \$7 million for buses.

The Orange line Bus Rapid Transit project moved forward in 2014. The partnership between Metro Transit, MnDOT, Hennepin County, Bloomington and Richfield will provide all-day frequent station-to-station express service to 11 stations along a 16-mile route from downtown Minneapolis south to the Burnsville Transit Station. The project is scheduled to open in 2019 with an average weekday ridership of 14,000.

### Customer Service Technology

Use of the agency's website, *metrotransit.org*, remained strong with 7.5 million trips planned using the technology in 2014. Additionally, The NexTrip feature, used to determine real time arrivals, was used by riders 87.6 million times in 2014, an increase

of 78%. Typically, during the weekday rush between 4 p.m. and 5 p.m., 15,000 requests for NexTrip information are made.

Also in 2014, Metro Transit moved forward with plans to develop its own mobile phone app to be delivered in 2015.

For riders who preferred more personal guidance, Transit Experts remained a strong option, with them handling more than 1.2 million calls in 2014.

### **Transit Security**

The Metro Transit Police force grew to 94 full-time officers and 106 part-time officers in 2014. 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 and Green rail lines to check for fare payment and maintain order, uniformed and plainclothes Metro Transit police officers reinvigorated a focus on community policing and beat patrols to reinforce partnerships.

The Metro Transit Police Department now has teams of officers committed to downtown areas in Saint Paul and Minneapolis as well as in the Northside of Minneapolis, a beat which was created in 2014. The teams walk in neighborhoods near Metro Transit stops and stations, visiting with businesses and residents to help address any issues that develop.

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.

Naturally, part of Metro Transit police duties is to ensure that riders on rail lines are compliant with paying fares. In 2014, officers conducted 1.6 million random fare checks and found that more than 99% of those checked had paid their fare.

### **Transit-Oriented Development (TOD)**

The Metro Council has long supported TOD through Livable Communities grants, growth and transportation policies, *Regional Transitway Guidelines* and the *Guide for Transit Oriented Development*. The Council and Metro Transit are being proactive and prioritizing TOD in transit service decision, regional planning, grant making, data collection and technical assistance. Metro Transit's TOD office was fully staffed in the summer of 2014 and provides a first point of contact for developers and cities looking to learn more about TOD.

The TOD office is advised by developers, local government representatives and other partners. It also convenes an internal working group on a regular basis to share information and resources about TOD-related activities. Cross-departmental conversations foster collaborative efforts that allow staff to work with a unified purpose and language regarding TOD.

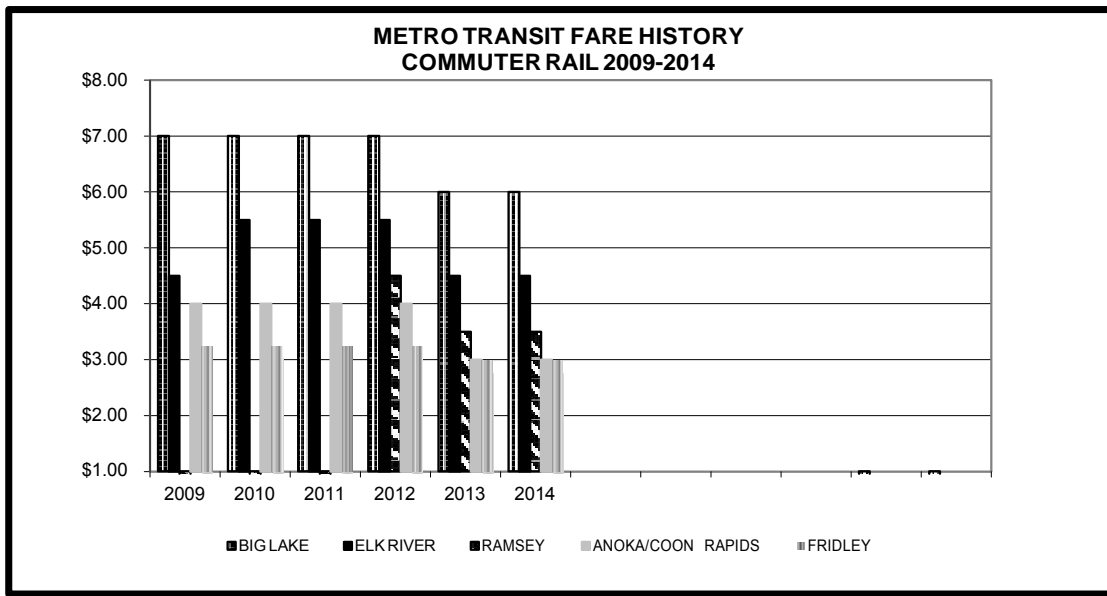
Among the developments along transit routes and railways are:

- \$2.8B in public/private development along the Green Line corridor by the end of 2014; the bulk of that is private. The single largest public project was the renovation of Union Depot (\$243M).
- “Be The Match”: 900 employees in new seven-story, \$60M building across from renovated Ford Center. To be completed in 2015. “Easy access to transit was really important” when searching for new space, CEO Jeffrey Chell said.
- United Properties planning 10-story office building at Target Field Station; break ground in 2015, open in 2016. “This area continues to be one of the most exciting places for next-generation office space in the Twin Cities,” United Properties VP Bill Katter said.
- Nic on Fifth with 250 units; first high-rise luxury development in downtown Minneapolis in 30 years. Available retail at street level. Second platform added to project to make room for more boardings.
- Episcopal Homes serving seniors along corridor, including expanded housing at Midway Village development next to the Fairview Avenue Station. “Residents began using light rail as soon as it opened,” CEO Marvin Plakut said. “People are excited by the freedom that waits right outside their door. Episcopal Homes is the only senior community that can offer it.”
- New Saints stadium in Lowertown will add vibrancy to growing area of Saint Paul.
- Investment expanding to historically de-valued areas, including the 108-unit Hamline Station project that will bring a mix of single and family units to University and Hamline Avenue. Replaces old Midway Chevy dealership.

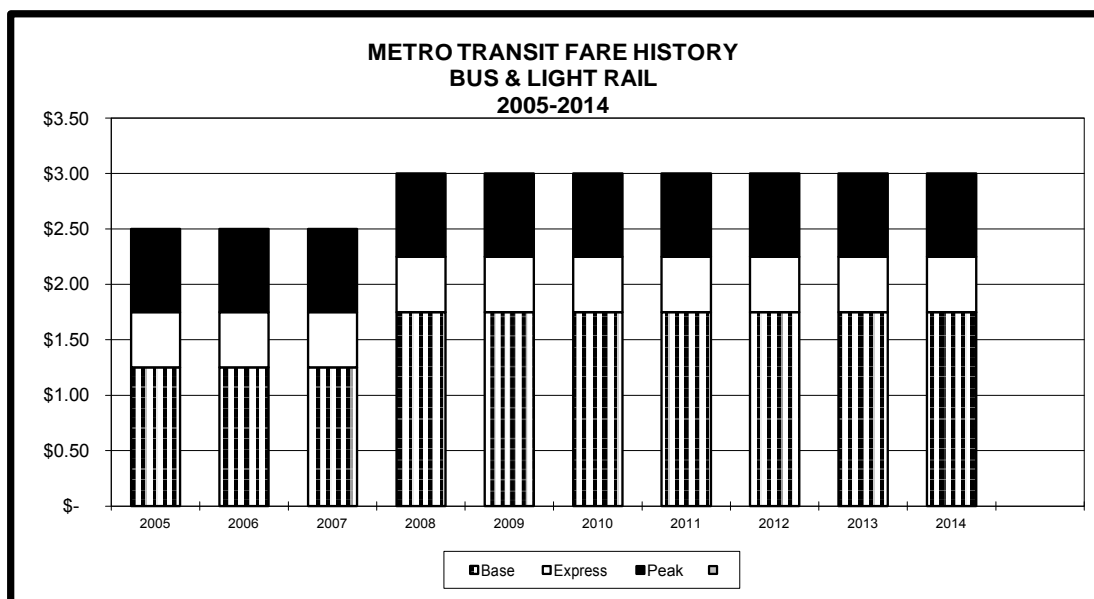
### **Other Metro Transit 2014 Achievements**

- Metro Transit’s Twitter account reaches 10,000 followers
- Metro Transit started sharing photos on Instagram
- A new parking ramp and pedestrian overpass opened at the Northstar Commuter Line’s Anoka Station.
- The METRO Blue Line marked its 10-year anniversary.
- Metro Transit served events throughout All-Star Week, providing around 6,000 rides to and from the All-Star game at Target Field.
- A new State Fair Transit Hub opens on the west side of the fairgrounds, providing customers more convenient access. Record State Fair attendance helps boost ridership 15%, to nearly 512,000 rides.
- APTA awards Metro Transit Gold level status for efforts to conserve energy at facilities and improve fuel efficiency.

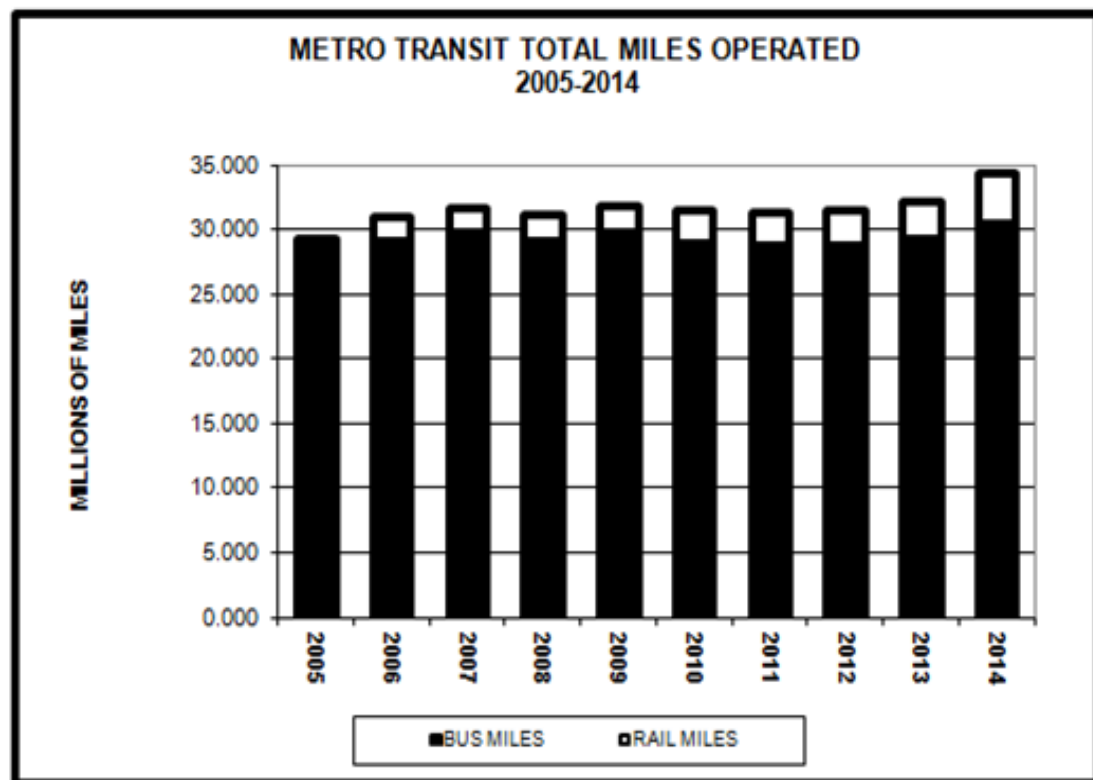
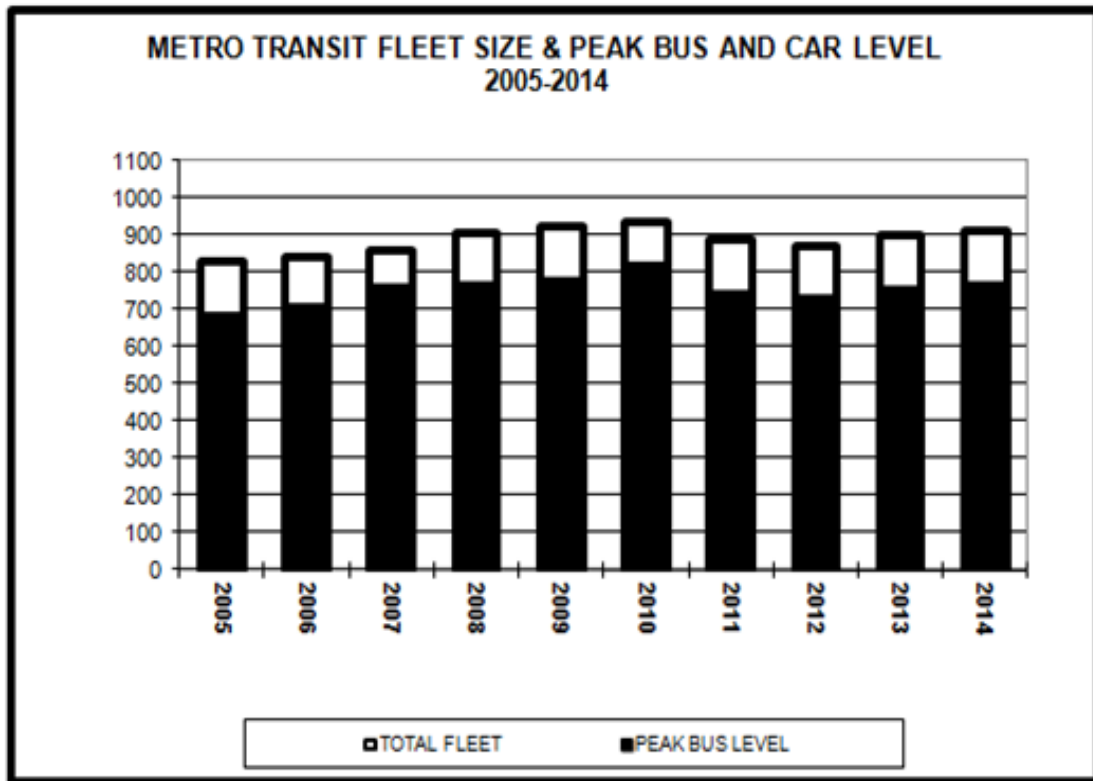
- Rail-Volution brings around 1,400 people to the Twin Cities for a week-long conference on transit oriented development.
- METRO Green Line tops 1 million monthly rides for the first time.



Stations	2009	2010	2011	2012	2013	2014				
BIG LAKE	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 6.00	\$ 6.00				
ELK RIVER	\$ 4.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 4.50	\$ 4.50				
RAMSEY	\$ -	\$ -	\$ -	\$ 4.50	\$ 3.50	\$ 3.50				
ANOKA/COON RAPIDS	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 3.00	\$ 3.00				
FRIDLEY	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.00	\$ 3.00				

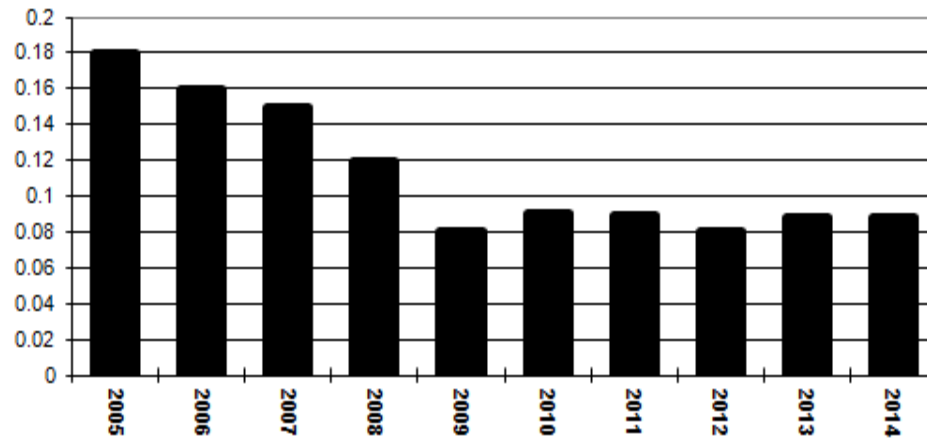


Regular fare	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Base	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Express	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Peak	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75

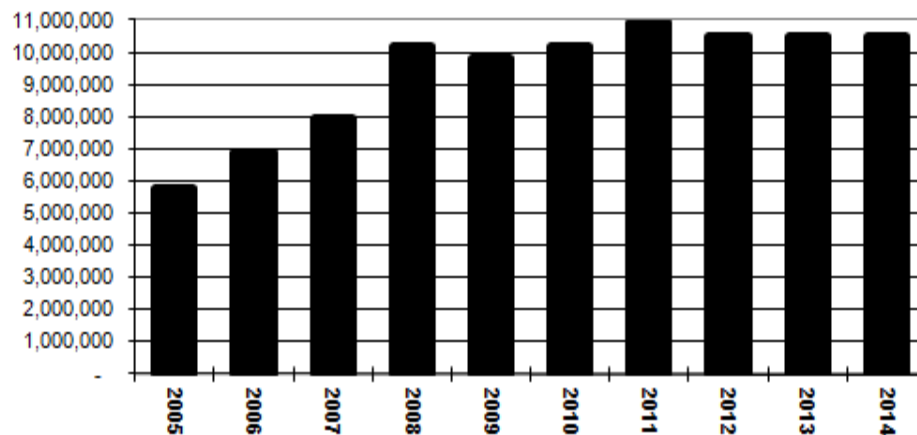


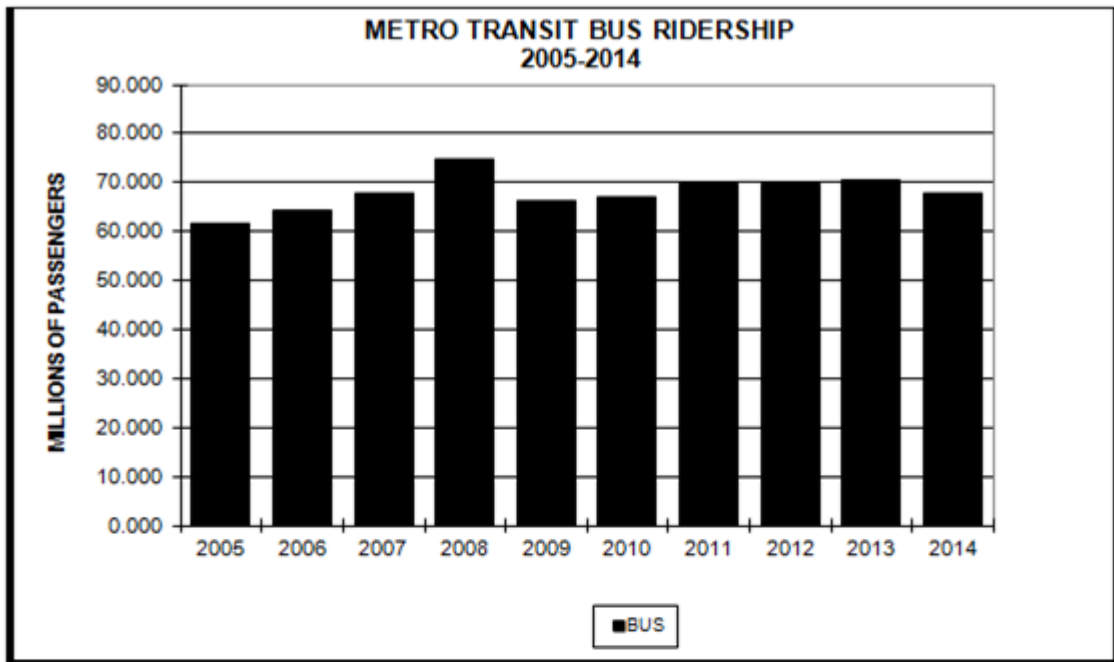


**METRO TRANSIT AVERAGE DAILY TRIPS MISSED  
2005-2014**

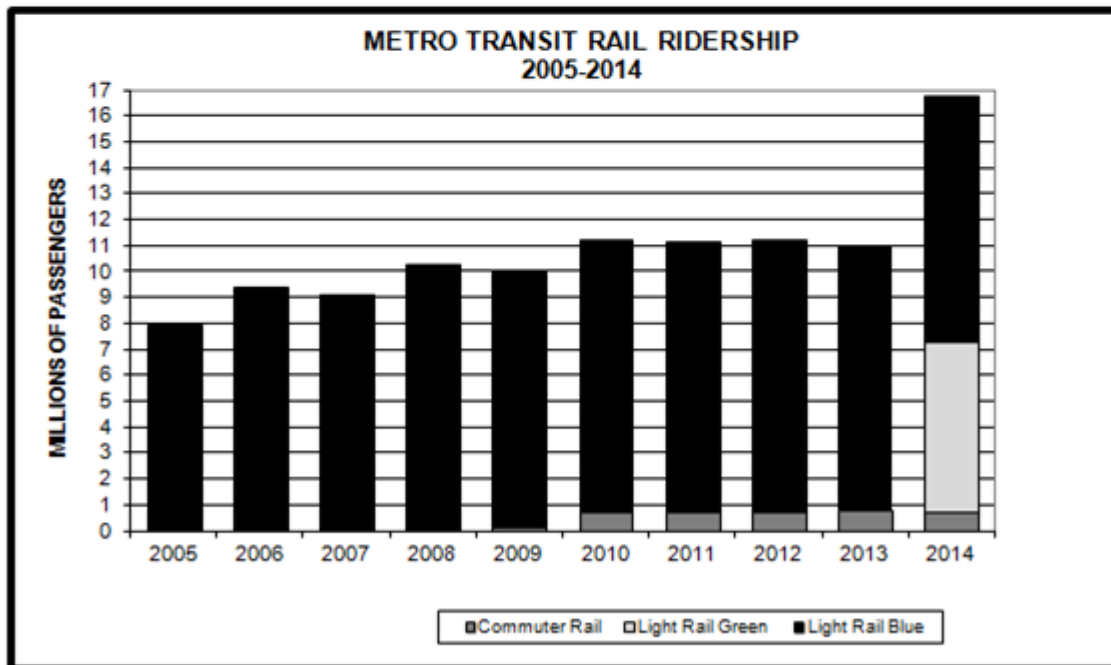


**METRO TRANSIT INFORMATION CALLS HANDLED  
2005-2014**

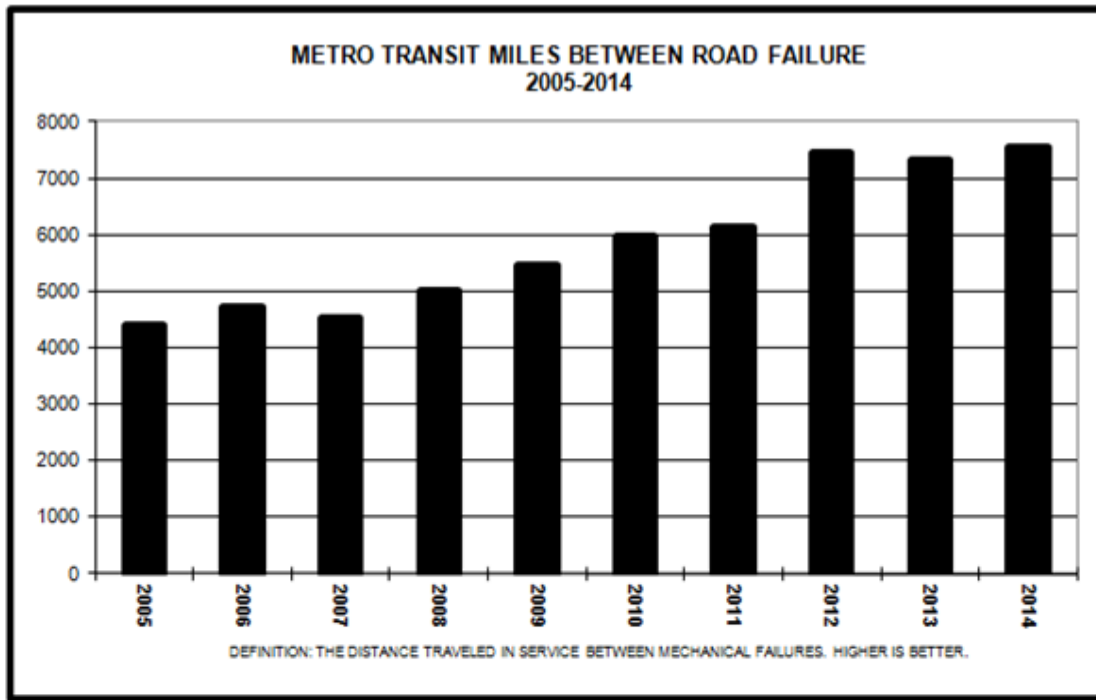




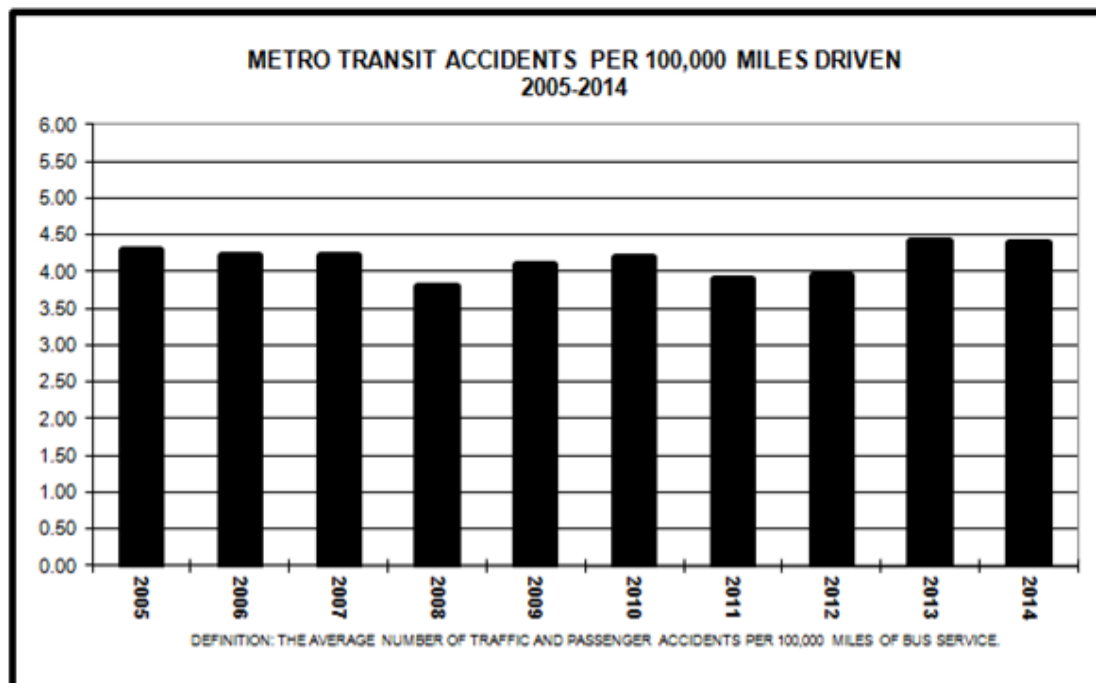
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BUS	61.797	64.399	67.866	74.656	66.401	66.882	69.783	69.855	70.419	67.814



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commuter Rail					0.082	0.710	0.703	0.700	0.787	0.721
Light Rail Green										6.507
Light Rail Blue	7.902	9.357	9.101	10.222	9.863	10.456	10.401	10.498	10.163	9.493



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MECHANICAL FAILURES	4392	4720	4536	5003	5468	5988	6128	7456	7310	7549
ACCIDENTS	4.30	4.21	4.22	3.80	4.09	4.19	3.91	3.95	4.42	4.40

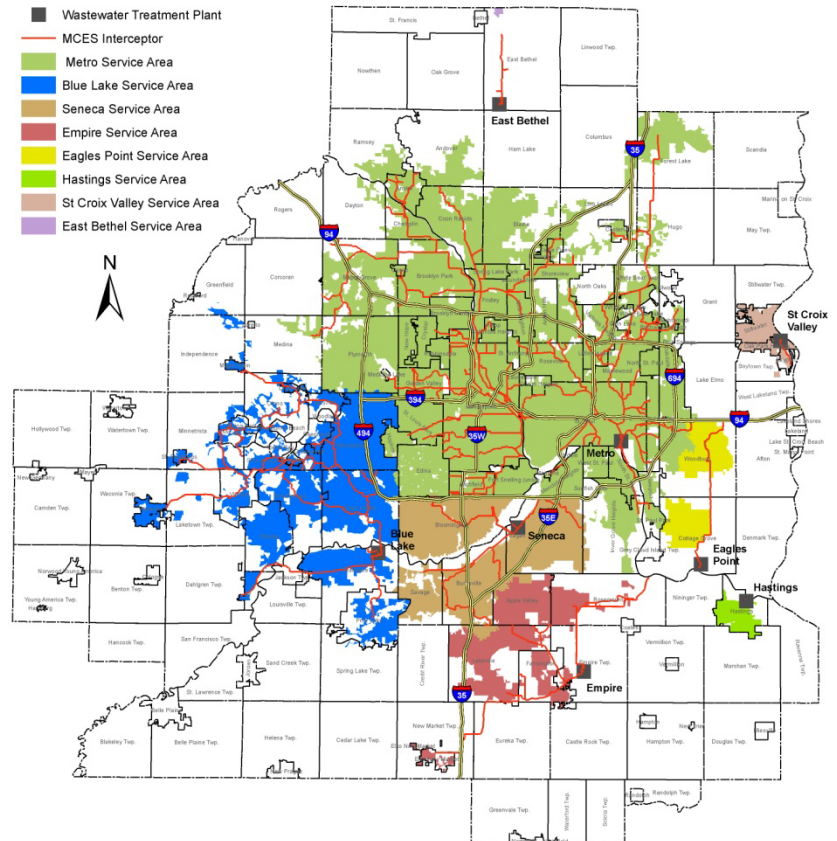


## Environmental Services Division

### Overview

Guided by the Metropolitan Council's long-range plan, *Thrive MSP 2040*, and its supporting policy plans, MCES:

- Operates and maintains approximately 600 miles of regional sewers that collect flows from more than 5,000 miles of sewers owned by 108 communities in the seven-county Twin Cities Region.
- Collects and treats approximately 250 million gallons of wastewater a day.
- Runs eight regional wastewater treatment plants: Seneca, St. Croix Valley, Hastings, Metropolitan, Eagles Point, Empire, Blue Lake and East Bethel.
- Continues to achieve near-perfect compliance with federal and state clean water discharge standards.
- Works collaboratively with state and federal agencies, local and county government, watershed management organizations, interest groups and the public to protect the region's rich water resources as the region continues to grow.
- 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 and integrated planning to ensure sustainable water quality and water supply for the region. Its vision is to be a valued leader and partner in water sustainability.

This section is divided into six categories:

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

## Strategic Visioning

The Council's regional development framework, *Thrive MSP 2040*, was adopted in 2014. *Thrive* provides MCES the direction to support regional goals and principles, and specifically, operating and planning work to achieve MCES's goal of sustainable water for the region. Guided by *Thrive*, the MCES Water Resources Policy Plan was revised in 2014 and the updates focus on a sustainable water goal, often referred to as an integrated approach to water management.

With this approach in mind, the MCES management team embarked on strategic vision planning for the division to update the mission statement, vision statement, value statements and divisional goals. Many employees were involved in the effort, which took place throughout 2014. More than 60 participated on planning teams to help identify existing challenges and strengths.

The new mission statement is: "Provide wastewater services and integrated planning to ensure sustainable water quality and water supply for the region."

The new vision statement is: "Be a valued leader and partner in water sustainability."

The MCES values are: excellence, inclusiveness, integrity, respect and commitment.

- **Excellence:** Pursued within MCES by encouraging innovation, continuous improvement, and striving for outstanding performance.
- **Inclusiveness:** Embraced in all its dimensions, recognizing that everyone has something to contribute toward the organization's success.
- **Integrity:** Demonstrated by meeting high ethical standards, building trust, and being transparent to stakeholders.
- **Respect:** Fostered by listening, encouraging understanding and honesty in how we treat each other.

- **Commitment:** Demonstrated by furthering the mission, meeting customer needs, and being an engaged and accountable workforce.

Strategic planning efforts will continue in 2015 to identify MCES goals and these goals will be integrated into 2015 performance measurements.

### Operations Performance

MCES treatment plants continued to perform at a high level in complying with clean water discharge permits. System-wide, wastewater was treated to 100% NPDES compliance and all air emissions permits and stack tests were successfully passed. The interceptor system had no Notices of Violations.

Seven treatment plants earned Peak Performance Awards from the National Association of Clean Water Agencies (NACWA). Six of the plants earned NACWA's Platinum Award for five or more consecutive years of perfect NPDES permit compliance through 2013 and awarded in 2014: Hastings (23 years), St. Croix Valley (22 years), Seneca (13 years), Blue Lake (8 years), Eagles Point (8 years), and Empire (6 years).

The new East Bethel Wastewater Reclamation Facility was completed and began operation in 2014. Treated wastewater from this facility is used to recharge the groundwater, not discharged to a river, and is planned to be used for irrigation, as well.

### Capital Projects

Capital improvement projects for 2014 – budgeted at \$155 million – 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.

#### Metropolitan Plant

At the Metro Plant in Saint Paul, five projects were completed or substantially completed, involving construction, rehabilitation or maintenance. Facilities included treatment tanks, Solids Management Building, the large wastewater pipes entering the plant, and support facilities throughout the plant.

Design projects were under way in 2014 for improvements to the Liquid Waste Receiving Building and to the East Pretreatment and Flotation Thickening Facility. Preliminary engineering work was under way on seven additional improvement projects.

#### Regional Plants

Civil/structural and electrical/mechanical projects were under way at the Blue Lake Plant in Shakopee, and will continue through 2016. Similar projects also were under way and will continue through 2015 at the four East Area plants: Empire, Hastings, Eagles Point (Cottage Grove) and St. Croix Valley (Oak Park Heights).

### **Solids Processing Improvements**

Facility planning work was under way for solids processing improvements at the Metro Plant, while design work was being done for improvements at the Empire and Seneca Plants.

### **Regional Interceptor System**

Assessment of the condition of the system was completed in 2014 for the deep sewers in St. Paul, while planning for improvements to forcemains, river crossing, lift stations and meter stations is ongoing.

Twenty projects were completed or under way in 2014 to replace or rehabilitate aging and deteriorating gravity sewers, forcemains and lift stations; 10 more projects were in various stages of planning or design.

The projects focus on regional wastewater collection facilities in the following cities: Minneapolis, Saint Paul, Hopkins, St. Louis Park, Mahtomedi, Wayzata, Excelsior, Greenwood, Shorewood, Chanhassen, Mound, St. Bonifacius, Minnetrista, Eagan, Burnsville, Bloomington, Brooklyn Park, Maple Grove, Circle Pines, Blaine, Lino Lakes, Waconia, Maple Plain, Loretto, Medina, and Corcoran.

### **Planned Regional Growth Projects**

The East Bethel Water Reclamation Facility was completed and began operation in 2014. The forcemain portion of a project in Golden Valley and St. Louis Park was completed, while construction began on the lift station portion. Projects also were in design or construction in Rogers, Chaska, and Woodbury.

### **Customer Service**

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

### **Building Good Relations with Customers Involved in 2015 Budget Planning**

Budget meetings for MCES customer communities and industrial permit holders were held in late May and early June. The meetings included information on proposed 2015 budget and rates and an opportunity for customer input and questions.

Additionally:

- MCES employees met with the City of East Bethel staff to discuss the adverse financial impacts of the new East Bethel Water Reclamation Facility.
- Two SAC training sessions were held in December for city building officials.
- Inflow and Infiltration (I&I) workshop was held in October for community staff.



## **City SAC Reviews**

Staff completed 17 reviews of municipal Sewer Availability Charge (SAC) reporting in 2014.

## **Finance**

MCES management keeps the organization competitive, as compared to other similarly sized wastewater utilities across the country. Additionally, wastewater service charges (approx. \$21/month) are lower than most other metro-area utility charges, such as gas, electric and high-speed Internet.

## **Budget**

MCES staff completed 2014 operations and routine maintenance activities within the Annual Operating Budget limits.

## **Savings**

Performance and accountability savings accomplished during 2014 include the following:

## **Energy Recovery and Conservation**

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 2014, MCES was at 84% toward reaching the 2015 25% reduction goal. MCES remains on track to make or exceed the 2015 goal.

Additionally, MCES uses energy grants and rebates from utilities to further expand its energy- saving, energy-reduction and energy-reuse options.

## **Energy Recovery**

In 2014 a solar project at the Blue Lake Plant was selected to receive a \$2 million grant from Xcel Energy's Renewable Development Fund. The award will go directly to solar developer, Oak Leaf, to build a solar facility at Blue Lake Plant.

This project is a collaboration to design, build, own and operate a 1.25 Mega Watt AC (alternating current) facility. MCES negotiated a lower power purchase rate as a result of the grant money being awarded to the project (\$0.11/kwh without grant vs. \$0.09/kwh with grant). MCES is considering expanding solar to its other facilities.

## **Energy Conservation & Recycling**

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 also led an initiative in 2014 to increase recycling at the Council's Robert Street location. Actions included adding recycling stations on each floor and expanding the recycling program to include paper towel collection for composting.

### **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, 698 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 25% 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. Initiatives from the plan have been implemented, and another plan will be developed in 2015 to align with MCES' mission, vision and values.

In addition, MCES is working with the Metropolitan Council's human resources department to address human capital needs including: building diversity, developing employee and management skills, and recruiting qualified and capable candidates.

### **Safety**

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: all MCES employees completed safety training via online or in classroom.
- Weekly safety talks: 52 safety talks/information emails were sent to 650 employees.

- Safety posters/banners: 17 MCES facilities have safety posters displayed in prominent locations.
- Active safety committees: 17 MCES safety committees met monthly.

## 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 2014. Forty-two communities were identified in 2014 as exceeding their peak discharge limits and were required to develop I&I mitigation plans for implementation in 2015. The second round of municipal I&I grants continued to be distributed to some of the communities that qualified for the program.

### 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 Jan. 15, 2015, to fulfill a legislative requirement.

## Surface Water Planning and Management

### Technical Assistance

- MCES 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; 21 sites at 21 metro area streams; and 2 lakes.

MCES partners monitored an additional 167 sites at 160 lakes. The *2013 Stream Water Quality Summary* and the *2013 River Water Quality* reports were completed. In 2014, a comprehensive stream assessment report was published that included general water quality information as well as loading information for all of the stream sites MCES monitors in partnership in the metro area.

- MCES 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.
- MCES provides maintenance of the Council's Water Quality Database which includes river, stream, lake, groundwater, precipitation and biological monitoring data. The database populates EIMS.
- MCES 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.
- A draft version of Water Resources Policy Plan was developed and is currently out for public comment.

- MCES 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

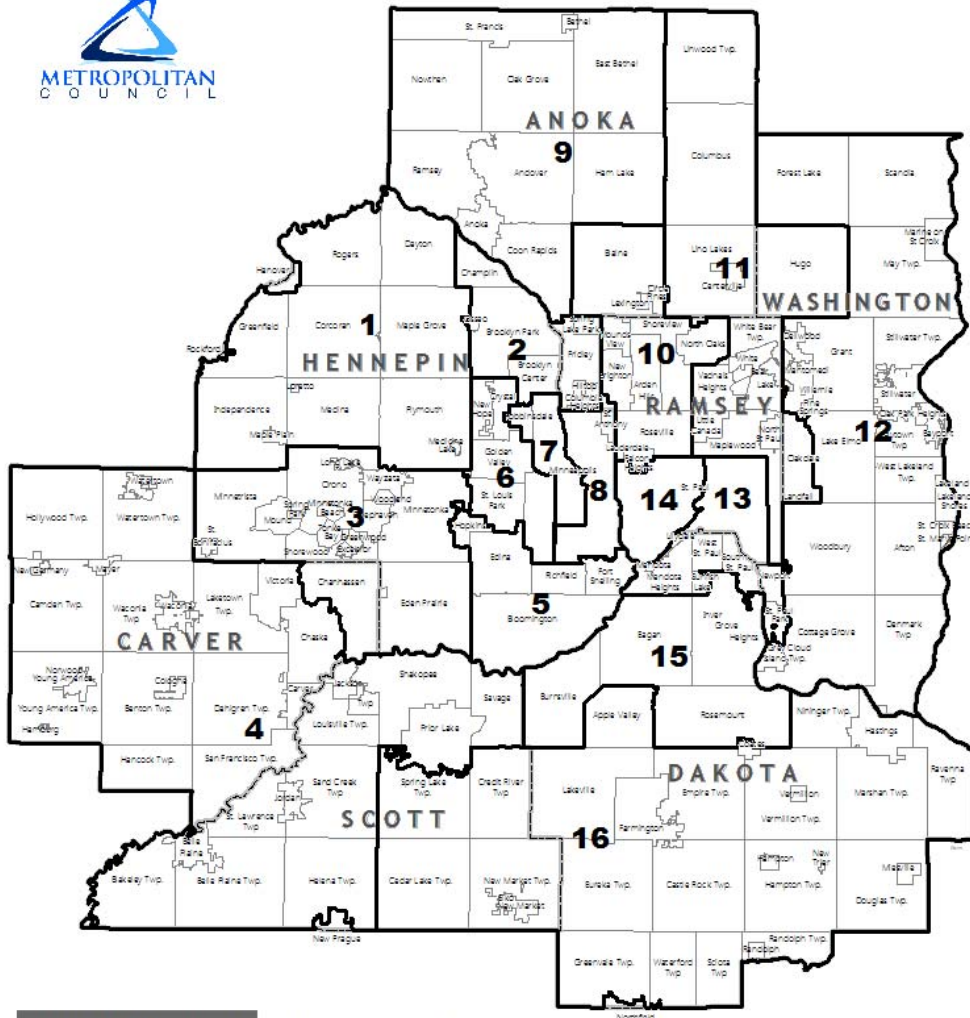
**Review/Guidance**

Employees reviewed and provided direction on 7 local surface water management plans and plan amendments, 21 watershed management plans and plan amendments, and many other planning activities.

## Appendix: Maps and Budget Summary

### Metropolitan Council Districts and Members

January 2015

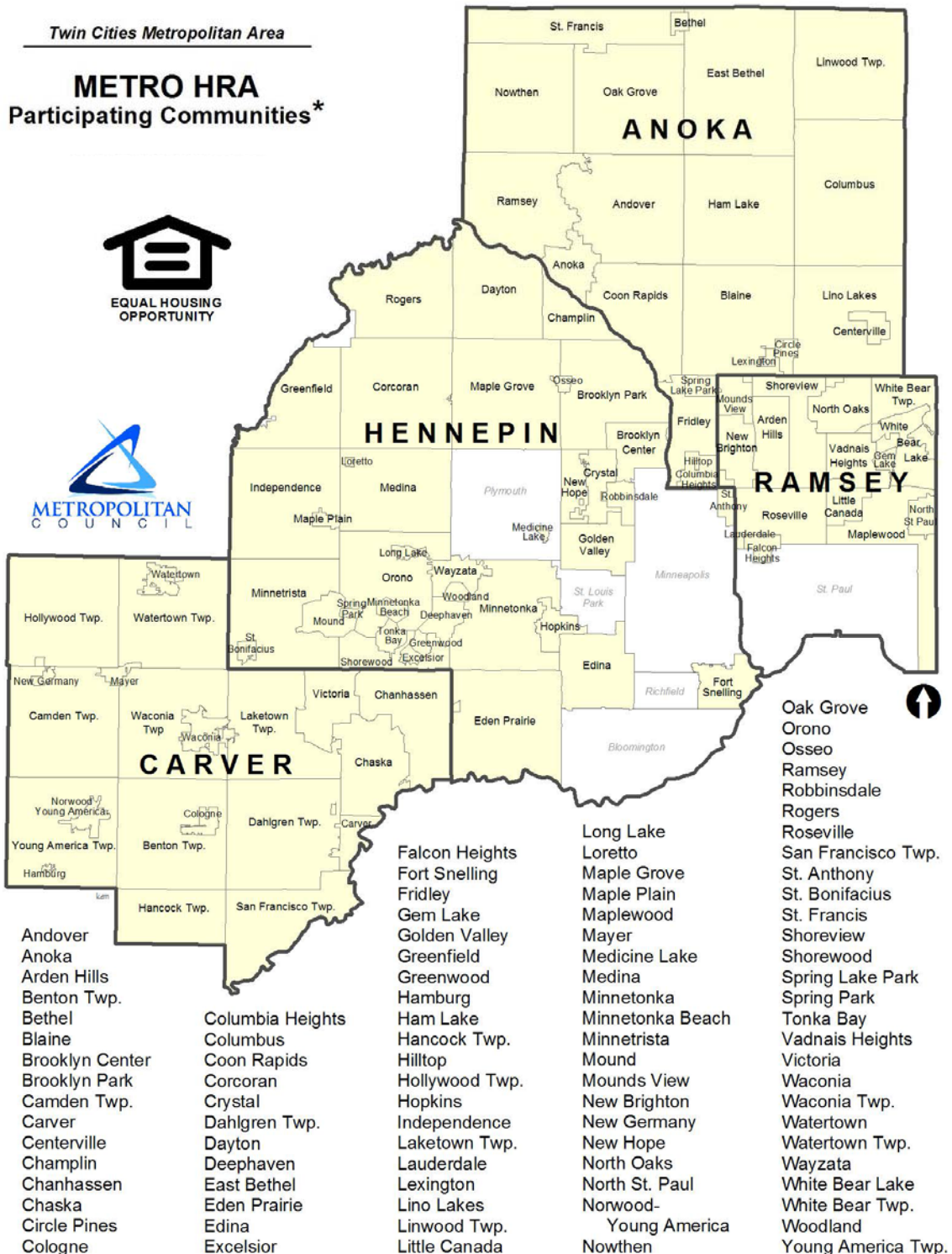


#### Council Members Chair -- Adam Duinick

1 Katie Rodriguez	5 Steve Elkins	9 Edward Reynoso	13 Richard Kramer
2 Lona Schreiber	6 Gail Dorfman	10 Marie McCarthy	14 Jon Commers
3 Jennifer Munt	7 Gary L. Cunningham	11 Sandy Rummel	15 Steven T. Chávez
4 Deb Barber	8 Cara Letofsky	12 Harry Melander	16 Wendy Wulff

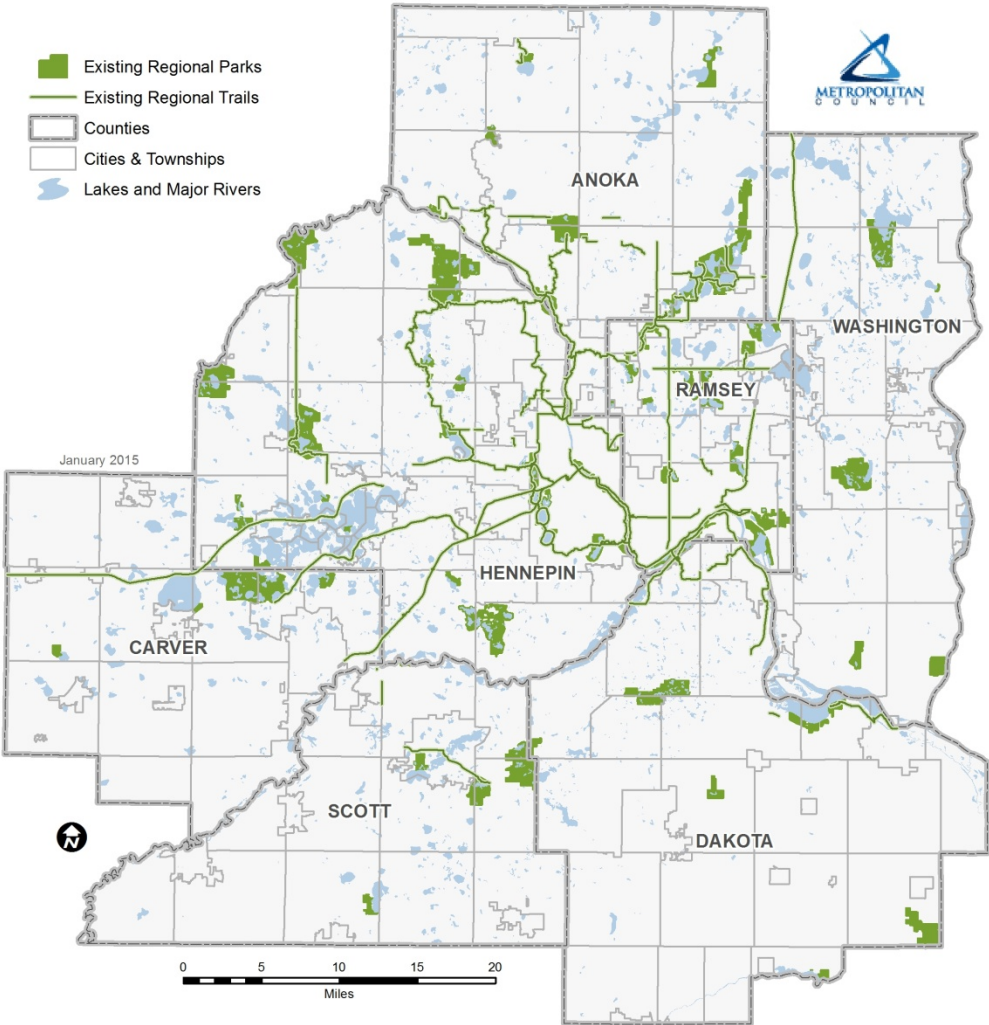




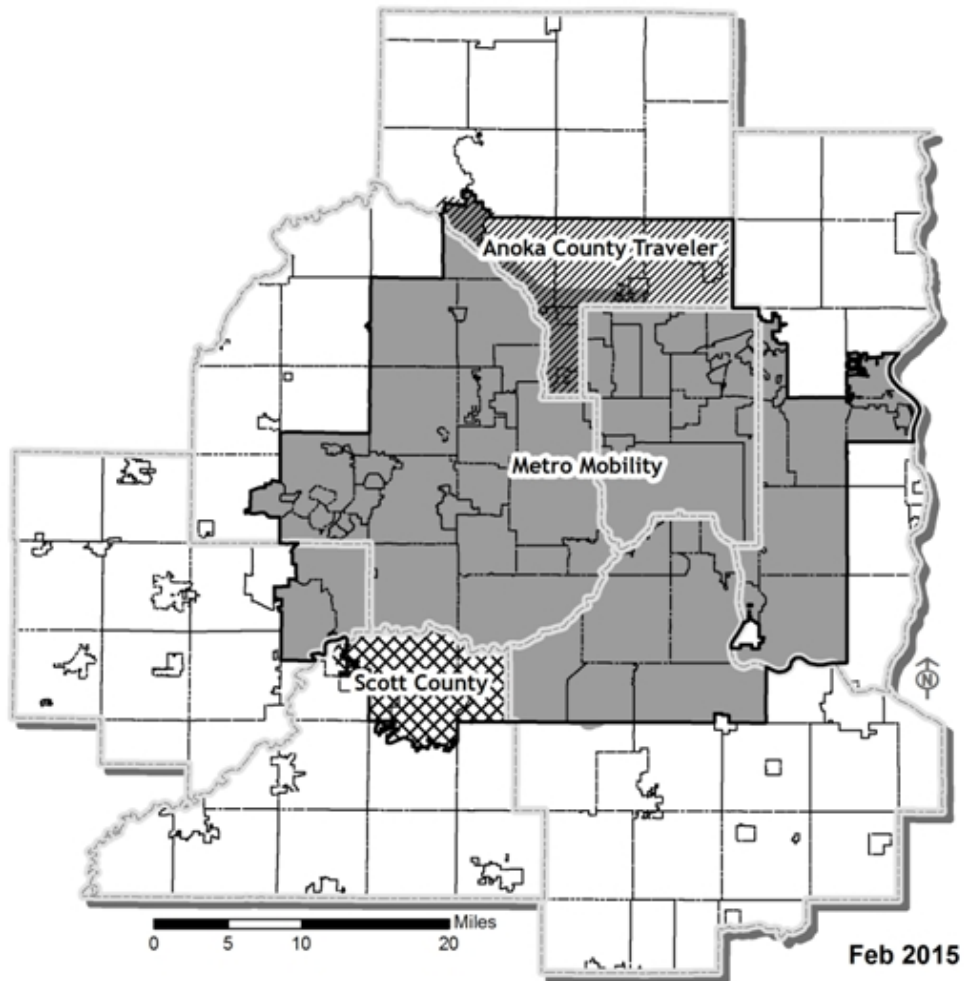


\* For some programs, the Metro HRA service jurisdiction is expanded.

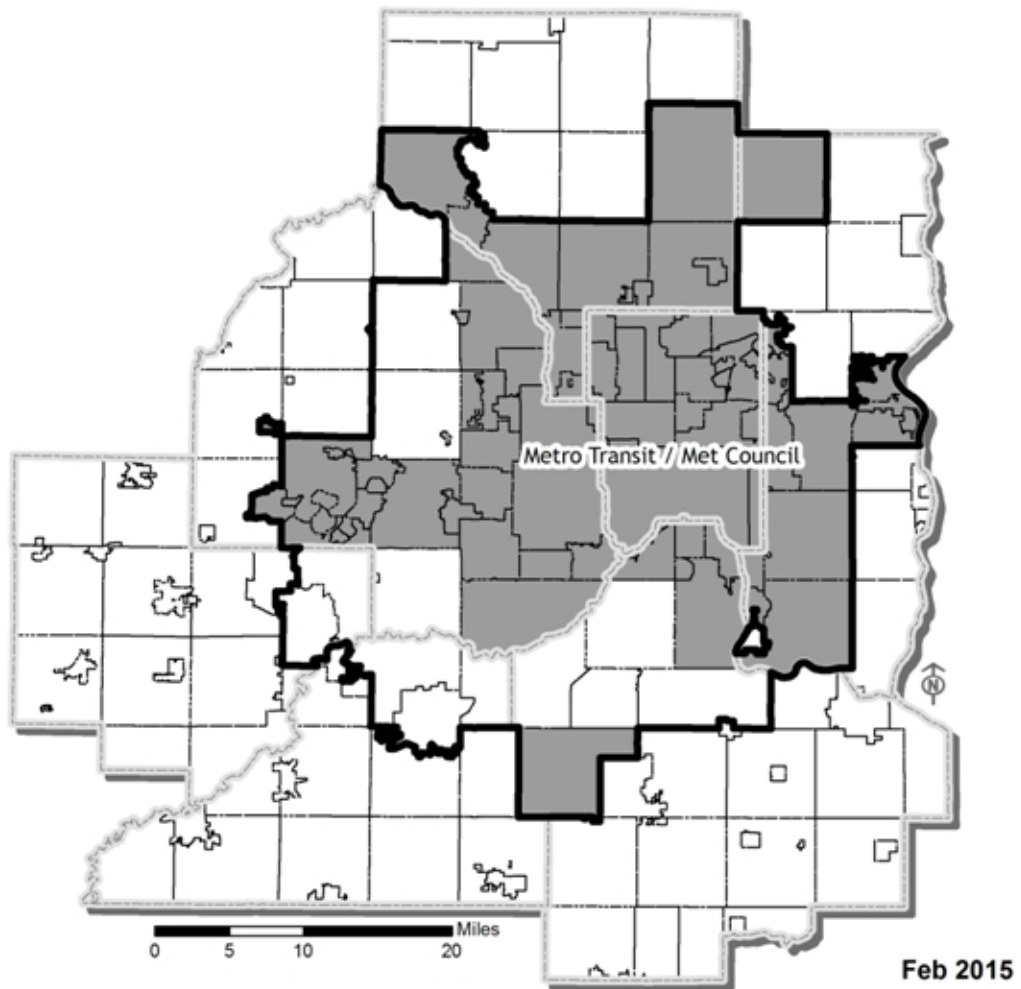
Regional Parks and Trails



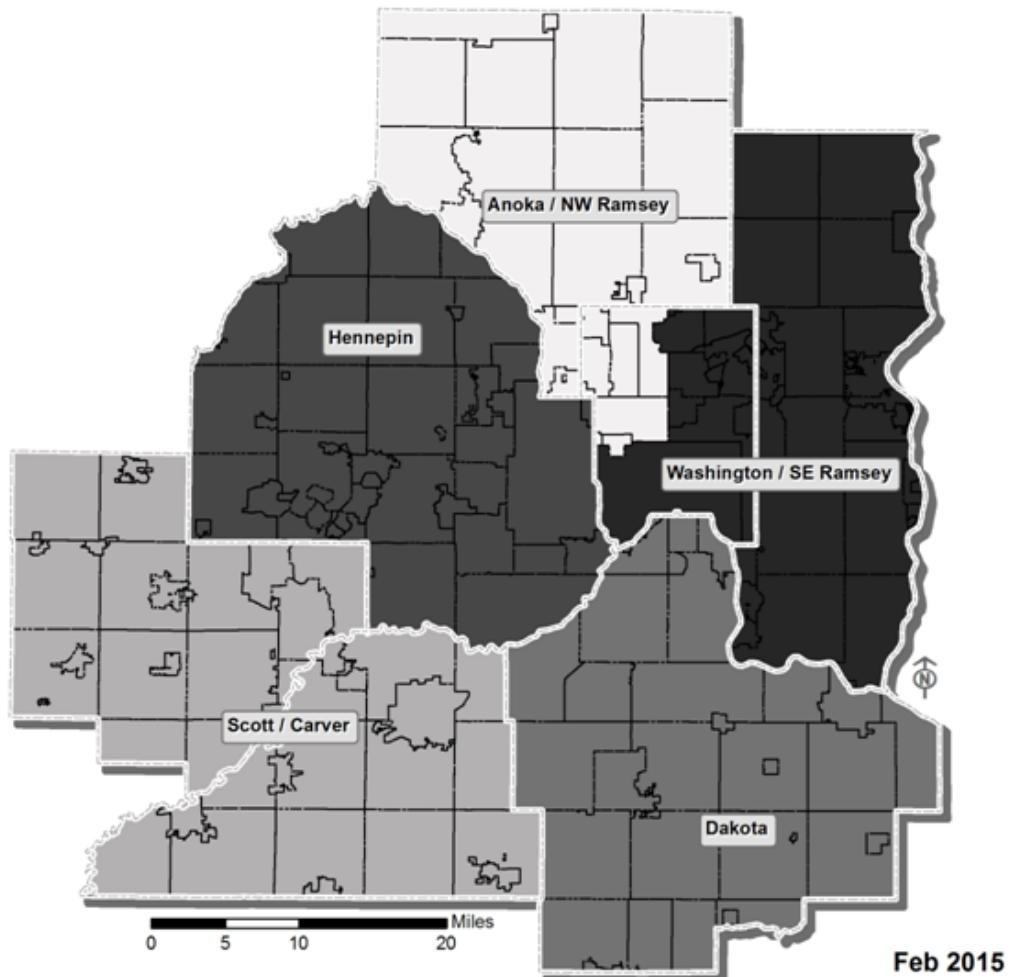
## Metro Mobility and Other ADA Services



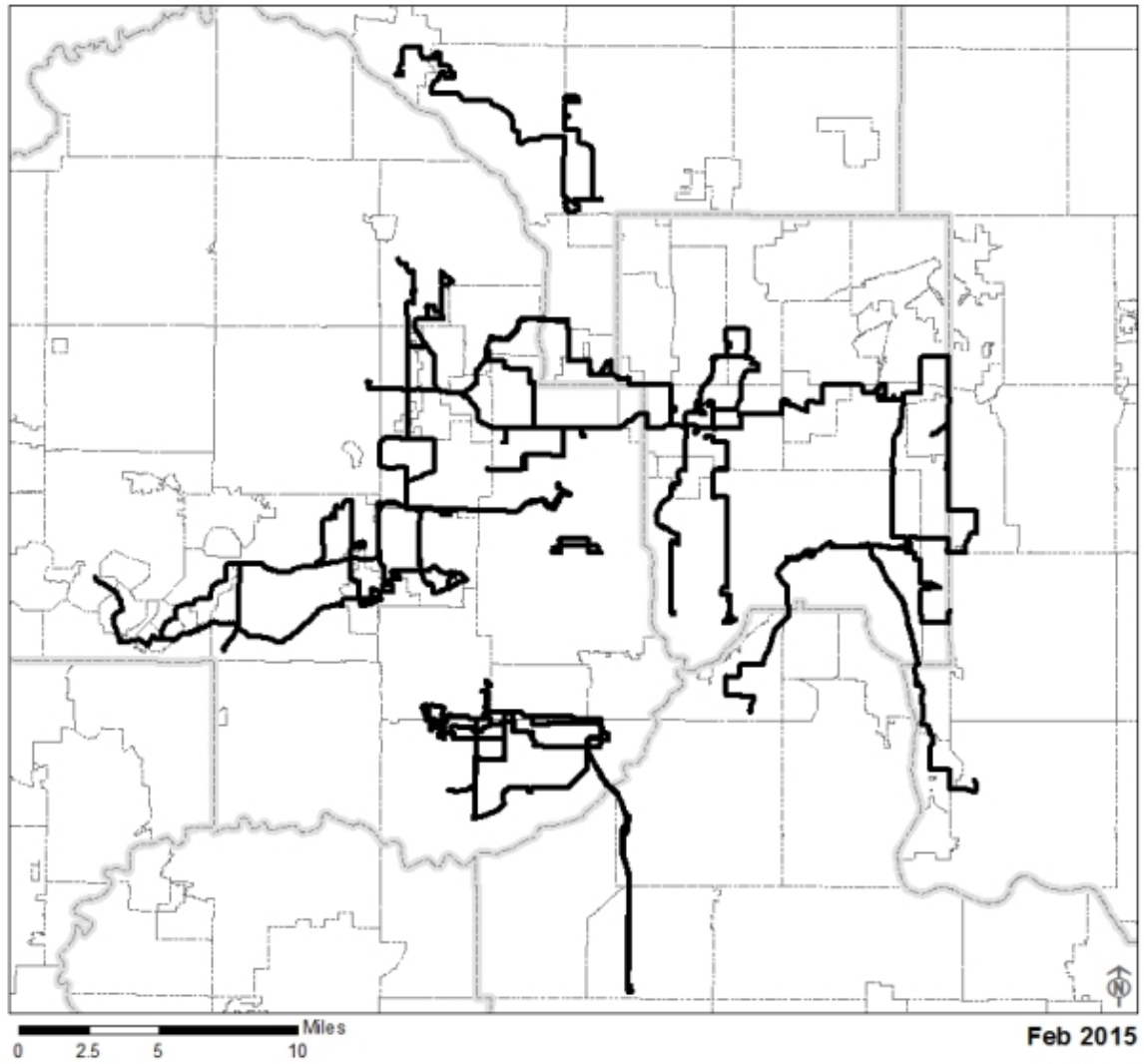
## Metro Transit / Met Council Service Area



## Transit Link Dial-a-Ride Service Areas

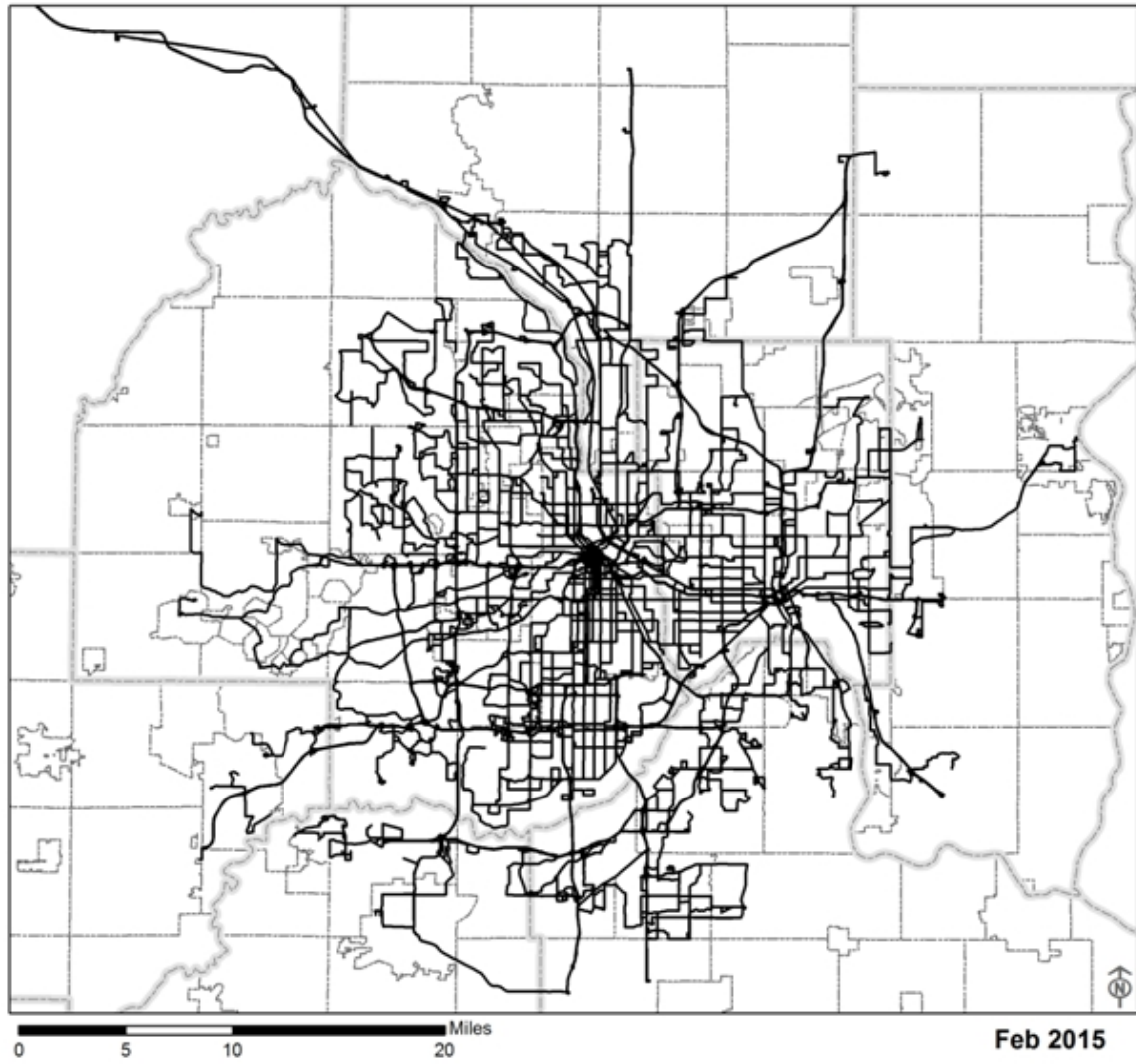


### Privately Contracted Regular Route Transit



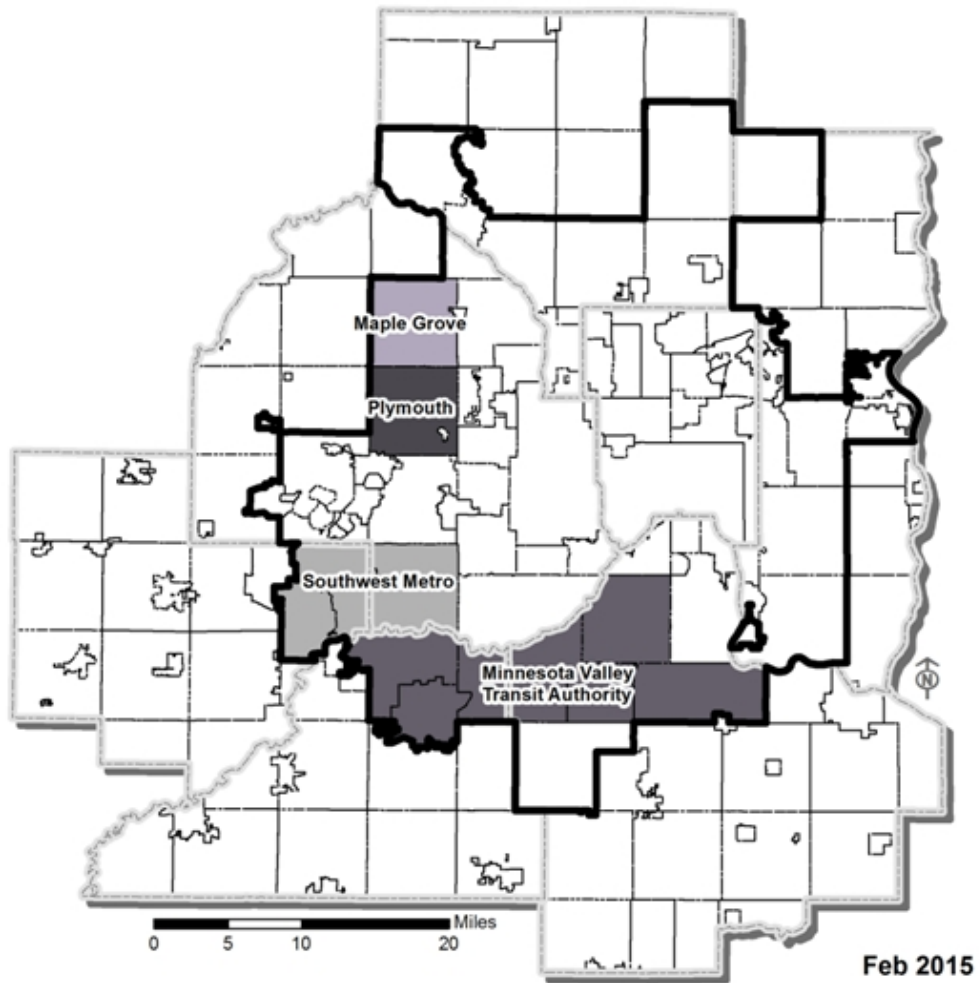


### Metropolitan Area Regular Route Transit Service

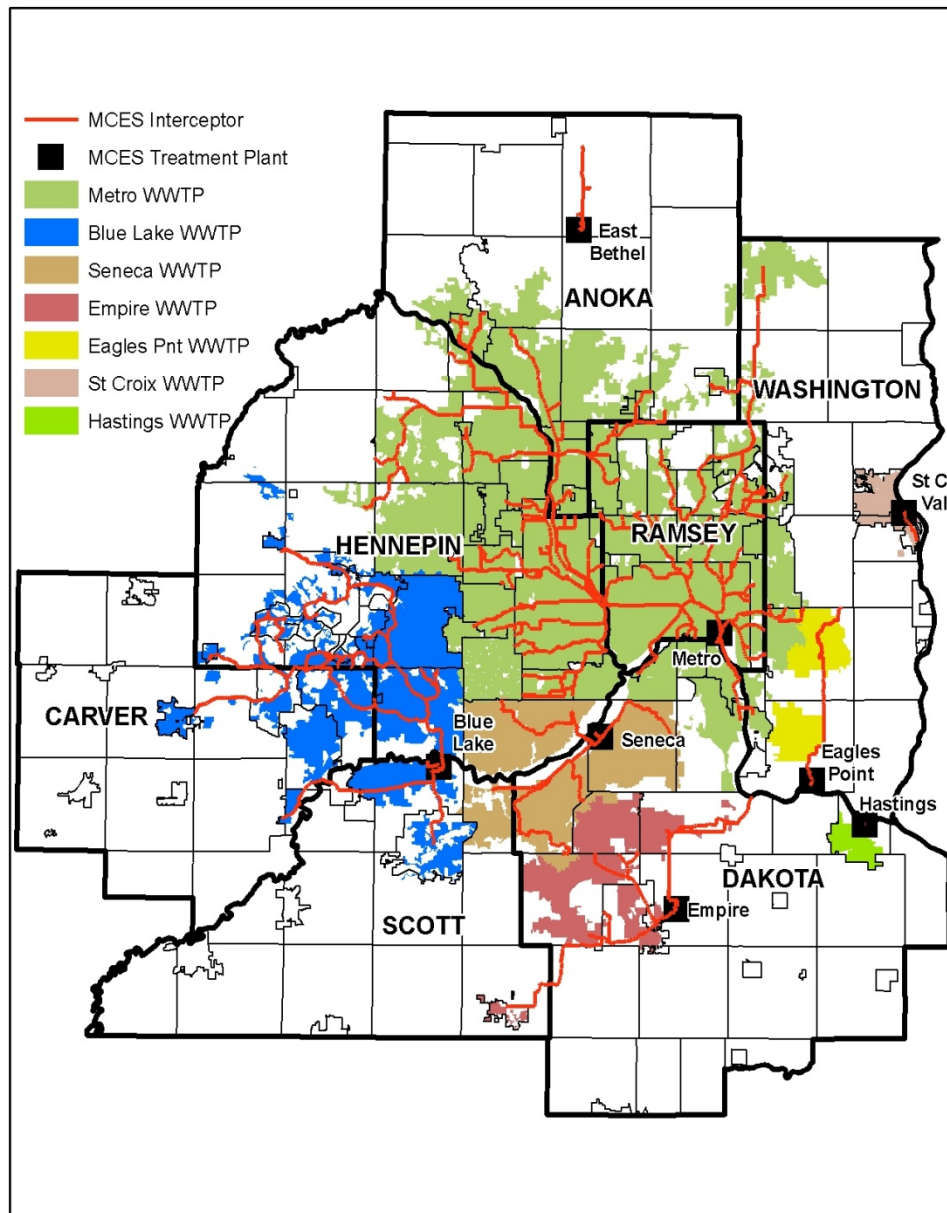




## Suburban Transit Providers



## Environmental Services Wastewater Treatment Plants and Interceptors



# Metropolitan Council

## 2014 Budget Summary

REGIONAL ADMINISTRATION /COMMUNITY DEVELOPMENT AND HRA OPERATING ONLY				ENVIRONMENTAL SERVICES DIVISION INCLUDING DEBT SERVICE				TRANSPORTATION DIVISION OPERATING ONLY			
		(Unaudited) Actual Ledger Year-to- Date	Favorable (Unfavorable) VARIANCE		(Unaudited) Actual Ledger Year-to- Date	Favorable (Unfavorable) VARIANCE		(Unaudited) Actual Ledger Year-to-Date	Favorable (Unfavorable) VARIANCE		
	BUDGET			BUDGET			BUDGET				
Revenues:											
Property Taxes.....	\$ 10,626,845	\$ 10,458,022	\$ (168,823)	\$ -	\$ -	\$ -	\$ 3,563,420	\$ 164,942	\$ (3,398,478)		
Federal Revenue.....	4,322,662	4,326,989	4,327	-	-	-	11,176,317	7,497,143	(3,679,174)		
State Revenue.....	125,685	143,712	18,027	3,972,250	3,576,724	(395,526)	300,351,766	303,046,172	2,694,406		
Local Revenue/Other Gov't Revenue.....	86,000	118,047	32,047	-	-	-	25,286,408	25,252,381	(34,027)		
ES Fees.....	-	-	-	233,870,500	233,673,722	(196,778)	-	-	-		
Fares & Related Revenue.....	-	-	-	-	-	-	107,116,205	109,202,346	2,086,141		
Interest.....	821,477	1,207,861	386,384	500,000	1,010,692	510,692	750,000	1,723,892	973,892		
Other Revenue.....	4,775,746	4,623,988	(151,758)	450,507	647,510	197,003	10,801,906	1,052,963	(9,748,943)		
Total Revenues.....	\$ 20,758,415	\$ 20,878,619	\$ 120,204	\$ 238,793,257	\$ 238,908,648	\$ 115,391	\$ 459,046,022	\$ 447,939,839	\$ (11,106,183)		
Expenditures:											
Salaries, Wages, & Fringes.....	\$ 35,854,350	\$ 36,096,654	\$ (242,304)	\$ 65,220,831	\$ 64,002,134	\$ 1,218,697	\$ 260,010,038	\$ 253,626,199	\$ 6,383,839		
Consulting & Contractual.....	13,361,921	11,381,804	1,980,117	19,908,012	19,983,330	(75,318)	14,917,711	12,478,895	2,438,816		
Materials, Chemicals & Supplies.....	733,704	1,294,862	(561,158)	8,261,972	8,869,175	(607,203)	57,283,755	55,554,092	1,729,663		
Chemicals.....	-	159	(159)	8,231,080	7,592,045	639,035	-	-	-		
Rent & Utilities.....	3,086,843	2,974,068	112,775	16,234,693	19,530,893	(3,296,200)	10,948,486	10,545,353	403,133		
Printing.....	270,880	198,621	72,259	27,600	33,606	(6,006)	455,289	463,683	(8,394)		
Travel.....	475,475	478,910	(3,435)	422,700	385,829	36,871	581,096	488,834	92,262		
Insurance.....	130,000	96,366	33,634	905,568	1,052,768	(147,200)	5,281,618	731,390	4,550,228		
Operating Capital.....	2,120,469	711,875	1,408,594	3,459,800	1,595,461	1,864,339	64,065	90,027	(25,962)		
Debt Service Expense.....	-	-	-	102,967,365	102,967,367	(2)	-	-	-		
Other Expense.....	4,397,306	3,388,313	1,008,993	3,761,296	4,029,613	(268,317)	40,890,550	40,198,966	691,584		
Transit Programs.....	-	-	-	-	-	-	73,754,534	65,860,888	7,893,646		
Total Expenditures.....	\$ 60,430,948	\$ 56,621,632	\$ 3,809,316	\$ 229,400,917	\$ 230,042,221	\$ (641,304)	\$ 464,187,142	\$ 440,038,327	\$ 24,148,815		
Operating Income/(Loss).....	\$ (39,672,533)	\$ (35,743,013)	\$ 3,929,520	\$ 9,392,340	\$ 8,866,427	\$ (525,913)	\$ (5,141,120)	\$ 7,901,512	\$ 13,042,632		
Other Financing Sources (Uses):											
Transfers from.....	\$ 37,418,893	\$ 36,637,599	\$ (781,294)	\$ 232,570	\$ 174,402	\$ (58,168)	\$ 15,492,150	\$ 16,244,474	\$ 752,324		
Transfers To.....	(2,000,623)	(1,968,075)	32,548	(13,135,489)	(13,245,365)	(109,876)	(23,826,256)	(21,578,876)	2,247,380		
Total Other Financing Sources (Uses).....	\$ 35,418,270	\$ 34,669,524	\$ (748,746)	\$ (12,902,919)	\$ (13,070,963)	\$ (168,044)	\$ (8,334,106)	\$ (5,334,402)	\$ 2,999,704		
Surplus(Deficit).....	\$ (4,254,263)	\$ (1,073,489)	\$ 3,180,774	\$ (3,510,579)	\$ (4,204,536)	\$ (693,957)	\$ (13,475,226)	\$ 2,567,110	\$ 16,042,336		



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