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www.metrocouncil.org/

AT A GLANCE

- Three million residents served (55 percent of state total)
- Anticipated Growth from 2010 to 2040:
 - 824,000 more people (29%)
 - 391,000 more households (35%)
 - 549,000 more jobs (35%)
- 98.8 million transit rides in 2015
- 2.1 million rides on Metro Mobility in 2015
- 250 million gallons of wastewater treated daily
- 109 communities provided wastewater treatment
- Eight treatment plants and 600 miles of regional sewers
- 47 million regional park visits in 2015
- 59 regional parks and park reserves totaling 55,000 acres
- 43 regional trails totaling 348 miles
- 7,000 low-income households provided affordable housing

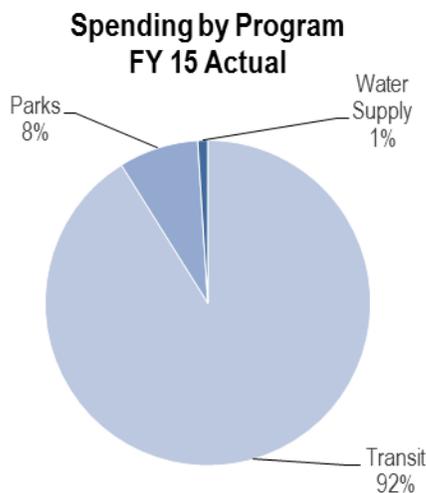
PURPOSE

The Metropolitan Council is the regional policy-making body, planning agency and service provider for the Twin Cities metropolitan area. Our mission is to foster efficient and economic growth for a prosperous metropolitan region. Our priorities are to create a financially sustainable 21st century transportation system, promote dynamic housing opportunities for all and to leverage investments that drive regional economic development.

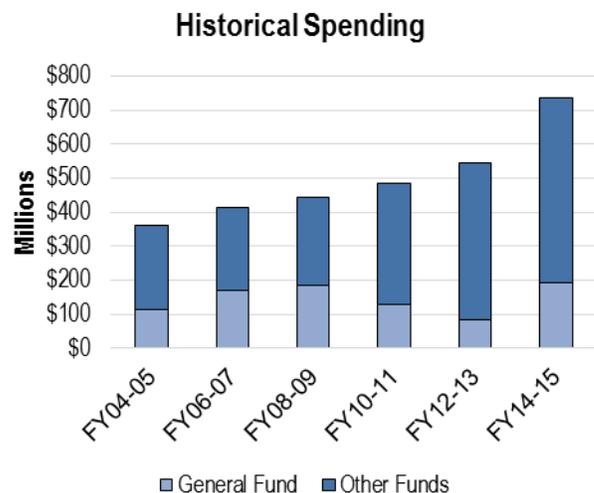
We bring together communities to develop policies and a shared vision for the region. We provide transit services and invest in a growing network of rail and bus transit ways. We collect and treat wastewater. We work to ensure adequate clean water. We plan for future growth in partnership with communities and the public. We develop a regional parks and trails system. We provide affordable housing for low-income residents. Through our planning activities and the provision of regional services, we contribute to the following statewide outcomes.

- A thriving economy that encourages business growth and employment opportunities
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services & information

BUDGET



Source: BPAS



Source: Consolidated Fund Statement

The charts show appropriations to the Metropolitan Council recorded in SWIFT. The Council's unified operating budget for calendar year 2016 is \$989 million. State appropriations for transit and parks operations provide approximately 36 percent of agency funding. Other funding came from wastewater fees, passenger fares, federal funds, property taxes and local funds.

STRATEGIES

Our governing body – the 17-member Metropolitan Council – plays a key convening role, bringing together communities to develop policies and a shared vision and direction for the region. To achieve our mission, we carry out planning initiatives and provide essential services to the region.

Planning Initiatives

- Our Thrive MSP 2040 initiative engaged residents to create a framework for a shared vision for a prosperous, equitable, and livable region.
- Our regional planning initiatives encompass transportation, parks, water resources, community planning, and housing.

Transportation

- Our Metro Transit bus and rail systems get people to work, school and services and help reduce road congestion so businesses can move their goods efficiently.
- Our Metro Mobility and Transit Link services transport people unable to use regular-route transit service.
- Our Transportation planners play a key role in creating our vision for roads, airports and transit to ensure effective and cost- efficient investments.

Parks

- We plan, acquire land and develop facilities for regional parks and trails, preserving natural resources and providing recreational opportunities throughout the region.

Clean water and wastewater treatment

- We're fostering a safe and healthy environment through our award-winning and cost-effective wastewater treatment services, water supply planning and water quality monitoring initiatives.

Planning and development

- Our Livable Communities grants clean polluted land for redevelopment and create new models for Transit-Oriented Development, stimulating and leveraging private investment and increasing communities' tax base.
- We coordinate local communities' local comprehensive plans, providing technical assistance and resources, to ensure coordinated, orderly and efficient development in the region.

Housing

- Our Housing Policy Plan will identify regional housing needs and priorities, connect housing to other Council system plans, and provide guidance for local housing planning
- Our Metro HRA (Housing and Redevelopment Authority) provides affordable housing for more than 7,000 low-income residents in nearly 100 communities.

Minnesota Statutes, Chapter 473 (<https://www.revisor.mn.gov/statutes/?id=473>) provides the legal authority for Metropolitan Council.

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	107,889	79,804	81,626	101,126	89,820	89,820	67,400	75,400
1050 - Transit Assistance	234,915	252,931	257,172	268,100	287,620	304,160	287,620	304,160
Total	342,804	332,735	338,798	369,226	377,440	393,980	355,020	379,560
<i>Biennial Change</i>				32,485		63,396		26,556
<i>Biennial % Change</i>				5		9		4
<i>Governor's Change from Base</i>								(36,840)
<i>Governor's % Change from Base</i>								(5)

Expenditures by Program

Program: Transportation	342,804	332,735	338,798	369,226	377,440	393,980	355,020	379,560
Total	342,804	332,735	338,798	369,226	377,440	393,980	355,020	379,560

Expenditures by Category

Grants, Aids and Subsidies	342,804	332,735	338,798	369,226	377,440	393,980	355,020	379,560
Total	342,804	332,735	338,798	369,226	377,440	393,980	355,020	379,560

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	107,889	79,804	81,626	101,126	89,820	89,820	89,820	89,820
Net Transfers	0	0	0	0	0	0	0	0
Expenditures	107,889	79,804	81,626	101,126	89,820	89,820	67,400	75,400
<i>Biennial Change in Expenditures</i>				(4,941)		(3,112)		(39,952)
<i>Biennial % Change in Expenditures</i>				(3)		(2)		(22)
<i>Gov's Exp Change from Base</i>								(36,840)
<i>Gov's Exp % Change from Base</i>								(21)

1050 - Transit Assistance

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	4,417	3,001	73	0	0	0	0	0
Receipts	230,498	249,930	257,099	268,100	287,620	304,160	287,620	304,160
Expenditures	234,915	252,931	257,172	268,100	287,620	304,160	287,620	304,160
Balance Forward Out	0	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				37,426		66,508		66,508
<i>Biennial % Change in Expenditures</i>				8		13		13
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Metropolitan Council

FY18-19 Biennial Budget Change Item

Change Item Title: Regional Transit Sales Tax

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Metro Mobility	8,000	16,000	24,000	33,000
Bus, Rail and Other Transit	(30,420)	(30,420)	(30,420)	(30,420)
Total Expenditures	(22,420)	(14,420)	(6,420)	2,580
Revenues	0	0	0	0
Other Funds				
Expenditures	174,600	271,800	281,000	290,400
Revenues	174,600	271,800	281,000	290,400
Net Fiscal Impact = (Expenditures – Revenues)	(22,420)	(14,420)	(6,420)	2,580
FTEs	0	0	0	0

Request:

This change item reflects enactment of a half-cent sales tax in the seven-county metropolitan area to expand the regional bus and transitway system. Revenues from the sales tax would fund SFY 2018-19 Metro Area bus, rail and other transit deficits, provide general fund savings of \$36.84 million and eliminate the need for future general fund appropriations for bus and rail services, and provide for the following transit expansion:

- 27 percent expansion of existing bus operations and the related expansion capital, customer facility and technology needs;
- Provide 10 percent of the capital funding for implementation of seven new transitways including the Green Line extension, (Southwest LRT), Blue Line extension (Bottineau LRT), Orange Line (I-35W Highway BRT), Red Line extension (Cedar Avenue BRT), Gateway corridor busway, and the Riverview, and Red Rock corridors (mode still under study);
- Fund 50 percent of the net operating subsidy for nine transitways including the existing Blue, Green and Red Lines; the Green extension, Blue Line extension and Red Line extension, the Orange Line BRT, Gateway corridor, and Riverview corridor (Minn. Stat. 473.4051 states "after operating revenue and federal funds have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state");
- Provide the capital and operating funding for ten new arterial bus rapid transit and two new highway bus rapid transit lines;
- Provide for improved amenities for existing riders by preserving, modernizing and expanding shelters, vehicles, transit centers and other customer and support facilities;
- Provide competitive grants for transit oriented development (TOD) and bicycle and pedestrian facilities.

Metro Mobility and metro area transit (bus and rail service) currently face deficits totaling approximately \$89 million for the SFY 2018-19 biennium. Metro Mobility inflation and ridership growth accounts for \$24 million of this total. The remaining bus and rail deficits are primarily the result of Motor Vehicle Sales Tax (MVST) forecast reductions experienced in the February, 2016 and November, 2016 state forecasts.

Under this change request the regional sales tax revenues replace general fund appropriations for bus, light rail and commuter rail operations. Metro Mobility service will continue to be funded with general fund appropriations. The state funding request for Metro Mobility will be lower than the base appropriation of \$89,820,000 in FY 2018, FY 2019 and FY 2020. In FY 2021 and subsequent years, the general fund appropriation request for Metro Mobility will be higher than the current base appropriation due to service expansion and inflationary cost increases. As a net result, this proposal provides general fund savings of \$36.84 million in the SFY 2018-19 biennium and \$3.84 million in FY 2020-21 biennium from the current base appropriation and avoids funding increases that would be needed to maintain existing service levels for Metro Mobility, bus, and rail operations.

Fiscal Impact (\$000s)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Metro Mobility	59,400	67,400	75,400	83,400	92,400
Bus, Rail and Other Transit	40,726				
Total Appropriation Request	100,126	67,400	75,400	83,400	92,400
Base Appropriation		89,820	89,820	89,820	89,820
Total Change Request		(22,420)	(14,420)	(6,420)	2,580

Rationale/Background:

Transportation needs are changing and growing as the region grows and changes. More people means more demand for transit - by 2040 the metropolitan area is expected to add over 800,000 more people and 550,000 new jobs. In addition, more people are choosing to use transit. From 2003 to 2013 transit ridership increased by over 28% from 73 M annual rides to over 94 million annual rides.

Millennials – those aged 16 to 34 the largest age cohort today – are choosing to drive less and use transit more frequently than past generations. Nationwide between 2001 and 2009 the average number of miles driven by millennials dropped 23 percent as young people are taking fewer and shorter trips. In addition, by 2040 the region will have over 750,000 seniors who often depend on transit to meet their daily travel needs.

Our region has a choice – with no new investment, existing revenues levels will not provide for the expansion needed to meet the rising public demand for services and will not be sufficient to maintain existing service levels. With new investment the region can build an integrated, modern transit system that serves our growing travel needs, attracts new workers and businesses and keeps our region economically competitive.

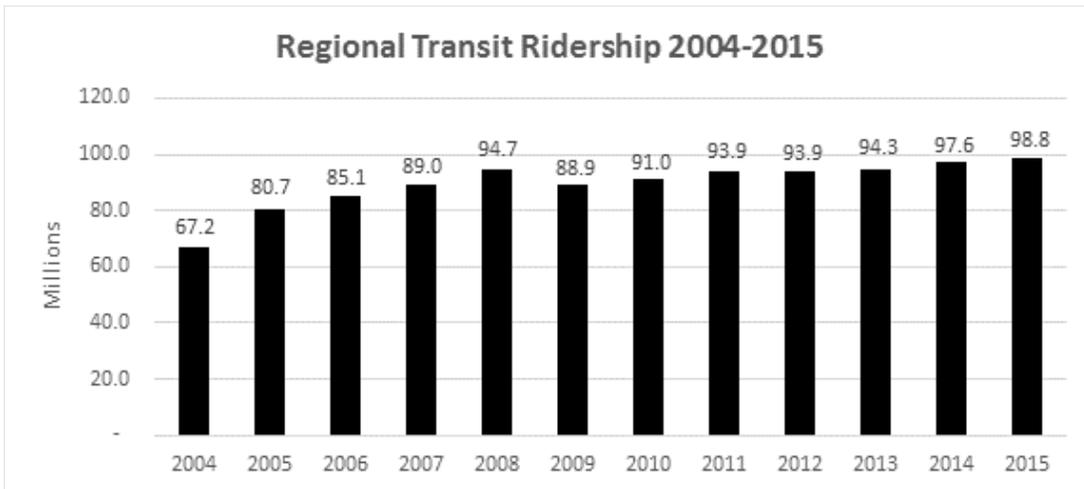
Proposal:

The Metropolitan Council is proposing that the state enact a half cent sales tax in the seven-county metropolitan area and invest the revenues - \$2.8 billion over 10 years - to build and operate an expanded, integrated regional transit system. The funding will provide for almost a 30% growth in metropolitan area bus services and construction and operations for up to 20 new bus and rail transitways. When fully implemented, the expanded system will provide a 70–80% increase in transit ridership resulting in 170 – 180 million annual rides. This investment will also allow for modernization and improvement of the current system providing riders with new and improved transit choices, better facilities, improved technology and a higher quality of overall service.

Results:

Transit Ridership

Ridership measures transit system accessibility, quality, and system growth. Growth in ridership is an indication that more people are able to meet their mobility needs using transit. Existing transit ridership shown below includes all transit providers in the region. The new metropolitan area transit sales tax will allow regional transit ridership to increase 70-80% to 170-180 million annual rides.

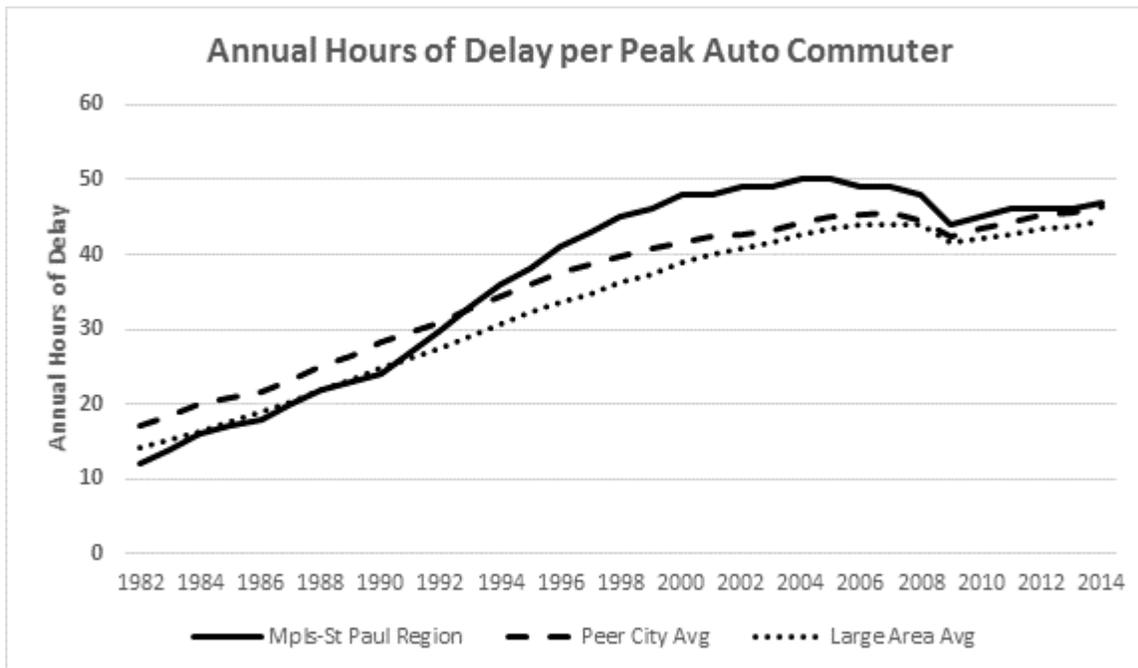


Source: Metropolitan Council

Hours of Delay Caused by Congestion

Transit helps our citizens and business use roads more efficiently, and benefits all road users, not just transit riders. Metro congestion affects many throughout the state, not just those who live in the metropolitan area such as workers commuting to and from the metro area, businesses shipping or receiving goods, and travelers and goods moving through the metropolitan area.

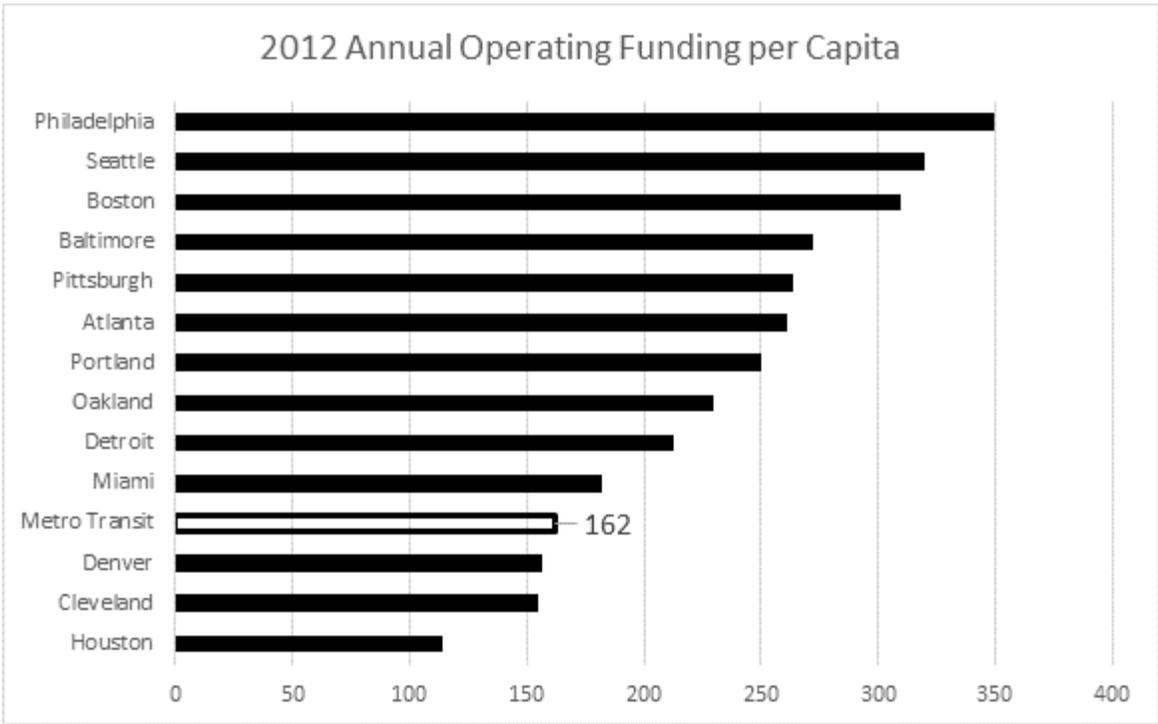
The number of hours spent in congestion is an indicator of roadway performance and of transportation-related impacts to air quality. Traffic congestion causes problems for travelers and shippers including extra travel time, unreliable travel time, and increased fuel costs. Congestion also impacts air quality through increased carbon dioxide (CO₂) emissions.



Source: Texas A&M Transportation Institute Urban Mobility Scorecard

Metro Transit Annual Operating Funding Per Capita (Quantity)

Compared to our peers, we have a highly efficient, effective transit system. Data from the National Transit Database indicate that Twin Cities residents pay an average of \$162 a year for transit operations – almost one-third less than the peer average.



Source: Federal Transit Administration National Transit Database

Statutory Change(s):

Statutory language required to authorize a half-cent sales tax in the seven-county metropolitan area

Program: Transportation
Activity: Bus and Rail Transit Operations

<http://metrocouncil.org/>

AT A GLANCE

- In calendar year 2015
 - Almost 99 million total transit rides
 - 2.1 million Metro Mobility rides
- Metro Green Line (Central Corridor)
 - Service initiated June 2014
 - Attracted \$2.7 billion in development
 - Created over 5,400 jobs
- Metro Blue Line (Hiawatha)
 - 15,000 housing units developed

PURPOSE & CONTEXT

Transportation matters because it connects us to the people and places that matter most and transit is an important part of our transportation system. Transit provides a sustainable, efficient, and effective option to relieve the region's roadway congestion and improve air quality in an environment of rising costs and tight fiscal constraints.

Transit functions are funded by passenger fares, state appropriations, Motor Vehicle Sales Tax (MVST), Counties Transit Improvement Board sales tax, federal revenue and other local sources

SERVICES PROVIDED

We operate the state's largest public transit system. Bus and rail operations provide efficient and effective transportation. Citizens unable to access or use regular bus or rail route service are served by Metro Mobility and Transit Link. Metro Mobility provides rides to certified riders who are unable to use regular fixed-route buses due to a disability or health condition. Transit Link is the Twin Cities dial-a-ride small bus service for the general public, where regular route transit service is not available. We:

- operate and maintain bus, light rail and commuter rail services;
- add new and expand existing bus routes to meet growing demand;
- develop a network of rail and bus "transitways", with service mode and alignment selected and implemented based on an extensive alternatives analysis and local input. Transitways include bus and rail transit that enable efficient, reliable travel times and an improved passenger experience on high-demand corridors in the region; and
- work with MnDOT, counties, and cities to increase the travel speed of transit through initiatives including bus-only shoulders, ramp meter bypasses and signal priority.

RESULTS

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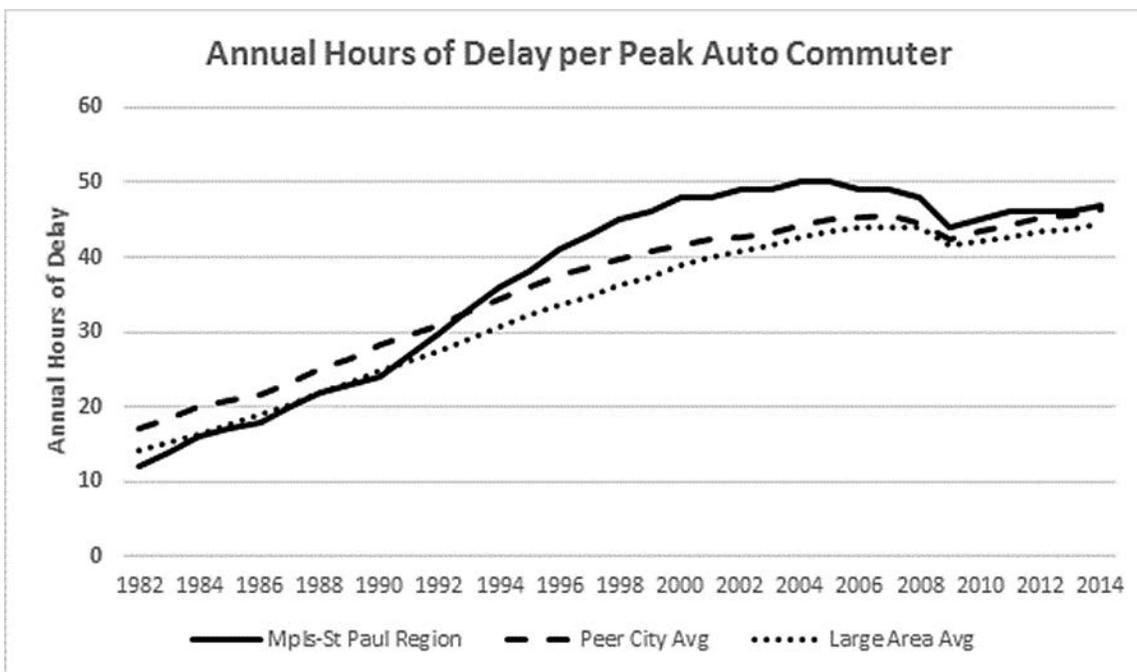


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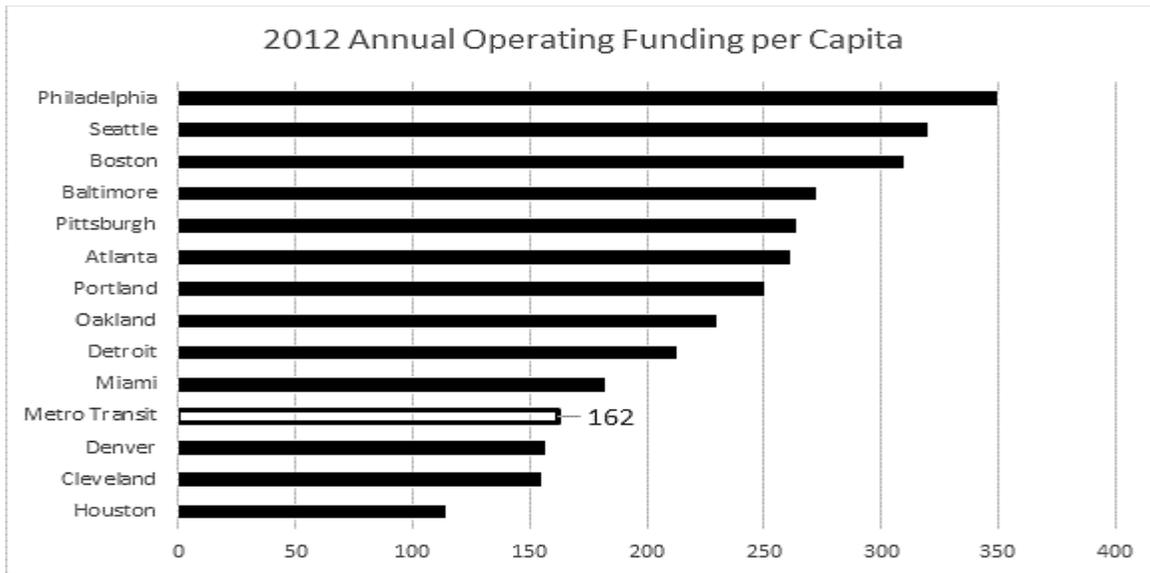
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(Dollars in Thousands)

Expenditures By Fund

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Full-Time Equivalents	0							

Budget Activity: Bus and Rail Transit Operations

Budget Activity Financing by Fund

(Dollars in Thousands)

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