



Minnesota Regional Transit  
Board: Records.

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REGIONAL TRANSIT BOARD

270 Metro Square Building  
St. Paul, Minnesota 55101  
612/292-8789

MEETING OF THE REGIONAL TRANSIT BOARD  
Monday, November 3, 1986  
Metropolitan Council Chambers

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Implementation and Financial Plan: Adoption and Transmittal to Metropolitan Council for Review and Approval

Copies of the final Implementation and Financial Plan will be delivered to board members on Friday, October 31. Staff will present the changes and modifications at the meeting on Monday, November 3, 1986.

4. Other Business:
  - A. Chairman's Report
  - B. Members' Reports
  - C. Staff Reports
5. Public Comment

Elliott Perovich  
Chairman

CB KT RS  
JH  
RR

Wearry  
de Vries  
Entz  
Bartel  
Hans  
Laurie

REGIONAL TRANSIT BOARD  
ROLL CALL AND ATTENDANCE SHEET

DATE: 11/3/85

BOARD OR COMMITTEE \_\_\_\_\_

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	✓					
Kenneth Bedeau (P)	✓					
Doris Caranicas (P)	✓					
Ruth Franklin (Chair, A & F)	✓					
Alison Fuhr (P)	✓					
Paul Joyce (A & F)	✓					
Edward Kranz (A & F)	✓					
Todd Lefko (Chair, Policy)	✓					
Bernard Skrebes (A & F)	✓					

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
October 27, 1986

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Kenneth Bedeau, Doris Caranicas; Ruth Franklin; Edward Kranz and Todd Lefko

MEMBERS ABSENT: Alison Fuhr, Paul Joyce and Bernard Skrebes

OTHERS PRESENT: Greg Andrews, Mary Fitzgerald, Judy Hollander, Katie Turnbull, Ed Kouneski, Jerry Brechlin and Mike Kuehn, Regional Transit Board Staff; Larry Wertheim, legal counsel; Arnie Entzel, Amalgamated Transit Union; Steve Bertrand, United Handicapped Federation

The meeting was called to order at 4:00 p.m. and roll taken. Lefko moved approval of the agenda; Caranicas seconded the motion. Motion carried unanimously.

Franklin moved approval of the minutes of the July 28, 1986, Committee of the Whole meeting; Bedeau seconded the motion. Motion carried unanimously.

Bedeau moved approval of the minutes of the August 27, 1986, Committee of the Whole meeting; Bedeau seconded the motion. Motion carried unanimously.

Bedeau moved approval of the minutes of the October 9, 1986, Committee of the Whole meeting; Franklin seconded the motion. Entzel said the minutes are incomplete with respect to what actually took place. The minutes indicate the union objected to the article in the Sun newspaper written by Alison Fuhr. They do not refer to the main objection to what was stated in the article: the fact that a member of a public agency wrote an article addressed "To The Taxpayer" and made statements that are totally untrue. The minutes do not state that the information in the article was incorrect and the member did not check her facts. There was no indication on her part she would do anything to correct it. She said the union should put out its own article. He is disturbed that a member of an agency would take time to write "to taxpayers" and make a totally untrue statement.

The chairman asked Entzel if the minutes should record that Entzel had stated at that meeting that the article was incorrect. Entzel said the fact that a member of a public board would put such information in a newspaper without checking is irresponsible. The chairman asked for comment from the members who were at the meeting. Lefko said Entzel was accurate about what had been said. The chairman said it is reasonable that those comments be included in the minutes. Entzel said the board's financial director could have checked those salary figures. The drivers are still hearing comments from the public about the article. Caranicas said Fuhr has researched the salaries in this region and has a new article coming out. It is true that Albert DelliBovi said that drivers make more than fire and police officers in some places. The board cannot be held responsible for Reagan Administration officials. It is her

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October 27, 1986

understanding is that Fuhr wrote the article as a reporter for the Sun Newspapers. Vote was taken on the minutes as amended; the motion carried unanimously.

Bedeau moved approval of the minutes of the October 16, 1986, Committee of the Whole meeting; Bedeau seconded the motion. Motion carried unanimously.

PUBLIC HEARING ON DRAFT IMPLEMENTATION AND FINANCIAL PLAN

The chairman called the public hearing to order. The hearing record will be held open for written comment until November 14, 1986. At the board meeting on November 3, 1986, the board will take action and forward the plan to the Metropolitan Council for review.

Roger Peterson, Executive Director of the Association of Metropolitan Municipalities, distributed the association's written comments (Exhibit A) and discussed the major concerns. The chairman said the board has not come to the conclusion that opt-out should be sunsetted. That is one of the issues that must be discussed. With additional service to those areas, it may be a moot point. Kranz asked how much interest there is in replacement service. Peterson said the only interest is in communities already working on it. Fifteen more communities may reserve the right to opt-out. The provision should be in the law for that to take place.

Lefko said the rationale behind the Transit Service Needs Assessment and the Implementation and Financial Plan is to develop a consistent pattern. All of the things AMM discussed are being done as part of other programs. We appear to be in total accord. Peterson agreed, but said that is not articulated in the plan.

Suzanne Poehler and Cheryl Andre presented a petition for 85 people who are employed by JCPenney Company (Exhibit B). Their office is relocating from downtown Minneapolis to Bloomington and they are asking for bus service. Rideshare has been offered to them, but for varying reasons they do not choose to do that. The transition will take place in April 1987 and about 100 more people will be hired.

There being no other speakers, the chairman closed the public hearing.

Exhibit C is a letter received on November 7, 1986, from the City of St. Paul.

CONSENT LIST

Environmental Assessment Worksheet for Realignment of County State Aid Highway 15 in Lake Elmo, Minnesota

Franklin moved approval of the October 15, 1986, consent list. Lefko seconded the motion; the motion carried unanimously.

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REPORT OF THE POLICY COMMITTEE

PROPOSED IMPROVEMENT OF COUNTY STATE AID HIGHWAY 40 FROM I-94 TO 12TH STREET NORTH AND BRIDGE REPLACEMENT IN MINNEAPOLIS

Committee Chair Lefko reviewed the committee report dated October 27, 1986, and moved:

That the Regional Transit Board find the Final Project Development Report for improvements to County State Aid Highway 40, or Glenwood Avenue, from I-94 to 12th Street North in Minneapolis consistent with the RTBs Interim Implementation Plan. The RTB further requests Hennepin County to work closely with the RTB, Metropolitan Transit Commission, Minnesota Rideshare and other providers on detour routing during the construction period and ensure coordination and cooperation between all parties involved.

Bedeau seconded the motion; the motion carried unanimously.

TRANSIT SERVICE NEEDS ASSESSMENT FINAL REPORT APPROVAL

Committee Chair Lefko reviewed the committee report dated October 21, 1986, and moved:

That the Regional Transit Board adopt the Transit Service Needs Assessment Final Report.

Franklin seconded the motion; the motion carried unanimously.

METRO MOBILITY UPDATE

Tom Vida, who was acting Metro Mobility manager during the transition period, said the new system is working quite well. There are a few, mainly internal, administrative problems, but most of them do not effect the riders. People are learning how the system works. The budget was broken down to daily allocation to ensure we do not run out of money. We could have spent the \$200,800 budget by October 21; \$136,395 was actually spent. Indications are that the same number of rides are being provided while spending \$3,000 a day less. There was a major problem with the computer system, which has now been corrected. After the operators are trained the computer will be used to place orders and provide written records. The performance of providers is being monitored by phone and in the field. Overall, users seem to be satisfied. The problems experienced by cabdrivers were discussed. Lefko said that while it is never easy to establish accountability, it is important to avoid the problems experienced in Milwaukee.

In response to Kranz' question, Vida said 37 drivers were reabsorbed into regular route service and the Project Mobility buses are being retrofitted with seats. The lifts will be retained, but more seats were added and vehicles will be put into regular route service. Entzel said ten people will be laid off.

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Steve Bertrand, speaking for the United Handicapped Federation, said staff of MTC and RTB did a fine job.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

REGIONAL TRANSIT BOARD INSURANCE RENEWALS

Committee Chair Franklin reviewed the committee report dated October 27, 1986, and moved:

That the Regional Transit Board approve the renewal of the Regional Transit Board's Comprehensive General Liability, Property, Workers Compensation, and Business Auto policies for a total premium amount of \$11,485.27.

Bedeau seconded the motion; the motion carried unanimously.

MEDIA POLICY

Committee Chair Franklin reviewed the committee report dated October 27, 1986, and moved:

That the Regional Transit Board approve the proposed RTB Media Policy.

Caranicas seconded the motion.

Kranz moved that a copy of the Media Policy and a letter explaining it and thanking labor representatives for their input be sent to Arnie Entzel. Caranicas seconded the motion; the motion carried unanimously.

SOUTHWEST AREA TRANSIT CONTRACT

Committee Chair Franklin reviewed the committee report dated October 27, 1986, and moved:

That the Regional Transit Board authorize the executive director to enter into a 13-month contract with the Southwest Area Transit Association, effective December 1, 1986, for an amount not to exceed the available local transit funds of \$983,775.

Kranz seconded the motion; the motion carried unanimously.

FINANCIAL STATEMENTS - AUGUST 1986

Committee Chair Franklin reviewed the committee report dated October 27, 1986, and moved:

That the Regional Transit Board receive the August 1986 financial statements and direct that they be placed on file.

Caranicas seconded the motion; the motion carried unanimously.

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#### PER DIEM POLICY

Committee Chair Franklin reviewed the committee report dated October 27, 1986, and moved:

In that they are a part of each member's responsibility as a regional representative, all Regional Transit Board members' per diems for the recent series of the Metropolitan Council chair's regional meetings are approved as submitted.

Caranicas seconded the motion. The chairman said he had denied those payments on the rationale outlined in a memorandum to the board members. In discussion at legislative meetings, he believes those particular meetings are not official activities of the board. Recognizing that members represent those districts where they attended meetings, we have always said those meetings must relate directly to activities of the board to be eligible. His understanding of legislative activity and criticism of the per diem situation regarding legislative activity and criticism is that meetings must be official activities of the board or actual board or committee meetings. He does not see how Metropolitan Council chair's meetings are official meetings, particularly since we hold our own regional meetings. The board has overruled that guideline and the chairman thinks that was a mistake. However, the board has the legal authority to determine what per diems will be paid.

Kranz moved to table the matter until the retreat. There was no second. Vote was taken on the original motion; the motion carried (Perovich voted "nay").

#### OTHER BUSINESS

##### CHAIRMAN'S REPORT

The chairman said he will be attending the Competitive Services Workshop in Washington on Wednesday, October 29. At that time he will have more information on the document, which will be the main topic of the November 17 board meeting. The information will be circulated to staff and private providers as well.

There was discussion about holding another Committee of the Whole meeting on October 30. The Implementation and Financial Plan will be acted upon at the November 3 board meeting. Any written comments received while the hearing record is open can be incorporated during the Council's review as appropriate.

##### MEMBERS REPORTS

Bedeau apologized for his inability to attend some of the meeting because of conflicts with his work schedule. In the future he expects to be able to attend most meetings because his schedule has changed.

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STAFF REPORTS

Andrews noted that the board retreat will be Tuesday, November 25, approximately 9 a.m. to 5 p.m. If members have any items for the agenda, they should give them to Perovich, Andrews or Fitzgerald. Entzel asked if the retreat is open to the public. The chairman said all meetings except executive sessions are open to the public.

There being no additional public comment or further business, Caranicas moved that the meeting be adjourned. Franklin seconded the motion. The motion carried unanimously. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, Minnesota 55101  
292-8789

DATE: October 31, 1986  
TO: Regional Transit Board  
FROM: Katherine Turnbull, Planning Manager *KT*  
SUBJECT: Implementation and Financial Plan for Approval on November 3,  
1986

Based on comments received at the public hearing, input from Metropolitan Council and legislative staff, and internal review, the following major changes have been made in the Implementation and Financial Plan:

1. Pages 4-7. The revised RTB mission statement, goals and policies have been included replacing those from the Interim Implementation Plan.
2. Page 10. Mn/DOT provided revised working for the second and third paragraph which more accurately reflects their roles and responsibilities.
3. Page 12. Information on the Hennepin County Railroad Authority has been added.
4. Pages 13-16. A new Section B. Recent Trends in Transit in the Twin Cities has been added.
5. Page 40. A New Section K. describing the Jobseekers and Transit Disadvantaged program has been added.
6. Pages 45-46. A description of the RTB's Rideshare Management Evaluation has been added.
7. Page 47. The introduction to the Service and Captial Implementation Program has been expanded.
8. Pages 48-49. The assumptions under the Service Implementation Program have been expanded.
9. Pages 51-59. The costs for each program have been revised and some of the descriptions/strategies have been clarified.
10. Pages 71-78. Chapter V. Financial Plan, has been revised and expanded.

*Mtg report*

# IMPLEMENTATION AND FINANCIAL PLAN



REGIONAL TRANSIT BOARD OF THE TWIN CITIES METROPOLITAN AREA  
OCTOBER, 1986

IMPLEMENTATION AND FINANCIAL PLAN

DRAFT FOR PUBLIC REVIEW

Regional Transit Board

October 31, 1986

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## IMPLEMENTATION AND FINANCIAL PLAN

### Chapter I. Introduction

#### A. Purpose

The Implementation and Financial Plan represents the Regional Transit Board's (RTB's) five-year programming plan for transit services, capital facilities and transit financing in the Twin Cities metropolitan area. It establishes the direction, priorities, timing and funding for the various elements which comprise the metropolitan transit system. The Transit Service Needs Assessment, the Interim Implementation Plan, the 1985 Financial Plan, the Metropolitan Council's Transportation Policy Plan, and other studies and activities form the basis for the Implementation and Financial Plan.

Specifically the Implementation and Financial Plan meets the following legislative requirements:

o Section 473.377 (Implementation Plan)

Subdivision 1. Requirement. The transit board shall adopt a transit service implementation plan describing the planning, functions, and activities to be performed by or under the direction or auspices of the board in implementing the policy plan adopted by the council pursuant to section 473.146. The plan must cover at least the five-year period commencing with the first calendar year beginning after the plan's approval, or a longer period prescribed by the council.

o Section 473.38, Subdivision 2 (Financial Plan; Council Approval)

Along with its annual budget, each even-numbered year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the board's implementation plan and must contain the elements specified in section 18, subdivision 3. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. The council may disapprove only for inconsistency with the policy plan of the council.

The legislative requirements for the Implementation Plan and the Financial Plan are somewhat different. The major difference is in the planning horizons for the documents. The Implementation Plan covers a five-year period, commencing with the calendar year after its approval, while the Financial Plan covers a three-year period. There are similarities between the two which make it appropriate to combine them into one document.

The 1986 Metro Governance Act (Chapter 460) further requires that the Regional Transit Board update its Implementation Plan based on the Metropolitan Council update of the Transportation Policy Plan and the Transit Section. Thus, this document will be revised once the Policy Plan update is completed. It is anticipated that this will occur in 1988. Amendments may also be necessary from time to time as a result of changing conditions, new information and as the results of activities in progress become available.

## B. Background

The RTB was created in 1984 by the Minnesota Legislature. The legislature, responding to the findings and recommendations of its Legislative Study Commission on Metropolitan Transit, established the RTB and charged it with the responsibility for short- to mid-range transit planning, transit policy making and transit administration in the seven-county Twin Cities metropolitan area.

The RTB enabling legislation identifies a number of responsibilities and duties the RTB shall perform. The RTB fulfills these responsibilities through the examination of transit needs and services, transit policy development, providing for community participation, administering and distributing public funds for transit services, and facilitating new and alternative transit services. The RTB works with the Metropolitan Council, the Metropolitan Transit Commission (MTC), other providers, the Minnesota Department of Transportation (Mn/DOT), and local communities in carrying out these charges.

The RTB began operation in the summer of 1984 with the appointment of a chairman by the governor and a 15-member board by the Metropolitan Council. The executive director was hired in September and staff was gradually added throughout 1984 and 1985. One of the first activities of the new agency was the development of the Interim Implementation Plan. As required by legislation, this plan was submitted to the Metropolitan Council in April, 1985. The Interim Implementation Plan contained the interim policies of the board and the interim service, staffing and financial plan.

Another of the RTB's major projects was the Transit Service Needs Assessment, which establishes the base for the Implementation and Financial Plan. The Transit Service Needs Assessment, which provided for the overall evaluation of transit needs and services in the metropolitan area, was conducted over a year-long period from August 1985 to August 1986. The results of this assessment, along with other studies, form the basis for the service and capital program identified in the Implementation and Financial Plan.

A number of other major activities also occurred during the first two years. These included the reduction in the size of the board from 15 to 9 members, the review of the Metropolitan Council's Alternatives Analysis and the endorsement of preliminary engineering for transit improvements in the University Avenue corridor, the evaluation and restructuring of Metro Mobility, the assumption of contract administration for 38 provider contracts from Mn/DOT and the MTC, and the active participation in numerous planning efforts currently underway.

All these activities are reflected in the Implementation and Financial Plan. The plan also reflects the long-range planning goals and policies of the Metropolitan Council, as outlined in the Transportation Policy Plan.

### C. Organization of Implementation and Financial Plan

This document is organized into the following six major sections:

#### Chapter I - Introduction

This chapter contains the purpose and legislative requirements for the Implementation and Financial Plan and the background to the RTB.

#### Chapter II - Transit Planning Process, Roles and Responsibilities, and Goals and Policies

This chapter outlines and discusses the transit planning process, agency roles and responsibilities, the RTB's transit goals and policies and those of other agencies.

#### Chapter III - Basis for the Implementation and Financial Plan

This chapter reviews the recent trends in transit services, the results of the Transit Service Needs Assessment, which forms the basis for the Implementation and Financial Plan, and other relevant studies. It also contains a discussion of issues which significantly impact on transit and the provision of transit services in the metropolitan area.

#### Chapter IV - Transit Service and Capital Program

This chapter outlines the strategies and objectives of the Implementation Plan including a description of the service area, service type, timing, cost and funding.

#### Chapter V - Financial Plan

This chapter outlines the financial policies and priorities, and the funding and financing of the operating and capital elements of the Implementation Plan. It includes the RTB's 1988-1989 Biennial Budget Requests.

#### Chapter VI - Future Directions

This chapter discusses the key issues facing transit in the next five years, the approach the RTB will take in addressing and resolving them, and the potential impact on the Implementation and Financial Plan.

## Chapter II. Transit Planning Process, Roles and Responsibilities

The Regional Transit Board is one of many participants involved with transit and transportation planning and implementation in the metropolitan area. The RTB, along with the Metropolitan Council, Mn/DOT, and public and private operators, are responsible for different aspects of the planning and implementation process. These activities are coordinated through the 3C (continuing, coordinated and comprehensive) planning process of the Metropolitan Council, which is the federally recognized Metropolitan Planning Organization (MPO).

The specific roles and responsibilities for the RTB, Metropolitan Council, MTC, Mn/DOT and other service providers are outlined below. These descriptions are taken from the Transit Service Needs Assessment Phase I report.

### A. Regional Transit Board

The Regional Transit Board was created by the Minnesota Legislature in 1984 to consolidate metropolitan transit planning, financing, and the arranging of transit services. The RTB is responsible for short- to mid-range transit planning, policy making, administration, and facilitating new and alternative transit services. The major functions and activities of the RTB, as specified in the enabling legislation, include:

- o To prepare transit implementation plans;
- o To prepare and present required transit budgets, financial plans and staffing plans;
- o To execute and administer transit project contracts and to assume rideshare program responsibilities;
- o To appoint members to the Metropolitan Transit Commission (MTC);
- o To request, review and approve the MTC budget;
- o To assume Replacement Services (Opt-Out) program responsibilities; and
- o To conduct research and render advice on transportation issues.

The Regional Transit Board is comprised of eight board members and a chairman. The board, which represents the eight metropolitan districts, is appointed by the Metropolitan Council. The Regional Transit Board chairman is appointed by the governor.

One of the first activities undertaken by the Regional Transit Board was the development of an Interim Implementation Plan (IIP). The IIP, which was required by legislation, was a three-year work plan containing the RTB's mission, goals and policies, the transit service plan, staffing plan and financial plan. The IIP was adopted in April 1985. The development of the Implementation and Financial Plan included the revision and updating of the RTB's mission statement, goals and policies. These more accurately reflect the mission, goals and policies of the RTB as it enters its third year.

#### Mission Statement:

The Regional Transit Board plans, prioritizes, coordinates, and administers a system of cost-effective services in the Twin Cities metropolitan area which are responsive to and meet the needs of area residents.

The goals and policies are not listed in any order of priority. It is realized that conflicts may exist between the different goals. It is the responsibility of the Board to resolve issues between goals on any given matter.

GOAL: Transit services should be provided in a cost-effective and efficient manner.

Policies:

1. Financial and Performance standards will be used in planning, managing and evaluating services to ensure cost-effective service.
2. The most cost-effective providers--public, private or private-non-profit--shall be selected to provide transit services.
3. The most cost-effective delivery method will be used to satisfy identified transit needs.
4. Transit providers will be encouraged to seek cost-effective approaches to all aspects of service delivery.
5. Transit providers will be encouraged to maximize service productivity.

GOAL: Transit services should be responsive to the needs of the elderly, young, disabled, economic disadvantaged and other dependent groups.

Policies:

1. Specialized transit services should be provided throughout the metropolitan area in a manner appropriate to the identified needs.
2. Specialized transit services should be coordinated to minimize duplication and maximize limited resources.
3. Priority should be given to serving areas which have the highest concentration of transit-dependent population.

GOAL: Transit services should be provided which enhance the quality of life in the metropolitan area.

Policies:

1. Priority should be given to transit services which help to reduce highway congestion, energy consumption, air quality problems and the need for major highway-related capital investments.

GOAL: To provide for public mobility in the event of emergencies or energy shortages.

Policies:

1. A basic level of transit service should be provided to meet the essential mobility needs during a natural disaster or energy emergency.

GOAL: To provide transit services which enhance the mobility of area residents.

Policies:

1. Services should be matched to the needs of geographic areas and transit market groups.
2. Priority transit investments should be given to: (a) travel corridors with highest congestion and poorest travel time to downtown Minneapolis and St. Paul; and (b) areas with highest unmet needs and concentrations of transit dependent populations in both suburban areas and the more densely populated central cities.

GOAL: Transit services should be provided in a safe, reliable, efficient and well-maintained manner.

Policies:

1. Providers will be required to meet standards which ensure adherence to federal, state and regional operating standards.
2. Transit services will be provided and maintained to ensure customer satisfaction and loyalty.

GOAL: Complete, coordinated and accurate transit information should be provided to area residents to promote understanding and use of services.

Policies:

1. Transit information for all services should be easily available to the general public including those with specialized needs.
2. Transit information for all services should be coordinated among providers to ensure easy transferring between services and comparison of options.

GOAL: Utilize public resources and investments in the most efficient manner possible in order to establish and maintain a strong financial base for public transit activities.

Policies:

1. Provide for a set of dedicated funding sources for transit services to promote long-term stability and revenue certainty. This should address the appropriate role and share of fare revenues, property taxes, state aid and federal aid.

B. Metropolitan Council

The Metropolitan Council has been designated by the Federal Government as the Metropolitan Planning Organization (MPO) for the Twin Cities area. Created in 1967 by the Minnesota Legislature, the Council is responsible for guiding the orderly development of the 3,000 square mile metropolitan area.

The Metropolitan Council plays a major role in determining priorities among projects, funding and financing. The Council is accountable by law to the State Legislature. To conduct planning activities and to coordinate planning by both government and the private sector, the legislature requires the Council to:

- a) Prepare and maintain a Metropolitan Development Guide. This guide serves as a long-range regional plan upon which to base development and metropolitan systems implementation decisions.
- b) Review applications for federal and state funds to assure consistency with the regional development goals, policies and programs described in the Metropolitan Development Guide.
- c) Prepare policy plans which give clear direction to the regional commissions and agencies which operate public transit, regional parks, airports, housing and water quality management activities.
- d) Approve financial proposals, capital programs and detailed plans of regional agencies.
- e) Review long-range local government plans and require local plans to be consistent with regional sewer, park, airport and transportation plans.
- f) Conduct urban research in broad-ranging areas and present findings to the legislature.
- g) Provide technical assistance to other governmental units.
- h) Provide information to the public on matters pertaining to the region and its development.

In transportation, the Metropolitan Council is responsible for both long-range highway and transit planning in the metropolitan area. The Council is also responsible for reviewing and approving transit projects and funding. These functions are conducted in accordance with the policies and goals in the Metropolitan Development Guide, specifically those in the Transportation Chapter.

The Metropolitan Development and Investment Framework (MDIF), recently completed by the Council, establishes the overall direction for future development in the metropolitan area and contains guidelines for making decisions about investments in metropolitan systems--sewers, parks, airports, transit and highways--to support orderly growth and development and presents the Council's approach to guiding development and change in the metropolitan area. Specific chapters deal with each of the topical areas. The Council's current goals and policies dealing with transit are contained in the Development Guide/Policy Plan Chapter on Transportation. The Council will be updating this chapter in 1988.

The six goals and policies relating to transit contained in the Transportation Chapter are outlined below:

Goal One: Provide transportation facilities and service to promote the orderly and economic development of the metropolitan area.

Related Policies:

- o Transportation facilities should be planned, designed and operated to promote and serve development that is consistent with the Development Framework chapter of the Metropolitan Development Guide.
- o Transportation investments should be made on the basis of need and the ability of the metropolitan area to finance and maintain these investments in relation to other metropolitan systems needs and investments over time.

Goal Two: Provide metropolitan residents with good accessibility to the sub-regional and regional opportunities. Related Policy:

- o Transportation planning and investment should provide for the efficient regional movement of goods and the incorporation of goods movement systems into the design of major activity centers.

Goal Three: Provide residents of the urban area, as defined in the Development Framework, with cost-effective, convenient and attractive alternative choices of transportation to both sub-regional and regional activities. Related Policies:

- o Transportation facilities should be planned, designed and operated to function in a manner compatible with adjacent land use; in those instances where the function of a facility and adjacent land use have become incompatible, affected agencies and local units of government should establish a program to mitigate this incompatibility.
- o Transportation systems should be developed and managed to utilize existing investments more effectively.

- o Demonstration projects should test new service and pricing/financing concepts or strategies, and contain an evaluation program sufficient to assess the performance and further applicability of project objectives.

Goal Four: Utilize transportation to strengthen the two metro centers as the major employment, financial, institutional, retail, cultural, entertainment, medical and service centers for the metropolitan area, the state of Minnesota and the Upper Midwest. Related Policy:

- o Transportation planning and investment should provide for the efficient regional movement of goods and the incorporation of goods movement system into the design of major activity centers.

Goal Five: Provide transportation facilities and services that produce positive impacts upon the social, economic and physical environment, and conserve the supply of metropolitan energy resources. Related Policies:

- o Transportation should be provided that is responsive to the special needs of the young, disabled and economically handicapped living in the Metropolitan Area.
- o Safety standards must be a major consideration in the planning, design, operation and maintenance of transportation facilities and services.
- o Transportation facilities should be planned, designed and operated to minimize the disruption of neighborhoods.

Goal Six: Maintain a regional transportation planning and programming process that is responsive to the needs and interests of metropolitan residents, groups, counties, municipalities and affected agencies-- with sufficient opportunity provided for them to participate in policy and implementation decisions. Related Policies:

- o Citizen and public involvement should be promoted in the formation of transportation policy and implementation decisions.
- o Consistency with state, federal and regional environmental plans, policies and standards should be a major consideration in the planning, design and operation of transportation projects and facilities.

The Transportation Advisory Board (TAB) is a Council advisory committee which deals with transportation. It is composed of local elected officials and citizen representatives.

The TAB, which was created in 1974, provides a forum for state, regional and local officials, and private citizens to discuss transportation issues. Responsibilities of the Transportation Advisory Board include participation in the preparation and modification of the Transportation Policy Plan, review and comment on the statewide transportation plan, and participation in the Transportation Improvement Program (TIP). The TAB is also involved in a wide spectrum of planning activities and participates in the review of transit studies and projects.

### C. Minnesota Department of Transportation (Mn/DOT)

The Minnesota Department of Transportation (Mn/DOT) was created in 1976 by the Minnesota Legislature to provide a balanced and coordinated multi-modal transportation system for the state. Mn/DOT assumed the responsibilities of a number of separate departments, providing a unified transportation planning and management program for the state.

Mn/DOT has authority to locate, improve, maintain, construct and reconstruct a system of trunk highways, including interstate routes. Mn/DOT prepares a two-year highway improvement program and a four-year highway improvement work program which provide Mn/DOT's input to the development of the federally mandated Transportation Improvement Program in the Twin Cities area.

Mn/DOT submits proposals for controlled-access highways to the Metropolitan Council and the Regional Transit Board for review and approval. Mn/DOT also submits Environmental Assessment Worksheets and Environmental Impact Statements on highway projects to the Metropolitan Council and the Regional Transit Board for review and approval.

Mn/DOT is involved in transit planning and services in a number of different ways. Within the metropolitan area, the Central Office and two district offices, District 5 and District 9, perform different roles. The district offices are responsible for planning, designing and construction of highway projects. Transit is one of the elements considered during the planning process. The Central Office deals with transit through consideration in the highway planning process and through the Office of Transit. Within the metropolitan area, the Office of Transit provides assistance with planning projects as requested. The Office of Transit is responsible for the administration of financial operating assistance to public and private operators outside the metropolitan area.

The Minnesota Department of Transportation has adopted five goals relating to transit. These are outlined below:

1. To provide access to transit for persons who have no alternative mode of transit available.
2. To increase efficiency and productivity of public transit systems.
3. Where such activities are cost effective, to alleviate problems of automobile congestion and energy consumption, and to promote desirable land use.
4. To maintain a state commitment to public transportation.
5. Consistent with the above objectives, to meet the needs of individual transit systems.

#### D. Metropolitan Transit Commission (MTC)

The Metropolitan Transit Commission (MTC) was created by the Minnesota Legislature in 1967 as the region's public transit agency. The legislation creating the RTB refocused the role and composition of the MTC. The MTC is the public transit operating agency and service provider in the metropolitan area. As such, it provides the majority of regular route transit service in the area. The MTC's operation also includes major maintenance facilities, routes and schedule planning, information distribution and marketing and other service-related activities.

The MTC's goals, as outlined in its 1984 Transit Development Program, are as follows:

Goal One: An integrated public transportation system, comprehensive in scope to provide mobility for the general population, with special emphasis on the transit dependent, and the ability to provide continued public mobility in the event of major disruptions in the availability of motor vehicle fuel and during other emergencies.

Goal Two: A coordinated network of special services for the elderly, handicapped and others with special transportation needs, to be implemented in the most cost-effective manner using existing public and private providers of service.

Goal Three: Increased vehicle occupancy through marketing programs encouraging more extensive use of transit, paratransit, and ridesharing, with the objective of reducing the use of vehicles occupied by only one person, especially during peak travel times.

Goal Four: A well-maintained modern vehicle fleet, clean and comfortable, providing reliable service which is attractive to the rider and economical to operate.

Goal Five: Adequately staffed, properly equipped and well-maintained garage and overhaul facilities to service the MTC fleet of 40-foot and articulated buses, Project Mobility vehicles and paratransit buses and vans.

Goal Six: Well-maintained and attractive facilities to expedite the movement of transit, paratransit and ridesharing vehicles; provide for inter-modal use of the transit system; and facilitate use by the handicapped, transit dependent and general population.

Goal Seven: The fullest and most efficient use of public resources and investments in public transit and paratransit through provision of a high level of service in areas with large number of transit dependents and a high density of demand for service, placing special emphasis on increasing the number of regular riders.

Goal Eight: A reasonable balance between public subsidy and level of service, with operating revenues proportioned to the cost of providing the service; the fare structure established to be affordable by the users, and easily administered and understood; and to minimize any disparities in the subsidy per passenger.

The MTC has further refined these goals with specific policies under each. In addition, the MTC has developed a set of performance standards for its regular route service. These standards deal with financial, service safety, manpower and maintenance indicators.

#### E. Other Providers and Organizations

Twenty-six other providers in the metropolitan area are under contract to the RTB to provide a variety of different public transit services. These providers are required as part of their management plan to identify the project goals and objectives for the upcoming year. These goals and objectives, which include a statement of anticipated accomplishments and the methods for achieving them, are submitted as part of the annual application process. These goals and policies are reviewed by the RTB as part of the contract negotiation process to determine their consistency with the RTB's goals and policies.

Federal guidelines also require the participation of all private operators in the planning process. This has been accomplished locally in a number of ways, including participation on advisory committees and project management teams, review of the Transportation Improvement Program and involvement in regular committee and board meetings.

The Hennepin County Railroad Authority has also been involved in transit issues, specifically those relating to light rail transit. The State Regional Railroad Authorities Act of 1980 provided a "means whereby one or more municipalities may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines." The legislation further provides these authorities with numerous powers including railroad acquisition and operation, eminent domain, taxation, municipal agreements, bonding and contracting.

Based on this legislation, Hennepin County established the Hennepin County Railroad Authority in 1980. The Hennepin County Commissioners also serve as members of the Railroad Authority. The Authority has been actively involved in planning for light rail transit and in purchasing right-of-way in the southwest corridor. The Authority currently owns all of the old Chicago and Northern right-of-way from Victoria to downtown Minneapolis.

#### F. Federal Agencies

The Urban Mass Transportation Administration (UMTA) of the United States Department of Transportation (U.S. DOT) is the federal agency responsible for administering transit funding for planning (Sections 6 and 8), operating and capital (Section 9) and capital discretionary (Section 3). The Federal Highway Administration (FHWA), while primarily involved with highway funding, also provides funding for some transit activities. Both agencies actively participate in the urban transportation planning process.

## Chapter III. Basis for the Implementation and Financial Plan

### A. Introduction

A number of different activities of the Regional Transit Board over the past two years form the basis for the Implementation and Financial Plan. These include the many elements conducted as part of the Transit Service Needs Assessment, the Metro Mobility planning and restructuring, the development of interim performance and financial standards for the MTC, the preliminary development of a capital planning program, fare policy development and the initiation of a competitive bidding demonstration. These and other past and present studies conducted by other agencies impact on the development of the Implementation and Financial Plan. The results of studies currently underway will be incorporated into future updates of the plan.

This chapter reviews the key elements of each of these activities, with emphasis on their relationship to the Implementation and Financial Plan. While the Transit Service Needs Assessment provides the overall base for the plan, the RTB's numerous activities are so interrelated that they all provide significant input into the development of the plan. Major studies of other agencies also play a crucial role in the development of the Implementation and Financial Plan. These are summarized at the end of this chapter. Chapter VI further elaborates on the future activities of the RTB and identifies how many of the issues raised in this chapter will be addressed.

### B. Recent Trends in Transit in the Twin Cities

This section highlights recent trends in transit ridership, levels of service, fares and financing. This information provides the basis for the assumptions made in the Service and Capital Program and the Financial Plan provided in Chapters IV and V. These assumptions are also briefly discussed in this section.

o Ridership. Annual ridership levels on the MTC and other regular route systems increased steadily from approximately 60 million passengers in 1971 to 94 million passengers in 1979. Ridership during 1979 represented the highest level over the past fifteen years and was the result of the energy situation occurring at the time. Ridership levels dropped from this high in 1979 to approximately 76 million passengers in 1983. Since 1983, ridership levels have remained relatively constant at the 75 to 76 million mark. The Implementation and Financial Plan projects modest ridership growth in regular route patronage of approximately one percent. This is based on the additional services proposed and increasing the productivity of existing services.

Ridership levels for paratransit services have continued to increase. Patronage on Metro Mobility has increased by 175 percent since 1979. Annual ridership has grown from approximately 1.2 million in 1979 to 2.8 million in 1985. Metro Mobility continues to receive between 250 and 300 new certifications per month. The Implementation and Financial Plan

projects increased ridership on Metro Mobility based on the restructured and expanded service. A 20 percent increase is forecasted for 1987 and a 9 percent increase for 1988. After 1988, Metro Mobility is anticipated to experience smaller ridership increases.

According to the 1980 census, over 170,000 people in the metropolitan area reported using carpools or vanpools for their daily work trip. Minnesota Rideshare has provided approximately 11,000 match lists to potential carpools on an annual basis, and has assisted an average of 3,200 carpools. It is anticipated that Minnesota Rideshare will increase the number of carpools and vanpools it matches through a more targeted approach.

The community and county programs have also experienced increases in ridership of approximately one to two percent a year. The Implementation and Financial Plan projects this modest rate of increased ridership to continue.

- o Service Miles. Total miles of service provided has increased for both regular route and paratransit services. For example, in 1971 the MTC provided approximately 18.5 million miles of service. This increased to around 31 million miles in the early 1980's and has since been reduced to approximately 28 million miles. Paratransit service miles have been increasing during the 1980's. The Implementation and Financial Plan projects modest increases in regular route service miles and paratransit services.
- o Service Mix. Since 1970, regular route services have been provided predominantly by the MTC. Private operators have also been providing service throughout this period. Paratransit services have been provided by public, private and private-non-profit operators. The Implementation and Financial Plan projects that different providers will continue to be used for different types of services. While other operators will be utilized for regular route services through the competitive bidding process, it is anticipated that the MTC will continue to provide the majority of regular route service.
- o Fares. Fare levels for regular route services remained at a 30 cent base fare from 1971 through 1978. Base fares were raised to 40 cents in 1979, 50 cents in 1980, and 60 cents in 1981. In 1982, a 15 cent peak hour surcharge was added. The 60 cent base fare has remained with additional zone, peak-hour, and express service charges. Fares for Metro Mobility were recently raised from 60 cents to \$1.00 with the restructuring of the program. The community and county programs charge different fare levels but typically request a donation of \$.50-\$1.00. The Implementation and Financial Plan does not project any major changes in fares. The outcome of the RTB's fare policy development may recommend some changes, such as the fare simplification previously recommended by the MTC's Fare Pricing Study. These will be considered in future updates of the Implementation and Financial Plan.

- o Funding. The funding levels for transit services in the metropolitan area have been increasing over the last fifteen years. For example, in 1970 the MTC's annual budget was approximately \$15 million. In 1986 it was almost \$100 million. Funding sources for transit have also changed during this time period. These are summarized in Figure 1.

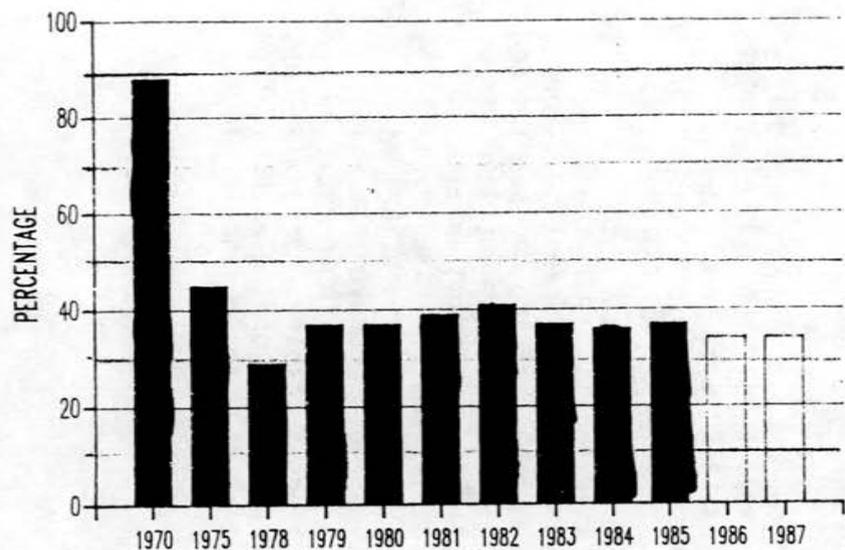
These figures show the changes which have occurred in the different funding sources. Revenues generated from fares have declined. The federal share increased dramatically during the 1970's but has been decreasing during the 1980's. The percent of funding from property taxes has been increasing substantially. The state's share has been increasing but at a lower rate.

The Implementation and Financial Plan assumes the following in terms of future funding. The federal share of operating funds is projected to decline by 10 percent in 1987 and then remain relatively stable. Federal capital funding is assumed to remain available. Fares are anticipated to remain at existing levels and fare revenues have been projected to increase slightly based on modest ridership gains. State funding is projected to be available to supplement the reduction in federal funds and to support the increased budget. It assumes the Motor Vehicle Excise Tax (MVET) will be reinstated at the 50 percent level during the biennium, with the remaining funding coming from the General Fund. Local property taxes are assumed to continue to comprise a significant portion of the total transit funding. The tax feathering, which ties the property tax levy to the level of service received by a community, is projected to continue. The current mill levies are anticipated to continue with a four percent growth in assessed valuation.

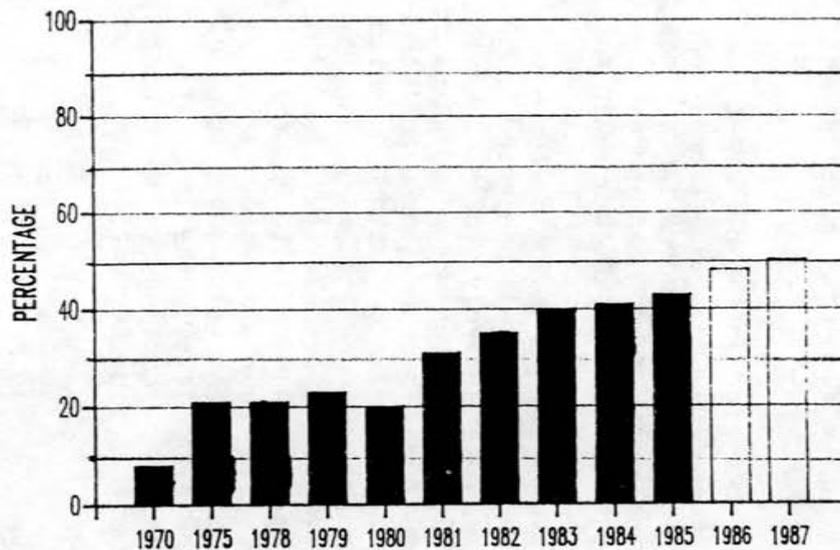
In keeping with the legislative direction, the RTB would like to see a funding breakdown of 35 percent fares, 35 percent property taxes, 20 percent state funding and 10 percent federal aid. The RTB envisions this as the long-range financing structure, using the MVET at the state level, which will promote stability and revenue certainty.

- o Gasoline Prices. Gasoline prices increased dramatically during the 1970's, from approximately 37 cents a gallon in 1971 to \$1.32 a gallon in 1981. Since then, prices have declined to below \$1.00 a gallon. The Implementation and Financial Plan assumes continued stable gas prices and does not project any dramatic increases.
- o Capital Needs. The major bus-related fixed facilities in the Twin Cities are in relatively good shape. Recent investments in operating, storage and maintenance facilities have addressed the most pressing needs. The one exception to this is the Nicollet Garage and the midday bus layover facility. Issues surrounding these facilities are being examined and will be resolved by the end of 1987. The transit hubs and fixed facilities associated with I-394 are also major capital needs. With the majority of fixed facilities in place, it appears that fleet improvements will represent a major part of future capital needs. The Implementation and Financial Plan assumes that federal funding for capital needs will continue to be available. Also assumed is that additional bonding authorization will be approved in the 1987 legislative session to provide for local matching funds.

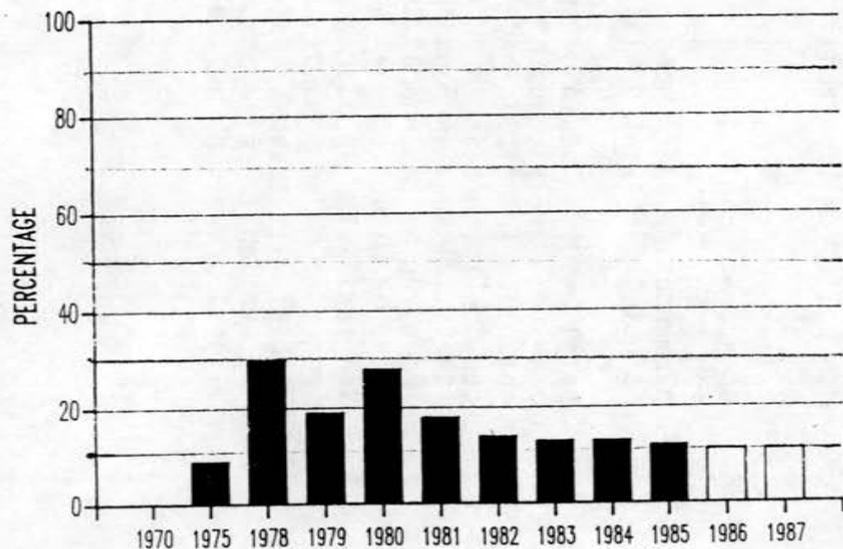
### OPERATING REVENUE



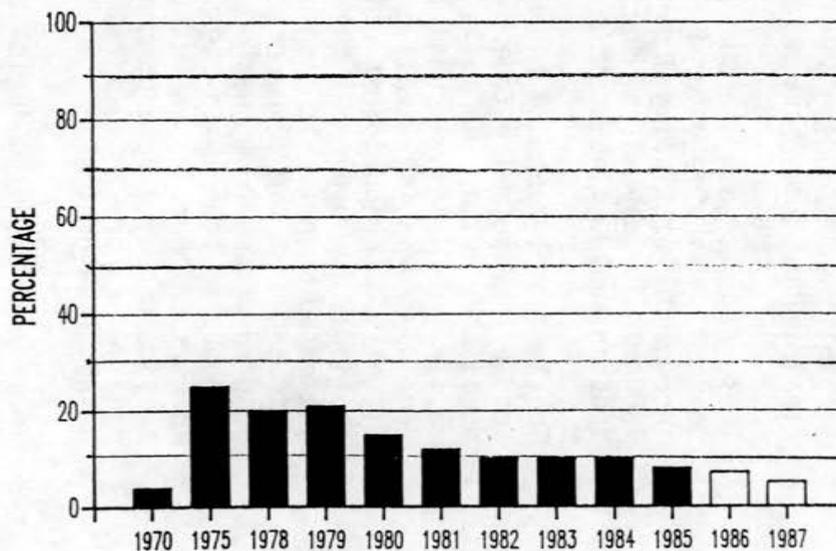
### PROPERTY TAXES



### STATE GRANTS



### FEDERAL GRANTS



### C. Transit Service Needs Assessment

The Transit Service Needs Assessment provided for the overall evaluation of short- to mid-range transit needs and services in the Twin Cities metropolitan area. The results of the Transit Service Needs Assessment provide the basis for the RTB to make informed decisions on the need for transit services, and to identify opportunities, as well as inefficiencies, in the system in order to create a more equitable, cost-effective and efficient transit system. The Transit Service Needs Assessment established the framework for the major elements of the Implementation and Financial Plan and identified the service strategies to be considered. The major activities and findings from the Transit Service Needs Assessment are summarized in this section. The Phase I report, the Final Report and numerous technical memorandums provide a much more detailed discussion of the activities conducted as part of the Transit Service Needs Assessment.

Market Research. Eight Focus Groups, two major telephone surveys, on-board ridership surveys and review of trail check information were all conducted as part of the market research activities. The Focus Groups were conducted with individuals representing the following markets: work and non-work trips to the Central Business District's (CBD's), suburban-based work and non-work trips, elderly, low income, handicapped and unemployed. Four hundred telephone surveys were conducted in the Northwest Radial Sector of Minneapolis and suburban communities, and six hundred telephone surveys were conducted in the western Minneapolis suburban communities. Additional on-board ridership surveys were conducted on the Plymouth Metrolink, Hastings Commuter Express and selected MTC routes.

The results of the surveys indicated substantial transit use by both choice transit riders and transit dependent populations. All groups reported positive views of bus services, and rated transit high by many attributes. A significant percentage indicated they would increase their use of transit in response to new alternatives. However, a sizable number also indicated that they would not use transit under any circumstances.

Cost Model and Performance Thresholds. A four-factor cost model was developed as part of the Transit Service Needs Assessment in order to obtain a more precise analysis of the cost of operating individual routes. The use of the model and its results are critical to the Transit Service Needs Assessment and as an ongoing tool for the RTB. The results of the cost model and performance threshold analysis are important for making knowledgeable decisions about service additions, reductions, restructuring and other modifications.

The analysis identified routes and services which are expensive to provide. Most routes outside the threshold limits tend to have one or more of the following characteristics: very long route, crosstown route, reverse commute route, low or infrequent service and routes serving social or specialized functions.

The results of this analysis will be utilized to develop performance measures for all types of services. This builds on the activities of the joint RTB/MTC committee which developed an interim performance threshold. This measure,

which was adopted by both the RTB and MTC, was intended to serve as an interim measure until the results of the Transit Service Needs Assessment could be used to develop a set of performance measures for all providers.

Transit Service Strategies. The Transit Service Needs Assessment developed a set of transit service strategies to be used in addressing transit needs. These strategies were developed based on the analysis of the service and market characteristics, evaluation of existing and potential services, and the policy guidelines of the RTB and Metropolitan Council, as outlined in the Interim Implementation Plan and Transportation Policy Plan.

Transit Need Indicators. A set of five transit need indicators were developed and used throughout the assessment. These need indicators are: population and employment concentrations, transit dependent market segments, highway congestion, travel desires and existing transit supply. These indicators were used to identify unmet transit needs. Most of these indicators were examined at the census tract level.

Subarea and Sector Market Assessment. A major component of the Transit Service Needs Assessment was a detailed analysis of transit needs, based on an evaluation of the transit need indicators, by transit planning subarea and sector. The results of this analysis were the identification of unmet transit needs and the potential service strategies to satisfy these needs.

Future Actions and Directions. A number of additional issues were examined as part of the Transit Service Needs Assessment, including funding approaches, the development of RTB transit planning procedures, and service quality concerns. The results will also be coordinated with and incorporated into other RTB activities and those of other agencies.

The results from the different activities conducted as part of the Transit Service Needs Assessment have far-reaching implications for the Implementation and Financial Plan, transit in the Twin Cities, and ongoing activities of the RTB. These are highlighted below:

The four-factor cost model and the performance thresholds will be utilized to complete the development of a set of performance and financial standards for all providers. These activities will build on the work that was initiated in 1985 and completed in 1986 on the establishment of the MTC/RTB interim performance and financial standards. The result of this work established a performance standard of a subsidy per passenger level of \$2.45 per route. Routes with a subsidy per passenger over this amount are being identified for further evaluation.

The results from the four-factor cost model allow the RTB to examine the different types of services, such as local, express, and crosstown, and develop performance measures for all regular route services. The same will be done for other types of services, including the community and county program, Metro Mobility, Minnesota Rideshare and others. It is anticipated that this process will be completed by the end of 1987.

The Transit Service Needs Assessment identified a set of strategies to be used in addressing transit needs. It also identified the most appropriate types of services to meet the unsatisfied needs. These service strategies form the basis for the service and capital plan presented in Chapter IV. The Transit Service Needs Assessment identified inefficiencies in the existing system, which will be evaluated in 1987 for route eliminations, restructuring or alternative services; new services to meet unmet needs; and capital needs, primarily transit hubs at shopping centers and park-and-ride lots. As will be discussed further in Chapter IV, these form the basis for the modifications, additions and reductions in service anticipated over the next five years. During the development of the Implementation and Financial Plan, the strategies from the Transit Service Needs Assessment have been further evaluated by a set of criteria to establish a general priority and timing for the Test Marketing Program.

#### D. Existing Transit Services

The Transit Service Needs Assessment included a detailed examination of existing transit services in the Twin Cities metropolitan area. A wide variety of transit services are currently provided in the Twin Cities metropolitan area. These include regular route services, both public and privately operated, and the different paratransit services such as Minnesota Rideshare and specialized programs such as Metro Mobility and the various community and county programs. Table 1 presents the different transit programs currently in operation in the area.

Table 1  
Transit Providers in the Metropolitan Area

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Regular Route

Public

- o Metropolitan Transit Commission

Private

- o Medicine Lake Lines
- o North Suburban Lines
- o Valley Transit, Inc.

Private Fixed Route Circulators

- o Metropolitan Airports Commission
- o 3M Headquarters Shuttle
- o State of Minnesota--Space Center Shuttle

Private Over-the-Road Bus Operators

- o Scenic Minnesota Lines
- o Four Start Lines
- o Greyhound Lines
- o Jefferson Lines
- o Zephyr Lines

Paratransit Programs

- o Metro Mobility
  - o Minnesota Rideshare
  - o Eden Prairie Rideshare Program
  - o University of Minnesota Carpool Services
  - o Private Employer Rideshare Programs
  - o County Programs
    - Anoka County Community Health and Social Services
    - Carver Area Rural Transportation (CART)
    - Dakota Area Referral and Transportation for Seniors, Inc. (DARTS)
    - Scott County Transportation Program
    - Human Services, Inc. - Washington County Transporter
  - o Community Programs
    - City of Shakopee
    - Columbia Heights Shared-Ride
    - Hastings Transportation Around the City (TRAC)
    - Hopkins Hop-a-Ride
    - Plymouth Metrolink
    - St. Louis Park Emergency Program (STEP)
    - White Bear Area Transit
  - o Social Service and Private-Non-Profit Organizations
-

## Regular Route Services

Four operators, one public and three private, provide regular route transit services in the area. These are the Metropolitan Transit Commission, the public operator, Medicine Lake Lines (MLL), North Suburban Lines (NSL), and Valley Transit (VT). Key characteristics of each operator are shown in Table 2 and a brief summary of each is provided below.

Table 2  
Characteristics of Regular Route Service Providers (a)

	MTC	MLL	NSL	VT
Number of routes (1985)	122	26	4	2
Fleet size	1,079	63	16	2
Vehicle-miles/year	27,600,000	881,400	389,500	45,000
Passengers per year(b)	74,400,000(c)	4,497,300(c)	272,800	40,450
Number of employees	2,299	27	18	2
Percent elderly riders	11.01(d)	4.6(e)	4.5	45
Percent young riders	5.00	1.5(e)	2.1	25

(a) For the year 1984

(b) Unlinked trips (include transfers)

(c) MTC includes University of Minnesota Route 52; Medicine Lake Lines includes University of Minnesota Route 13, Metrolink and its regular service

(d) Includes 3 percent handicapped riders

(e) For MLL only. Does not include Metrolink nor U of M Route 13

The Metropolitan Transit Commission is the largest provider of regular fixed route transit service in the metropolitan area. Its service area covers approximately 2,000 square miles and serves 86 of the 190 Minor Civil Divisions in the metropolitan area. The system's orientation is primarily radial, and it focuses mainly on the three large activity centers of downtown Minneapolis, downtown St. Paul and the University of Minnesota. Within this system, the MTC operates local and express service. Table 3 summarizes MTC routes and services.

Table 3  
MTC Services (1985)

Service Type	Orientation of Routes	Minneapolis and Suburbs	St. Paul and Suburbs	Total
Local	Radial (to downtown)	25	20	45
	Crosstown	10	3	13
Express	Radial	32	16	48
	Crosstown	3	1	4
	University of Minnesota	10	2	12
TOTAL		80	42	122

Source: Metropolitan Transit Commission

Medicine Lake Lines is the largest of the three private regular route transit providers in the metropolitan area. Medicine Lake Lines operates transit service between the northwest suburbs of Plymouth, Golden Valley, Maple Grove, Medicine Lake, New Hope, Crystal, Brooklyn Center and downtown Minneapolis. Medicine Lake Lines also operates the Metrolink service in Plymouth and the University of Minnesota intercampus service.

North Suburban Lines, Inc., is also a private operator providing regular route service between the northern suburban communities of Roseville, Little Canada, Shoreview, Moundsview, Lino Lakes, Centerville, Circle Pines, Lexington, Blaine, Coon Rapids, New Brighton, Anoka and downtown St. Paul.

Valley Transit, Inc., is the third privately owned transit operator. Valley Transit provides local service to the communities of Stillwater, Oak Park Heights, and Bayport, and interconnects with MTC service to downtown St. Paul.

Three local business-oriented regular route transit services are also presently operated. The first of these is provided by the Metropolitan Airports Commission (MAC). MAC operates a shuttle bus system between the main terminal at the Twin Cities International Airport and the Hubert H. Humphrey Charter Terminal. The 3M Company operates a regularly-scheduled van shuttle service for 3M employees between the 3M headquarters in Maplewood and its office complex in Woodbury. Lastly, the Space Center shuttle system, which is a joint public/private venture between the State of Minnesota and the Space Center, provides regular service between the Capitol area, downtown St. Paul and the Space Center/Department of Natural Resources buildings to the east of downtown. There may be other services of this type which have not been fully documented.

Additional private over-the-road bus operators provide highway oriented bus service in the metropolitan area. There are five operators offering connecting services between communities in the seven county area and the two downtowns and the airport.

## Paratransit Programs

Paratransit services are usually defined as specialized and demand-responsive transportation which offer more flexible and personalized services than conventional fixed-route transit. Paratransit vehicles are often lower capacity and may be wheelchair equipped. Vans, mini-buses, taxis and automobiles are commonly used for paratransit services. A wide variety of paratransit services are provided in the metropolitan area, including public and private shared-ride demand-responsive services for the elderly and disabled, rideshare matching and vanpool programs, county and community paratransit programs, and volunteer driver programs.

Metro Mobility is the largest paratransit service provided in the Twin Cities. It provides demand-responsive door-through-door service to registered clients. The Metro Mobility service area currently includes all of Minneapolis and St. Paul and the first ring suburbs surrounding both cities. In 1985, ridership on Metro Mobility was 501,564.

Metro Mobility was restructured in the fall of 1986 through the implementation of a modified user-side subsidy. In conjunction with this restructuring, which will allow users to choose their provider from those certified, Metro Mobility will be expanded to the full Transit Taxing District by 1988.

Minnesota Rideshare is operated by the Metropolitan Transit Commission under contract to the Regional Transit Board. Minnesota Rideshare provides a comprehensive range of free ridesharing services throughout the metropolitan area. Services include rideshare matching; MTC bus information; third party vanpool leasing; and rideshare marketing, consultation and promotion assistance.

Minnesota Rideshare provides a computerized matching service for people interested in carpooling. Applicants are provided with a match list of names of other applicants with similar home and work locations and work hours. The computerized matching service, available for both carpooling and vanpooling, takes approximately five to ten working days. According to Minnesota Rideshare, in 1984, a total of 11,000 match lists were processed and 3,200 carpoolers were assisted.

Minnesota Rideshare's matching is done through the development and maintenance of a rideshare database, which contains information on individuals interested in carpooling or vanpooling in the seven county metropolitan area. Minnesota Rideshare updates the database on a regular basis. Minnesota Rideshare estimates that the average life of an organized carpool is approximately 27 months, resulting in the need to maintain and update the database and ongoing marketing efforts.

Minnesota Rideshare also provides vanpool matching service through the use of third party vanpool leasing. This is done through Vanpool Services, Inc. (VPSI). VPSI can provide either 12 or 15 passenger vans. In 1984, Minnesota Rideshare had a total of 191 registered vanpools.

The Eden Prairie Chamber of Commerce coordinates a non-profit organization which operates a rideshare program for major employers within the City of Eden Prairie. Rideshare matching services are available free of charge to employees of all businesses on the active database. Currently there are also three owner/operator vanpools based from employment centers in Eden Prairie.

The University of Minnesota has offered a computerized carpool matching service to students, staff and faculty members. Of the 41,146 students residing within the metropolitan area enrolled fall quarter of 1984, 521 used the carpool services match list. Minnesota Rideshare will be coordinating the University's rideshare program during the 1986-1987 school year.

A number of private businesses operate their own rideshare programs. Some firms simply utilize the Minnesota Rideshare program, others employ their own rideshare coordinators, and some provide vans to employees forming vanpools. In 1984, 17 companies provided vanpool programs for their employees. These represent a variety of different businesses and different geographical areas. The 3M Company, located in Maplewood, has the largest vanpool program, with approximately 117 active vans. 3M, one of the first companies in the country to provide vans to employees, has been a national model for other companies forming similar programs.

#### County Programs

Five county-based paratransit programs are currently operated in the metropolitan area. Anoka, Carver, Dakota, Scott and Washington counties each operate paratransit services. The types of services provided within each county are different, but all are focused primarily on the elderly and handicapped population.

#### Community Programs

Seven community-based paratransit programs are operated in the metropolitan area. These systems, which provide primarily local circulation, are operated in Columbia Heights, Hastings, Hopkins, Plymouth, St. Louis Park, Shakopee and White Bear Lake. The communities of Chaska, Chanhassen and Eden Prairie are in the process of setting up their own transit system, Southwest Area Transit (SWAT). Their opt-out application has been approved by the RTB and they are planning to start service on December 1, 1986.

#### Social Service and Private Non-Profit Agencies

Many social service agencies and private non-profit organizations provide some type of transportation services to their clients. In many cases, transportation is provided to complement the major services of the organization. Service offered by these organizations include congregate dining for senior citizens, senior day activity centers, local community organizations and transportation to medical clinics, social group and other activities.

In order to obtain a comprehensive knowledge of the social service and private non-profit paratransit services available within the metropolitan area, the RTB conducted a survey of these organizations in 1985. Eighty surveys were sent out to the various organizations. The response rate was very good and the RTB followed up with agencies not returning the surveys to provide for close to a 100 percent completion rate. These organizations form an important part of the specialized transit network in the Twin Cities.

### E. Existing Capital Vehicles and Facilities

During 1986 the RTB initiated a capital planning process. The purpose of this effort was to document existing facilities and vehicles of all providers of public transit services, to identify the capital needs of these providers and to develop an ongoing capital program. This effort represented the first attempt in the metro area to identify and address the capital requirements of public, private and private-non-profit transit operators.

An initial analysis has been conducted for the first two steps in the process. Documentation of existing facilities and rolling stock has been completed for operators currently under contract to the RTB, as has a preliminary identification of the short-term needs of some providers. Additional analysis of the capital needs is still needed, however. These additional activities, which are further outlined in Chapter IV, will be completed by the end of 1987.

The existing inventory of major capital equipment and facilities of the twenty-six public and private operators currently under contract to the RTB are presented in this section. A number of sources were used to obtain the necessary information. These included the 1985 provider surveys conducted as part of the Transit Service Needs Assessment, the 1987 RTB provider funding applications, the 1986 Metro Mobility contracts, the 1985 MTC vehicle inventory, the MTC facility inventory, the 1987-1989 Transportation Improvement Program, the 1987 RTB capital budget and the I-394 capital needs documentation.

Tables 4 and 5 highlight the major capital facilities. Table 4 summarizes the vehicles currently owned and operated for public transit. More detailed information on the operator, owner, vehicle type, number of vehicles, age, 1986 mileage, special features, location where the vehicle is kept, overall condition of the vehicle, present use status, how the vehicle was funded and its estimated remaining life was obtained from providers and used in the vehicle inventory.

The major facilities of the three regular route providers--the Metropolitan Transit Commission, Medicine Lake Lines and North Suburban Lines--are listed in Table 5. Also listed are the number and type of park-and-ride facilities, bus turnarounds, bus shelters, and major transit priority treatments.

Table 4

VEHICLE INVENTORY  
(10/1/86)

Operator	Vehicles
Delano Area Transportation Program	2 - Accessible Vans
Hastings TRAC	4 - Accessible Vans 1 - Passenger Van
Hop-a-Ride	1 - Accessible Van
Westonka Rides	3 - Accessible Vans
Transporter	2 - Accessible Vans 2 - Passenger Vans
DARTS	11 - Accessible Vans
Carver County	5 - Accessible Vans
Scott County	2 - Accessible Vans 2 - Passenger Vans
North Suburban Lines	6 - 51-Passenger Buses 7 - 53-Passenger Buses 2 - 46-Passenger Buses 1 - 47-Passenger Bus
Metropolitan Transit Commission	53 - 51-Passenger Buses 27 - 47-Passenger Buses 102 - 50-Passenger Buses 12 - 43-Passenger Buses 623 - 49-Passenger Buses 82 - 67-Passenger Buses 134 - 44-Passenger Buses 4 - Accessible, 4-Passenger Buses 30 - Accessible, 16-Passenger Buses 4 - Accessible, 13-Passenger Buses 183 - Stored Buses
Medicine Lake Lines	21 - 51-Passenger Buses 1 - 45-Passenger Bus
Morley Bus	2 - 15-Passenger Buses 17 - 30-Passenger Buses 15 - 45-Passenger Buses
Suburban Paratransit	21 - Accessible Vans 12 - Accessible Vans 2 - Accessible Small Buses 1 - Accessible Medium Bus
Twin City Mobility	5 - Accessible Vans 2 - Passenger Vans
Wilder Foundation	3 - Accessible Vans 1 - Passenger Van
CareBus	2 - Accessible Vans
Commuter Express	21 - Accessible Buses 6 - Accessible Vans 8 - Passenger Vans
Ebenezer Society	7 - Accessible Vans 3 - Accessible Buses
MedPlus/Active Ready-Ride	1 - Accessible Busette 9 - Accessible Vans
Metro Ride	20 - Accessible Vans
MedKab	7 - Accessible Buses
North Medivan	9 - Accessible Buses
Osseo-Brooklyn School District	11 - Accessible Buses 24 - Passenger Vans
Handicabs	7 - Accessible Vans 8 - Passenger Vans 3 - Accessible Buses
Handicapped Transport System	10 - Accessible Vans 3 - Passenger Vans
Kare Kabs	7 - Accessible Vans 1 - Accessible Bus

Table 5  
CAPITAL FACILITIES

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Fred T. Heywood Office Facility	Function: MTC Administrative Offices
Metro Mobility Transportation Center	Function: Administrative Offices for Metro Mobility
Fred T. Heywood Operating Facility (Garage)	Function: MTC Bus Storage Capacity: 300 Buses
Nicollet Garage	Function: MTC Bus Storage and Maintenance Capacity: 259 Buses Usage: 167 Buses
Shingle Creek Garage	Function: MTC Bus Storage and Maintenance Capacity: 200 Buses Usage: 133 Buses
Snelling Garage	Function: MTC Bus Storage and Maintenance, Personnel and Training Facilities Capacity: 227 Buses Usage: 200 Buses
South Garage	Function: MTC Bus Storage and Maintenance Capacity: 200 Buses Usage: 137 Buses
Overhaul Base	Function: MTC Major Maintenance and Rebuild Facility, Central Stores and Receiving Capacity: Ability for Maintenance of a 1,200 Bus Fleet
Gateway Ramp Layover Facility	Function: MTC Bus Layover Facility and Parking Ramp Capacity: 42 Buses
Medicine Lake Lines Facility	Function: Bus Garage and Medicine Lake Lines Administrative Offices Capacity: 150 Buses Usage: 150 Buses

Table 5  
Capital Facilities (Continued)

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Medicine Lake Lines Facility	
Function:	Medicine Lake Lines Bus Storage
Capacity:	48 Buses
Usage:	48 Buses
North Suburban Lines Facility	
Function:	Bus Storage and Maintenance
Capacity:	16 Buses
North Suburban Lines Facility	
Function:	Bus Storage and Maintenance
Capacity:	11 Buses
MTC Information and Sales Booth	
Location:	Town Square (St. Paul) and Baker Building (Mpls.)
Park-and-Ride Lots	
Number:	125
Ownership:	8 MTC Owned or Operated Under Long-term Lease 42 Other Government Owned 36 Shopping Center Complex 30 Church Parking Lot 9 Private Development or Business
Bus Turnarounds	
Number:	10
Bus Shelters	
Number:	928
Ownership:	648 MTC Owned 200 Transtop, Inc., Mpls. 80 Ad Shelters, Inc., St. Paul
Priority Treatment	
Type:	Metered Freeway Access
Location:	I-35W
Type:	Reverse-flow Bus Lanes
Location:	Marquette Second Avenue South Hennepin Avenue
Type:	Bus Mall
Location:	Nicollet Mall

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The identification of existing capital facilities and vehicles is important as a starting point for the development of the Implementation and Financial Plan. The existing capital facilities represent the base by which existing and future services will be provided. The existing capital facilities must then be

matched with the anticipated future services to determine if the vehicles and facilities are of the appropriate type and number to meet the future needs. The need for additional facilities and vehicles must be planned and budgeted for, as must any restructuring of provider use or ownership of vehicles.

As noted previously, the RTB's ongoing capital planning process has not yet been completed. This effort, which will be completed in 1987, will focus on the following major tasks. The first step will be to update the inventory of existing providers to ensure the vehicles and facilities of all possible operators are accounted for. Next, based on the results of the service modifications suggested as part of the Transit Service Needs Assessment, the results of the initial stages of the competitive bidding demonstration and other studies, the five-year capital needs will be identified. This will include a resolution of the Nicollet Garage and Midday Layover Facility as well. The end result will be an ongoing capital planning process which the RTB will continue to use, update and modify. These activities are presented in greater detail in Chapter VI.

#### F. Metro Mobility Evaluation and Restructuring

Metro Mobility is a demand-responsive door-through-door service for individuals who, because of a disability, are unable to use regular route transit service. Project Mobility, one of the program's major elements, first began in 1976 as a demonstration project in a small target area in Minneapolis. The demonstration project was very successful. The need to expand the service as well as the need to coordinate Project Mobility with other transportation services provided to handicapped persons led to the creation of Metro Mobility in April, 1979.

The growth of Metro Mobility over the past ten years has been dramatic. Over time, Project Mobility was expanded from the target area throughout Minneapolis and then to St. Paul and some first ring suburbs; taxicabs and other accessible providers were later added to expand service and introduce cost-efficiencies. Ridership demand has been great. In 1976, Project Mobility carried only several hundred persons. In 1985, Metro Mobility carried over 500,000 passengers. Costs, too, have increased significantly. While monthly ridership has doubled between 1979 and 1984, annual costs have increased over 200% during the same period. The system continues to grow, and in the past year, ridership has increased by almost 20%.

The pace of ridership growth promises to continue. As the percent of the metropolitan population over 65 years of age increases, so is the expected increased demand for Metro Mobility services. Currently there are 13,000 certified Metro Mobility users. Requests for new certification continue at an average of 300 per month. Demand for Metro Mobility service outside of its service area is also great. Service expansion has not occurred since 1982.

Issues of adequate capacity, service quality and additional need have not gone unnoticed. Throughout the past few years, especially, many efforts have been initiated to modify and expand the service. Service is more productive today than ever before--subsidy per trip has actually declined in some cases and efforts to ease up phone lines and improve reliability have been substantial. However, the needs in the existing service area have not been able to be met and expansion of service could not occur within the appropriated budget.

In order to address these issues, the Regional Transit Board adopted a plan for reorganizing the Metro Mobility program that took effect on October 4, 1986. Metro Mobility reorganization will improve the cost-effectiveness of the program, improve the quality of service and expand the geographic service area while operating within the current appropriation.

The plan adopted by the Board calls Metro Mobility to be changed to function as a modified user-side subsidy system, or "Rider's Choice," which gives riders the opportunity to choose their transportation provider. Twenty providers will be under contract with the Regional Transit Board to provide Metro Mobility service, all competing with one another to provide transportation for elderly and disabled residents.

Specific elements of the plan adopted by the Board also include:

- o The Regional Transit Board will contract with the Metropolitan Transit Commission to operate the Metro Mobility Administrative Center (MMAC). The MMAC will be responsible for the day-to-day administration of the Metro Mobility program.
- o A rider representative will be available at the MMAC between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, to assist Metro Mobility riders.
- o Metro Mobility users will call the provider of their choice the day before service is desired, between the hours of 7:30 a.m. and 2:30 p.m.
- o The current base fare for Metro Mobility services will be increased to \$1.00 for trips up eight miles or less. Riders may be requested to pay an additional fare per mile (up to \$1.00 per mile) after the 8 mile limit, but never a total amount that exceeds \$3.75.
- o Fees will be established for certification and standing requests, in an effort to reduce the administrative subsidy and to provide more trips for Metro Mobility users. Fees are \$10 for certification, \$10 to establish a standing request and \$5 to change a standing request.
- o Trips that are eligible for Medical Assistance reimbursement will not be reimbursed with Metro Mobility funds. The full cost of providing the trip and administering Medical Assistance reporting requirements will continue to be recovered from the Medical Assistance program.
- o RTB staff will work with county transit administrators to maximize the effectiveness of the county programs and to help ensure that current local funding sources will be maintained. A study of the county programs under contract to the RTB will commence in 1987.
- o Service in the current Metro Mobility service area was extended to 11:00 p.m. in October 1986. Starting January 1, 1987, Metro Mobility service will be offered to communities in northern Ramsey, southern Anoka, and northern and western Hennepin counties. On January 1, 1988, communities in western Washington, northern Dakota, northern Scott and northern Carver counties will start to receive Metro Mobility service.

- o It is estimated that 40 percent of all Metro Mobility trips are for the purposes of serving agencies that operate programs for persons with disabilities. RTB staff will meet with the agencies that currently use Metro Mobility services for their client travel needs and establish a plan for the financial participation of these agencies.
- o Guidelines will be established by the Regional Transit Board for provider certification and will be developed to ensure that the quality of service for Metro Mobility users is maintained or improved.
- o By establishing the provider reimbursement rates at \$5.50 for an ambulatory trip, \$11.50 for wheelchair trips and a passenger fare of \$1.00, it is estimated that approximately 100,000 additional trips will be provided. The average subsidy per trip is estimated at \$8.54, which is a reduction of approximately 20 percent. The provider reimbursement rate will subsidize a rider's trip up to eight miles.
- o RTB staff will evaluate the effectiveness of the reorganization of Metro Mobility by considering service quality, cost per trip, number of trips provided, expansion of service area and ease of administration.

The restructured Metro Mobility program, which began operations on October 4, 1986, will be formally evaluated by the RTB. The RTB will closely monitor the project on an ongoing basis and a comprehensive evaluation will be conducted six months after project implementation and again after twelve months. Recommendations for additional changes or modifications will be made based on the results of these evaluations. Additional fine tuning of the system will be done in response to specific problems which may be identified through the ongoing implementation process.

#### G. Fare Policy Development

In 1986 the RTB initiated the development of a set of comprehensive fare policies for all transit services in the metro area. This was done in response to the legislative requirements concerning the development and implementation of fare policies. Specifically, the legislative requirements, which were contained in the 1984 RTB enabling legislation and further refined in the 1985 legislation are as follows:

1. Section 30 (FARES; PLANS; REPORT) The regional transit board shall prepare, as part of the implementation plan required by section 473.377, a statement of the policies that will govern the imposition of user charges for various types of transit service and the policies that will govern decisions by the board to increase or change fares. Following review by the council under section 473.377, the board shall submit the plan to the 1987 session of the legislature, along with its three-year financial plan. The three-year financial plan must contain schedules of user charges and changes in user charges required to implement the plan. During the period beginning January 1, 1985, and ending January 1, 1988, total revenue from fares for all regular route service must produce annually not less than 35 percent of total operating cost for that service, the board shall amend its fare policies to require a change in fares that will bring fare revenue for that year into conformance with this section.

2. Subd. 2a (REGULAR ROUTE FARES) The board shall establish and enforce uniform fare policies for regular route transit in the metropolitan area. The policies must be stated in the board's three-year transit service implementation and financing plan. The policies must be consistent with the requirements of this section and the council's transportation policy plan. The commission and other operators shall charge a base fare and any surcharges for peak hours and distance of service in accordance with the policies prescribed in the approved implementation plan of the transit board. The commission and other operators shall submit their fare schedules to the board for approval.

Sec. 109. Minnesota Statutes 1984, section 473.408, subdivision 4, is amended to read:

3. Subd. 4 (CIRCULATION FARES) The commission and other operators may charge a reduced fare for service on any route providing circulation service in a downtown area or community activity center. The commission and other operators shall not contribute more than 50 percent of the operating deficit of any such route that is confined to a downtown area or community activity center. The boundaries of service districts eligible for reduced fares under this subdivision must be approved by the board.

4. Sec. 22 (FARE RESTRICTIONS SUSPENDED) The provisions respecting fares of the metropolitan transit commission in Laws 1981, chapter 363, section 55, subdivision 1; Laws 1981, third special session, chapter 2, article 1, section 2, subdivision 2; and Laws 1983, chapter 293, section 2, subdivision 5, are suspended until July 1, 1987.

Based on the direction provided in these sections, a work program was developed and initiated to address RTB fare policies. The major activities conducted as part of this study included a review of past studies in the metropolitan area, the MTC's Fare Pricing Study, the history of the fare structure in the area, a review of existing policies concerning fares for the metro area and for other systems throughout the country, a discussion of the major issues associated with fares and the initial development of a set of goals, objectives, criteria and measures for all providers to be used in finalizing the RTB's fare policies.

A set of five preliminary goal areas and corresponding objectives, criteria and measures have been developed to date. These focus on the major issues of concern when examining fare policies. These allow for transit fare policies and pricing issues to be addressed within the larger context of service levels, types of services, financial concerns, and the overall philosophy of and approach to transit. The fare structure and level are influenced by many factors and, in turn, influence the public's perception of the system and ridership levels and revenues.

A review of the major issues associated with the RTB's fare policy development included the following:

o Fare Structure

- Flat fare or distance-based fare;
- Time of day fare (peak and off-peak);
- Type of service fare (express, freeway, premium);
- Special fares for certain groups (elderly, students, handicapped); and
- Fare simplification.

o Fare Levels and Policies for Different Providers:

- Regular route;
- Paratransit;
- Transferability between providers; and
- Uniform or different fare levels and requirements.

o Fare Payment Methods:

- Cash;
- Prepayment methods (tokens, passes, future technology); and
- Private subsidization of fares.

o Revenue Considerations

o Ridership Considerations

o Equity Considerations

o Efficiency Considerations

o Legislative and Political Considerations

o Overall Transportation System and Policies

The preliminary goal areas, objectives, criteria and measures to be used in the development of the final RTB fare policies are outlined below.

Preliminary Fare Goal Areas, Objectives,  
Criteria and Measures

Goal Area 1: REVENUE GENERATION

Objective a: Maximize revenue generation.

Criteria 1: Meet appropriate minimum legislative requirement for overall farebox recovery ratio.

Measure: Recovery ratio produced vs. legislative requirement.

- Criteria 2: Provide revenue margin for service enhancement or financial flexibility.  
 Measure: Revenue produced in excess of existing farebox recovery ratio.
- Criteria 3: Maximize fare revenue generation from other sources, such as employer subsidies.  
 Measure: Fare instrument(s) amenable to easy, targeted private/public subsidy.

- Objective b: Allow for easily-implemented, logical systemwide changes.  
Criteria 1: Capable of small fare increases without destroying system equity.  
 Measure: Qualitative analysis based on ability to maintain integrity of the system.

Goal Area 2: INFLUENCING DEMAND

- Objective a: Maximize overall ridership.  
Criteria 1: Maximize ridership for given total fare revenue.  
 Measure: Ridership relative to that of alternative fare systems of equal farebox revenue take.
- Criteria 2: Mesh productivity with marketing program efforts.  
 Measure: Qualitative analysis using marketing program check list.

- Objective b: Maximize the use of available capacity.  
Criteria 1: Lower the peak-to-base service ratio of ridership.  
 Measure: Before and after peak-to-base ratio.
- Criteria 2: Even out the directional split of peak period ridership by encouraging reverse commute ridership where feasible.  
 Measure: Before and after reverse direction ridership relative to peak direction ridership.

- Objective c: Maximize cost effective person-carrying capacity.  
Criteria 1: Encourage use of most effective transit or paratransit mode.  
 Measure: Qualitative analysis in two steps: 1) which modes for which circumstances are most cost effective; 2) effort of fare system on correspondingly appropriate mode shifts.

Goal Area 3: SIMPLICITY

- Objective a: Easily understood and used by riders.  
Criteria 1: Minimize and standardize the fare elements.  
 Measure: Number of fare elements.  
 Measure: Differences/sameness among fare elements.
- Criteria 2: The fare should be easy to pay.  
 Measure: Number of coins required for a typical transactions.  
 Measure: Availability of simple fare prepayment method(s).

Objective b: Easily applied and enforced by drivers.

- Criteria 1: The fare should be easy to explain.
  - Measure: Number of fare elements.
  - Measure: Difference/sameness among fare elements.
- Criteria 2: Minimize the amount of transaction time per passenger.
  - Measure: Boarding time.
  - Measure: Driver involvement time.
- Criteria 3: Fare violations should be easy to detect.
  - Measure: Number of coins required for a typical transaction.
  - Measure: Number and distinctiveness of documents required for fare payment, such as passes, transfers or other identification.

Objective c: Simple and Cost-Effective to Administer.

- Criteria 1: The fare system should be consistent with technological practicalities.
  - Measure: Qualitative analysis.
- Criteria 2: The fare system shall allow and be consistent with minimization of processing and equipment costs.
  - Measure: Estimated cost of processing and equipment maintenance.
- Criteria 3: Minimize opportunities for theft and manipulation.
  - Measure: Numbers of opportunities for fraud using existing system as standard.
- Criteria 4: Facilitate the collection of accurate passenger data.
  - Measure: Qualitative analysis including quantification of ridership and market segment identification.

#### Goal Area 4: EQUITY

Objective a: Minimize cross-subsidization of fares.

- Criteria 1: Fares paid should reflect the quality and cost of service received.
  - Measure: The variance or discrepancy in recovery ratio by distance traveled, time of day.
  - Measure: The existence of a charge for special amenities such as speed, seats for all, or extra comfort.

#### Goal Area 5: SOCIAL POLICY

Objective a: Fares should reflect societal policies of support for targeted socio-economic groups.

- Criteria 1: Meets applicable legislative requirements.

Objective b: The fare structure should not inhibit ridership to the point of creating an economic hardship on the transit dependent market groups.

- Criteria 1: Before and after ridership of applicable groups.

Objective c: Fares should support traffic management, energy and air quality goals.

- Criteria 1: Before and after impact on vehicle usage during critical time periods.

The next step in the process of finalizing the RTB's fare policies will be to evaluate the existing fare structure and the recommended alternative from the MTC's Fare Pricing Study. The MTC's recommended alternative would retain the peak and express surcharges, but simplify the fare payment system by reducing the number of fare zones from four to two. Other alternatives can also be analyzed. Based on the results of this evaluation, a set of fare policies will be developed to address the preliminary goal areas, objectives, criteria and measures outlined previously. These activities will be completed by the end of 1986. The RTB will then use the developed fare policies in its review and approval of specific fare levels.

The RTB's fare policies will have an impact on the Implementation and Financial Plan. The estimated fare revenues used in the financial evaluation are based on the existing fare structure. Any changes to this which may result from the RTB's fare policies will impact on the revenue generation and, subsequently, the subsidy required to support the system. Thus, the Implementation and Financial Plan will need to be updated based on any changes resulting from the RTB's fare policies.

#### H. Competitive Transit Demonstration

Several U.S. cities have achieved cost savings by contracting with private operators to provide public transit services. As public transit operating costs continue to rise and federal funds diminish, interest grows about greater private sector participation in transit.

Although contracting with private providers for public transit services promises to improve the cost-effectiveness of service, there are a variety of legal, institutional and operational barriers which must be overcome before the full advantages of competitive transit can be realized. While some of these barriers are present in the Twin Cities, the unique organizational structure of the Regional Transit Board presents an ideal opportunity for demonstrating how these barriers can be overcome and how a variety of competitive transit concepts can be employed to reduce the cost of providing transit services.

The RTB's legislative mandate clearly charges it with the responsibility to establish performance and financial standards for all transit services and operators in order to maximize cost-effectiveness. Furthermore, the RTB has been charged with restructuring transit services to make them more responsive to the changing needs of the diverse communities throughout the region. One of the key strategies the RTB has identified to accomplish these legislative mandates is to examine the opportunities for competitive transit. The creation of a competitive transit environment promises to result in lower costs and promote innovative forms of transit service and management.

The Regional Transit Board will undertake a project to define and demonstrate the circumstances and types of services for which competitively bid transit services can best be implemented. Currently the RTB holds over 40 contracts with both private and public transit operators to provide a variety of transit services throughout the seven-county metropolitan area. Few of these transit services are now competitively bid. The goal of the RTB in this project is to

examine opportunities for competitively bidding different types of transit service in an effort to maximize the amount and quality of transit services that can be provided.

The primary focus of the demonstration project will be to achieve cost savings for the most expensive transit services now provided in the metropolitan area including commuter express routes and suburban crosstown, circulator and feeder routes. As part of this project, the RTB will determine the magnitude of cost savings associated with competitively bidding routes and how the magnitude of these cost savings is affected by decisions to group services by service type, locational proximity to other services operated by providers, and other operational considerations. The RTB is particularly interested in understanding the ideal circumstances in which some transit services can be competitively bid while maintaining the optimal efficiency and cost-effectiveness of the MTC.

The RTB proposes to develop a demonstration project that would:

- o Identify the types of transit service most suitable for competitive bidding;
- o Identify the legal, institutional and operational constraints and consequences of a competitive bidding process;
- o Identify the capabilities of different types of transit providers to adequately compete and supply different kinds of transit service;
- o Develop detailed design plans for implementing test cases in which a number of transit services are competitively bid;
- o Implement and monitor selected test cases.
- o Conduct an evaluation of test cases to refine conclusions about the most appropriate circumstances in which to competitively bid transit services; and
- o Develop RTB policies on competitive transit for ongoing use.

The demonstration project will focus on the western suburban area of the Twin Cities, which encompasses approximately 25 communities. The 1980 population of this area was 530,000, or 27 percent of the total metropolitan area's population, and is expected to grow 20 percent by the year 2000. The western suburban area also represents a major share of the metropolitan area's employment. In 1980, the 25 communities had an employment base of 305,000, representing 28 percent of the metropolitan area's employment. By the year 2000, employment is projected to increase by 67 percent, or 204,000 jobs, representing 37 percent of the metropolitan area's employment.

The RTB anticipates that the demonstration will result in reducing the costs of providing transit services in the metropolitan area. Depending on the groups of services to be bid and assuming a modest 15 percent savings through competitive bidding, between \$1.0 and \$2.5 million in annual operating costs could ultimately be achieved and made available for reinvestment in transit services. It is the RTB's intention to use the savings to provide additional services to meet those transit needs not currently being satisfied.

The RTB anticipates initiation of the competitive bid demonstration in January 1987 and conducting it over a two-year period. It is anticipated that three sets of services would be competitively bid during the course of the demonstration. The service implementation dates have been identified as September 1, 1987; March 1, 1988; and September 1, 1988. Evaluations will be conducted at six-month intervals.

The competitive bid demonstration has major implications for the Implementation and Financial Plan, both in terms of service costs and capital needs. These cost savings have been programmed to be reinvested in the system to allow for the needed service additions to satisfy unmet needs. The competitive bid demonstration will also help identify and resolve issues surrounding the capital needs of private operators and how these influence the overall capital program. The results of this will be used in the RTB's ongoing Capital Planning Program. The Implementation and Financial Plan will need to be updated based on any major changes resulting from the competitive bidding demonstration.

#### I. Corridor and Light Rail Transit (LRT) Planning Activities

In the winter of 1984-1985, the RTB considered the results of a number of recently completed studies focusing on Light Rail Transit. These included the "Southwest/University Avenue Corridors Study: Transit Alternatives Analysis and Draft Environmental Impact Study (DEIS)," the "Hiawatha Corridor Environmental Impact Statement" and the "Light Rail Transit Implementation Study." Each of these studies is highlighted in the next section. In a joint effort with the Metropolitan Council, the RTB reviewed and analyzed these reports. This review included ten joint meetings with the Council and public input.

Based on this analysis, the RTB, in February 1985, adopted a six-point program concerning future LRT activities. These recommendations included: the selection of the University Avenue Corridor through the two downtowns as the priority corridor; selection of Light Rail Transit as the preferred fixed guideway alternative in all three corridors; postponement of the final decision on implementing Light Rail Transit contingent upon the completion of preliminary engineering, additional development, planning, regional needs assessments and financial resource analysis; development of an 18-month work program to accomplish these activities, postponement of the final decision until December 1986 and development of a specific proposal for presentation in the 1987 legislative session. Based on these recommendations, the RTB developed a Request for Proposal (RFP) for preliminary engineering on University Avenue in the spring of 1985. These activities were put on hold as a result of legislation passed in the 1985 Special Session which prohibited the RTB from future analysis of LRT until completion of the Transit Service Needs Assessment.

Now that the RTB has completed the Transit Service Needs Assessment, which reaffirmed that the central sector between the two downtowns should be considered for major transit improvements, preliminary engineering activities on the University Avenue Corridor have been included in the 1987 Work Program and Budget. July of 1987 has been identified as a tentative starting date for these activities after approval of the Implementation and Financial Plan by the Metropolitan Council. Completion of preliminary engineering is anticipated by

July 1988. At that time, the final decision would be made on whether to proceed with actual construction of an LRT system. Such a decision would have major implications on the Implementation and Financial Plan and the overall transit system. The Implementation and Financial Plan would have to be updated to include construction activities, costs and funding sources.

#### J. I-394

The Regional Transit Board is responsible for coordinating the various transit elements of the I-394 project. The final design for I-394 provides for a six-lane freeway along the existing alignment of Trunk Highway 12, including two lanes for high occupancy vehicles (HOV). This HOV concept, developed in recognition of the need to make highways more productive within the physical constraints of developed urban areas, is on the cutting edge of advances in highway design. Realizing that the construction of the freeway and the implementation of the HOV lanes would not be successful without significant changes in current travel habits, the Minnesota Department of Transportation (Mn/DOT) developed a Transportation System Management (TSM) plan. The plan was developed through the coordinated efforts of representatives from both the private and public sector. A Policy Committee and a Project Management Team were involved in all stages of the TSM planning process.

Major elements of the I-394 TSM Plan are as follows:

- o High Occupancy Vehicle (HOV) lanes. Two HOV lanes will be constructed as an integral part of I-394. This will be the first application of HOV lanes in the Twin Cities area, which have been used successfully in other parts of the country. The proposed design is divided into two segments. East of Highway 100, I-394 will contain two reversible lanes, physically separated, which will be restricted to high occupancy vehicles and will operate eastbound in the a.m. peak and westbound in the p.m. peak. West of Highway 100, the two inside lanes, one eastbound and one westbound, will operate as high occupancy lanes. These lanes, which are often referred to as diamond lanes, will not be physically separated.
- o Third Avenue North Distributor (TAD) Garages. The construction of three new parking garages will provide approximately 5,400 parking spaces. Reduced rates will be provided for carpoolers and vanpoolers in these facilities, which will be connected to downtown Minneapolis through the skyway system.
- o Aggressive Rideshare Marketing Strategies. A wide range of strategies will be employed to increase carpooling and vanpooling in the corridor. These will include, increasing the level of effort in existing rideshare programs, increased home-end and work-end marketing programs, improved employer focused programs, improved database matching capabilities, low cost parking for carpools and vanpools and other financial incentives. These will be aggressively marketed as part of the implementation program.
- o Timed-Transfer Transit System. Major improvements will be made in transit services in the corridor through the implementation of a timed transfer system. This system, in which routes and services are coordinated around transit centers or stations, allows for greater flexibility in cross-community travel, improves services to downtown Minneapolis and reduces passenger waiting time.

- o Development of Support Facilities. Additional facilities such as transit centers and stations, park-and-ride lots, and bypass lanes for buses, carpools and vanpools at ramp meters will be constructed.

The RTB endorsed these recommendations in April, 1985, and assumed responsibility for the transit elements. Since then, the RTB has been working closely with Mn/DOT, the MTC, Medicine Lake Lines and communities in the corridor to implement the various transit elements. The I-394 transit program will continue to be a major effort of the RTB over the next five years.

A number of major activities associated with the transit elements of I-394 are currently underway. In response to a request from the RTB, Mn/DOT has assumed responsibility for the design, right-of-way acquisition and construction of the two major timed-transfer stations along the corridor and the park-and-ride facilities. Mn/DOT and the RTB are currently working with the communities involved to finalize the sites and design the actual structures to be incorporated into the stations. The RTB is also working with the MTC and Medicine Lake Lines on further refining the timed-transit services to be implemented over the next five to six years.

The I-394 project, especially the fine-tuning of the timed-transfer services and the refinement of the off-corridor facility needs, will have an impact on the Implementation and Financial Plan. As these activities are completed in 1987, the resulting service and capital plan will better identify the cost and timing of the various elements. It is currently anticipated that major service changes or capital costs off the corridor will not be initiated before 1988 or 1989. The Implementation and Financial Plan will be updated based on the results of this more detailed analysis.

#### K. Jobseekers and Transit Disadvantaged

In response to legislative requirements, the RTB developed a Jobseekers program in 1985. This program, which was implemented in January, 1986, is designed to assist people looking for employment by providing public transportation at discounted fares.

Through this program, the RTB provides 1,500 vouchers per month to the Department of Jobs and Training. These vouchers are distributed throughout the metropolitan area to WIN, JPTA and MEED programs. These three programs in turn provide vouchers to persons who are actively involved in employment-seeking efforts. The vouchers entitle jobseekers to purchase an MTC All-You-Can-Ride card or a ten-ride pass at a 75 percent discount. Participants in the program redeem the vouchers at MTC distribution points in downtown Minneapolis and St. Paul. For 1986, the program has a budget of \$436,200. The RTB is looking at expanding the Jobseekers program to other providers in 1987.

Legislation also requires the RTB to establish policies and programs for the transit disadvantaged. The RTB has initiated an investigation of possible approaches to developing these policies and programs. The RTB anticipates these efforts to be completed in 1987.

## L. Other Studies

A number of major studies have recently been completed or are currently underway which will impact the RTB's Implementation and Financial Plan. Many of these studies are being conducted by other agencies, primarily the Minnesota Department of Transportation and the Metropolitan Council. However, the RTB is actively participating in many of these studies. The results of these studies will play important roles in shaping future transit services in the area.

Each of these studies is reviewed briefly in this section. For each study, the following information is provided: study name, responsible agency, study purpose, anticipated completion date, major conclusions and implications for the Implementation and Financial Plan. The studies are listed in alphabetical order.

### 1. Study: Alternatives Analysis

Responsible Agency: Metropolitan Council

Purpose: Preliminary version of a Draft Environmental Impact Statement (DEIS) for UMTA consideration. The purpose was to identify problems and analyze solutions regarding transit services in the University Avenue and Southwest corridors.

Completion Date: The report was completed in January 1985. UMTA approval is still pending.

#### Major Conclusions:

##### Alternatives Examined:

- o Null - continuation of existing bus service.
- o Transportation System Management (TSM) - route additions, increase service, short of major capital improvement.
- o Busway - reserved ROW, at-grade crossings permitted.
- o LRT - reserved ROW, at-grade crossings permitted.

#### Implications for Implementation Plan:

Provides analysis and recommendations for selection of LRT as the preferred alternative and University Avenue as the priority corridor.

### 2. Study: Fare Pricing Study

Responsible Agency: Metropolitan Transit Commission

Purpose: To define and evaluate options for simpler fare structure.

Completion Date: July 1986

Major Conclusions:

Selection of preferred alternative which retained peak and express charges, but reduced the number of fare zones from four to two.

Implications for Implementation Plan:

The study represents one step towards modifying the MTC's fare policies and fare levels. The fare simplification was recommended to be implemented in conjunction with the next fare change.

3. Study: Hiawatha Avenue Corridor  
LRT Feasibility Study

Responsible Agency: City of Minneapolis

Purpose: Detailed analysis of transportation alternatives and identify most appropriate solution.

Completion Date: April 1981

Major Conclusions:

Alternatives:

- o Null - continuation of existing bus service.
- o Transportation System Management (TSM) - route additions, increase service, short of major capital improvement.
- o HOV Lanes - special lanes for buses, carpools and vanpools.
- o LRT - reserved ROW, at-grade crossings permitted.

Implications for Implementation Plan:

Provides cost and ridership information for transit alternatives on the Hiawatha Avenue Corridor.

4. Study: I-35W Scoping Process

Responsible Agency: Minnesota Department of Transportation and  
Metropolitan Council

Purpose: Informal scoping process to determine the highway and transit needs on I-35W and alternatives for meeting those needs. Will lead to Environmental Impact Statement if necessary for the recommended alternative.

Completion Date: March 1987

Major Conclusions:

Final report will analyze and recommend:

- o Screened alternatives.
- o Adverse impacts of those alternatives which cannot be mitigated.
- o Need for an Environmental Impact Statement (EIS).
- o Issues and alternatives to be carried into an EIS.

Implications for Implementation Plan:

Transit elements in the I-35W study must be compatible with the Transit Service Needs Assessment and the Council's Long Range Transit Study. The results of the scoping phase could lead to a more detailed analysis of transit alternatives or recommendations for specific transit improvements. These would have to be programmed into the Implementation Plan when it is updated. These improvements may be programmed beyond the five-year scope of the Implementation and Financial Plan.

5. Study: I-494 Study

Responsible Agency: Minnesota Department of Transportation  
Metropolitan Council  
Regional Transit Board

Purpose: The need for this study was identified as part of Metropolitan Council's metropolitan significance review of the proposed Mega Mall and Homart developments. The purpose is to develop a design concept for the transportation facilities in the I-494 corridor supportive of orderly and economic development in the southern and southwestern portion of the metropolitan area.

Completion Date: June 1987

Major Conclusions:

The study will:

- o Produce design concept for metro highways in this corridor, including transit elements;
- o Identify development levels and land use types compatible with the proposed transportation infrastructure; and
- o Recommend a strategy, timing and funding for implementation of proposed improvements.

Implications for Implementation Plan:

Transit elements in the I-494 study must be compatible with the Transit Service Needs Assessment and the Council's Long Range Transit Study. The results of this study could lead to recommendations for specific transit improvements. These would have to be programmed into the Implementation Plan when it is updated. The results could also influence overall transit and highway policies.

6. Study: Light Rail Transit Implementation Planning Program

Responsible Agency: LRT Implementation Planning Program Committee  
(Hennepin County Railroad Authority, RTB, Metropolitan Council, the Cities of Minneapolis, St. Paul, Bloomington, St. Louis Park, Hopkins and Minnetonka, Downtown Council of Minneapolis and Greater Downtown Council, and St. Paul Progress, MTC, Metropolitan Airports Commission, Mn/DOT, University of Minnesota)

Purpose: To integrate the results of the independent work on Hiawatha Avenue, University Avenue and Southwest Corridors; to prepare a plan to finance construction; and to prepare a management plan for construction, operations and maintenance of LRT lines.

Completion Date: March 1985

Major Conclusions:

- o All three LRT lines should be built in four construction stages of five years each (two-year engineering element and three year construction element).
- o Total capital costs in 1984 dollars were \$448,900,000.
- o Annual operating and maintenance cost in 1984 dollars were \$13.19 million.
- o Motor Vehicle Excise Tax (MVET) should be the major capital funding source.
- o RTB should dedicate 33 percent of the Transit Assistance Fund to LRT.

Implications for Implementation Plan:

Identifies potential approaches to constructing and operating LRT on all three corridors. Provides cost projections for capital, construction and operation and outlines a financial plan and implementation schedule.

7. Study: Long Range Transit  
("Study of Potential Transit Capital Investments in Twin Cities Corridors")

Responsible Agency: Metropolitan Council

Completion Date: December 1986

Purpose: To examine all corridors in the Twin Cities for their potential for high capital investment in transit by the year 2010.  
Phase 1: Screening of corridors  
Phase 2: Selection of alternatives

Completion Date: December 1986

Major Conclusions:

- o The study will identify cost-effective and productive transit solution to meet the long-term travel needs within corridors in the Twin Cities.
- o The results will be used in the update of the Transportation Policy Plan in 1987.

Implications for Implementation Plan:

The results of this study will identify the most appropriate transit solutions in the major corridors and the cost associated with these technologies. The study will set regional priorities among corridors. These results will need to be considered and included in future updates of the Implementation Plan.

8. Study: Metropolitan Highway System Evaluation

Responsible Agency: Minnesota Department of Transportation  
Metropolitan Council

Purpose: To establish a long-term agenda for the Twin Cities metropolitan highway system beyond 2000.

Completion Date: December 1986 and Continued Activities into 1987

Major Conclusions:

The study will identify actions and strategies necessary after 1990 to maintain adequate regional mobility and accessibility levels. This will include revisions to the system plan, goals, objectives and policies which would affect land development decisions. The results will be used to update the Transportation Policy Plan in 1987.

Implications for Implementation Plan:

The results of this study, while focusing on a planning timeframe beyond the five-year scope of the Implementation Plan, will be used to give direction through the Policy Plan, on areas of highway congestion, highway need and the potential for transit in those areas.

9. Study: Rideshare Management Evaluation

Responsible Agency: Regional Transit Board

Purpose: To examine alternative management structures, program focus and approach for the rideshare program in the metropolitan area.

Completion Date: Spring 1987

Major Conclusions:

The study will identify the most appropriate management structure for the ridesharing program. The study will also help define realistic goals for ridesharing and the program focus, approach and marketing efforts needed to achieve those goals.

Implications for Implementation Plan:

The results of the study will be used to provide clearer direction to the rideshare program, which may result in changes in funding levels. Any such changes will be included in the updated Implementation Plan.

10. Study: Transportation Policy Guide Chapter Update

Responsible Agency: Metropolitan Council

Purpose: To update the Transportation Policy Guide Chapter of the Metropolitan Council's Metropolitan Development and Investment Framework. This will include a major section on transit.

Completion Date: June 1988

Major Conclusions:

Anticipated conclusions relating to long-term transit policies will be included as part of this document.

Implications for Implementation Plan:

The updated Transportation Policy Guide Chapter will provide long-term direction to the RTB. The Implementation Plan and other RTB activities must be in conformance with the Transportation Policy Guide Chapter. The update will be used to guide the update of the Implementation Plan in 1988.

## Chapter IV. Service and Capital Implementation Program

### A. RTB's Approach to the Implementation Program

The goal of a cost-effective transit system is to match the identified needs with the most appropriate services. This goal is reflected in the RTB's mission statement, goals and policies. This approach also formed the basic premises of the Transit Service Needs Assessment and the strategies resulting to meet unsatisfied needs for transit.

The detailed analysis conducted in the Transit Service Needs Assessment and the results of other studies establish the base for the RTB's approach to transit services in the Twin Cities. Specifically, the approach taken in the Implementation and Financial Plan is based on the analysis of the different market and service characteristics, the evaluation of existing and potential services, the results of previous studies and the policy guidelines of the RTB and Metropolitan Council.

The Implementation and Financial Plan service and capital program reflect the RTB's approach to transit in the Twin Cities. This approach is that service needs should be satisfied through a variety of methods and modes, each designed to serve the needs of specific market groups. This "family of transit" should include regular route services, local circulation services, paratransit services, such as carpooling, vanpooling and dial-a-ride, and the fixed facilities necessary to support and enhance these services. The RTB, as the "buyer" and "broker" of transit services, will determine the appropriate services.

Regular route services, which include local express, crosstown, and local circulator services should continue to provide the backbone of the system. Paratransit services include rideshare strategies, such as carpooling and vanpooling, and the wide variety of dial-a-ride services, which may be focused on special groups such as the elderly or handicapped, and those which are oriented toward the general public.

The major elements of the RTB's approach, which is reflected in the Implementation and Financial Plan, are as follows:

- o Family of Transit Services. The RTB will continue to contract with all types of transit providers, including regular route services, local circulation services and paratransit services. The most appropriate type of service will be utilized to meet the identified need. The RTB will also ensure that the fixed facilities necessary to support and enhance these services are provided.

The MTC will continue to play a major role in both the provision of regular route transit services and in developing major capital facilities. While the RTB will continue to utilize private operators, and will, under the competitive bidding demonstration, provide additional opportunities for private operators and will examine the capital needs of private providers, the RTB envisions that the MTC will continue to provide a majority of regular route service and will be responsible for major capital facilities.

- o Cost Containment and Improved Management. The RTB views improved management of transit contracting and services and cost containment as two major elements of the strategies included in the Implementation and Financial Plan. The RTB anticipates accomplishing these through a number of different mechanisms. These have been discussed previously but are summarized again here.

First, the RTB intends to provide better management of services through the use of performance and financial standards. An interim standard has been established for MTC service. The results of the Transit Service Needs Assessment four-factor cost analysis will be used to develop and implement standards for all providers. These will be used to trim or reorganize high subsidy and unproductive service and to better monitor all services.

Second, the RTB will examine competitively bidding services. Depending on the type and amount of service bid, it is anticipated that annual cost savings of \$1.0 to \$2.5 million could result. Both new and existing services will be considered in this effort.

Third, the RTB will encourage all providers to seek cost-effective approaches to all aspects of service delivery. This will include all phases of service operation, maintenance, management and promotion.

#### B. Service Implementation Program

The transit services outlined in the following section are designed to meet the needs of specific market groups and serve specific markets. Seven specific categories are described. These include: regular route service, Minnesota Rideshare, Metro Mobility, small urban systems, opt-out systems, rural systems and the RTB's test marketing program. This last category was identified in the Transit Service Needs Assessment as a method of testing, monitoring and evaluating certain service applications. This program represents the RTB's commitment to trying new services which have been identified to meet existing unsatisfied needs. In each case, the type of service or capital need is described, along with service area or market, relationship to the overall system, timing, estimated cost, and anticipated sources of funds. The information from all these is summarized in the accompanying tables.

The assumptions used in costing each service are as follows:

- o Cost estimates are based on the 1987 operating cost projections. These have been projected through the five-year period to 1991, based on a growth trend of four percent a year.
- o Funding shares have been projected as follows: federal funding will remain at a stable 1987 level, which represents a 10 percent decline from 1986; local property taxes will be maintained at the existing mill levy, with an estimated 4 percent annual growth in assessed valuation; fare levels will remain the same with a slight increase in fare revenues projected based on a modest increase in ridership; state funding, through the Motor Vehicle Excise Tax (MVET) and the General Fund, will make up the remaining deficit.

o Any additional assumptions or differences for specific programs are noted on the attached pages.

The total operating cost estimates and sources of funds for the next five years are provided in Table 1 and Table 2. Table 1 shows the anticipated costs for each service type for 1987 through 1991. Table 2 identifies the anticipated sources of funding for the next five years.

TABLE 1  
IMPLEMENTATION AND FINANCIAL PLAN  
TOTAL OPERATING COST ESTIMATES  
10/31/86

	1987	1988	1989	1990	1991	Total
OPERATING COST BY SYSTEM CATEGORIES						
Regular Route Operators	\$103,101,022	\$105,263,192	\$108,333,642	\$110,989,357	\$114,172,746	\$541,859,959
Rideshare	594,700	618,488	643,228	668,956	695,715	3,221,088
Metro Mobility	6,631,341	7,322,813	7,625,002	7,896,252	8,177,615	37,653,023
Small Urban Systems	399,135	417,611	430,962	445,898	461,522	2,155,128
Opt-Out Systems	1,765,185	1,862,005	1,928,505	1,996,560	2,066,646	9,618,901
Rural Systems	1,415,498	1,526,571	1,586,178	1,647,960	1,712,653	7,888,860
Test Marketing Program	1,250,000	2,125,000	2,253,750	2,261,288	2,268,900	10,158,938
<b>TOTAL</b>	<b>\$115,156,881</b>	<b>\$119,135,680</b>	<b>\$122,801,267</b>	<b>\$125,906,271</b>	<b>\$129,555,797</b>	<b>\$612,555,896</b>

TABLE 2  
FUNDING SOURCES

	1987	1988	1989	1990	1991	Total
OPERATING COST BY SOURCE OF FUNDS						
Fare Revenue	\$ 34,302,001	\$ 35,248,261	\$ 35,810,192	\$ 36,212,296	\$ 36,618,418	\$178,191,168
Other Funds	2,122,790	2,668,006	2,789,285	2,900,858	3,016,892	13,497,831
Federal	7,703,890	7,728,125	7,753,331	7,779,543	7,806,805	38,771,694
State	21,057,700	24,141,000	25,624,000	26,589,000	27,593,000	125,004,700
Local Share	403,200	419,328	436,101	453,545	471,687	2,183,861
Property Tax	49,567,300	48,930,960	50,388,358	51,971,029	54,048,995	254,906,642
<b>TOTAL</b>	<b>\$115,156,881</b>	<b>\$119,135,680</b>	<b>\$122,801,267</b>	<b>\$125,906,271</b>	<b>\$129,555,797</b>	<b>\$612,555,896</b>

Service: Regular Route Transit Service

Description/Strategy:

Regular route transit services, both local and express, will continue to provide the majority of transit services in the metropolitan area. This element includes both public and private operators. The existing route network will be modified over the next five years based on the strategies in the Transit Service Needs Assessment, the results of the competitive bidding demonstration and other projected studies. Specific changes anticipated over the five-year period include the following:

- o Evaluation and redeployment of high subsidy routes identified through the four-factor cost model analysis. Routes identified tend to have similar characteristics such as long routes, peak-hour express service with few trips, infrequent service and routes which serve specialized purposes. These will be evaluated for both possible restructuring, different services or different providers.
- o Additional services will be examined for filling the gaps in the more dense grid system.
- o Evaluation of additional evening, Saturday and Sunday service as identified in the Transit Service Needs Assessment. Different providers, such as taxicabs, may be used to provide this service.
- o Improving service in suburban areas. Some of these improvements will be tested first through the Test Marketing program. If these tests are successful, the service will become part of the regular service.
- o Monitoring and evaluation of the MTC's accessible bus demonstration.
- o Implementation, monitoring and evaluation of the competitive bid demonstration. It is anticipated that this project could result in a 15 percent savings, or about \$1.0 million to \$2.5 million in annual costs. The budget proposed below reflects the reimbursement of any savings into additional service.

Service Area or Market:

Regular route service focuses on all of the four major market groups analyzed in the Transit Service Needs Assessment; CBD travel, suburban travel, University of Minnesota travel and trips of transit dependents. Improvements in regular route services will address the unmet needs identified in the Transit Service Needs Assessment, specifically those oriented to suburban needs and the transit dependent populations. The service area for regular route transit includes all communities within the Transit Taxing District.

Relationship to the Overall System:

Regular route service provides the basic transit system in the metropolitan area. This element is critical to the continued mobility of area residents.

Timing, Estimated Cost and Funding:

Sources	1987	1988	1989	1990	1991
Fare Revenue	\$32,735,722	\$33,107,080	\$33,482,150	\$33,860,972	\$34,243,582
Other Funds	2,094,900	2,639,000	2,759,120	2,869,485	2,984,264
Federal	7,098,000	7,098,000	7,098,000	7,098,000	7,098,000
State	14,170,100	15,886,700	16,840,000	17,514,000	18,214,000
Local	0	0	0	0	0
Property Tax	47,002,300	46,532,412	48,154,372	49,646,900	51,632,900
Total Operating Cost	\$103,101,022	\$105,263,192	\$108,333,642	\$110,989,357	\$114,172,746

Note: Fare Revenue excludes the MTC social fare differential, estimated at \$4,400,000 which is included as part of the state funds.

Service: Rideshare

Description/Strategy:

Ridesharing is an integral component of the overall transit services offered in the metropolitan area. Services will be focused on areas with high levels of highway congestion, destinations with high parking costs and limited parking and suburban employment concentrations. Services offered include computerized matching, promotional activities, vanpool programs and other incentives. It is anticipated that the current system will focus efforts more in these areas and take less of a scattered approach. It is anticipated that Minnesota Rideshare will continue to provide approximately 11,000 match lists to potential clients and match approximately 4,000 carpools a year.

Service Area or Market:

Ridesharing serves all four of the major markets and its service area includes the whole metropolitan area. Ridesharing should be targeted to the following market segments; CBD based trips, University of Minnesota based trips and suburban based trips.

Relationship to the Overall System:

Ridesharing is an integral component of the Twin Cities transit system. It complements regular route services by providing transit between origins and destinations which cannot support regular route services, relieving traffic congestion and reducing energy consumption.

Timing, Estimated Cost and Funding:

The existing program will be continued with a more focused program based on the results of the Transit Service Needs Assessment and the results of the evaluation to be completed in 1987.

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
Federal	351,000	365,040	379,642	394,827	410,620
State	0	0	0	0	0
Local	0	0	0	0	0
Property Tax	243,700	253,448	263,586	274,129	285,095
Total Operating Cost	\$594,700	\$618,488	\$643,228	\$668,956	\$695,715

Service: Metro Mobility

Description:

Metro Mobility provides door-through-door transportation services to the mobility handicapped.

Service Area or Market:

Metro Mobility serves the specific market segment of mobility handicapped individuals. Metro Mobility's current service area includes the two central cities and most of the first ring suburbs. By 1988, Metro Mobility will be expanded to serve all communities within the Transit Taxing District. The current schedule has Metro Mobility expanding to serve the north, northwestern and southwestern communities in January of 1987, and the eastern, northeastern and southeastern communities by January 1988.

Relationship to the Overall System:

Metro Mobility provides an integral component of the overall transit services by serving the mobility handicapped population.

Timing, Estimated Cost and Funding:

Metro Mobility will be expanded over the next two years to serve the entire Transit Taxing District. This will occur in two phases. In January 1987, service will be expanded to the north and western suburbs and in January of 1988, it will be expanded to the eastern suburbs.

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 911,141	\$1,072,813	\$1,125,002	\$1,136,252	\$1,147,615
Other Funds	0	0	0	0	0
Federal	0	0	0	0	0
State	5,720,200	6,250,000	6,500,000	6,760,000	7,030,000
Local	0	0	0	0	0
Property Tax	0	0	0	0	0
Total Operating Cost	\$6,631,341	\$7,322,813	\$7,625,002	\$7,896,252	\$8,177,615

Service: Small Urban Systems

Description/Strategy:

The small urban systems represent a series of paratransit and semi-regular route services designed to serve the needs of individuals in specific geographical areas. The cost assumptions here are based on a continuation of existing services, with some expansion. New services may be implemented in the test marketing program but will be moved into this category in the future if they are successful. Many of these programs currently supplement Metro Mobility service. As Metro Mobility is expanded into all areas of the Transit Taxing District, this program will be carefully monitored to ensure that duplication of service does not occur. Performance and financial standards will also be developed for these services in 1987 and used to evaluate the efficiency and effectiveness of these programs.

Service Area or Market:

Each program serves a specific service area and market group. In general, these services usually are oriented to the needs of the transit dependent groups, primarily the elderly, low income and handicapped.

Relationship to the Overall System:

These services complement regular route and Metro Mobility services by operating in areas without these services or by providing services which complement these. As noted above, these services will be carefully monitored as Metro Mobility expands to ensure duplication of services does not occur.

Timing, Estimated Cost and Funds:

This program will continue to serve the needs within certain geographical areas.

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 89,655	\$ 90,552	\$ 91,457	\$ 92,372	\$ 93,295
Other Funds	9,600	9,984	10,383	10,799	11,231
Federal	39,180	40,747	42,377	44,072	45,835
State	181,400	192,900	200,000	208,000	217,000
Local	55,700	57,928	60,245	62,655	65,161
Property Tax	23,600	25,500	26,500	28,000	29,000
Total Operating Cost	\$ 399,135	\$ 417,611	\$ 430,962	\$ 445,898	\$ 461,522

Service: Opt-Out Services

Description:

Currently five communities have opted out of the MTC service areas. These communities provide their own transit services instead of receiving service from the MTC. Plymouth operates the Plymouth Metrolink service. Shakopee operates a vanpool program and a community-based service. The three communities of Chaska, Chanhassen and Eden Prairie will begin operation of the Southwest Area Transit (SWAT) System in December.

Service Area or Market:

These services meet the specific needs of residents within these communities. These include the Central Business District based market and the within and between community based markets. They also serve the needs of transit dependent groups within the communities.

Relationship to the Overall System:

These services form one element of the overall system by providing transit services within specific geographical areas. They are coordinated with other elements of the system.

Timing, Estimated Cost and Funds:

This program will continue to serve the needs within certain geographical areas.

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 264,185	\$ 301,005	\$ 305,505	\$ 308,560	\$ 311,646
Other Funds	0	0	0	0	0
Federal	0	0	0	0	0
State	0	0	0	0	0
Local	0	0	0	0	0
Property Tax	1,501,000	1,561,000	1,623,000	1,688,000	1,755,000
Total Operating Cost	\$1,765,185	\$1,862,005	\$1,928,505	\$1,996,560	\$2,066,646

Service: Rural Systems

Description:

The rural systems represent paratransit and semi-regular services designed to serve the needs of individuals in specific geographical areas. The cost assumptions here are based on a continuation of existing services with some expansion. New services may be implemented in the test marketing program but will be moved into this category in the future if they are successful.

Service Area or Market:

Each program serves a specific service area and market group. In general, these services usually are oriented to the non-work trip needs of the transit dependent groups, primarily the elderly, low income and handicapped.

Relationship to the Overall System:

These services meet the transit needs in areas outside the Transit Taxing District. These provide services in the rural areas which form an important component of the transit system.

Timing, Estimated Cost and Funds:

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 51,298	\$ 51,811	\$ 52,328	\$ 52,852	\$ 53,380
Other Funds	18,290	19,022	19,782	20,574	21,397
Federal	215,710	224,338	233,312	242,644	252,350
State	486,000	561,400	584,000	607,000	632,000
Local	347,500	361,400	375,856	390,890	406,526
Property Tax	296,700	308,600	320,900	334,000	347,000
Total Operating Cost	\$1,415,498	\$1,526,571	\$1,586,178	\$1,647,960	\$1,712,653

Service: Test Marketing Program

Description:

The Test Marketing Program, which was developed as part of the Transit Service Needs Assessment, provides a structured environment to implement new service concepts, service delivery methods and other new or innovative approaches to transit. This will be done within a process which provides for an open, systematic, multi-step, controlled approach to implementing, monitoring and evaluating the transit services. The Test Marketing program is outlined in detail in the Transit Service Needs Assessment "Phase II Technical Memorandum: Transit Planning Procedures."

A wide variety and number of service strategies were developed in the Transit Service Needs Assessment to meet the unsatisfied needs identified. These were not prioritized as part of the Transit Service Needs Assessment. In order to identify the most appropriate services for the initial Test Marketing Program, a set of criteria were developed and applied to the different services. The criteria included the following:

- o Operations/Feasibility
- o Transit Dependents Served
  - Elderly
  - Youth
  - Low Income
  - No Automobile
- o Average Automobile Per Household
- o Percent of Household with Two or More Automobiles
- o Timing
- o Community Support
- o Cost
- o Estimated Ridership

Based on these criteria, the following services have been identified for further analysis for consideration in the initial Test Marketing Program in 1987.

- o Crosstown Services
  - Minneapolis CBD/Larpenteur
  - North Minneapolis/Robbinsdale
  - I-494/Bloomington/Edina/Richfield
- o Local Suburban Circulation Services
  - Rosedale
  - Maplewood/North St. Paul/Oakdale
- o Rural Alternate Day or Paratransit Services
  - Rural Anoka
  - Forest Lake
  - Lakeville/Farmington

Service Area or Market:

The different service strategies to be considered in this program are oriented to different market groups and service areas. The service strategies identified above will be implemented to complement existing services.

Timing, Estimated Cost and Funds:

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Fare Revenue	\$ 250,000	\$ 625,000	\$ 753,750	\$ 761,288	\$ 768,900
Other Funds	0	0	0	0	0
Federal	0	0	0	0	0
State	500,000	1,250,000	1,500,000	1,500,000	1,500,000
Local	0	0	0	0	0
Property Tax	500,000	250,000	0	0	0
Total Operating Cost	\$1,250,000	\$2,125,000	\$2,253,750	\$2,261,288	\$2,268,900

### C. Capital Implementation Program

The capital program outlined in this section reflects the facility and vehicle needs which have been identified to date. As discussed in Chapter III, the RTB's Capital Planning Program has not been completed. Thus, the capital program presented here reflects only those projects which have been agreed to at this point. These are projects which have been included in the Transportation Improvement Program (TIP). Projects which are not contained in the capital program at this point include the MTC's Nicollet Garage and midday bus storage facility requests, the City of Bloomington's Mega Mall Transit Station request, capital facilities associated with the I-394 facility, the capital cost of contracting, and other providers' capital needs. These projects, some of which are noted at the end of this section, will be amended into the Implementation and Financial Plan upon resolution of the issues.

Table 3 summarizes the anticipated capital program for the next five years and the source of funds.

TABLE 3

IMPLEMENTATION AND FINANCIAL PLAN  
CAPITAL PROGRAM  
10/10/86

Description	1987	1988	1989	1990	1991	Total
Major Capital						
Bus Turnarounds	\$ 234,000	\$ 200,000	\$ 210,000	\$ 220,000	\$ 230,000	\$ 1,094,000
Park-and-Ride Lots	329,000	500,000	525,000	550,000	580,000	2,484,000
Transit Hub Stations	0	500,000	500,000	0	0	1,000,000
St. Paul Layover Facility	529,000	0	0	0	0	529,000
Passenger Shelters	349,000	266,000	0	0	0	615,000
Regular Route Buses	19,110,000	19,110,000	19,110,000	10,855,000	3,669,000	71,854,000
Capital Equipment	1,617,000	1,600,000	1,680,000	1,760,000	800,000	7,457,000
Computer-Related Equipment	769,000	945,000	0	0	0	1,714,000
TOTAL	\$22,937,000	\$23,121,000	\$22,025,000	\$13,385,000	\$5,279,000	\$86,747,000
Federal Share	\$18,349,400	\$18,496,800	\$17,620,000	\$10,708,000	\$4,223,200	\$69,397,600
Local Match	\$ 4,587,600	\$ 4,624,200	\$ 4,405,000	\$ 2,677,000	\$1,055,800	\$17,349,400

Capital Need:      Bus Turnarounds

Description:

Construct two bus turnaround or layover facilities a year according to the MTC's schedule.

Service Area or Market:

Supports the overall transit system.

Relationship to the Overall System:

To upgrade the appearance and operating efficiencies of existing deteriorated off-street turnarounds or develop new turnarounds.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$187,200	\$160,000	\$168,000	\$176,000	\$184,000	\$ 875,200
Local Match	46,800	40,000	42,000	44,000	46,000	218,800
Total	\$234,000	\$200,000	\$210,000	\$220,000	\$230,000	\$1,094,000

Capital Need: Park-and-Ride Facilities

Description:

Park-and-ride lots are specific facilities where individuals can park their cars and transfer to a bus or carpool/vanpool for the remainder of the trip.

Service Area or Market:

Park-and-ride facilities currently are located throughout the metropolitan area. The Transit Service Needs Assessment and the MTC have identified the need for new and expanded lots. This program allows for the construction of two park-and-ride lots a year as identified by the MTC.

Relationship to the Overall System:

Park-and-ride lots enhance regular route and ridesharing services by extending transit accessibility by providing locations for accessing transit.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$263,200	\$400,000	\$420,000	\$440,000	\$464,000	\$1,987,200
Local Match	65,800	100,000	105,000	110,000	116,000	496,800
Total	\$329,000	\$500,000	\$525,000	\$550,000	\$580,000	\$2,484,000

Capital Need: Transit Hubs

Description:

Transit hubs, as recommended in the Transit Service Needs Assessment, provide for a combination of transit waiting areas, connections between routes and different transit services, and park-and-ride facilities. Hubs provide greater visibility to transit services and improve coordination between different services. The Transit Service Needs Assessment identified a set of hubs.

A set of criteria were established and applied to the hubs to identify which would be the best to utilize to test out the hub concept before improvements were made to all hubs. The criteria used are as follows:

- o Major or Minor Hub
- o Number of Existing Routes
- o Number of Potential Future Routes
- o Park-and-Ride Facility and Capacity
- o 1985 Use of Park-and-Ride Lot
- o Existing Space and Layout
- o Elements Needed for Improvement
- o Timing

Based on this analysis, three hubs--Northtown, Rosedale and Burnsville Center--were identified to be examined further for the first test. An estimated \$500,000 has been budgeted for two years to plan, implement and monitor improvements to these hubs. This test will be conducted under the procedures established in the Test Marketing Program. This program will be evaluated in 1988 and a decision made whether to continue with other improvements.

Service Area or Market:

The service area for the transit hubs cover most of the area within the transit taxing district. They are oriented to act as facilities coordinating the different services oriented toward the different market groups and service areas.

Relationship to the Overall System:

Transit hubs provide high visibility to transit and provide for quick, easy and convenient transfers between routes; provides waiting areas and park-and-ride or park-and-pool lots. Coordinates various aspects of the overall system.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$ 0	\$400,000	\$400,000	\$ 0	\$ 0	\$ 800,000
Local Match	0	100,000	100,000	0	0	200,000
Total	\$ 0	\$500,000	\$500,000	\$ *	\$ *	\$1,000,000*

\* A decision will be made in 1989 whether to continue with the program based on the results of the first tests.

Capital Need: St. Paul CBD Layover Facility

Description:

A permanent bus layover facility near the St. Paul Central Business District which will replace on-street space which will be lost as renewal of the Lowertown area continues.

Service Area or Market:

Off-street parking facility near the St. Paul Central Business District.

Relationship to the Overall System:

Storage of buses near the Central Business District for convenience and elimination of deadhead miles and hours.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$423,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 423,000
Local Match	106,000	0	0	0	0	106,000
Total	\$529,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 529,000

Capital Need:        Passenger Shelters

Description:

Passenger waiting shelters to be located at regular bus stops and park-and-ride facilities.

Service Area or Market:

The shelters will be located in the I-394 corridor and at other selected sites throughout the service area according to the MTC shelter location criteria.

Relationship to the Overall System:

Enhances transit usage by providing a protected waiting area.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$279,200	\$212,800	\$ 0	\$ 0	\$ 0	\$ 492,000
Local Match	69,800	53,200	0	0	0	123,000
Total	\$349,000	\$266,000	\$ 0	\$ 0	\$ 0	\$ 615,000

Capital Need: Regular Route Buses

Description:

This element includes the MTC's programmed bus needs. The vehicle needs of other providers will be amended in once the RTB's capital planning program is completed.

Service Area or Market:

These vehicles will be used for services to all market groups and all parts of the metropolitan area the MTC serves.

Relationship to the Overall System:

The vehicles included in the capital plan provide for replacement of existing vehicles and expansion to provide new services. Vehicles represent one of the key elements of the transit system.

Timing, Estimated Cost and Funding:

Source	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$15,288,000	\$15,288,000	\$15,288,000	\$ 8,684,000	\$2,935,200	\$57,483,200
Local Match	3,822,000	3,822,000	3,822,000	2,171,000	733,800	14,370,800
Total	\$19,110,000	\$19,110,000*	\$19,110,000*	\$10,855,000*	\$3,669,000*	\$71,854,000

\*The RTB will be evaluating the specific need for these vehicles and how they should be allocated among providers as part of the Capital Planning Program.

Capital Need:      Capital Equipment

Description:

Purchase of tools and equipment necessary for MTC bus and facility operations and maintenance.

Service Area or Market:

Supports the overall transit system.

Relationship to the Overall System:

Some equipment will replace worn out equipment, while others are enhancements which improve on current procedures.

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$ 1,293,600	\$ 1,280,000	\$ 1,344,000	\$ 1,408,000	\$640,000	\$ 5,965,600
Local Match	323,400	320,000	336,000	352,000	160,000	1,491,400
Total	\$ 1,617,000	\$ 1,600,000	\$ 1,680,000	\$ 1,760,000	\$800,000	\$ 7,457,000

Capital facilities and vehicles which are still under consideration are briefly described below:

o Nicollet Garage

The MTC has proposed construction of a new 175-bus service and maintenance facility at the site of the existing Nicollet Garage at a cost of about \$11 million. The Metropolitan Council and the RTB have raised questions concerning this facility. These are currently being examined and it is anticipated this will be resolved by the end of 1987.

o Midday Bus Storage Facility

The MTC has also proposed to construct a midday bus storage facility adjacent to the Fred T. Heywood Garage for 125 buses operating out of the Shingle Creek and South Garages. The Metropolitan and the RTB have raised questions concerning this facility. These are currently being examined and it is anticipated this will be resolved by the end of 1987.

o Mega Mall Transit Station

The RTB is reviewing a City of Bloomington proposal for a transit station in the proposed Mega Mall which will provide for passenger-waiting and transfer area for regular-route and charter services.

o Capital Needs of Other Operators

The RTB is examining the capital needs of providers other than the MTC. This effort is being coordinated with the RTB's competitive bidding demonstration project.

Capital Need:            Computer-Related Equipment

Description:

This project consists of the purchase of computer hardware, software and accessories needed to support all MTC data processing users in the operation, enhancement or development of automated systems.

Service Area or Market:

Supports the overall transit system.

Relationship to the Overall System:

Timing, Estimated Cost and Funding:

<u>Source</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Federal	\$615,200	\$ 756,000	\$ 0	\$ 0	\$ 0	\$ 1,371,200
Local Match	153,800	189,000	0	0	0	342,800
Total	\$769,000	\$ 945,000	\$ 0	\$ 0	\$ 0	\$ 1,714,000

## Chapter V. Financial Plan

### A. Introduction

This chapter examines existing transit financing, recent trends in transit funding, future funding needs, issues associated with transit financing and the Regional Transit Board's 1988-1989 Biennial Budget request. As required by legislation, the financial plan covers calendar year 1986, the two preceding years and the three succeeding years. Also as required, the financial information is presented in half-year segments. Information sources used in this analysis include the Interim Implementation Plan, the RTB 1985 Financial Plan, the RTB's 1986 and 1987 budgets, budget requests of the various providers and the Consolidated Financial Report prepared by the Metropolitan Agencies' Financial Advisory Committee (MAFAC).

### B. Funding Sources

There are four main sources of revenue available to fund transit in the metropolitan area. These are property taxes, user fees received through fares, state and federal funds. To provide local match for federal capital grants, the RTB, through the Metropolitan Council, issues general obligation bonds. These bonds are repaid through debt levies discussed in the property tax section. Interest income also provides a very small percentage, less than one percent, of transit funding.

In 1984 the legislature transferred authority to levy property taxes from the MTC to the RTB to finance the public transit system. In addition, funds to finance transit provider programs, and RTB planning and administration, are being gradually transferred from the state's general fund to a transit assistance fund comprised of the motor vehicle excise taxes. Federal funds are provided through the Urban Mass Transportation Administration for both operating and capital purposes. Each of these four major areas is briefly described below.

#### 1. Federal Funds

The primary sources of federal transit funds for both operating and capital assistance are administered by the Urban Mass Transportation Administration (UMTA) of the United States Department of Transportation. Federal funds account for approximately seven percent of current transit funding. Recent reductions in federal funds have lowered this share. In 1975, federal funding accounted for approximately twenty-five percent of the total operating costs. This percentage has been declining since 1975. The Implementation and Financial Plan projects a ten percent reduction for 1987 federal operating assistance from 1986 levels and then maintaining this level over the next few years. Federal capital assistance is also projected to be available at the current levels. The major sections of federal funding are as follows:

Section 3: This is a discretionary capital grant program that receives funding from the Mass Transit Account of the Highway Trust Fund. One cent of the recent five cent federal gas tax increase is dedicated to mass transit. Funds under this program are generally limited to major non-recurring capital investments such as major bus

purchases, rail systems and fixed facilities and are limited to urbanized areas. There is no designated recipient for Section 3 funds. Any public entity may apply for funds.

Section 9: This program provides direct appropriations to urbanized areas (over 50,000 population) for operating assistance and routine capital needs. Operating assistance cannot exceed 50 percent of the operating deficit nor can it exceed a pre-established cap limit of the fiscal year 1982 funds used for operating assistance. Local matching requirements are 20 percent of total cost for capital items and 50 percent for operating assistance. Section 9 funds are allocated each year in an amount determined by formula. These funds go to one or more designated recipient selected by "the Governor, responsible local officials, and publicly owned operators of mass transportation services..." (UMTA, Section 9(m)(1)). The MTC is presently the designated recipient for the Twin Cities metropolitan area.

Section 16(b)2: This program provides funds for the purchase of vehicles to transport elderly and handicapped individuals. Funding is available only for private, non-profit organizations. Local matching requirements are 20 percent of the total cost. Mn/DOT is the current designated recipient for these funds.

Section 18: This program provides funds for public transportation providers in areas under 50,000 population. Funds are available for operating and capital assistance. Operating assistance is limited to less than or equal to 50 percent of the operating deficit. Capital funds cannot exceed 80 percent of the total cost. Mn/DOT is the current designated recipient for these funds.

Section 4i: Section 4i authorizes the making of grants to states and local public bodies for projects deploying innovative techniques and methodologies in the management and operation of public transportation services. Minnesota Rideshare has received 4i funding to support their activities.

Section 8: Section 8 authorizes the making of grants to states and local public bodies for the planning, engineering, designing and evaluation of public transportation projects and for other technical studies. Activities assisted under Section 8 may include: 1) studies relating to management, operation, capital requirements and economic feasibility; 2) preparation of engineering and architectural surveys, plans and specifications; 3) evaluation of previously funded projects; and 4) other similar or related activities preliminary and in preparation for construction, acquisition or improved operation of mass transportation systems, facilities and equipment. The Metropolitan Council is the designated recipient of Section 8 funds. The RTB, MTC and Metropolitan Council use Section 8 funds to support their planning efforts.

Federal highway funds can also be used for transit-related projects. Federal Aid Urban System funds have been used for purchasing buses, developing park/ride lots and supporting Minnesota Rideshare. Interstate substitution funds have been used to purchase buses and will be used for the University of Minnesota transitway. All federal highway funds come through Mn/DOT. Funding decisions are made through the metropolitan planning process.

Again, the Implementation and Financial Plan assumes that federal operating and capital assistance will remain at current levels over the next few years. Changes in federal funding levels will require an update of the Financial Plan.

## 2. State Funds

State funding for transit has usually been allocated through state general funds. These funds are appropriated by the legislature on a biennial basis based on the requests made by different agencies. State funding accounts for approximately fifteen percent of total transit funding. State funding levels fluctuated between 1970 and 1982, but have remained relatively stable since then. In 1975 state funds accounted for approximately 8 percent of total costs. In 1978, state funding accounted for almost 30 percent of the total system support. This represents the highest level of state support. Since 1980, the state's share has comprised a smaller percent, approximately 10 percent, but the total level of funding has been increasing. State funding supports both transit operations, planning and administration costs of the RTB, MTC, and other providers.

In 1981, the Minnesota Legislature provided for the phased transfer of Motor Vehicle Excise Tax (MVET) revenues from the general fund to highways (75 percent) and transit (25 percent). The transfer of these funds began in Fiscal Year 1985, with actual use of the funds available on January 1, 1985. Of the funds going to the transit assistance fund, 80 percent was to go to the seven county metropolitan area and 20 percent to the remainder of Minnesota. Due to budget shortfalls, this phased transfer was cancelled in the current biennium.

The Implementation and Financial Plan projects that state funding will be available to supplement any reduction in federal funds and supports the projected budget growth of four percent a year. It also assumes that the Motor Vehicle Excise Tax (MVET) will be reinstated at the 50 percent level during the biennium, with remaining funding coming from the General Fund.

## 3. Local Property Tax

In 1984, the Legislature transferred the authority to levy property taxes from the MTC to the RTB. Minnesota Statute 473.446 authorizes a transit tax levy consisting of an amount up to two mills times the assessed value of all property within the metropolitan transit taxing district, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the MTC and to be issued by the Metropolitan Council pursuant to Minnesota Statutes 473.39. Statutes further provide that the RTB levy an additional tax equal to ten percent of the sum of the above levies on all taxable property within the metropolitan transit area but outside the metropolitan transit district. The proceeds of this tax shall be used only for paratransit services or ridesharing programs designed to serve persons within the transit area but outside the transit taxing district, referred to as the "exurban area."

The transit tax levied within the transit taxing district is reduced by either .5 or .75 mills, depending upon the level of transit service provided to a community. The mill rate is based on the following levels of transit service:

<u>Level of Transit Service</u>	<u>Mill Rate</u>	<u>Reduction</u>
Full peak and all-day service	2.0 mills	-0-
Full peak and limited off-peak (headways of no longer than 60 minutes)	1.5 mills	.5 mills
Service limited to peak hours	1.25 mills	.75 mills

The RTB receives reimbursement from the General Fund of the State Treasury for the amounts of the levy reduction effective July 1, 1987. The RTB utilized the above legislation in certifying the 1985 property tax levy. This was a year ahead of the legislatively mandated deadline. In so doing, the property taxes of 41 communities were adjusted.

Property taxes currently comprise some 40 percent of the total transit costs. This represents a steady increase since 1970, when property taxes accounted for only 10 percent of the total. The Implementation and Financial Plan projects that the tax feathering will remain in effect and that the mill rate will remain constant over the next few years. The Implementation and Financial Plan assumes a four percent annual growth in assessed valuation.

Minnesota Statute 473.39, as amended, authorizes the Metropolitan Council to issue general obligation bonds at the request of the RTB. These bonds may be used to finance transit capital improvements and are repaid through debt service levies. The general obligation bonds are scheduled to be repaid over the life of the assets acquired. The debt service levies are maintained in the .25 to .35 mill range. The current legislation sets an \$8,500,000 bonding authorization limit for the RTB and MTC. It is anticipated that the Metropolitan Council will issue these bonds in mid 1987. Additional bonding authorization will be requested during the 1987 session to implement the RTB's capital program. The exact amount to be requested will be determined upon final approval of the RTB's capital program and subsequent approval by the Metropolitan Council.

#### 4. Fare Revenues

The various transit systems, such as the MTC, private operators and the paratransit services, receive a portion of their costs from revenues generated through fares. Fares represent user payments made through the farebox. Since 1970, the percentage of total costs recovered through fares has declined. Currently fares account for approximately 31 percent of the total funding for transit. This percentage varies among service type. Regular route services currently recover almost 38 percent through the farebox, while the paratransit services are much lower. Legislation requires that providers of regular route services recover at least 35 percent of total operating costs for the service through the farebox.

As discussed previously, legislation requires the RTB to establish and enforce uniform fare policies for the metropolitan area. The RTB is currently developing these uniform fare policies. These activities will be completed by the end of 1986. The Implementation and Financial Plan assumes that current fare levels will remain the same. Any changes which result from the RTB fare policies or specific requests from providers will require an update to the Implementation and Financial Plan.

## 5. Other Sources

A small portion, approximately one percent, of funding for transit is derived from individual investment programs of the RTB, MTC and others.

### C. Fiscal Trends, Policies and Issues Restricting Revenue Use

This section summarizes the key fiscal trends, policies and issues relating to transit in the metropolitan area and the Implementation and Financial Plan. Many of these have been discussed elsewhere in the document but are briefly recapped below.

- o Funding. As discussed previously, the percentage of funding from different sources has changed over the past decade. Current concerns relate to the decline in federal support for transit operations and the subsequent increase in reliance on state funding and local property taxes. The property tax feathering discussed earlier has lessened the burden of property taxes in many communities. In keeping with the legislative recommendation in 1984, the RTB is working toward establishing a funding base comprised of 35 percent fare revenues, 35 percent property taxes, 20 percent state aid and 10 percent federal support. The RTB also envisions the State Motor Vehicle Excise Tax (MVET) providing a long-term, stable financing structure for transit.
- o Fares. Fares currently comprise over 35 percent of funding for regular route transit services. The development of the RTB's fare policies and the consideration of the MTC's fare simplification recommendations should maintain this level while at the same time provide a simple and consistent fare system.
- o Short-term Borrowing. The Regional Transit Board, through its operating agreement with the Metropolitan Transit Commission, has established a minimum level of working capital (\$15 million) that is necessary to support the agency through the economic short-term instability. There is still a need to temporarily borrow money in the short term, however, due to the cash flow of subsidy payments in the form of property taxes and state appropriations. The level of short-term borrowing has also increased since 1984 from 11 million to 17.6 million in 1986.
- o Bonding Authority. Currently the Metropolitan Council has authority to issue general obligation bonds at the request of the RTB to finance transit capital improvements. The Metropolitan Council is currently authorized to bond up to \$8,500,000. Additional bonding authority will need to be authorized during the 1987 legislature to fund the RTB's capital program. The exact amount to be requested will be subject to finalization of the RTB's capital program and subsequent approval by the Metropolitan Council.
- o Performance and Financial Standards. In May 1986, the Joint RTB/MTC Committee on Performance and Financial Standards adopted its "Interim Report on Development of Financial and Performance Standards for MTC Regular Route Transit Services." This report outlined the decision-making

process for determining appropriate action for continuing, restructuring, alternately providing or terminating MTC routes which exceed the adopted interim standard. This report was later adopted by both the MTC and the RTB.

This interim standard, to be used for evaluation of MTC fixed-route service, is a ceiling subsidy per passenger (SPP) set at \$2.45. Routes which do not meet this standard are placed either on a review or action list. Once it is determined that the MTC is unable to make changes to the routes that improve its subsidy per passenger such that it is within the standard, the RTB will designate action from the following alternatives:

- major restructuring
- contract for the same service from an alternate provider
- designate the MTC as contractor; the MTC, in turn, will contract with an alternate provider
- terminate the route
- maintain the route "as is"

Based on the results of the Transit Service Needs Assessment and the four-factor cost model, this interim standard will be revised and expanded. Performance and financial measures will also be developed and implemented for all providers during 1987.

#### D. 1988-1989 Biennial Budget Request

The Regional Transit Board's state 1988-1989 biennial budget request for metropolitan transit assistance is \$55,490,800. The source of funding for this request is \$45,753,000 from the Transit Assistance Fund (MVET) and \$9,737,800 from the General Fund. The RTB program budget request is summarized in Table 4 by budget activity. This request is shown in Tables 5 and 6 in six-month increments. As required, the preceding two years are shown along with the next three.

Table 4  
Regional Transit Board 1988-1989 Biennial Budget Request

Budget Activity	Fiscal Year 1988	Fiscal Year 1989	Total 1988-1989 Biennium
Metro Mobility	\$ 6,000,000	\$ 6,500,000	\$ 12,500,000
Regular Route	15,757,300	16,685,100	32,442,400
Rural and Small Urban	715,800	744,400	1,460,200
Preliminary Engineering	2,750,000	750,000	3,500,000
Test Marketing	1,000,000	1,500,000	2,500,000
Transit Planning and Programs	1,263,700	1,060,500	2,324,200
Administration	375,000	389,000	764,000
Total	\$ 27,861,800	\$ 27,629,000	\$ 55,490,800

TABLE 5  
OPERATING SCENARIO  
BIENNIAL BUDGET

	AUDITED YEAR 1984 *	JAN-JUN 1985	STATE F. Y. 1984-1985 BIENNIAL	JUL-DEC 1985	AUDITED YEAR 1985	ACTUAL JAN-JUN 1986	JUL-DEC 1986	EST. ACT. CAL. YEAR 1986	JAN-JUNE 1987	STATE F. Y. 1986-1987 BIENNIAL
<b>NON-OPERATING REVENUES</b>										
LOCAL PROPERTY TAX SOURCES		\$17,644,629	\$17,644,629	\$17,644,629	\$35,289,258	\$14,972,274	\$23,307,726	\$38,280,000	\$20,706,500	\$76,631,129
SUB TOTAL	\$0	\$17,644,629	\$17,644,629	\$17,644,629	\$35,289,258	\$14,972,274	\$23,307,726	\$38,280,000	\$20,706,500	\$76,631,129
STATE REVENUE SOURCES										
METRO TRANSIT ASSISTANCE	\$747,660	\$587,658	\$1,335,318	\$2,337,660	\$2,925,318	\$9,072,990	\$9,611,000	\$18,684,790	\$9,531,400	\$30,553,850
HOMESTEAD TAX CREDIT		\$4,147,547	\$4,147,547	\$4,147,547	\$8,295,094	\$4,246,987	\$4,253,013	\$8,500,000	\$4,420,000	\$17,067,547
TAX FEATHERING REIMB.			\$0	\$0	\$0	\$797,025	\$796,975	\$1,594,000	\$976,000	\$2,570,000
SUB TOTAL	\$747,660	\$4,735,205	\$5,482,865	\$6,485,207	\$11,220,412	\$14,117,002	\$14,661,788	\$28,778,790	\$14,927,400	\$50,191,397
FEDERAL REVENUE SOURCES										
UMTA PLANNING GRANT		\$115,685	\$115,685	\$115,686	\$231,371	\$237,566	\$214,434	\$452,000	\$150,000	\$717,686
UMTA TRANSIT STUDY			\$0	\$0			\$0	\$0	\$96,000	\$96,000
FEDERAL AID-URBAN			\$0	\$0		\$129,820	\$383,180	\$433,000	\$175,500	\$608,500
SUB TOTAL	\$0	\$115,685	\$115,685	\$115,686	\$231,371	\$367,386	\$517,614	\$885,000	\$421,500	\$1,422,186
BOND PROCEEDS & MISC REVENUE		\$764	\$764	\$764	\$1,528		\$0	\$0		\$764
SUB TOTAL	\$0	\$764	\$764	\$764	\$1,528	\$0	\$0	\$0	\$0	\$764
INTEREST INCOME										
OPERATIONS	\$13,541	\$144,804	\$158,345	\$144,805	\$289,609	\$118,062	\$331,138	\$450,000	\$143,000	\$737,000
NOTE ESCROW ACCOUNT			\$0	\$0		\$350,978	\$86,022	\$437,000	\$500,000	\$937,000
SUB TOTAL	\$13,541	\$144,804	\$158,345	\$144,805	\$289,609	\$469,040	\$417,160	\$887,000	\$643,000	\$1,674,000
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$761,201</b>	<b>\$22,641,007</b>	<b>\$23,402,288</b>	<b>\$24,391,090</b>	<b>\$47,032,178</b>	<b>\$29,926,502</b>	<b>\$38,904,288</b>	<b>\$68,830,790</b>	<b>\$36,698,400</b>	<b>\$129,920,280</b>
<b>OPERATING EXPENDITURES</b>										
SALARIES AND BENEFITS	\$83,849	\$287,060	\$370,909	\$287,060	\$574,120	\$370,356	\$431,644	\$802,000	\$492,000	\$1,581,060
PROFESSIONAL & TECHNICAL EXP	\$161,627	\$147,687	\$389,314	\$147,687	\$295,374	\$265,310	\$411,690	\$677,000	\$528,000	\$1,352,687
TRAVEL	\$14,829	\$31,226	\$46,055	\$31,226	\$62,452	\$25,711	\$39,289	\$65,000	\$50,000	\$146,226
PER DIEMS	\$20,950	\$23,975	\$44,925	\$23,975	\$47,950	\$15,450	\$22,550	\$38,000	\$19,000	\$80,975
COUNCIL PLANNING CHARGEBACK		\$106,777	\$106,777	\$106,777	\$213,554	\$70,594	\$139,106	\$209,700	\$126,000	\$442,477
GENERAL & ADMIN./OTHER	\$37,371	\$91,510	\$128,881	\$91,512	\$183,022	\$111,186	\$186,314	\$297,500	\$176,900	\$565,912
TRANSIT PROVIDER EXPENSE		\$19,437,123	\$19,437,123	\$19,437,124	\$38,874,247	\$26,418,349	\$32,054,651	\$50,473,000	\$35,488,000	\$113,398,124
SUB TOTAL-OPERATING EXP.	\$318,626	\$20,125,358	\$20,443,984	\$20,125,361	\$40,250,719	\$27,276,956	\$33,285,244	\$60,562,200	\$36,879,900	\$117,567,461
<b>NON-OPERATING EXPENDITURES</b>										
RTB ADMIN.-CAPITAL	\$3,110	\$46,937	\$50,047	\$46,938	\$93,875	\$20,764	\$29,236	\$50,000	\$35,000	\$131,938
INTEREST ON NOTES & BONDS		\$240,273	\$240,273	\$460,547	\$700,820	\$229,350	\$0	\$229,350	\$0	\$689,897
DEBT SERVICE - MTC		\$2,226,517	\$2,226,517	\$2,226,516	\$4,453,033	\$1,416,602	\$1,937,398	\$3,354,000	\$2,482,900	\$8,063,416
DEBT SERVICE - RTB										
TRANSIT PROV. CAPITAL EXP										
SUB TOTAL-NON-OPERATING EXP.	\$3,110	\$2,513,727	\$2,516,837	\$2,734,001	\$5,247,728	\$1,666,716	\$1,966,634	\$3,633,350	\$2,517,900	\$8,885,251
<b>TOTAL EXPENDITURES</b>	<b>\$321,736</b>	<b>\$22,639,085</b>	<b>\$22,960,821</b>	<b>\$22,859,361</b>	<b>\$45,498,447</b>	<b>\$28,943,672</b>	<b>\$35,251,878</b>	<b>\$64,195,550</b>	<b>\$39,397,800</b>	<b>\$126,452,711</b>
<b>APPLICATION OF RESERVE FUNDS</b>										
FUND BALANCE RESERVE										
BEGINNING FUND RESERVE	\$0	\$439,465	\$0	\$441,467	\$439,465	\$1,973,196	\$2,956,026	\$1,973,196	\$6,608,436	\$441,467
NET SURPLUS(DEFICIT)	\$439,465	\$2,002	\$441,467	\$1,531,729	\$1,533,731	\$982,830	\$3,652,410	\$4,635,240	(\$2,699,400)	\$3,467,569
ENDING FUND RESERVE	\$439,465	\$441,467	\$441,467	\$1,973,196	\$1,973,196	\$2,956,026	\$6,608,436	\$6,608,436	\$3,909,036	\$3,909,036

\* RTB ORGANIZED JULY 1984

TABLE 6  
OPERATING SCENARIO  
BIENNIAL BUDGET

	STATE F.Y. 1986-1987 BIENNIUM	JULY-DEC 1987	PROPOSED BUDGET 1987	JAN-JUNE 1988	JULY-DEC 1988	PROJECTED CAL. YEAR 1988	JAN-JUNE 1989	PROJECTED STATE F.Y. 1988-1989 BIENNIUM	JULY-DEC 1989	PROJECTED CAL. YEAR 1989
<b>NON-OPERATING REVENUES</b>										
LOCAL PROPERTY TAX SOURCES	\$76,631,129	\$20,706,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,685,500	\$87,385,400	\$22,685,500	\$45,211,000
SUB TOTAL	\$76,631,129	\$20,706,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,685,500	\$87,385,400	\$22,685,500	\$45,211,000
STATE REVENUE SOURCES										
METRO TRANSIT ASSISTANCE	\$30,553,850	\$14,656,264	\$24,187,664	\$13,205,500	\$13,610,500	\$26,816,000	\$14,810,500	\$55,490,764	\$13,329,500	\$27,348,000
HOMESTEAD TAX CREDIT	\$17,067,547	\$4,420,000	\$8,840,000	\$4,596,800	\$4,596,800	\$9,193,600	\$4,781,000	\$18,394,600	\$4,781,000	\$9,562,000
TAX FEATHERING REIMB.	\$2,578,000	\$976,000	\$1,952,000	\$1,015,000	\$1,015,000	\$2,030,000	\$1,056,000	\$4,062,000	\$1,056,000	\$2,112,000
SUB TOTAL	\$50,191,397	\$20,052,264	\$34,979,664	\$18,817,300	\$19,222,300	\$38,039,600	\$19,855,500	\$77,947,364	\$19,166,500	\$39,022,000
FEDERAL REVENUE SOURCES										
UMTA PLANNING GRANT	\$717,686	\$150,000	\$300,000	\$150,000	\$150,000	\$300,000	\$150,000	\$600,000	\$150,000	\$300,000
UMTA TRANSIT STUDY	\$96,000	\$169,000	\$265,000	\$154,000	\$79,000	\$233,000	\$0	\$402,000	\$0	\$0
FEDERAL AID-URBAN	\$600,500	\$175,500	\$351,000	\$182,500	\$182,500	\$365,000	\$190,000	\$738,500	\$190,000	\$380,000
SUB TOTAL	\$1,422,186	\$494,500	\$916,000	\$486,500	\$411,500	\$898,000	\$340,000	\$1,738,500	\$340,000	\$680,000
BOND PROCEEDS & MISC REVENUE	\$764	\$0	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$0
SUB TOTAL	\$764	\$0	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$0
INTEREST INCOME										
OPERATIONS	\$737,805	\$457,000	\$600,000	\$325,000	\$325,000	\$650,000	\$350,000	\$1,457,000	\$350,000	\$700,000
NOTE ESCROW ACCOUNT	\$937,000	\$50,000	\$550,000	\$535,000	\$55,000	\$590,000	\$572,000	\$1,212,000	\$60,000	\$632,000
SUB TOTAL	\$1,674,805	\$507,000	\$1,150,000	\$860,000	\$380,000	\$1,240,000	\$922,000	\$2,669,000	\$410,000	\$1,332,000
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$129,920,280</b>	<b>\$41,760,264</b>	<b>\$78,458,664</b>	<b>\$43,660,500</b>	<b>\$42,810,500</b>	<b>\$85,671,000</b>	<b>\$43,723,000</b>	<b>\$171,154,264</b>	<b>\$42,522,000</b>	<b>\$86,245,000</b>
<b>OPERATING EXPENDITURES</b>										
SALARIES AND BENEFITS	\$1,581,060	\$599,900	\$1,091,900	\$573,000	\$573,000	\$1,146,000	\$600,000	\$2,345,900	\$600,000	\$1,200,000
PROFESSIONAL & TECHNICAL EXP	\$1,352,687	\$1,628,000	\$2,156,000	\$1,150,000	\$1,150,000	\$2,300,000	\$1,350,000	\$5,278,000	\$300,000	\$1,650,000
TRAVEL	\$146,226	\$56,000	\$106,000	\$55,000	\$55,000	\$110,000	\$57,000	\$223,000	\$57,000	\$114,000
PER DIEMS	\$80,975	\$19,000	\$38,000	\$20,000	\$20,000	\$40,000	\$20,000	\$79,000	\$20,000	\$40,000
COUNCIL PLANNING CHARGEBACK	\$442,477	\$154,000	\$290,000	\$150,000	\$150,000	\$300,000	\$150,000	\$604,000	\$150,000	\$300,000
GENERAL & ADMIN./OTHER	\$565,912	\$205,700	\$382,600	\$205,000	\$205,000	\$410,000	\$215,000	\$830,700	\$215,000	\$430,000
TRANSIT PROVIDER EXPENSE	\$113,398,124	\$35,488,000	\$70,976,000	\$36,718,500	\$36,718,500	\$73,437,000	\$38,196,000	\$147,121,000	\$38,196,000	\$76,392,000
SUB TOTAL-OPERATING EXP.	\$117,567,461	\$38,151,400	\$75,031,300	\$38,871,500	\$38,871,500	\$77,743,000	\$40,588,000	\$156,482,400	\$39,538,000	\$80,126,000
<b>NON-OPERATING EXPENDITURES</b>										
RTB ADMIN.-CAPITAL	\$131,938	\$35,000	\$70,000	\$35,000	\$35,000	\$70,000	\$35,000	\$140,000	\$35,000	\$70,000
INTEREST ON NOTES & BONDS	\$689,897	\$0	\$0	\$60,000	\$60,000	\$120,000	\$54,000	\$174,000	\$54,000	\$108,000
DEBT SERVICE - MTC	\$8,063,416	\$2,482,900	\$4,965,800	\$3,044,000	\$3,044,000	\$6,088,000	\$2,896,000	\$11,466,900	\$2,896,000	\$5,791,000
DEBT SERVICE - RTB				\$150,000	\$0	\$150,000	\$150,000	\$300,000	\$0	\$150,000
TRANSIT PROV. CAPITAL EXP				\$1,500,000	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$0
SUB TOTAL-NON-OPERATING EXP.	\$8,885,251	\$2,517,900	\$5,035,800	\$4,789,000	\$3,139,000	\$7,928,000	\$3,135,000	\$13,580,900	\$2,984,000	\$6,119,000
<b>TOTAL EXPENDITURES</b>	<b>\$126,452,711</b>	<b>\$40,669,300</b>	<b>\$80,067,100</b>	<b>\$43,660,500</b>	<b>\$42,810,500</b>	<b>\$85,671,000</b>	<b>\$43,723,000</b>	<b>\$170,063,300</b>	<b>\$42,522,000</b>	<b>\$86,245,000</b>
<b>APPLICATION OF RESERVE FUNDS</b>										
FUND BALANCE RESERVE										
BEGINNING FUND RESERVE	\$441,467	\$3,909,836	\$6,608,436	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$3,909,836	\$5,000,000	\$5,000,000
NET SURPLUS (DEFICIT)	\$3,467,569	\$1,090,964	(\$1,608,436)	\$0	\$0	\$0	\$0	\$1,090,964	\$0	\$0
ENDING FUND RESERVE	\$3,909,836	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

\* RTB ORGANIZED JULY 1984

## Chapter VI. Future Directions

### A. Introduction

This chapter identifies and discusses the major issues facing transit in the Twin Cities metropolitan area. These cover all the major areas including planning, administration, operations, capital, funding and financial. The discussion includes a review of the major issues and the approach the RTB intends to take in addressing and resolving these issues. This does not include all the activities the RTB will be working on over the next few years. For a more detailed discussion of these activities, the RTB's 1987 Work Program and Budget should be consulted.

**ACTIVITY:** Preliminary Engineering for Major Corridor Improvements and Analysis of the Results of other Major Corridor Planning Studies

#### DEFINITION OF ISSUE:

Preliminary engineering will identify the detailed costs and development potentials associated with construction of light rail transit in the University Avenue corridor. This information will be used by the Board and other decision makers to determine whether an LRT system should be constructed. The results of the corridor planning studies will identify which long-range transit alternatives are appropriate to be considered in other corridors.

#### APPROACH TO RESOLVING ISSUE:

The RTB has included preliminary engineering activities for the University Avenue corridor in its 1987 Work Program and Budget. Based on the results of this study, which would be completed in July of 1988, the Board would determine the appropriate course of action to take on LRT. The RTB is currently participating in the other corridors studies and will evaluate the results once the studies are completed.

#### TIMING:

The preliminary design activities are proposed to be initiated in July of 1987, pending legislative approval. The study would be completed in July 1988 at which time a decision on whether to proceed with construction of an LRT system would be made. The RTB will evaluate the results of other studies as they are completed.

#### RELATIONSHIP TO OVERALL SYSTEM:

An LRT system in University Avenue Corridor would replace many of the bus services currently operated in the corridor and would be coordinated with and complement the bus system connected to it. It would replace many of the services currently operated in the corridor.

#### IMPACT ON IMPLEMENTATION PLAN:

The Implementation and Financial Plan would need to be updated if the decision is made to proceed with construction of LRT in the University Avenue Corridor.

ACTIVITY: Development of Performance and Financial Standards for All Providers

DEFINITION OF ISSUE:

The issue here is the development of appropriate performance and financial standards for all transit providers under contract to the RTB.

APPROACH TO RESOLVING ISSUE:

The results from the four-factor cost model and performance thresholds developed as part of the Transit Service Needs Assessment will be utilized to develop performance and financial standards for all regular route providers. This will build on the previous activities of the RTB and MTC and will be expanded to include all regular route operators. Performance and financial measures will be established for different types of regular route services. The RTB will also work with the paratransit and other providers to establish mutually agreed upon standards.

TIMING:

The development of performance and financial standards for all providers will be completed by the end of 1987.

RELATIONSHIP TO OVERALL SYSTEM:

Performance and financial standards will be used to monitor and evaluate all services. Poor performing services will be identified and evaluated for elimination, restructuring or changing to a different type of service. The result will lead to a more cost-effective system.

IMPACT ON IMPLEMENTATION PLAN:

The result of instituting performance and financial standards may affect the service and capital costs if services are modified or eliminated. The Implementation and Financial Plan assumes that some fine tuning will result as these standards are implemented. Any cost savings will be reinvested in the system.

ACTIVITY: RTB Fare Policy Development

DEFINITION OF ISSUE:

The major issue is what impact the RTB's fare policies will have on revenues generated through the farebox and, subsequently, on the subsidy needed to operate the system. Other issues surrounding fares have been identified previously in Chapter III.

APPROACH TO RESOLVING ISSUE:

The RTB will evaluate the existing fare system, the simplified fare system proposed by the MTC, and possible other scenarios based on the preliminary goals, objectives, criteria and measures identified in Chapter III. Based on the results of this analysis, the RTB will develop and adopt a set of fare policies.

TIMING:

These activities will be completed by the end of 1986.

RELATIONSHIP TO OVERALL SYSTEM:

Fare policies are important to many aspects of the overall transit system in the Twin Cities. By developing a uniform set of comprehensive fare policies, the RTB will enhance coordination and uniformity among different systems.

IMPACT ON IMPLEMENTATION PLAN:

The RTB's fare policies will have an impact on the Implementation and Financial Plan. The estimated fare revenues used in the financial evaluation are based on the existing fare structure. Any changes to this which may result from the RTB's fare policies will impact on the revenue generation and, subsequently, the subsidy required to support the system. Thus, the Implementation and Financial Plan will need to be updated based on any changes resulting from the RTB's fare policies.

ACTIVITY: I-394 Detailed Planning and Implementation

DEFINITION OF ISSUE:

Identification of the specific routes and service and capital improvements to implement the timed-transfer system.

APPROACH TO RESOLVING ISSUE:

As outlined in chapter III, the RTB will continue to work with Mn/DOT, the MTC, Medicine Lake Lines and other service providers, and the communities in the corridor on these activities. These include finalization of the sites, designs and costs for the major and minor facilities, the detailed route and schedule planning, and competitively bidding services.

TIMING:

This will be an ongoing work activity of the RTB over the next five years. It is anticipated that the major activities to fine tune the service and capital needs and costs will be completed by the end of 1987.

RELATIONSHIP TO OVERALL SYSTEM:

The I-394 timed-transfer system represents the first time this type of transit service has been provided in the metropolitan area. The results will be monitored carefully to determine its application in other areas.

IMPACT ON IMPLEMENTATION PLAN:

The costs associated with the service and capital facilities of the I-394 timed-transfer system will be incorporated into the Implementation and Financial Plan as appropriate.

ACTIVITY: Complete the Capital Planning Program

DEFINITION OF ISSUE:

The major issues are what are the future capital needs of the different providers in terms of both facilities and vehicles.

APPROACH TO RESOLVING ISSUE:

As outlined in Chapter III, the RTB's effort to complete the capital planning process will include the following steps. The first step will be to update the inventory of existing providers to ensure the vehicles and facilities of all possible operators are accounted for. Next, based on the results of the service modifications suggested as part of the Transit Service Needs Assessment, the results of the initial stages of the competitive bidding demonstration and other studies, the five-year capital needs will be identified. This will include a resolution of the Nicollet Garage and Midday Layover Facility as well. The end result will be an ongoing capital planning process which the RTB will continue to use, update and modify.

TIMING:

Initial activities will be completed by the end of 1986 and the ongoing capital program will be established during 1987.

RELATIONSHIP TO OVERALL SYSTEM:

Ensuring funding for the capital needs is critical to maintain and improve the current transit system.

IMPACT ON IMPLEMENTATION PLAN:

The results of the capital planning process will have a major impact on the Implementation and Financial Plan. The resolution of issues, such as the Nicollet Garage, as well as the identification of ongoing facility and vehicle needs will impact on the funding and timing of the proposed capital program. The Implementation and Financial Plan will need to be updated or amended based on the outcome of this process, as will the RTB Budget.

ACTIVITY: Shared Use of Facilities by All Providers

DEFINITION OF ISSUE:

There are many issues involved in the shared use of facilities by all providers. Facilities to be examined include storage and maintenance facilities, park-and-ride lots, transit hubs and other transit-related facilities. Issues to be addressed include insurance and liability concerns, funding concerns, operating and maintenance concerns and coordination issues.

APPROACH TO RESOLVING ISSUE:

The RTB will evaluate the issues associated with the shared use of facilities by all providers, identify barriers to shared use and develop policies and actions necessary to provide for shared use.

TIMING:

This activity will be completed by the end of 1988.

RELATIONSHIP TO OVERALL SYSTEM:

Better coordination and improved flexibility on the use of facilities by all providers should improve the overall transit system in the metropolitan area.

IMPACT ON IMPLEMENTATION PLAN:

The results of these analyses may lead to changes in the capital and service programs. Major changes will need to be incorporated into an updated Implementation and Financial Plan.

ACTIVITY: Taxicab Planning and Coordination

DEFINITION OF ISSUE:

There is a need to determine the opportunities for taxicabs to participate in providing public transit services. Institutional barriers must be identified and initiatives developed to eliminate these barriers. Key issues include non-reciprocal municipal licenses, standardized and improved requirements for vehicles and drivers, and metropolitan taxi licensing.

APPROACH TO RESOLVING ISSUE:

The RTB will participate and conduct planning and implementation projects and activities that will increase the participation of taxicab operators as public transit providers. The RTB has established a Taxicab Advisory Committee that meets regularly.

TIMING:

In 1987, the RTB has proposed a budget activity to carry out planning and coordination projects that will serve to resolve many of these issues. A detailed work program is currently being developed.

RELATIONSHIP TO OVERALL SYSTEM:

This activity will give the taxicab industry the opportunity to participate in publicly funded transit services. It will also allow the RTB to meet both present and unmet transit needs in an effective and cost efficient manner.

IMPACT ON IMPLEMENTATION PLAN:

Greater involvement of taxicabs in providing public transit services may result in more cost-effective transit services.

ACTIVITY: Competitive Transit

DEFINITION OF ISSUE:

Several U.S. cities have achieved cost savings by contracting with private operators to provide public transit services. As public transit operating costs continue to rise and federal funds diminish, interest grows about public transit systems relying more on private sector participation. Although contracting with private providers for public transit services promises to improve the cost-effectiveness of service, there are a variety of legal, institutional and operational barriers which must be overcome before the full advantages of competitive transit can be realized.

APPROACH TO RESOLVING ISSUE:

The Regional Transit Board is involved in the competitive bidding of MTC routes that exceed a certain subsidy standard and with the Competitive Transit Demonstration project, described elsewhere in this Implementation Plan. Through these efforts as well as with ongoing activities, such as Metro Mobility, the Regional Transit Board hopes to identify the optimal circumstances for competitively bidding transit services. Based on these experiences, the Board will develop policies regarding competitive transit.

TIMING:

Underway and ongoing. Competitive transit demonstration will be implemented in August 1986, February 1987, and August 1987. Competitive transit policies will be developed in late 1987.

RELATIONSHIP TO OVERALL SYSTEM:

All transit services will be examined with regard to their appropriateness for competitive bidding.

IMPACT ON IMPLEMENTATION PLAN:

Cost savings are expected to result from competitively bidding transit services. These savings will be reinvested in providing additional transit services to meet unmet needs and/or funding test marketing projects as identified in the Transit Service Needs Assessment.

ACTIVITY: Program Evaluation

DEFINITION OF ISSUE:

The Regional Transit Board currently holds approximately 40 contracts with various transit operators to provide different kinds of public transit services. The majority of these contracts were transferred to the Regional Transit Board from either the Minnesota Department of Transportation or the Metropolitan Transit Commission. The RTB needs to evaluate these various projects to determine if they are performing efficiently and cost-effectively and if they are consistent with the needs of the region, as identified in the Transit Service Needs Assessment.

APPROACH TO RESOLVING ISSUE:

Each year, the Regional Transit Board plans to undertake a number of project evaluation studies in order to determine if the services provided are cost-effective and responsive to the needs of the areas that they serve. Although the RTB monitors all projects on an ongoing basis, these project evaluation studies will provide a more comprehensive approach to determining how projects can best be organized and funded. The RTB will prioritize its project evaluation efforts on the basis of the service and financial performance standards that it is currently developing for all types of transit services, i.e., those projects that exceed the standards will be evaluated first.

TIMING:

Performance and financial standards for all operators will be completed by the end of 1987. Project evaluation studies will be conducted each year on an ongoing basis.

RELATIONSHIP TO OVERALL SYSTEM:

All transit services will eventually be evaluated in comprehensive terms to determine optimal operational and funding characteristics.

IMPACT ON IMPLEMENTATION PLAN:

Project evaluation studies should result in recommendations for making all kinds of transit services more cost-effective, and thus will impact the overall transit plan and budget for the region.

ACTIVITY: Social Service Transportation Coordination

DEFINITION OF ISSUE:

Social service agencies need to ensure that their clients are able to find transportation that will enable them to participate in their sponsored activities. Some agencies are additionally concerned that their clients have transportation for all kinds of trip purposes. Some social service agencies actually provide transportation; others contract with providers to offer clients transportation, and yet others encourage their clients to use Metro Mobility or other existing forms of transportation services. The RTB is anxious to determine how the effectiveness of transportation provided by or funded by social service agencies can best be coordinated with other forms of transit service.

APPROACH TO RESOLVING ISSUE:

The RTB plans to update its information about how social service agencies arrange transportation for their clients, review existing funding sources and expenditure levels, review options for maximizing the effectiveness of social service transportation services and making the best use of various funding sources available for both public and agency sponsored transportation.

TIMING:

Efforts will begin in November 1986 and be completed in June 1987.

RELATIONSHIP TO OVERALL SYSTEM:

The way in which social service agencies arrange transportation for its clients significantly affects the ridership levels and funding needs of public transportation systems, especially Metro Mobility. If social service agencies discontinue providing transportation services or funding for transportation services, the financial and operating responsibility of carrying their clients falls to the Regional Transit Board in most cases.

IMPACT ON IMPLEMENTATION PLAN:

The approach for coordinating and funding social service transportation will impact the cost, magnitude and direction of other transit services.

ACTIVITY: Transit Providers Insurance

DEFINITION OF ISSUE:

The cost of insurance for transit providers has increased dramatically during the past few years. In some cases, even the availability of insurance coverage has been a concern.

APPROACH TO RESOLVING ISSUE:

The RTB is assisting the Minnesota Department of Transportation (Mn/DOT) as it conducts an insurance study of Minnesota Transit providers. This study will identify options for transit providers to consider in purchasing insurance.

TIMING:

The Mn/DOT insurance study will be completed by April, 1987. Options will be in place for the 1988 RTB transit assistance contracts.

RELATIONSHIP TO OVERALL SYSTEM:

This activity impacts the availability of transit providers and also has a significant impact on the level of service that can be funded with limited public dollars.

IMPACT ON IMPLEMENTATION PLAN:

Insurance costs are one element in the total cost of providing transit services. The impact of increasing insurance costs drives the total costs higher. Significant increases may necessitate revisions to the operating costs projected in the Implementation and Financial Plan.

ACTIVITY: Metropolitan Transit Marketing and User Information

DEFINITION OF ISSUE:

Transit information for all kinds of transit services needs to be provided to the general public. Currently, each provider is individually responsible for offering this kind of information to its riders.

APPROACH TO RESOLVING ISSUE:

A variety of options exist for providing and coordinating transit information to the general public. An analysis needs to be conducted to determine if this function should be centralized and expanded or should continue to operate in a decentralized fashion. Currently the MTC has a computer retrieval system for metropolitan area public transit information. A new computer system for the MTC is programmed for implementation within the next two years. It may be appropriate to determine if a central number to call for metropolitan area transit information would eliminate confusion.

TIMING:

As the MTC looks toward its updated transit information system in the next two years, the RTB will undertake additional analysis to review centralized vs. decentralized options for operating this function.

RELATIONSHIP TO OVERALL SYSTEM:

Coordinated transit information can facilitate the use of the various kinds of transit service available throughout the metropolitan area.

IMPACT ON IMPLEMENTATION PLAN:

The results of the analysis described above will identify actions necessary to provide better transit information to the general public. Options for providing the information will be reviewed and priced.