



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, April 20, 1987
Metropolitan Council Chambers
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of April 6, 1987
4. REPORT OF THE POLICY COMMITTEE

Alison Fuhr,
Vice Chair

 - A. Review of the LaSalle Development Project
Draft Environmental Impact Statement
5. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Ruth Franklin,
Chair

 - A. Salary Range Adjustments
 - B. Radius Design Consultant Contract
 - C. Metro Mobility Contract Amendments
 - D. 1988 Budget Assumptions
 - E. Regional Transit Board Fare Policies and
Procedures for the Twin Cities Metropolitan Area
 - F. Revised Implementation and Financial Plan
6. OTHER BUSINESS
 - A. Chairman's Report
 1. Transportation Handicapped Advisory Committee Appointments
 - B. Members' Reports
 - C. Advisory Committee Reports
 - D. Staff Reports
7. PUBLIC COMMENT

Elliott Perovich
Chairman

de Vries S. Wilson
 Sailors O'Hara Anderson
 Berthel Peay
 Entzel
 Brault

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: April 20, 1987

BOARD OR COMMITTEE Board Mtg

MEMBER NAME	PRESENT	^{minutes} VOTE _{ye}	VOTE	VOTE
Chairman	✓			
Doris Caranicas (P)	✓	no		
Carole Faricy	✓	no		
Ruth Franklin (Chair, A & F)	✓	no		
Alison Fuhr (P)	✓	yes		
Rochelle Graves (P)	✓	yes		
Paul Joyce (A & F)	✓	no		
Edward Kranz (A & F)	yes	no		
Bernard Skrebes (A & F)	✓	no		

ROUTING SLIP

READ

FORWARD

HANDLE

RETURN

KEEP, FILE OR DISCARD

REVIEW WITH ME

FROM: _____

TO:

Andrews

Brechlin

Christopherson

Dietrick

Ecker

Fish

Fitzgerald

Hennings

Hinze

Hollander

Kuehn

Kouneski

Mayer

Olson

Opsahl

Perovich

Rosvold

Ryan

Smothers

Turnbull

Zuniga

*Beaver
Blair*

REGIONAL TRANSIT BOARD
270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
April 6, 1987

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Doris Caranicas; Ruth Franklin; Alison Fuhr; Rochelle Graves; Paul Joyce; Edward Kranz and Bernard Skrebes

MEMBERS ABSENT: Carole Faricy

OTHERS PRESENT: Gregory Andrews, Tom Beaver, Jerry Brechlin, Cindy Fish, Kathy Christopherson, Mary Fitzgerald, Jan Hennings, Ed Kouneski, Randy Rosvold, Regional Transit Board Staff; Arnie Entzel, Amalgamated Transit Union; Natalio Diaz, Karen Lyons and Dirk deVries, Metropolitan Council; Greg Failor, Metropolitan Transit Commission; Larry Wertheim, legal counsel; Mary O'Hara-Anderson, Chair, Council for the Handicapped; Bill Hopkins, Chair, Transportation Handicapped Advisory Committee

The meeting was called to order at 4:00 p.m. and roll taken.

Kranz asked that the item, Request for Proposal for Metro Mobility Evaluation Contract, be heard first in the report of the Administration and Finance Committee to accommodate people who were present to comment on the issue. Caranicas moved approval of the amended agenda distributed before the meeting and with the change in the order of items. Joyce seconded the motion; the motion carried unanimously.

Fuhr moved approval of the minutes of the March 16, 1987, meeting; Caranicas seconded the motion. The motion carried unanimously.

CONSENT LIST

Final Environmental Impact Statement, New U.S. Highway 10 between Egret Boulevard and I-35W in Coon Rapids, Blaine and Mounds View

Caranicas moved approval of the March 30, 1987 consent list. Joyce seconded the motion; the motion carried unanimously.

REPORT OF THE POLICY COMMITTEE

DRAFT ENVIRONMENTAL IMPACT STATEMENT TRUNK HIGHWAY 77/I-494 IMPROVEMENT PROJECT

Committee Vice Chair Fuhr reviewed the committee report dated March 19, 1987, noting that a staff report dated April 6 had been distributed. Rosvold said that when the initial recommendations were presented, BRW was asked whether something else could be worked out; it was determined that is not possible. Fuhr moved:

That the Regional Transit Board notify the Minnesota Department of Transportation that their review of the Draft Environmental Impact Statement for T.H. 77/1-494 Improvement Project has been completed. The RTB raises specific concerns outlined in this review pertaining to the impacts on existing and future transit services and to the front pull-out area of the Metropolitan Transit Commission's South Garage.

Caranicas seconded the motion; the motion carried unanimously.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

REQUEST FOR PROPOSAL FOR METRO MOBILITY EVALUATION CONTRACT

Committee Vice Chair Joyce moved:

That the Regional Transit Board authorize the executive director to issue a Request for Proposal to select a consultant for the purpose of evaluating the changes to the Metro Mobility program implemented by the Regional Transit Board in October 1986.

Franklin seconded the motion. Kranz said he would like to table the issue for further review and input from users and user's organizations as to how the RFP should be prepared and pursued. He moved:

That the Regional Transit Board table the consideration of a Request for Proposal for Metro Mobility Evaluation Contract until its first meeting in May.

Graves seconded the motion. In response to the chairman's question, Mary O'Hara-Anderson said their concern was that this was not presented to the Transportation Handicapped Advisory Committee (THAC) and the Council for the Handicapped was unaware of the proposal. Fuhr said the intention was to present the draft proposal to THAC for their advice before anything happened. The chairman said it is scheduled for the April 16 THAC meeting. Hollander explained it was staff's intention to develop an RFP draft for discussion and revision based on input.

Hollander said this is similar to the Transit Service Needs Assessment. Staff received authorization to develop an RFP and after the consultant was selected, the contract was developed based on the proposal. This process was set up based on the few RFP's we have done. Staff feels it needs authorization before it goes to a public meeting to discuss the particular details. The chairman said the final contract will come back to the board for approval. Perovich said that on major contracts the RTB goes through a full advertising campaign.

Bill Hopkins, Chair of Transportation Handicapped Advisory Committee, said he had come out of concern that something would happen but all of his concerns have been satisfied.

Entzel said funds should have been used to correct the old system. The chairman said Minnesota Department of Transportation's study in 1983 of Project Mobility and the Urban Institute study identified major problems in the program.

Franklin agreed with Entzel that safety is an important issue. The Legislature mandated that service must be provided to the entire Seven County Metropolitan Area and the MTC subsidy was so high that we could not do it for the entire area. The board had to choose to cut back service or try to find providers who could provide the service for less money in order to serve more people.

1987 AFFIRMATIVE ACTION STATUS REPORT, RESOLUTION NO. 87-05

Vice Chair Joyce moved and Caranicas seconded:

That the Regional Transit Board accept the Affirmative Action Status Report and approve Resolution No. 87-05 setting forth the Regional Transit Board's 1987 affirmative action goals.

Roll call vote was taken; motion and resolution were approved (Graves passed).

NEW METRO MOBILITY PROVIDER CONTRACT APPROVAL (WILDER TRANSPORTATION SERVICE)

Vice Chair Joyce moved:

That the Regional Transit Board authorize the executive director to enter into contract with the Amherst H. Wilder Foundation to provide Metro Mobility service in Ramsey County for the period April 15, 1987 to December 31, 1987.

Skrebes seconded the motion; the motion carried unanimously.

FINANCIAL STATEMENTS - JANUARY 1987

Vice Chair Joyce moved:

That the Regional Transit Board receive the January 1987 financial statements and direct that they be placed on file.

Franklin seconded the motion; the motion carried unanimously.

ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 1987C, RESOLUTION NO. 87-04

Vice Chair Joyce moved and Franklin seconded:

That the Regional Transit Board approve Resolution No. 87-04 ratifying the Metropolitan Council's acceptance of the bid and authorizing the executive director to execute the required Escrow Agreement.

Roll call vote was taken; the motion and resolution were unanimously approved.

HASTINGS COMMUTER EXPRESS SERVICE FUNDING OPTION

A memorandum dated April 6 was handed out before the meeting. At its April 2 meeting, the Administration and Finance Committee took no action on the issue.

OTHER BUSINESS

Andrews explained the process of issuing bonds. Jay Heffern, Metropolitan Council Chief Legal Counsel, expects to conduct a seminar on bonding for board members. No date has been set. deVries said the timing of the bond sale was very fortuitous in that we received the lowest interest rates.

CHAIRMAN'S REPORT

Quality Transit Coalition Membership, Resolution No. 87-06

The chairman discussed his April 6 memorandum to the board. The coalition has the sole purpose of promoting the transfer of Motor Vehicle Excise Tax funds. Skrebes said the coalition is for this year only and is open to anyone interested in transit. The meetings are held every Friday at the Senior Federation offices. Membership costs \$10 to pay for mailing costs. After discussion, Fuhr moved and Joyce seconded approval of the resolution, with the last paragraph amended to read:

That the Regional Transit Board supports the efforts of the Quality Transit Coalition and will actively work to tell lawmakers of the importance of transit programs to the social and economic health of rural and urban Minnesota.

The resolution was approved (Skrebes not present and the chairman abstained).

Transportation Handicapped Advisory Committee Appointments

The chairman reviewed the April 6 memorandum regarding advisory committee appointments. Joyce moved and Caranicas seconded approval of the motion to appoint the people listed in the memorandum. Vote was taken; the motion carried unanimously.

Drafts of proposed legislation were distributed and discussed. The chairman board members should make an effort to communicate with the Metropolitan Council, local communities and legislators.

The bills dealing with Metro Mobility, an amendment for a process of review for light rail transit planning and the part-time chair amendment were discussed.

Vice Chair Caranicas took the chair. There were no members reports.

STAFF REPORTS

Andrews said the board members have been placed on the mailing list for the Council's Metro Systems Committee.

PUBLIC COMMENTS

Carol Connors said when she has ridden Metro Mobility she has experienced people being careless and drinking. Cabdrivers do not require seatbelts. Caranicas said she told the Taxicab Advisory Committee that there are problems with drivers. She asked that when passengers experience these problems they call the cab company and the Metro Mobility Administrator Center. Without specific information there is nothing they can do to correct the situation.

There being no further business, Kranz moved that the meeting be adjourned.
Joyce seconded the motion; the meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 8, 1987
TO: Administration and Finance Committee
FROM: Robert Dietrick, Administrative Aide
SUBJECT: Salary Range Adjustments

ACTION REQUESTED

It is requested that the Administration and Finance Committee recommend to the Regional Transit Board the adjustment of the salary range for the Public Information Officer, the adjustment of the salary range for the Contracts and Grants Administrator and the addition of a salary range for the Secretary/Clerical Assistant.

Background

The Regional Transit Board Personnel Code, Section 4.1, grants authority to the Board for establishment of a Compensation Plan establishing salary ranges and benefits for RTB employees. This Compensation Plan was formally adopted by the Board on December 15, 1986. The Board approved salary ranges for 1987 for a budgeted staff complement of 28 full-time positions.

The Executive Director is responsible for administering the Compensation Plan and may make amendments to the Plan and salary ranges provided that such action is submitted to the Board for approval or disapproval. The following amendments to the Compensation Plan and salary ranges are proposed:

1. Adjustment to Salary Range for Public Information Officer.

The proposal is to adjust the salary range for the Public Information Officer from \$27,114 - \$39,451 to a new range of \$25,834 - 37,675. This adjustment is proposed due to the fact that the position of Assistant to the Chair has been filled, which removed the inter-governmental, legislative liaison duties from the Public Information Officer position. This change in the salary range does not affect the actual salary of the present incumbent in the position.

2. Adjustment to Salary Range for Contract and Grants Administrator.

The proposal is to adjust the salary range for the Contract and Grants Administrator from \$25,834 - \$37,675 to a new range of \$21,528 - \$33,422. This proposed change to the new salary range is felt to better reflect the market-place value for the skill level needed for this position. The RTB will be recruiting for this position in the near future.

3. Addition of a Salary Range for Secretary/Clerical Assistant.

The proposal is to establish a job class of Secretary/Clerical Assistant with a salary range of \$15,000-\$21,000. The staff complement for 1987, which the Board adopted in both the Budget and the Compensation Plan, provides for another secretarial position in the Planning and Programs section. Initially, it was felt that we would bring this secretary in at the same salary range as the current Secretary (\$17,008 - \$24,219); however, after a careful analysis of the needs in the Planning and Programs section, it was felt that the skill level needed for this position was less than that of the present secretarial position. This salary range, we feel, better reflects the market place value of the position that we are seeking to fill. This position is vacant now and interviews will be scheduled within the next week.

RECOMMENDATION

That the Administration and Finance Committee recommend for Board approval the following adjustments to the salary ranges in the 1987 Compensation Plan:

	<u>Current</u>	<u>Proposed</u>
Public Information Officer	\$27,114 - \$39,451	\$25,834 - \$37,675
Contract/Grants Administrator	\$25,834 - \$37,675	\$21,528 - \$33,422
Secretary/Clerical Assistant	N/A	\$15,000 - \$21,000

RD001C

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 10, 1987
TO: Administration and Finance Committee
FROM: Robert Dietrick, Administrative Aide
SUBJECT: Design Consultant Contract

ACTION REQUESTED

It is requested that the Administration and Finance Committee recommend the Board authorize the Executive Director to enter into a new contract with Radius Design, Inc. for design development of the Regional Transit Board's interior space at the Ameritas Park Centre Building.

Background

In February 1986, the RTB--with the Metropolitan Council and the Metropolitan Waste Control Commission--entered into a contract with Radius Design, Inc. for the interior design work of the space to be leased with Asset Development Company. The lease with Asset was subsequently terminated and the RTB then closed the contract with Radius Design since it was based on the lease with Asset Development.

Now that the three agencies have signed a lease with Ameritas for the Park Centre Building, we would like to initiate a new contract with Radius Design for the design work of the interior space at the Park Centre Building. The Metropolitan Council and the Metropolitan Waste Control Commission have also initiated contracts with Radius Design for their interior space design. The proposed contract compensation is \$1.00 per square foot, estimated at 11,150 square feet x \$1.00 = \$11,150.

The lease agreement between the Regional Transit Board and Ameritas, Inc. provides for a consultant allowance whereby the developer will reimburse the RTB for these design consultant fees.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board authorize the Executive Director to enter into contract with Radius Design, Inc. for design development of the interior space at the Ameritas Park Centre Building in an amount not to exceed \$11,150. Ameritas, Inc. will reimburse the Regional Transit Board for this expense per Article 3.05(b) of the lease agreement between Ameritas and the Regional Transit Board.

RD001S

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 13, 1987
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Report of the Policy Committee

At its April 8, 1987, meeting, the Policy Committee discussed and approved the following recommendation:

Review of the LaSalle Development Project Draft Environmental Impact Statement

That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Draft Environmental Impact Statement for the LaSalle Development Project. Furthermore, that the Regional Transit Board transmit to the City of Minneapolis the comments and concerns included in the March 30, 1987, staff memorandum relating to the development's impact on transit service, including the request that the Final Environmental Impact Statement provide more detail on the issues and solutions to meeting the transit needs generated by this development.

Other Business

Other items that were discussed at the meeting but that required no action include:

- o MTC Accessible Bus Demonstration Update
- o Update on 504 Compliance Plan
- o RTB Position Statement on Light Rail Transit

At the committee's request, a special meeting of the Regional Transit Board was called for Monday, April 13, 1987, at 4:00 p.m., to discuss Metro Mobility public communications and to receive a legislative update.

jmo
pc/bd/txl

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 30, 1987
TO: Policy Committee
FROM: Randy Rosvold, Planner RR
SUBJECT: Review of the LaSalle Development Project Draft Environmental Impact Statement

ACTION REQUESTED:

That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Draft Environmental Impact Statement for the LaSalle Development Project. Furthermore, that the Regional Transit Board transmit to the City of Minneapolis the comments and concerns included in this memorandum relating to the development's impact on transit service, including the request that the Final Environmental Impact Statement provide more detail on the issues and solutions to meeting the transit needs generated by this development.

BACKGROUND:

The Regional Transit Board is legislatively mandated to review and comment on a wide variety of transportation projects, development proposals and other related planning activities. The LaSalle Development Project Draft Environmental Impact Statement is within the realm of this review process.

The proposed LaSalle Development Project will consist of a new 26-story office tower of approximately 585,000 square feet, a new YMCA of approximately 113,000 square feet, a retail arcade on two levels of approximately 70,000 square feet, and specialty office space in the existing YMCA tower of approximately 110,000 square feet. The development would include refurbishing the State Theater and the existing YMCA tower on the blocks bounded by Hennepin Avenue, Eighth Street and LaSalle Court and Ninth Street South.

Construction is projected to begin in mid-1987 and be completed in late 1989. It is estimated that over 3,000 employees will occupy space in the completed project.

ANALYSIS:

Regional Transit Board (RTB) staff have reviewed the transit elements of the Draft Environmental Impact Statement (DEIS) in conformance with the project review procedures adopted by the Board. As part of the review the MTC was contacted and their input was obtained. The review identified several critical issues related to transit in downtown Minneapolis.

The first issue relates to the approach utilized to estimate transit demand and supply. The transit analysis approach used in determining projected transit demand and the potential impacts on existing transit service operating through downtown Minneapolis was the same as that developed in 1985 for the Norwest Center and Minneapolis City Center II. RTB staff participated in the updating of this methodology in early 1986. However, in the use of the transit analysis for the LaSalle development, the baseline transit conditions were not updated to accurately reflect existing and future planned transit improvements identified in the Transit Service Needs Assessment, the I-394 improvements, increased ridesharing efforts, possible light rail transit services and other transit programs slated to occur within the next three to five years. The baseline conditions should be updated to accurately reflect existing conditions.

In the DEIS the transit demand projections derived from the LaSalle project have been added to the overall development planned in downtown Minneapolis, as outlined in the Metro 2000 preliminary plan compiled by the City of Minneapolis. The results of this evaluation indicate that an additional 100-140 p.m. peak buses will be needed to accommodate future demand for transit in downtown Minneapolis. Thus the demand for transit will clearly out pace the existing supply.

The DEIS does not address how this mismatch of demand and supply will be solved. The DEIS does not identify from which areas of the metropolitan region the additional service will be needed, who will purchase the needed vehicles or how they will be funded, who will provide the additional services and how will it be funded, and what role the developer, tenants and city will play in encouraging transit use and ridesharing and in assisting with necessary financing. These concerns must be adequately addressed in the Final Environmental Impact Statement.

Furthermore, the DEIS does not address concerns that these facilities are either at capacity or will soon be at capacity and cannot handle additional buses. The Final Environmental Impact Statement needs to address how additional buses will be accommodated from an operational standpoint. The need for additional bus lanes or other mechanism must be included and some recommendations made to solve these future problems.

FINDINGS AND CONCLUSIONS:

- o The RTB has reviewed the DEIS for the LaSalle Development in accordance with the adopted project review process.
- o The DEIS transit assumptions are not based on the existing transit system and future planned transit improvements. The Final EIS should be based on the correct transit base and future assumptions including services identified in the Transit Service Needs Assessment, the I-394 transit elements, possible light rail transit service, and other transit programs projected to occur in the next three to five years.

Policy Committee
March 30, 1987
Page 3

- o The DEIS does not adequately address how the additional transit services identified as needed to serve the development and other new developments in downtown Minneapolis will be provided, funded and operated. These should be addressed in the Final EIS.
- o The DEIS does not identify operational improvements on existing roadways in downtown Minneapolis which will be necessary to meet the projected transit needs. The Final EIS should address how additional capacity for transit will be accommodated on the street system.

RECOMMENDATION:

That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Draft Environmental Impact Statement for the LaSalle Development project. Furthermore, that the Regional Transit Board transmit to the City of Minneapolis the comments and concerns relating to the developments impact on transit service included in this memorandum, including the request that the Final Environmental Impact Statement provide more detail on the issues and solutions to meeting the transit needs generated by this development.

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 10, 1987
TO: Administration and Finance Committee
FROM: Mark Ryan, Senior Project Administrator
SUBJECT: Metro Mobility Contract Amendments



ACTION REQUESTED

That the Administration and Finance Committee recommend the Regional Transit Board ratify the amendments to the Metro Mobility contracts as outlined in this memorandum.

BACKGROUND

At the Regional Transit Board meeting held September 29, 1986, standard contract language for Metro Mobility providers was approved along with specific characteristics such as communities served, minimum number of vehicles, type of service, and hours of service for each of the providers. Since that time, several providers have requested changes in the specific characteristics of their Metro Mobility service.

To amend their contracts, Metro Mobility providers were directed to place their requests in writing and submit them to the RTB for approval. When requests were received, staff evaluated the impact on the Metro Mobility program and then notified the provider of their administrative decision.

DISCUSSION

Outlined on the following pages are the requests for changes in Metro Mobility provider contracts that staff has reviewed and approved. Virtually all of these requests involve providers expanding their service.

Provider: HANDICAPPED TRANSPORT SYSTEM

Request: To expand service to the following communities:

Brooklyn Center	Fridley	New Brighton
Columbia Heights	Hilltop	New Hope
Crystal	Lauderdale	Robinsdale

Effective Date: October 21, 1986

Request: To expand service to the following communities:

Anoka	Greenwood	Shoreview
Arden Hills	Lexington	Shorewood
Blaine	Lino Lakes	Spring Lake Park
Brooklyn Park	Long Lake	Spring Park
Centerville	Maple Grove	Tonka Bay
Champlin	Medicine Lake	Vadnais Heights
Circle Pines	Minnetonka Beach	Woodland
Coon Rapids	Mound	White Bear Township
Deephaven	Moundsview	
Eden Prairie	North Oaks	
Excelsior	Osseo	
Gem Lake	Orono	

Effective Date: January 1, 1987

Provider: EBENEZER SOCIETY

Request: To expand service hours to 11:00 PM.

Effective Date: October 27, 1986

Request: To expand service to the following communities:

Golden Valley	Richfield	Robbinsdale
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Effective Date: March 9, 1987

Provider: MIDWEST MED-KAB

Request: To expand service to the City of Edina.

Effective Date: October 27, 1986

Request: To expand service to the City of Gem Lake.

Effective Date: January 1, 1987

Provider: ACTIVE READY RIDE

Request: To expand service to the City of Minneapolis.

Effective Date: December 1, 1986

Request: To serve only wheelchair passengers.

Effective Date: March 15, 1987

Provider: KARE KABS

Request: To expand service to the following communities:

Anoka	Long Lake	Tonka Bay
Arden Hills	Maple Grove	Vadnais Heights
Blaine	Medicine Lake	Wayzata
Brooklyn Park	Minnetonka	White Bear Lake
Centerville	Minnetonka Beach	Woodland
Champlin	Mound	
Circle Pines	Mounds View	
Coon Rapids	North Oaks	
Deephaven	Orono	
Eden Prairie	Osseo	
Excelsior	Plymouth	
Greenwood	Shoreview	
Hopkins	Shorewood	
Lexington	Spring Park	
Lino Lakes	Spring Lake Park	

Effective Date: January 1, 1987

Request: To add eight vehicles to their Metro Mobility fleet.

Effective Date: February 3, 1987

Provider: COMMUTER EXPRESS

Request: To change their corporate name to St. Paul and Suburban Bus Company (a division of Ryder Transport, Inc.)

Effective Date: February 12, 1987

Request: To reduce service hours from 11:00 p.m. to 6:00 p.m.

Effective Date: April 18, 1987

Page Four

Provider: TWIN CITY MOBILITY

Request: To expand service hours to 11:00 PM and to expand service to the following communities:

South Saint Paul West Saint Paul

Effective Date: March 27, 1987

Provider: SUBURBAN PARATRANSIT, INC.

Request: To terminate contract (Suburban Paratransit, Inc. has been acquired by Morley Bus Company).

Effective Date: March 16, 1987

Provider: MORLEY BUS COMPANY

Request: To expand service to the following communities and to provide service until 6:00 p.m. in the following communities:

Bloomington	Edina	Minneapolis
Brooklyn Center	Hopkins	New Hope
Crystal	Golden Valley	Richfield
		Robbinsdale

(This expansion incorporates the same communities served and hours operated by Suburban Paratransit, Inc., now a division of Morley Bus Company.)

Effective Date: March 16, 1987

FINDINGS AND CONCLUSIONS

- o The Regional Transit Board adopted standard contract language for Metro Mobility providers along with specific characteristics such as communities served, minimum number of vehicles, and type of service and hours of service.
- o Metro Mobility providers who have requested changes in the specific characteristics of their service were directed to place their requests in writing and submit them to the RTB for approval.
- o Requests by providers were evaluated and approved by staff after assessing the impact on the program.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board ratify the amendments to the Metro Mobility contracts as outlined in this memorandum.

AMENDT/RTBTX3

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 20, 1987
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Report of the A&F Committee

At the meeting held April 16, 1987, the Administration and Finance Committee discussed and moved for Board approval the following recommendations:

SUBJECT: SALARY RANGE ADJUSTMENTS

Recommendation

That the Regional Transit Board approve the following adjustments to the salary ranges in the 1987 Compensation Plan:

	<u>Current</u>	<u>Proposed</u>
Public Information Officer	\$27,114-\$39,451	\$25,834-\$37,675
Contract/Grants Administrator	\$25,834-\$37,675	\$21,528-\$33,422
Secretary/Clerical Assistant	N/A	\$15,000-\$21,000

SUBJECT: RADIUS DESIGN CONSULTANT CONTRACT

Recommendation

That the Regional Transit Board authorize the Executive Director to enter into contract with Radius Design, Inc. for design development of the interior space at the Ameritas Park Centre Building in an amount not to exceed \$11,150. Ameritas, Inc. will reimburse the Regional Transit Board for this expense per Article 3.05(b) of the lease agreement between Ameritas and the Regional Transit Board.

SUBJECT: METRO MOBILITY CONTRACT AMENDMENTS

Recommendation

That the Regional Transit Board ratify the amendments to the Metro Mobility contracts as outlined by staff memorandum dated April 10, 1987.

REPORT OF A&F COMMITTEE
April 20, 1987
Page Two

SUBJECT: 1988 BUDGET ASSUMPTIONS

Recommendation

That the Regional Transit Board approve the 1988 budget assumptions.

SUBJECT: RTB FARE POLICIES & PROCEDURES FOR THE TWIN CITIES
METROPOLITAN AREA

Recommendation

That the Regional Transit Board adopt for the purposes of public and provider review and inclusion in the revised Implementation and Financial Plan, the Fare Policies and Procedures for the Twin Cities Metropolitan Area. Further, the Regional Transit Board authorize staff to schedule a public hearing for the purposes of receiving public comment on the proposed fare policies, procedures and fare evaluation framework.

SUBJECT: REVISED IMPLEMENTATION & FINANCIAL PLAN

Recommendation

That the Regional Transit Board adopt the revised Implementation and Financial Plan and transmit it to the Metropolitan Council.

Ruth Franklin
Chair

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 14, 1987
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Report of the A&F Committee

At the meeting scheduled for April 16, 1987, the Administration and Finance Committee will review, discuss and take action on the following staff recommendations:

SUBJECT: SALARY RANGE ADJUSTMENTS

Recommendation

That the Regional Transit board approve the following adjustments to the salary ranges in the 1987 Compensation Plan:

	<u>Current</u>	<u>Proposed</u>
Public Information Officer	\$27,114-\$39,451	\$25,834-\$37,675
Contract/Grants Administrator	\$25,834-\$37,675	\$21,528-\$33,422
Secretary/Clerical Assistant	N/A	\$15,000-\$21,000

SUBJECT: RADIUS DESIGN CONSULTANT CONTRACT

Recommendation

That the Regional Transit Board authorize the Executive Director to enter into contract with Radius Design, Inc. for design development of the interior space at the Ameritas Park Centre Building in an amount not to exceed \$11,150. Ameritas, Inc. will reimburse the Regional Transit Board for this expense per Article 3.05(b) of the lease agreement between Ameritas and the Regional Transit Board.

SUBJECT: METRO MOBILITY CONTRACT AMENDMENTS

Recommendation

That the Regional Transit Board ratify the amendments to the Metro Mobility contracts as outlined by staff memorandum dated April 10, 1987.

REPORT OF A&F COMMITTEE
April 14, 1987
Page Two

SUBJECT: 1988 BUDGET ASSUMPTIONS

Recommendation

That the Regional Transit Board approve the 1988 budget assumptions.

SUBJECT: RTB FARE POLICIES & PROCEDURES FOR THE TWIN CITIES
METROPOLITAN AREA

Recommendation

That the Regional Transit Board adopt for the purposes of public and provider review and inclusion in the revised Implementation and Financial Plan, the Fare Policies and Procedures for the Twin Cities Metropolitan Area. Further, the Regional Transit authorize staff to schedule a public hearing for the purposes of receiving public comment on the proposed fare policies, procedures and fare evaluation framework.

SUBJECT: REVISED IMPLEMENTATION & FINANCIAL PLAN

Recommendation

That the Regional Transit Board adopt the revised Implementation and Financial Plan and transit it to the Metropolitan Council.

A verbal presentation will be given at the Board meeting April 20, 1987.

Ruth Franklin
Chair

TRANSM/RTBTX3
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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 10, 1987
TO: Administration and Finance Committee
FROM: Kathryn Christopherson, Comptroller
SUBJECT: 1988 Budget Assumptions

ACTION REQUESTED

The Administration and Finance Committee is asked to recommend Regional Transit Board approval of the preliminary 1988 budget assumptions as the underlying basis to be used in building the 1988 budget.

Background

The RTB assumptions are presented in three major categories: Transit Programs, Financial Assumptions, and Capital Expenditures.

In addition, the MTC's major assumptions are also presented for review. The interactive nature of both agencies is a key factor in the development of budget assumptions.

Staff from the RTB and the MTC will be available to answer questions.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board approve the 1988 Budget Assumptions.

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RTB
Budget Assumptions 1988
Financial Assumptions

Funding

Fares - Fares anticipated to remain at existing levels and revenues increased slightly based on modest ridership gain.

State Funds - Increased state subsidy for Metro Mobility of 13.6%.
- Approval of current state subsidy request.

Property Tax - Local property taxes are assumed to continue to comprise a significant portion of total transit funding.
- Current mill levies are anticipated to continue with a 4% growth in assessed valuation.
- Tax feathering is projected to continue at current levels.

Federal - Federal share to remain relatively stable; capital funding to remain available.

Expenditures

Wages, Salaries & Fringes will reflect competitive wage structures in the market place and full implementation of performance plan based on merit increases.

Staff Levels will be reviewed based on program implementation needs.

Leases and Rentals will increase due to the move to the new building in April of 1988.

Other General and Administrative Expenditures are assumed to remain the same.

Capital Expenditures

Computer System

o Preliminary review of current accounting systems indicate the potential need for a major upgrade of the computerized financial systems. A complete review of the financial reporting requirements and word-processing needs will be completed in the summer of 1987.

Furniture and Equipment

o The office move to Park Centre and normal furnishing replacement will dictate increased purchases for 1988.

RTB
Budget Assumptions 1988

Transit Programs

Regular Route

- o Modest ridership growth of approximately one-percent (1%).
- o No major change in fare dollars.
- o Modest increases in regular route service miles and paratransit services.
- o The MTC will continue to provide the majority of regular route service.

Metro Mobility

- o Metro Mobility will be extended to western Washington, northern Dakota, northern Scott and northern Carver counties on January 1, 1988.
- o Ridership increase for 1988 of nine-percent (9%).

Rural

- o Maintain the same level of service except for the implementation of some test marketing programs.

Small Urban

- o Maintain the same level of service except for the implementation of some test marketing programs.

Opt-Out

- o The Opt-Out program is expected to have stabilized with the current five (5) communities.

Other Programs

Rideshare - Minnesota Rideshare is estimated to continue at existing levels.

Jobseekers - This program is estimated to increase approximately 30% due to increased participation of agencies and providers.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 9, 1987
TO: Administration and Finance Committee
FROM: Katherine Turnbull, Planning Manager *KT*
SUBJECT: RTB Fare Policies and Procedures for the Twin Cities Metropolitan Area

ACTION REQUESTED

That the Regional Transit Board adopt for the purposes of public and provider review and inclusion in the revised Implementation and Financial Plan, the attached Fare Policies and Procedures for the Twin Cities Metropolitan Area. Further, the Regional Transit Board authorizes staff to schedule a public hearing for the purposes of receiving public comment on the proposed fare policies, procedures and fare evaluation framework.

BACKGROUND

In response to specific legislative requirement, the Regional Transit Board (RTB) has developed a set of metropolitan fare policies, procedures and fare evaluation network to be used to monitor, evaluate and change the fare structure and pricing levels.

The attached Fare Policies and Procedures for the Twin Cities Metropolitan Area includes the following:

- o Review of federal and state requirements to establish the RTB's responsibility and scope of authority.
- o Review of existing fare goals and policies of the legislature, Metropolitan Council, Metropolitan Transit Commission, RTB and other providers.
- o Review of the history of the fare structure and pricing levels in the metropolitan area.
- o Examination of the fare structure, pricing levels and policies of similar sized systems throughout the country.
- o Analysis of issues associated with fare structures and pricing levels.
- o Development of a fare evaluation framework, including goals, objectives, criteria and measures. This framework will be used to evaluate different fare alternatives and to resolve differences between conflicting goals.

- o Development of RTB fare policies based upon the fare evaluation framework.
- o Development of RTB procedures for monitoring, evaluating and changing the fare structure and pricing levels.
- o Identification of the next steps in the process to finalize the policies and procedures and initiate the first review of the fare structure and pricing levels.

FINDINGS AND CONCLUSIONS

- o Based on the legislative requirements, the Regional Transit Board has developed a set of metropolitan fare policies, procedures and a fare evaluation framework.
- o Prior to final consideration for adoption, public and provider input on the proposed fare policies, procedures and fare evaluation framework is desired.

RECOMMENDATION

That the Regional Transit Board adopt for the purposes of public and provider review and inclusion in the revised Implementation and Financial Plan, the attached Fare Policies and Procedures for the Twin Cities Metropolitan Area. Further, the Regional Transit Board authorizes staff to schedule a public hearing for the purposes of receiving public comment on the proposed fare policies, procedures and fare evaluation framework

KT:jmo
Attachment
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FARE POLICIES AND PROCEDURES
FOR THE
TWIN CITIES METROPOLITAN AREA

DRAFT FOR PUBLIC REVIEW

Regional Transit Board

April 9, 1987

Table of Contents

	<u>Page</u>
Executive Summary	1
I. Introduction	3
II. Legislative Requirements	5
III. Fare Structure Since 1970	9
IV. Previous Fare Studies	19
V. Existing Fare Policies	23
VI. Examination of Other Systems	26
VII. Issues	31
VIII. Framework for Fare Evaluation	39
IX. Fare Policies and Procedures	45
Appendix A - History of Fare Changes	52
Appendix B - Bibliography	54

List of Tables

1 - Existing Regular Route Zone Fare Structure and Pricing	12
2 - Existing Regular Route Fare Levels	12
3 - 1984 MTC Baseline Ridership Statistics	15
4 - MTC Fare Payment Methods	16
5 - Fare Structures Reported in APTA Survey	26
6 - Fare Levels Reported in APTA Survey	27
7 - Fare Evaluation Framework	49

List of Figures

1 - Process for Developing RTB Fare Policies and Procedures	4
2 - Regular Route Fare Zone System	11
3 - Fare Structure 1970-1987	13

Executive Summary

This report contains the Regional Transit Board's (RTB's) Fare Policies and Procedures, which were developed in response to legislative requirements. Legislation contained in the 1984 RTB enabling act and subsequent changes in 1985 and 1986 provide the RTB with specific responsibilities relating to the development and implementation of metropolitan fare policies. In response to these requirements, the RTB has developed a set of metropolitan fare policies, procedures and a fare evaluation framework.

The development of the metropolitan fare policies was coordinated with the RTB's overall goals and policies, which are contained on the Implementation and Financial Plan. Key elements in the development of the fare policies included the following:

- o Review of federal and state requirements to establish the RTB's responsibility and scope of authority.
- o Review of existing fare goals and policies of the Legislature, Metropolitan Council, Metropolitan Transit Commission, RTB and other providers.
- o Review of the history of the fare structure and pricing levels in the metropolitan area.
- o Examination of the fare structure, pricing levels and policies of similar sized systems throughout the country.
- o Analysis of issues associated with fare structures and pricing levels.
- o Development of a fare evaluation framework, including goals, objectives, criteria and measures. This framework will be used to evaluate different fare alternatives and to resolve differences between conflicting goals.
- o Development of RTB fare policies based upon the fare evaluation framework.
- o Development of RTB procedures for monitoring, evaluating and changing the fare structure and pricing levels.
- o Identification of the next steps in the process to finalize the policies and procedures and initiate the first review of the fare structure and pricing levels.

The RTB's fare policies are as follows:

1. All regular route and general purpose paratransit services funded by the RTB will utilize a common unified fare structure with the same pricing levels and transfer system.
2. All Metro Mobility providers will utilize and enforce the same basic fare structure, while providing flexibility in pricing within RTB guidelines.
3. Fares for community and county paratransit programs partially funded by the RTB will be at the discretion of the local area so long as RTB guidelines for subsidy allocation are met.

4. Fares for overall regular route service will, at a minimum, generate revenues to meet the 35 percent farebox recovery ratio legislative requirement.
5. Fares for each fully RTB funded general purpose paratransit service will, at a minimum, generate revenues to provide a 20 percent farebox recovery ratio.
6. Fares for Metro Mobility will, at a minimum, generate revenues to provide an overall 10 percent farebox recovery ratio.
7. The fare structure and pricing levels will be designed to enhance revenue generation in excess of the minimum requirements, to take advantage of other revenue sources, and to provide for easily-implemented changes in response to changing revenue needs.
8. Within the constraints of the recovery ratio, the fare structure and pricing levels will encourage ridership, especially where capacity exists.
9. Fare equity will be maintained through use of distance based zone fares and pricing differentials for different types of services, including express and local, and peak and off-peak service.
10. The fare system will reflect societal policies of support for targeted socioeconomic groups, and not create undue economic hardship for transit dependent market groups.
11. Within the constraints of economic, equity and social considerations, the fare structure will be simple and easy to understand and administer.
12. The fare structure and pricing levels will be flexible to allow for promotional and experimental fares subject to RTB approval.
13. The fare structure and pricing levels will be monitored on an annual basis and fully evaluated biennially in conjunction with the biennial budget preparation, at which times fare changes will be examined.
14. Any changes in the fare structure or pricing levels will include a public participation process, including proper public notice and appropriate public hearing(s) on the proposed changes.

I. Introduction

The Regional Transit Board (RTB) was created by the Minnesota Legislature in 1984. 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.

Among its many responsibilities, the Legislature gave the RTB a number of specific charges in the development and implementation of fare policies for transit services in the metropolitan area. These requirements were contained in the 1984 enabling legislation and further refined in the 1985 and 1986 legislation. In response to these charges the RTB has developed a set of overall fare policies for all types of transit services in the seven-county metropolitan area.

The development of the RTB's fare policies was done in coordination with the RTB's overall goals and policies, which are contained in the Implementation and Financial Plan. The overall goals and policies establish the direction for transit in the metropolitan area. The development of the fare policies represent a cascading of goals and policies from general systemwide to specific applications. The fare policies and procedures should be viewed within the overall system and are consistent with overall RTB policies and procedures.

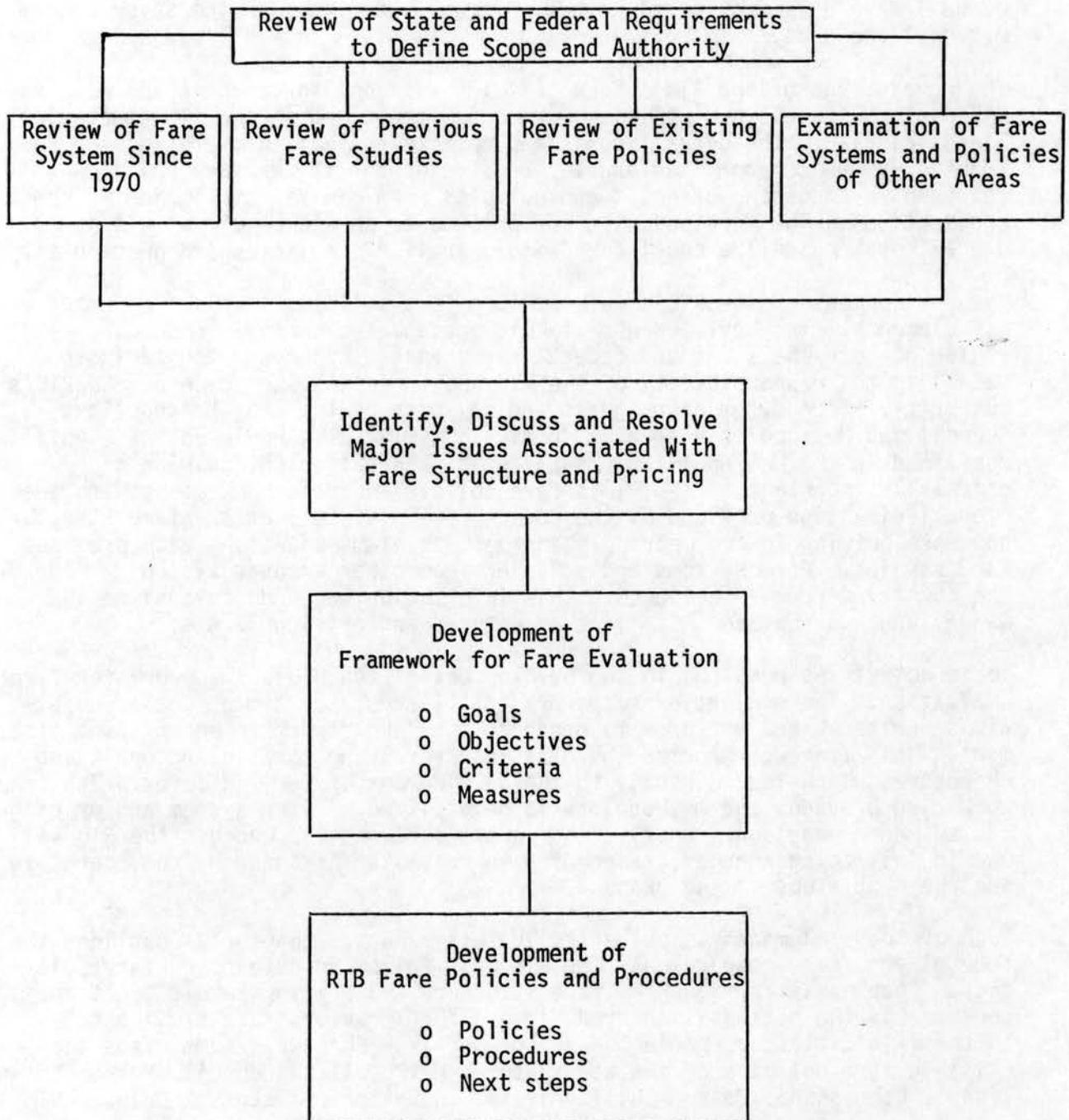
The development of the RTB's metropolitan fare policies involved a number of key elements. The key elements of this process are shown in Figure 1. A review of both the state and federal requirements was conducted first to establish the responsibility of the RTB and to define the scope of the RTB's authority. Second, existing goals and policies of the RTB, Metropolitan Council and Metropolitan Transit Commission (MTC) were reviewed. The policies contained in the Metropolitan Council's Transportation Policy Plan are especially important as the RTB's fare policies must be consistent with the overall direction provided by the Council. The history of the fare structure and fare pricing in the metropolitan area was examined, along with previous fare studies. Fare systems and policies from other transit systems throughout the country were also reviewed. This information was used to analyze the major issues associated with fare structures and pricing levels.

These activities resulted in the development of the RTB's framework for fare evaluation. The evaluation framework establishes a system of goals, objectives, criteria and measures to organize the fare structure and pricing assessment. This framework formed the basis for resolving conflicting goals and objectives which lead directly to the development of fare policies. The framework also provides the methodology to be utilized in fare system and pricing review and comparison. Lastly, the report outlines the process the RTB will use in initiating changes, responding to requests for changes from operators and the next steps in the process.

Each of these elements is presented in this report. Chapter II outlines the federal and state requirements the RTB must follow in developing fare policies. Chapter III reviews the fare structure and pricing levels for transit services in the metropolitan area since 1970. Previous fare studies conducted in the Twin Cities are presented in Chapter IV. Chapter V summarizes the existing fare policies of the Legislature, Metropolitan Council, Metropolitan Transit Commission, Metro Mobility system and other operators. Chapter VI

provides a comparison of other systems throughout the country. Chapter VII presents an overview of the major issues associated with fares and how they should be addressed in this area. Chapter VIII presents the RTB's framework for fare evaluation. Chapter IX contains the RTB's metropolitan fare policies and procedures the RTB will use to monitor, evaluate and change the fare structure and pricing levels.

Figure 1
Process for Development of RTB Fare Policies and Procedures



II. Legislative Requirements

The RTB's responsibility and authority for fare policy development and implementation result primarily from state legislation. In addition, federal guidelines promulgated through the Urban Mass Transportation Administration (UMTA), must also be followed. The specific requirements of both the state legislation and the federal government are reviewed in this section. These requirements form the basis for the development of the RTB's fare policies.

A. State Requirements

The following legislation outlines the RTB's responsibilities and authority in fare policy development and implementation:

- o 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 costs for that service. During this period, whenever the board's current financial plan shows, for any calendar year, that total revenue from fares for all regular route service is expected to be 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.
- o Subdivision 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.
- o Section 109. Minnesota Statutes 1984, section 473.408, subdivision 4, is amended to read: Subdivision 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.

o Section 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. The laws referred to here as being suspended until July 1, 1987 are as follows:

- Laws 1981, Chapter 363, section 55, subdivision 1

"The Metropolitan Transit Commission shall not raise its base fare more than ten cents over the level existing on January 1, 1981"

- Laws 1981, third special session, chapter 2, article 1, section 2, subdivision 2

"Notwithstanding Laws 1981, Chapter 363, section 55, subdivision 1, the Metropolitan Transit Commission (MTC) may add up to a \$.15 surcharge on fares during the peak hours. The surcharge shall expire on June 30, 1983."

- Laws 1983, chapter 293, section 2, subdivision 5

"For the fiscal biennium ending June 30, 1985, the Metropolitan Transit Commission may continue the existing \$.15 surcharge on fares during the peak hours. The Metropolitan Transit Commission (MTC) shall not increase its base fare beyond the level existing on June 30, 1983."

The key legislative requirements relating to the RTB contained in the above statutes are:

- o The RTB shall prepare a statement of policies to govern the fares charged for various types of transit services and the policies that will govern the board's decisions to increase or change fares. These are to be incorporated into the Implementation Plan and the three-year Financial Plan, which must be reviewed by the Metropolitan Council and submitted to the 1987 legislature.
- o The financial plan must contain a schedule of user charges and changes in user charges required to implement the plan.
- o From January 1, 1985, to January 1, 1988, the total revenue from fares for all regular route service must produce annually not less than 35 percent of the total annual operating cost. If the revenue from fares is expected to drop below 35 percent of the total operating cost the RTB shall amend its fare policies to require a change in fares to bring fare revenues to the 35 percent level.
- o The RTB shall establish and enforce uniform fare policies for regular routes services in the metro area. These must be consistent with the Metropolitan Council Transportation Policy Plan and must be included in the Implementation and Financial Plan.
- o Regular route operations shall charge a base fare and any peak hour or distance surcharges in accordance with the RTB's policies.

- o The MTC and other operators may charge reduced fares for service on routes providing circulation service in downtown areas or other community activity center. Operators shall not contribute more than 50 percent of the operating deficit for these services and the boundaries for these services must be approved by the RTB.

B. Federal Requirements

The federal requirements covering fares deal primarily with the areas of fares for specialized transportation and off-peak elderly and handicapped fares. The four major federal requirements concerning these areas are:

- o Urban Mass Transportation Act of 1963, as amended, Section 5(m):

"The secretary shall not approve any project under this section unless the applicant agrees and gives satisfactory assurances, in such manner and form as may be required by the secretary and in accordance with such terms and conditions as the secretary may prescribe, that the rates charged elderly and handicapped persons during nonpeak hours for transportation utilizing or involving the facilities and equipment of the project financed with assistance under this section will not exceed one-half of the rates generally applicable to other persons at peak hours, whether the operation of such facilities and equipment is by the applicant or is by another entity under lease or otherwise."

49CFR, Section 27.77, Appendix A--Advisory Information on Programming for Handicapped Persons

"Projects funded by UMTA under Section 16(b)(2) of the Urban Mass Transportation Act of 1964, as amended may be identified as deriving from local special efforts to meet the needs of wheelchair users and semiambulatory persons only to the extent that the following four conditions are met: (1) the service and vehicles serve wheelchair users and semiambulatory persons; (2) the service meets a priority need identified in this planning process; (3) the service is not restricted to a particularized organizational or institutional clientele; and (4) any fares charged are comparable to those which are charged on standard transit buses for trips of similar length."

49CFR, Subpart E, Section 27.95 (b)(4), Criteria for special service

The fare for a trip charged to a user of the special service system shall be comparable to the fare for a trip of similar length, at a similar time of day, charged to a user of the recipient's bus service for the general public.

49CFR, Subpart E, Section 27.95 (c)(iii), Criteria for Scheduled Accessible Bus Systems

The fare for a trip charged a handicapped person using an accessible bus shall be no higher than the fare charged other users of the recipient's bus service for the same trip. Reduced, off-peak fares for elderly and handicapped persons shall be in effect on accessible buses.

The critical elements of these requirements which relate to the RTB fare policy development and the user charges which may be imposed by regular route operators are:

- o Off-peak fares for elderly and handicapped persons cannot exceed one-half the fares charged to other persons during the peak period.
- o Fares for special services for handicapped persons must be comparable to those charged for comparable trips on regular route service.
- o Fares charged to handicapped persons using accessible regular route service must be no higher than fares charged to other users.

III. Fare Structure and Pricing Since 1970

An important step in the development of metropolitan fare policies is the examination of the background of the fare structures and pricing levels since 1970. The metropolitan transit system has experienced many changes over the past two decades. These changes have effected both regular route services and the numerous paratransit services. The fare structures and pricing levels used by these different services have been one area of change. The historical fare trends since 1970 are reviewed in this section for the different services. Much of the information on regular route fares in this chapter is taken from the recently completed MTC Transit Pricing Study. This study is discussed in more detail in the next chapter. The MTC's study provides a wealth of information on the evolution of the existing fare structure, current ridership by fare groups, and analysis of different fare scenarios. Additional information is also provided on Metro Mobility fares levels and those of other paratransit services.

The development of the RTB's fare policies has relied on the background information and analysis conducted by the MTC in the Transit Pricing Study and previous work by the Metropolitan Council. It is not the intent of the RTB to duplicate work which has been done, but rather to build and expand on the technical analysis conducted to date.

A. Regular Route Transit

In July 1986, the Metropolitan Transit Commission (MTC) declared its intent to purchase Twin City Lines, Inc., the private bus company that carried about 95% of all transit riders in the area. On September 18, 1970, the MTC began providing service. From 1970 to 1976, the MTC also acquired the operating rights of North Hennepin Transit Company, Dickenson Lines, Bloomington Bus Co. and South and West St. Paul Transit Co.

By 1976, transit service was available to nearly every part of the urbanized area. Three private operators were still part of the system: Medicine Lake Lines, North Suburban Lines and Richfield Bus Co. In 1979, the MTC began operating service previously provided by the Richfield Bus Co.

As of March 1, 1987, six operators provide regular route transit services in the metropolitan area. These include the MTC and five private operators, Medicine Lake Lines (MLL), North Suburban Lines (NSL), Valley Transit, Airport Limousine Service and St. Paul and Suburban Bus Company. MLL and NSL have provided service since before the creation of the MTC. Valley Transit provides service in the Stillwater area. The last two operators, Airport Limousine Service and St. Paul and Suburban Bus Company started operating regular route service in February, 1987. These two operate routes, Minneapolis 39 and Minneapolis 25--Saturday, which were previously operated by the MTC but were high subsidy routes over the performance standards and were thus competitively bid.

The current regular route fare structure has a number of different components. The fare structure is based on a four zone system, with fares increasing by each zone, a base fare, a peak-period surcharge, an express service surcharge and special fares for targeted social groups such as the elderly, youth and limited mobility.

The fare system is based on a four zone "concentric circle" plan, as shown in Figure 2. Zone 1 comprises the two central cities of Minneapolis and St. Paul and a portion of many first ring suburban communities. Zone 2 encompasses a two mile ring surrounding zone 1. Zone 3 includes a two mile ring around zone 2 and zone 4 encompasses the remainder of the transit service area.

The current fare structure by zone is shown in Table 1. Zone fares are applied to radial trips into Minneapolis and St. Paul. Trips made completely within zones 2, 3 and 4 do not pay the zone charges, but are based on the appropriate base fare.

The base adult fare is currently \$.60. An additional \$.15 charge is added to fares in the peak periods, which are defined by legislation as between 6:00 a.m. - 9:00 a.m. and 3:30 p.m. and 6:30 p.m. as defined by legislation. An additional \$.10 fare is also charged for freeway express services. Special off-peak fares are provided for the elderly, over age 65, \$.10, youth under age 18, \$.20, and individuals with limited mobility, \$.30. Valid eligibility cards must be shown to make use of these special fares. Children under six ride free when accompanied by a person paying an adult fare. Free fares are provided for uniformed police officers, sheriff's deputies, fire fighters, Minneapolis and St. Paul meter monitors and MTC employees, commissioners and members of MTC's advisory committees.

The existing fare levels have evolved over time. The history of the regular route adult fare structure is summarized in Figure 3 and Table 2. A more detailed description is provided in Appendix A. As this information indicates, regular route fares have gone through long periods of no change, followed by increases over a short period of time, followed by another long period of no change. For a nine-year period from 1970 to 1979 the base fare remained at the same \$.30 level. Over the course of the next three years, from 1979 to 1981, fare levels were raised three times in \$.10 increments. This resulted in the base fare raising from \$.30 in 1978 to \$.60 in 1981. Since 1981 the base fare has remained at the \$.60 level.

From 1970 to 1976, an extra \$.05 fare was applied to freeway express service. In 1976, this surcharge was raised to \$.10. It has remained at this level since that time. In 1982, an additional peak hour surcharge of \$.15 was implemented. This surcharge has remained in effect since that time.

Changes have also occurred in the fares charged to special social groups. Prior to the formation of the MTC, senior citizens paid the regular adult fare. In 1971, a trial \$.10 reduction was instituted during the off-peak on Thursdays. In 1972, the legislature instituted free off-peak fares. In 1979 this was changed to a \$.10 off-peak fare. A trial free fare for low income senior citizens was in effect from 1980 to 1982. Since 1982 the fare has been \$.10. The historical changes in youth and limited mobility fares are provided in Appendix A.

Free transfers are provided to passengers who need to continue their trip on a different route at no charge. Transfers are accepted between all regular route providers.

There are two special fare zones in downtown Minneapolis and downtown St. Paul. Riders may use regular transit services within these zones for a \$.10 fare.

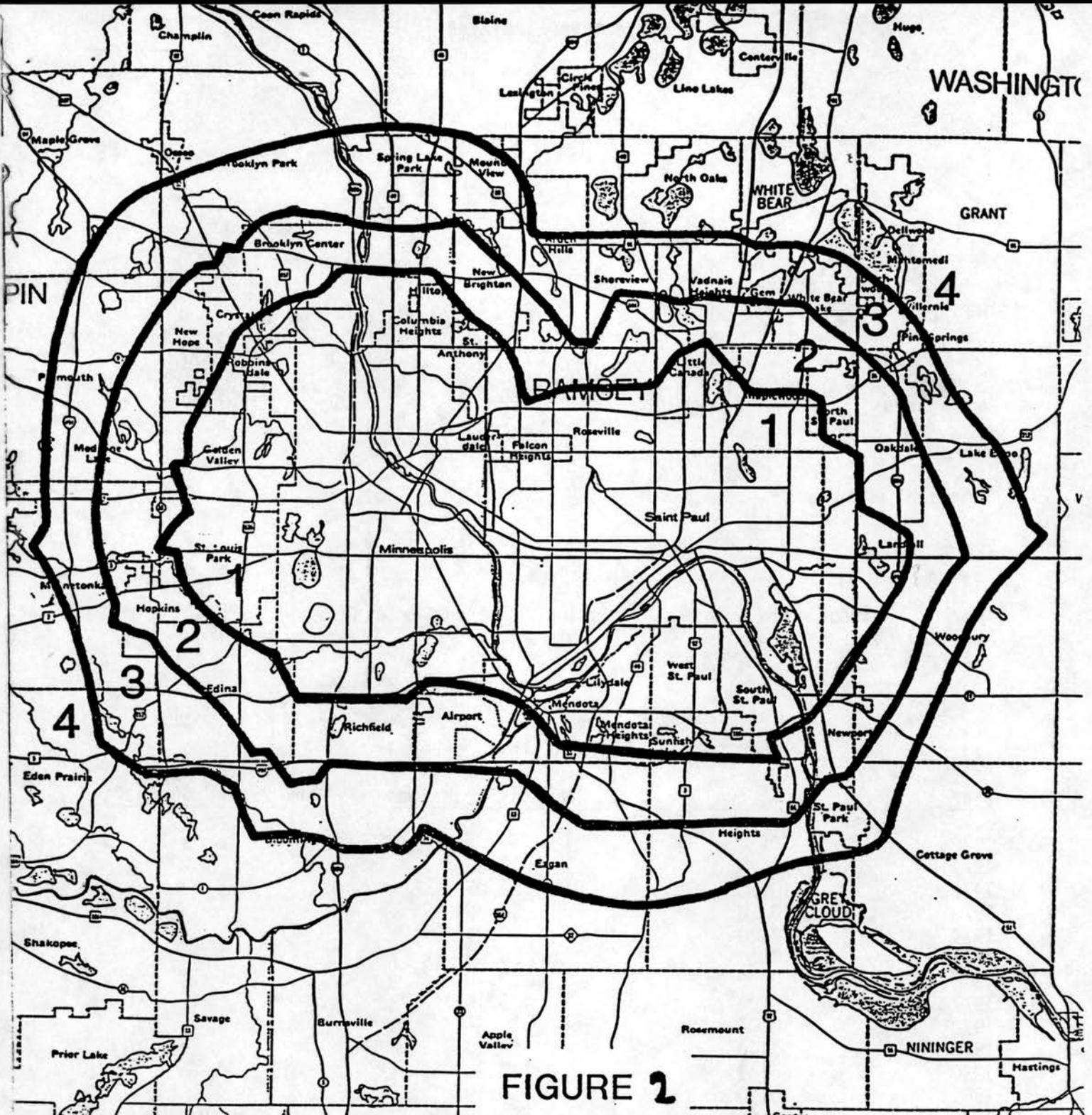


FIGURE 2

TRANSIT FARE ZONES

SOURCE: METROPOLITAN TRANSIT COMMISSION

Table 1
Existing Regular Route
Zone Fare Structure and Pricing

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Off-Peak				
Local	.60	.75	.90	\$1.00
Express	.70	.85	1.00	1.10
Peak				
Local	.75	.90	1.05	1.15
Express	.85	1.00	1.15	1.25

Source: Metropolitan Transit Commission, "Transit Pricing Study - Phase I," April, 1985.

Table 2
Regular Route Adult Fare Levels

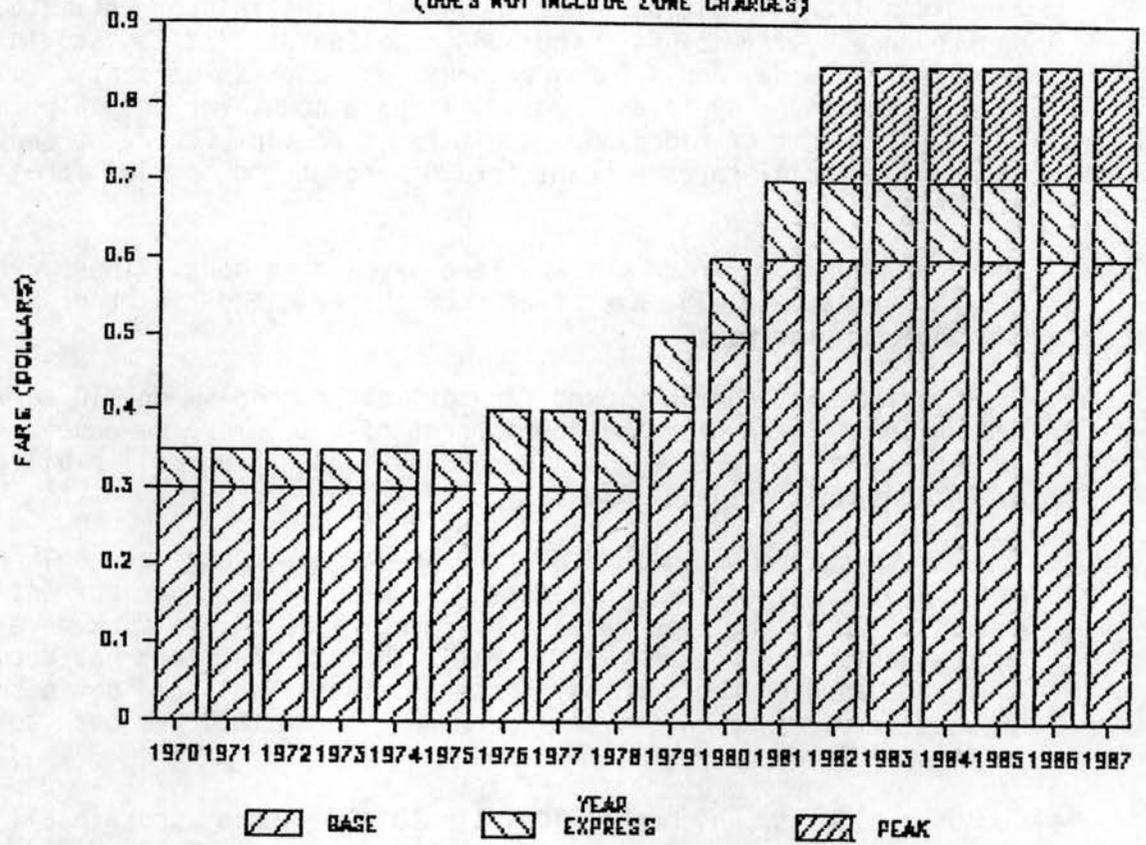
<u>Year</u>	<u>Base Fare</u>	<u>Express Surcharge</u>	<u>Peak Period Surcharge</u>
1970	\$0.30	\$0.05	
1971	\$0.30	\$0.05	
1972	\$0.30	\$0.05	
1973	\$0.30	\$0.05	
1974	\$0.30	\$0.05	
1975	\$0.30	\$0.05	
1976	\$0.30	\$0.10	
1977	\$0.30	\$0.10	
1978	\$0.30	\$0.10	
1979	\$0.40	\$0.10	
1980	\$0.50	\$0.10	
1981	\$0.60	\$0.10	
1982	\$0.60	\$0.10	\$0.15
1983	\$0.60	\$0.10	\$0.15
1984	\$0.60	\$0.10	\$0.15
1985	\$0.60	\$0.10	\$0.15
1986	\$0.60	\$0.10	\$0.15
1987	\$0.60	\$0.10	\$0.15

Source: Metropolitan Transit Commission

Figure 3

FARE STRUCTURE HISTORY 1970-1987

(DOES NOT INCLUDE ZONE CHARGES)



Source: Metropolitan Transit Commission

The MTC's Transit Pricing Study included an analysis of estimated ridership and revenue by fare types. The 1984 baseline statistics used in the study are shown in Table 3. Adult fares account for about 94 percent of overall MTC revenues received by fares. Social fares account for only 6 percent of the total. In terms of ridership, adult fares account for 72 percent of overall ridership, social fares account for 26 percent and special fares account for 2 percent.

There are currently four primary fare payment methods. These are cash, tokens, tickets or passes. The use of each of these methods is briefly described below and shown in Table 4.

Cash is the most commonly used fare payment mechanism on MTC service, accounting for approximately 59 percent of total fare revenues. The MTC fareboxes currently accept all cash donations except dollar bills and Susan B. Anthony half dollars.

Tokens, which are one method of fare prepayment, represent only a very small part, 1 percent, of the MTC's fare revenues. Tokens are currently sold in groups of 10 at the face value \$.60 fare. Tokens were much more heavily used in the past. One reason the MTC feels the use of tokens has declined is that they are based on the \$.60 base fare and individuals riding in the peak, using express services or riding outside zone 1 must still use cash to make up the additional fare.

Commuter tickets, which the MTC sells 10 ride punch cards in all adult peak and off-peak fare denominations, account for 9 percent of the MTC's overall fare revenues.

The last fare payment method is the All-You-Can-Ride monthly pass. These prepaid passes, which are available in ten different denominations depending on zone, express and peak fare charges, account for 31 percent of the MTC's overall fare revenue. The monthly passes are priced based on an average of 40 trips a month.

Table 3

1984 Baseline Ridership Statistics
(Cash, Token and Ticket)

<u>Category</u>		<u>Fare</u>	<u>Ridership (000)</u>	<u>Revenue (000)</u>
Adult - Local				
Peak	Zone 1	\$.75	8,644	\$ 6,483
	Zone 2	.90	2,248	2,023
	Zone 3	1.05	864	907
	Zone 4	1.15	1,210	1,392
			<u>12,966</u>	<u>\$10,805</u>
Off-Peak	Zone 1	.60	8,091	4,855
	Zone 2	.75	1,268	951
	Zone 3	.90	312	281
	Zone 4	1.00	393	392
			<u>10,064</u>	<u>\$6,479</u>
Adult - Express				
Peak	Zone 1	.85	2,593	\$2,204
	Zone 2	1.00	692	692
	Zone 3	1.15	346	398
	Zone 4	1.25	691	864
			<u>4,322</u>	<u>4,158</u>
Off-Peak	Zone 1	.70	719	504
	Zone 2	.85	77	65
	Zone 3	1.00	31	31
	Zone 4	1.10	48	53
			<u>875</u>	<u>653</u>
	Adult Subtotal		28,227	\$22,095
Social Fares				
	Senior Citizens	.10	6,256	\$ 625
	Limited Mobility	.30	173	52
	Under 18			
	Zone 1	.20	3,554	711
	Zone 2	.35	162	57
	Zone 3	.50	15	7
	Zone 4	.60	30	18
			<u>3,761</u>	<u>793</u>
	Social Fares Subtotal		10,190	1,470
Other Fares				
	Dime Zone	.10	985	99
	Route 42	1.00	1	1
	Route 57	1.50	2	2
			<u>988</u>	<u>102</u>
	TOTAL		39,405	\$23,667

Source: Metropolitan Transit Commission, "Transit Pricing Study-Phase II,"
Mundle & Associates, Inc., June, 1986.

Table 4

1984 Passenger Revenue
(In Thousands)

<u>Category</u>	<u>Amount</u>	<u>Percent</u>
Cash	\$18,999	59%
Token	295	1
Ticket	2,813	9
Pass	<u>10,140</u>	<u>31</u>
Total	\$32,247	100%

Source: Metropolitan Transit Commission "Transit Pricing Study-Phase II,"
Mundle & Associates, Inc., June, 1986.

B. Paratransit Systems

1. Metro Mobility

In 1976 the MTC initiated Project Mobility which provided door-to-door accessible transportation to handicapped individuals within certain areas of Minneapolis. The initial demonstration, which was funded by Mn/DOT, was successful and led to further expansion of the system. In 1979, Metro Mobility was developed through the joint efforts of the MTC, Mn/DOT and the Metropolitan Council. This system was in operation until the fall of 1986 when Metro Mobility was restructured by the RTB to a modified "user-side" subsidy.

The fare structure for this specialized service was changed with each of these service modifications. A \$0.35 fare was charged for the initial Project Mobility service. When this system was expanded into Metro Mobility in 1979 the fare was increased to \$0.60 during the off-peak and \$0.75 during the peak. An additional \$0.15 transfer fee was charged for transfers between different operators. With the restructuring of Metro Mobility in October 1986 the fares were raised to \$1.00 for trips not exceeding 8 miles. For trips longer than 8 miles, individual operators are allowed to charge at their discretion, up to a total fare of \$3.75.

2. Community Programs

Six community-based paratransit programs operate in the metropolitan area with funding from the RTB. These systems, which provide primarily local circulation, are operated in Columbia Heights, Hastings, Hopkins, St. Louis Park, Shakopee and White Bear Lake. These programs were formed under different

circumstances and provide different types of paratransit services. The fares charged also vary widely, with some systems only requesting donations. The 1986 fare levels for each of these programs is outlined below.

- o City of Shakopee Dial-a-Ride Service
 - \$1.00 adults
 - \$0.75 students
 - \$0.50 seniors and children under 6
 - Vanpool Service
 - \$12.50 per week
 - \$2.00 per trip

- o Columbia Heights Shared Ride Paratransit System
 - \$0.50 Elderly, Handicapped, Children
 - 1.00 All Others
 - \$10.00 for book of ten rides
 - \$5.00 for book of ten rides for seniors, children under 10 and handicapped

- o Hastings Transportation Around the City
 - \$1.25 for trips requested 24 hours in advance
 - \$1.50 for same day trip requests
 - \$1.20 for tokens

- o Hopkins Hop-a-Ride
 - \$0.90 base fare
 - \$0.35 for low income individuals

- o St. Louis Park Emergency Program (STEP)
 - Donation Basis, no suggested amount

- o White Bear Area Transit
 - \$1.00 base fare
 - \$0.75 for wheel chair accessible van service

- o Suburban Community Services - Delano
 - Suggested Donation:
 - \$0.50 within service area
 - \$1.00 outside service area
 - Trips over 30 miles increased fare according to miles

- o Westonka Community Services
 - \$0.50 round trip within 1 mile
 - \$1.00 round trip 1-3 miles
 - \$1.50 round trip over 3 miles

- o Hastings Commuter Express
 - \$1.75 base fare (peak hour only)

3. County Programs

Five county-based paratransit programs are currently operated in the metropolitan area. Anoka, Carver, Dakota, Scott and Washington counties operate some type of paratransit services, primarily oriented to the elderly and handicapped population. Like the community programs the fares charged by the county services vary widely. The 1986 fares or donations required by the different programs are outlined below.

- o Anoka County Community Health and Social Services
Suggested Donation: \$2.00 round trip within county
\$6.00 round trip outside county
- o Anoka County Coordinated Transportation Program
Suggested Donation: \$.75 per trip
- o Carver Area Rural Transportation (CART)
\$.50 round trip local
\$1.00 round trip within county
\$3.00 round trip to downtown Minneapolis
- o Dakota Area Referral and Transportation for Seniors Inc.
Suggested Donation: \$1.00 one way fare
- o Dakota County Human Services Planning
No fares
- o Scott County Transportation Program
\$.50 round trip local
\$1.00 round trip within county
\$3.50 round trip to metro area or over 30 miles
- o Human Services Inc. in Washington County
\$1.00 one way within county
\$1.50 one way outside county

IV. Previous Fare Studies

Fare structures, pricing levels and associated issues have been the focus of previous studies in the metropolitan area. Thus, the major issues concerning the development of a comprehensive set of metropolitan fare policies are not new. Rather they have been discussed and debated for many years by providers, the Metropolitan Council and the State Legislature. The analysis and findings of three recent studies were examined as part of the RTB fare policy development. The three studies are briefly summarized in this chapter and the major findings and recommendations are highlighted. The three studies are:

- o "Transit Fare Policy Alternatives for the Twin Cities Metropolitan Area," prepared by the Metropolitan Council, August 1980.
- o "Regional Service and Finance Study," prepared by the Metropolitan Council, January 1984.
- o "Fare Pricing Study," prepared by the Metropolitan Transit Commission, June 1986.

A. Transit Fare Policy Alternatives for the Twin Cities Metropolitan Area

This report was prepared by the Metropolitan Council in 1980. The purpose of the report was to review the two major transit financing issues of equity and subsidy, discuss the present status of transit fare policy formulation, identify alternative transit fare policies, identify related transit financing sources and techniques and potential.

The report suggests fourteen alternative fare policies that respond to the needs of transit users, the service to be provided, and the role of transit in the total metropolitan transportation system. Additional funding sources and related alternative funding techniques were identified. No specific recommendations were formulated.

The following twelve issues were discussed in relation to their impact on fare policies.

- o "Across-the-Board" fare increases.
- o Preferential fare users.
- o High fare subsidy requirements of service expansion in third-tier suburbs and to free-standing centers.
- o Orientation of transit routes.
- o Establishment of fare zones.
- o Establishment of "special" fare zones and routes.
- o Significantly inefficient use of transit system during certain times of day.
- o "Special" trips needs.

- o Highly differential fare subsidies among existing transit routes.
- o Accountability for subsidy requirements of fare policy promulgation.
- o Appropriate sources of fare subsidy.
- o Equitable responsibility among sources of fare subsidy.

B. Metropolitan Council Regional Service and Finance Study on Transit

This report, completed by the Metropolitan Council in 1984, contains a more detailed analysis on regional transit funding requirements. The report identified the following three major aspects to be considered in the analysis of transit pricing and fare structures:

- o The relationship between the price of transit and ridership.
- o The relationship between fare structure, user equity and service efficiency.
- o The basis upon which future fare levels are established.

Based on the analysis conducted in the study the following findings were made relating to fares:

- o The ability of fare revenues to support the transit system is limited by the sensitivity of the riders to increases and the risk of significant ridership losses.
- o A distance-based fare structure is more equitable than a flat-fare scheme.
- o A premium fare for express service is justified not only on the basis of a high level of service (i.e., high speed), but also on the basis of the cost differential of the service.
- o A fare differential between peak and off-peak periods is justified on the basis of the difference in costs.
- o Too frequent fare increases or fare increases that do not keep in line with overall inflation rates and the cost of competing transportation modes negatively impact ridership levels.

The report contained four recommendations relating to fares. These were:

- o That fare revenues should account, at least, for 35-40 percent of the MTC total operating cost.
- o That future fare increases be considered every two years as part of the preparation of the TDP and, if needed, be included in the budget for the following biennium.

- o That future fare increases be related to inflation, the cost of providing the service, and the cost of competitive modes of transportation.
- o That a distance-based fare structure, including express service and peak-hour surcharges, be maintained.

C. MTC Transit Pricing Study

In 1984 the Metropolitan Transit Commission (MTC) began a review of its fare policies leading to the initiation of a fare pricing study in the spring of 1985. The study was undertaken in response to the complicated nature of the existing fare structure and the timing of fare increases which occurred in the recent past. Thus, the main purpose of the study was to look at the potential for a simplified fare structure and to analyze the impact that changes in fare levels would have on total revenues.

The study was conducted in two parts which are documented in two reports, "Transit Pricing Study - Phase I," Metropolitan Transit Commission (MTC), April 1985, and "Transit Pricing Study - Phase II," prepared for the Metropolitan Transit Commission (MTC) by Mundle & Associates, Inc., June, 1986. The first report reviews the history of the fare structure and pricing levels, the existing situation, a discussion of issues, the development of goals for a revised fare structure and the initial identification of alternative fare scenarios.

The second report provided a detailed analysis of eight fare alternatives. Actual fare levels were applied to each of these alternatives and the ridership and revenue impacts of each were evaluated through the use of an arc elasticity model. Three of the eight alternatives were selected for additional analysis, which resulted in a recommended alternative. The eight goals used to guide the study are outlined below. These goals were approved by the Commission in October, 1984.

- o Simplify the fare structure.
- o Preserve the financial integrity of the MTC by avoiding fare revisions that will result in decreased farebox revenue at a time when there are uncertainties about the future of state and federal operating assistance.
- o Recognize the role of transit pricing in marketing, with the objective of promoting system-wide ridership growth, and not viewing it simply as a source of revenue.
- o Develop a fare structure that can be easily understood by riders.
- o Reduce the number of commuter ticket and monthly pass denominations, decreasing production costs and accounting work, and making more businesses willing to become pass outlets.
- o Modify the use and design of transfers to reduce problems associated with misuse and complexity of the system.
- o Develop a fare payment system to accelerate boarding of buses.

- o Balance equity, in terms of the relationship between fares and length or quality of trip, against the need for an easily understood and administered fare structure.

In addition to these goals, an important element common to all the alternatives examined was the concept of a uniform base fare and the use of common increments. This means that the increment charged for all types of additional services, such as zones, peak hour and express service, would be the same. The fares for individuals over 65, under 18 and those with limited handicaps would also be the same.

The study concluded with the selection of a preferred alternative. This alternative would provide for a fare structure based on two zones, with a peak period surcharge, an express service surcharge, and similar fare levels for the elderly, youth and limited handicapped groups. Zones 1 and 2 and 3 and 4 would be combined to form the two new zones. The peak, express and zone charges would have a common value not to exceed 50 percent of the base fare and the social fares would be similar and equal to the downtown fare. The selected fare pricing level was "revenue neutral," but other fare levels could be used with the simplified structure. The recommended alternative would reduce the number of fare categories from 27 to 12, and the number of fare denominations from 16 to 5. As a result, the number of ticket and pass denominations would decrease from 10 to 5.

The analysis included a detailed examination of the impact that all alternatives, including the selected option, would have on the different fare user categories. The major impacts depend on the pricing levels. However, the fare structure simplification would provide a system that is easier to understand for users, drivers and administration.

The Metropolitan Transit Commission (MTC) approved adoption of the report in August, 1986, including the recommended alternative. No action has been taken by the MTC on the specific recommendation to be implemented, fare levels or timeline for making any changes.

V. Existing Fare Policies

Currently, the Minnesota Legislature, the Metropolitan Council and the Metropolitan Transit Commission (MTC) have policies relating to fares. A review of these existing policies is of help in developing the RTB's fare policies. The Metropolitan Council's policies are especially important, as the RTB's policies must be in conformance with the Council's Transportation Policy Plan.

A. Minnesota Legislature

The Minnesota Legislature has provided overall guidance for the metropolitan fare structure. Section 473.408, Subdivision 2 states:

Fare policy. Fares and fare collection systems shall be established and administered to accomplish the following purposes:

- o To encourage and increase transit and paratransit ridership with an emphasis on regular ridership;
- o To restrain increases in the average operating subsidy per passenger.
- o To ensure that no riders on any route pay more in fares than the average cost of providing the service on that route;
- o To ensure that operating revenues are proportioned to the cost of providing the service so as to reduce any disparity in the subsidy per passenger on routes in the transit system; and
- o To implement the social fares as set forth in subdivision 3. (Subdivision 3 has been repealed.)

B. Metropolitan Council

The Metropolitan Council Transportation Policy Plan, which was adopted in 1983 and amended in 1984, provides the overall guide for metropolitan transportation investments through the Year 2000. The Metropolitan Council is required by legislation to prepare and adopt a comprehensive development guide for the metropolitan area. The current Transportation Policy Plan was based on the Council's Metropolitan Development Framework for the Metropolitan Area, which was adopted in 1975. The Council has since updated the Development Framework with the new Metropolitan Development and Investment Framework approved in 1986. The Council is presently in the process of updating the Transportation Policy Plan. This update is projected to be completed by the end of 1987.

As noted previously, the legislation directs that the Regional Transit Board's fare policies be in conformance with the Metropolitan Council's Transportation Policy Plan. Policy 23 of the Transportation Policy Plan addresses fares. The policy and background discussion is as follows:

23. The transit fare structure should reflect a balance between the actual operating cost of the service to be provided and the public purpose or need for the service.

Discussion: Policy 23 encourages recovery of transit costs through fares. An equitable transit fare structure also identifies and weighs the various public purposes and/or needs for transit services (in regard to both the types and locations of services to be provided) against the actual cost of providing those services. Who should bear the cost is also a policy consideration. This policy requires transit operators to evaluate fare and operating-cost disparities between population segments as they relate to the various sources of operating funds.

While this is the only policy in the current Transportation Policy Plan dealing with fares, further guidance from the Metropolitan Council is provided in the 1983 "Regional Service and Finance Study on Transit." The major findings and recommendations were noted in the chapter on previous studies. Given the importance these findings provide in overall direction from the Council the highlights are summarized again in this section.

The major findings from the study were:

- o The ability of fare revenues to support the transit system is limited by the sensitivity of the riders to increases and the risk of significant ridership losses.
- o A distance-based fare structure is more equitable than a flat-fare scheme.
- o A premium fare for express service is justified not only on the basis of a high level of service (i.e., high speed), but also on the basis of the cost differential of the service.
- o A fare differential between peak and off-peak periods is justified on the basis of the difference in costs.
- o Too frequent fare increases or fare increases that do not keep in line with overall inflation rates and the cost of competing transportation modes negatively impact ridership levels.

The major fare recommendations were:

- o That fare revenues should account, at least, for 35-40 percent of the MTC total operating cost.
- o That future fare increases be considered every two years as part of the preparation of the TDP and, if needed, be included in the budget for the following biennium.
- o That future fare increases be related to inflation, the cost of providing the service, and the cost of competitive modes of transportation.
- o That a distance-based fare structure, including express service and peak-hour surcharges, be maintained.

C. Metropolitan Transit Commission

Goal 8 of the MTC's 1984 Transit Development Program (TDP) addresses fares. The goal and related policy state:

Goal 8: 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.

Policy 1. Fare Recovery: Bus revenues for regular transit service shall represent 40 to 45 percent of the expenses for providing such service. Under this policy, bus revenues and local financial support as represented by the property tax should provide 70 to 75 percent of the cost of providing regular transit services. (Resolution No. 81-27, adopted May 6, 1981)

Also as noted in the previous chapter, the MTC's Transit Pricing Study included a set of eight goals relating to fare simplification. These are as follows:

- o Simplify the fare structure.
- o Preserve the financial integrity of the MTC by avoiding fare revisions that will result in decreased farebox revenue at a time when there are uncertainties about the future of state and federal operating assistance.
- o Recognize the role of transit pricing in marketing, with the objective of promoting system-wide ridership growth, and not viewing it simply as a source of revenue.
- o Develop a fare structure that can be easily understood by riders.
- o Reduce the number of commuter ticket and monthly pass denominations, decreasing production costs and accounting work, and making more businesses willing to become pass outlets.
- o Modify the use and design of transfers to reduce problems associated with misuse and complexity of the system.
- o Develop a fare payment system to accelerate boarding of buses.

VI. Examination of Other Systems

An examination of the fare structure, fare pricing levels and fare policies from transit systems in other metropolitan areas was conducted to assist with this study. Tables 5 and 6 provide a summary of the fare structure and levels of different systems in the United States and Canada. The information is from a survey of systems conducted by the American Public Transit Association (APTA) in 1986. The survey covered a total of 286 systems which are members of APTA, representing a wide variety of sizes and cover large, medium and small metropolitan areas and rural systems. The results should be viewed in light of the fact that the sample reflects more small- to medium-sized systems than those the size of the Twin Cities or larger.

Overall more systems reported using flat fares than zone based fares. Approximately 50 percent do not charge for transfers. Most systems utilize some form of pre-payment device, with monthly passes the most commonly used. A wide variety of fare levels are charged by the different systems. The most common base fare levels are \$0.50, \$0.60 and \$.75.

A more detailed examination of the fare structure, pricing levels and policies was conducted of six metropolitan areas similar to the Twin Cities. The results of this analysis are summarized below.

Table 5

Fare Structures Reported in APTA Survey

<u>Fare Structure Characteristic:</u>	<u>Number of Systems</u>
Transfer Charges	
Free	168
Charge	99
Flat or Zone Charges	
Flat	188
Zones	96
Passes	
Daily	15
Weekly	24
Monthly	167
Annual	10
Punch card in lieu of pass	26

Source: American Public Transit Association Survey, 1986.

Table 6

Fare Levels Reported in APTA Survey

<u>Fare Levels</u>	<u>Number of Systems</u>
.10	1
.25	12
.30	1
.35	9
.40	10
.45	1
.50	72
.55	7
.60	60
.65	9
.70	9
.75	50
.80	7
.85	9
.90	3
.95	2
1.00	18
1.10	1
1.15	1
1.25	1
1.50	1

Source: American Public Transit Association Survey, 1986.

A. METRO, Seattle, Washington

The Municipality of Metropolitan Seattle (METRO) uses a two zone system as the basis for its fare structure. Zone 1 comprises the City of Seattle and zone 2 encompasses the remainder of King County. Peak fares for zone 1 are \$.60 and off-peak fares are \$.50. The zone charges are \$.90 in the peak and \$.75 in the off-peak. Transfers are free. Special \$.15 fares are provided for the elderly and the handicapped. A free ride zone is provided in the Seattle Central Business District (CBD).

The Seattle area has a number of overall fare policies. Specific policies relate to providing special fares to the elderly and handicapped, maintaining a system-wide 30% farebox recovery rate and tying fare increases to the rate of inflation or to achieve the 30% recovery rate.

B. METRO, Houston, Texas

The METRO fare system is based on a flat fare with a premium charge of 1.5 times the base fare for local express service. Five concentric park-and-ride zones, each approximately 5 miles, have been established outside the 10 mile base fare zone. The fare for the first zone is twice that of the central zone, and the succeeding rings are 33% higher. Special off-peak fares are provided for students, senior citizens and handicapped riders. Transfers are provided free.

METRO fare policies are designed to meet the following four basic objectives:

- o maintain revenues by improving fare recovery ratio from 28% to 40% by 1990.
- o preserve both service and social equity
- o encourage ridership in all fare categories
- o simplify the fare collection process for both riders and drivers

C. Vancouver, British Columbia

Currently Vancouver uses a peak period three-zone fare structure with a flat fare off-peak. Reduced fares are provided for the elderly, handicapped and students during the off-peak periods.

Vancouver has two sets of fare policies--a policy for reduced-fares for special groups, and a policy for conventional transit. The policies are designed to achieve the following objectives:

- o increasing revenue and cost-recovery;
- o minimizing negative impacts on ridership;
- o increasing the equity of the fare structure;
- o reducing the imbalance between peak and off-peak demand; and
- o increasing the efficiency of the utilization of both fleet and labor.

D. Metropolitan Transit Development Board, San Diego, California

In July, 1981, a Uniform Fare Structure was adopted by operators in the Metropolitan Transit Development Board (MTDB) area. Under the Uniform Fare Structure:

- o Three fare levels were established based on individual route characteristics and distance rather than operator.
- o Cash revenues (full and transfer upgrade fares) collected by each operator remain with that operator.
- o Revenue received from the sale of monthly passes is allocated to the operators based on a ridership formula.
- o Transfer fares are established through the Master Transfer Agreement.
- o MTDB assumes all planning and coordinating responsibilities in regard to the Uniform Fare Structure.

Since 1981, annual updates have been made to the fare levels. Considerable coordination and cooperation of MTDB area operators have ensured that the zone fare system fits well into the overall regional fare structure.

The Uniform Fare Structure was adopted to:

- o Contribute to the creation of a regional rather than fragmented public transit system.
- o Encourage regional ridership by providing a convenient, consistent and rational fare payment method.
- o Improve fare equity by coordinating fares with type and distance of service.

Under adopted MTDB policies, area operators receiving state subsidies, which are allocated by MTDB, must participate in the Uniform Fare Structure. To implement the fare structure a Master Transfer Agreement and a Regional Ready Pass Agreement were adopted. The fare structure did not require that operators change or modify their existing fare collection equipment.

The Uniform Fare Structure established fare levels for three types of service classifications: metro, urban and local feeder. Although some fares have increased since July 1981 to meet MTDB's objectives for increased farebox recovery and fare increases generally keeping up with inflation, the present fare structure for all operators except San Diego Trolley centers around these three service levels.

E. Bi-State Development Agency, St. Louis, Missouri

The existing fare structure in the St. Louis area consists of a two zone fare system with an express service surcharge. There is also a 10 cent transfer charge. Elderly and handicapped persons ride at approximately half-fare with no zone or transfer charges.

Bi-State Development Agency policy on transit system fares includes:

- o Fares will be established by action of the Board and can be changed only by such action. Not less than once each year, usually in conjunction with the adoption of the operating budget, the Board will evaluate the fare structure and consider changes. The evaluation will consider, at least, rate of inflation, financial goals, transit dependents, attraction of new riders, legal requirements, funding sources and special programs.
- o Special or promotional fares may be offered for the purpose of attracting new riders or providing an incentive for riders. If promotional fares will be in place for more than 30 days, it must be approved by the Board. Such fares may be offered at management's discretion for less than 30 days if written notice including projected revenue impact is provided to the Board prior to notice to the public.

F. Port Authority of Allegheny County, Pittsburgh, Pennsylvania

The existing fare structure in the Pittsburgh area includes a ten zone system. There is a charge for transfers. Children and handicapped riders pay one-half the adult cash fare, although handicapped riders must pay full fare during peak hours. Seniors are entitled to ride free during the midday, while paying full fare during peak hours.

The Port Authority of Allegheny County goals for reviewing the existing fare system and evaluating fare system changes include:

- o revenues should be maintained or increased
- o the fare structure should be equitable
- o fares should be simple to collect and understand
- o the fare structure should encourage use where capacity exists
- o management should be simple and costs minimized
- o the overall fare structure should allow logical system wide changes
- o the structure should assist in achieving socioeconomic and environmental goals

VII. Issues

Transit fare policies and pricing issues need to be addressed within the larger context of service levels, types of service, overall philosophy of transit and the complete transportation system. The fare structure and levels are influenced by many factors and, in turn, influence ridership levels, revenues and the public's perception of the system. The challenge in developing the fare structure and pricing levels is to balance revenue and ridership maximization with a system that is simple enough to be understood by operators and passengers, and is cost-effective to implement and operate. The formulation of fare policies must take into consideration the riders who are the direct beneficiaries and the indirect beneficiaries such as auto drivers, businesses and the entire metropolitan area.

The key issues considered in the development of the RTB's fare policies are reviewed in this chapter. Each issue is presented and discussed with a conclusion on how it relates to transit in the Twin Cities Metropolitan Area. The information presented previously in this report, especially from past studies, experience in other areas, legislative direction and existing policies have been used in this analysis.

A. Fare Structure

1. Flat or Mileage-Based Fares

The two basic types of fare structures used by transit systems are the flat fares and distance-based fares. Flat fares apply a constant fare for all transit trips regardless of the distance traveled. Mileage-based fares charge different fares based on the distance traveled. These are often set on the basis of zones, such as the existing MTC fares, but may also be set on the basis of mileage.

Flat fares are most common in small- to medium-sized areas, where the transit service area is relatively compact and there are not great discrepancies in the length of routes or average travel times. Local examples of systems using flat fares are Duluth and St. Cloud. Distance-based fares are commonly used in larger metropolitan areas, such as the Twin Cities, where the route length and travel times vary greatly. This fare structure is based on the concept that individuals should pay for the services they receive and those travelling longer distances should pay a fare reflecting the additional cost of the service. Thus distance-based fares more equitably reflect the actual service received.

Flat fares are easily understood by both riders and users. They are also easy to collect, enforce and market. Distance-based fares are usually more complex and confusing for both riders and drivers. Mileage-based fares are harder to collect and enforce by the operators and marketing may be more difficult. Zone fares, which are a form of distance-base fares, are easier to understand, market and administer than pure mileage-based systems.

Conclusion: Based on the large size of the metropolitan area and the different length of transit trips within it, distance-based fares are more appropriate for use in the Twin Cities than flat fares to

adequately reflect the cost of providing these services. A zone structure should continue to be used as the most appropriate distance-based system.

2. Time of Day Pricing and Special Services

With either type of system, different fare levels may also be charged during different times of the day and for different types of services. Most systems, regardless of whether they employ flat or distance-based fares, use some of these additional fare surcharges or fare reductions.

Different fares may be charged based on the time of day. Often an additional charge is placed on travel during the morning and afternoon peak periods. This surcharge attempts to make up for the higher cost of providing peak service by charging users a fare reflective of the costs of the service. The RTB's four-factor cost model analysis, developed as part of the Transit Service Needs Assessment, shows that peak service is more costly to provide than base service. Locally, there is a \$.15 peak-hour surcharge, which has been in effect since 1982.

Also many systems charge higher fares for express or limited stop services, premium servicing using motor coaches or other special service. These extra charges are added to reflect the faster travel time or better service the user receives. A surcharge for freeway express service has been charged in the Twin Cities since 1970. Since 1976, the surcharge has been \$.15.

Conclusion: Additional peak period and express charges are appropriate to reflect the service received by users costs of providing these services. These extra charges should continue to be applied for peak and express service in the metropolitan area.

3. Specialized Fares

Many systems also charge different fares for special segments of the population. The most commonly used are reduced off-peak fares for the elderly, handicapped and students. Individuals from these groups riding during the peak period are required to pay the full fare, but are charged a lower fare during off-peak hours. The concept behind this practice is to provide a reduced fare to groups who may need it and to encourage transit use during times of the day when capacity exists. Reduced fares have been provided for these groups in the Twin Cities for many years.

Conclusion: Special fares for specific socio-economic groups are appropriate for use during the off-peak periods to provide lower fares for individuals who may need them.

B. Revenue and Ridership Considerations

1. Revenue

A primary purpose of transit fare policy is revenue generation, whether the operator is public or private. Fares generate revenues that help pay for the cost of providing transit services and thereby reduce the public subsidy required. Most systems, however, do not recover enough through fares to pay for the entire cost of operating the service. Some high revenue-producing routes may pay for themselves, but on the whole, transit systems do not. A farebox recovery ratio of between 30 and 40 percent is considered good by regular route industry standards. This ratio is lower for paratransit programs which commonly average between a 10-20 percent farebox recovery ratio. Usually specialized transit services, such as those for the elderly and handicapped, have lower farebox recovery ratios than general purpose dial-a-rides. Locally, there is a 35 percent recovery ratio mandated by the State Legislature for regular route services.

Conclusion: Fares should pay for a reasonable portion of the cost of providing transit services to maintain an acceptable level of public subsidy. Regular route services should meet the legislative requirement for a 35 percent farebox recovery ratio. Paratransit services funded by the RTB should meet RTB established farebox recovery ratios, including 20 percent for general purpose dial-a-ride and 10 percent for Metro Mobility.

2. Ridership

Since fare levels directly impact ridership levels, the fare structure and pricing levels should be examined for their effect on different market groups. Although increasing fares may increase revenues, a net loss in ridership will normally result with some particular groups seeing greater decreases in ridership.

Fare elasticity of demand is used in fare planning to indicate the responsiveness of different ridership groups to fare changes. The standard method of estimating ridership changes anticipated from fare changes is through the use of fare elasticities measuring the percentage change in ridership given the percent increase in fares.

In the past the generally accepted rule for regular route service has been that for every 1% increase in fares, ridership would decrease .3%. However, it has also been found that different groups react differently to fare changes. Thus different fare elasticities have been developed and applied for different groups. The following elasticities have been developed for use in the RTB's analysis based on the MTC study and other national experience, for the different user groups.

RTB Fare Elasticities

<u>Fare Category</u>	<u>Zone</u>	<u>Elasticity</u>
Adult-Local		
Peak	Zone 1	(0.25)
Peak	Zone 2	(0.25)
Peak	Zone 3	(0.25)
Peak	Zone 4	(0.25)
Off-Peak	Zone 1	(0.50)
Off-Peak	Zone 2	(0.50)
Off-Peak	Zone 3	(0.50)
Off-Peak	Zone 4	(0.50)
Adult-Express		
Peak	Zone 1	(0.20)
Peak	Zone 2	(0.20)
Peak	Zone 3	(0.20)
Peak	Zone 4	(0.20)
Off-Peak	Zone 1	(0.45)
Off-Peak	Zone 2	(0.45)
Off-Peak	Zone 3	(0.45)
Off-Peak	Zone 4	(0.45)
Seniors		(0.20)
Handicapped		(0.20)
Youth	Zone 1	(0.30)
Youth	Zone 2	(0.30)
Youth	Zone 3	(0.30)
Youth	Zone 4	(0.30)
Downtown Zone		(0.60)

Conclusion: The analysis of changes in the fare structure and pricing levels should assess the impact on different ridership groups as each of these market groups react differently to changes in fares.

C. Equity

There are a number of equity issues relating to transit and fares. The two major areas of user equity and taxpayer equity are examined here. In both cases it is important to remember that fares are only one component of the overall transit service picture and thus many other issues, such as level of service, type of service and coverage must be addressed when dealing with the larger equity concerns.

1. User Equity

This issue concerns how equitable the fare structure and fare levels are to the various groups who ride the system. In other words, are those who benefit from the service paying for it and do the different user groups pay comparable amounts for the same trip distance and service quality. Many of these issues were addressed under the fare structure assessment. Currently, different fares are charged for both regular route and paratransit services which are more costly to provide, such as longer trips, peak hour service and specialized service, or provide improved service, such as express service.

Conclusion: The fare structure and pricing levels should reflect the benefits received by the rider. Zone fares, express and peak hour surcharges are equitable methods of charging riders for the cost of providing these services and should continue to be used. Higher fares for specialized services, which are more expensive to operate and provide higher levels of service, are also appropriate and should continue to be used.

2. Taxpayer Equity

Taxpayer equity relates to the overall question of whether transit services and transit taxes are distributed across the metropolitan area in a reasonable, consistent distribution. From a taxpayer perspective, fare structure and pricing is only a relatively small piece of this overall taxpayer equity issue. The overall taxpayer equity issues needs to be addressed before any special steps can reasonably be taken with regard to fares.

Three sequential questions need to be examined in addressing the taxpayer equity issue and subsequently how it may relate to fares. The first question is, is there an equity problem in the current distribution of transit services and transit taxes across the metropolitan area? Second, if a problem does exist, is it best addressed through modifications to the fare structure and pricing levels, or is it more appropriately addressed in other ways such as changes to the service structure or tax structure? If the answers to these two questions indicate that there are taxpayer equity concerns and that they should be addressed through the fare system, then the question becomes how best can they be addressed through the fare structure and pricing levels.

At present, the answer to the first question is uncertain. Arguments have been made that there is an equity problem but there is no agreement as to what it is. Some contend that the suburban areas are paying more in property taxes than the service they receive, while others contend that the central cities are paying too much. Since this question remains open, it is not at this time appropriate to resolve it through the application of fare policies. Moreover, it should be examined in light of the existing tax feathering and service level mechanisms, since there are more fundamentally tied to taxpayer equity than fares, which should already be designed to pass user equity tests.

Conclusion: Given the complexity of the taxpayer equity issue and the uncertainty if the current system is inequitable, the approach to the fare structure and pricing levels should reflect the quality and cost of the transit service received by the taxpayer. Thus, the same approach, basing fares on the cost and quality of the service, is the most equitable for both users and taxpayers.

D. Overall Transportation System and Policies

The development of regional fare policies must also consider the overall status of the metropolitan area's transportation system. Parking costs and availability, preferential treatment for transit and highway congestion are all important aspects of the system which should be considered. Communities benefit from the existence of transit services through reduced traffic congestion, improved air quality and increased economic activity along bus lines, layover areas and transit hubs. Overall transportation policies, such as those which include preferential access for transit or limit or reduce parking, will impact transit

Conclusion: Fare policies should consider the impacts on the overall transportation system. The fare structure and pricing should encourage transit use, especially in highly congested areas, and support the overall transportation system. However, fares alone will only have a small influence on encouraging transit use in these areas. The level and type of services provided will have a major impact. Thus, fares should be viewed as one portion of the overall transit approach, and should be looked at in combination with the level of services being provided.

E. Fare Payment and Collection Methods

Consideration of fare payment methods must be made in conjunction with fare structure and pricing level decisions since certain fare systems prevent the use of some payment methods. Additionally, some fare payment methods might rely on a single fare method, such as cash only. Fare payment methods typically consist of cash, tokens or passes. Passes can be punch cards or flash passes and be either monthly or for a set number of rides.

Prepaid fare payment methods such as tokens, punch cards and passes offer advantages both to the operator and the rider. They provide convenience to riders and often reduced prices. For the operator, these methods provide payment prior to use and can simplify passenger boarding. The one exception to simplifying boarding is the use of the punch card, which requires the driver to physically punch the card, resulting in slower boarding time. Prepaid fare mechanisms allow for easy subsidization by businesses or companies for employees. Passes are a convenient way to accommodate differentiated fares while requiring less of the driver's time to collect. A problem with passes, however, is that they benefit only those who use the system regularly and, although they may induce extra trips, the operator earns no extra revenue.

Currently, regular route systems in the Twin Cities use four major fare payment methods. These are cash, tokens, punch cards and passes. Different paratransit services use both cash fares and some prepayment methods such as tickets or vouchers. The use of these different payment methods provides riders the opportunity to select the one best suited to their needs and transit use. They also provide operators with different ways to market services, encourage ridership and enhance revenue generation. The fare collection equipment must be able to handle the coins or paper used for paying cash fares and any validation necessary for passes or punch cards. Currently existing regular route fareboxes do not take dollar bills or Susan B. Anthony dollars.

Conclusion: The fare structure and pricing levels should provide for a variety of payment methods. These should include convenient methods such as prepaid passes and tokens. Consideration should be given to both the ease of use for the operator and riders and also the ease of administration.

F. Fare Integration Between Providers

This issue concerns the uniformity of fare structures and pricing among different operators of the same types of services. This is important both in insuring equity among riders using similar types of services and providing for transferring between different providers. Currently regular route providers in the metropolitan area use the same fare structure and accept transfers from other regular route providers

There has been little experience on both the local and national level in evaluating paratransit and social service fare systems and fare changes. The analysis which has been done with fare elasticities for these types of services indicate that service characteristics are more important than the fare level.

Currently, the approach to fares varies widely among paratransit systems in the metropolitan area. The Metro Mobility base fare structure is similar for all providers, but different rates may be charged after eight miles up to the maximum fare level. The community and county programs use a variety of fares and donations reflecting the local program focus, needs and funding sources.

Conclusion: Uniform fare structure and pricing levels should be used by all regular route operators. Transfer reciprocity between regular route services should also continue. The Metro Mobility system should continue to use a common base fare, while allowing the providers flexibility to be competitive with fare pricing beyond the eight mile limit. The community and county programs should be allowed to establish fare levels to meet the needs of their programs and clients in keeping with the subsidy level identified for services receiving RTB funding.

G. Transfers

Transfers are used in transit systems to provide for individuals who need to change to a different route to complete their trip. Currently transfers are provided free upon request on regular route services in the metropolitan area. Transfers may be used for up to three changes to different routes within a 60 minute time period. Currently reciprocity exists between all regular route services in the metropolitan area, so that transfers from one system are accepted by another operator.

Some systems do charge for transfers, while others place more stringent limitations on the use of transfers, such as use of the next available bus only. While abuse of transfers does exist, analysis to-date indicates that it is relatively minor.

Conclusion: Transfers provide a mechanism of encouraging ridership by making changes between routes relatively easy and convenient. Given the need to change buses to reach many destinations in the metropolitan area the current free transfer system should be maintained. Transfers should also continue to be accepted between different providers of regular route services to provide a coordinated system.

H. Fare Increases

How and when fare increases should be made is an important issue. As noted in the chapter reviewing the history of fares in the metropolitan area, fare increases have been made on a sporadic basis in response to major funding concerns. Fares remained the same for a nine-year period followed by three increases within three years, followed by six years of no increases in the base fares.

An alternative approach is to examine the need for fare adjustments on a regular basis and plan specifically for fare increases at set intervals unless found unneeded. This is done not only to keep fares adjusted to cost of living increases or other adjustments in costs, but also to avoid catching riders with unexpectedly large or multiple fare increases.

Conclusion: Fare pricing levels should be monitored on an annual basis and evaluated on a biennial basis as part of the transit budgeting process. Changes in fares will be considered at these times. The evaluation should consider, at least, the rate of inflation, farebox recovery requirements, transit dependents, attraction of new riders, legal requirements, funding sources and special programs.

VIII. Framework for Fare Evaluation

This chapter presents the framework which has been developed for evaluating fare structures and pricing levels in the Twin Cities Metropolitan Area. This is a key step in the definition of fare policies. The evaluation framework developed employs a system of goals, objectives, criteria and measures to organize the fare structure and pricing assessment. Its development serves two functions. The first function is the articulation of goals and objectives, which once the trade-offs between conflicting goals and objectives have been resolved, serve as the basis for the development of fare policies. The second function is to provide a methodology for fare system and pricing review and comparison.

The goals, objectives, criteria and measures which form the RTB's framework for evaluating existing and alternative future fare structures and pricing levels are outlined in this chapter. The RTB's Fare Policies, which are based on these goals, objectives criteria and measures, are provided in the next chapter. Also contained in the next chapter is the procedure the RTB will use to monitor fare levels, evaluate alternative fare scenarios and make decisions concerning changes in the fare system.

A. Fare Goals and Evaluation Structure

Seven general goals have been identified for guiding the development of fare policies and the fare evaluation process. These are:

1. The fare structure and pricing levels should be areawide, unified and internally consistent for similar types of transit services.
2. Revenues generated from fares should cover a significant cost of providing the service.
3. The fare structure should encourage ridership, especially where capacity exists.
4. The fare structure should be simple and easy to understand and administer.
5. The fare structure should be set at levels equitable to the majority of patrons.
6. The fare structure should assist in achieving other socioeconomic and environmental goals.
7. The fare structure and pricing levels should reflect public participation and shall be coordinated with the annual and biennial transit budgeting process.

Based on these goals a set of objectives, criteria and measures have been developed. To aid in understanding the purpose of each of these the following definitions are provided.

Goals - Goals are generalized statements of values and needs. While goal statements may be somewhat abstract, they are based on realistic problems and opportunities. They reflect the desired approach and outcome to these problems and opportunities. Goals serve an important link between technical planning and the needs and desires of policy groups.

Objectives - Objectives describe the desired future conditions to be attained by the goals and associated actions, either as direct impacts or direct performance achievements. As such they represent desired end result rather than the means of accomplishing it. They provide an explicit and consistent basis for testing how well a given alternative might perform to meet the goal.

Criteria and Measures - These describe the ways to measure the degree of attainment of the objectives, and the corresponding objective attainment measures themselves. For each objective, at least one criteria and corresponding measure or measures have been developed for use in analyzing and evaluating the different fare options. Measures may be monetary, quantitative in non-monetary units, or qualitative.

Goals, objectives, criteria and measures thus move from the general to the specific, providing more detail at each level. Such a hierarchy is a convenient method of organizing all of the different statements of purpose or benefit which public officials, administrators, planners, operators, and the general public may advance for such public services as transit. This hierarchy provides an effective methodology for analysis of fare structures and pricing alternatives.

Goals and objectives are one step removed from policy statements. This is because trade-offs or conflicts exist between objectives and their associated goals, recognizing that full attainment of some objectives will be at the expense of other objectives. Statements of policy should either provide for resolution of these conflicts or explicitly provide for balancing trade-offs as part of policy application. Different fare system options will differ in these trade-offs, and one function of the analysis will be to aid in achieving the least conflict among objectives as well as the best resolution of the conflicts which remain.

B. Corresponding Objectives, Criteria and Measures

Following is a listing of the objectives, criteria and measures that have been prepared in conjunction with each fare system goal:

Goal 1: The fare structure and pricing levels should be areawide, unified and internally consistent for similar types of services.

Objective a: All regular route operators funded by the RTB shall utilize a unified, areawide fare structure, pricing and transfer system.

Criteria: The fare system will be the same for all regular route operators.

Measure: A check of all regular route systems.

Objective b: All Metro Mobility providers will utilize and enforce the same fare structure.

Criteria: The fare structure will be the same for all Metro Mobility providers.

Measure: A check of all Metro Mobility providers.

Objective c: Community and county paratransit programs funded by the RTB will utilize fares of the same order of magnitude, while allowing for flexibility for local programs.

Criteria: The fares charged will be similar to the norm for equivalent service.

Measure: The average fare for each program compared to the average fare of all community and county programs for equivalent service.

Goal 2: Revenues generated from fares should cover a significant cost of providing the service.

Objective a: The fare structure and pricing schedule shall be set to meet or exceed specified farebox recovery requirements.

Criteria 1: Fares will generate revenues to meet the applicable legislative requirements for overall regular route farebox recovery ratio and RTB requirements for non-regular route services.

Measure: Actual recovery ratio vs. legislative or RTB requirement.

Criteria 2: Fares will provide a revenue margin for service enhancement or financial flexibility.

Measure: Revenue produced in excess of the farebox recovery ratio set by the legislature or RTB requirements.

Criteria 3: The fare structure should allow for maximization of fare revenue generation from other sources, such as employer subsidies.

Measure: Fare instrument(s) amenable to easy, targeted private/public subsidy.

Objective b: The fare structure should allow for easily-implemented, logical systemwide changes.

Criteria: The fare structure should be capable of small fare increases without destroying the equity of the system.

Measure: Qualitative analysis based on ability to maintain the integrity of the system.

Goal 3: The fare structure should encourage ridership, especially where capacity exists.

Objective a: The fare system should maximize overall ridership.

Criteria: The fare system should maximize ridership for given total fare revenues.

Measure: Total passengers divided by fare revenue.

Objective b: The fare structure should maximize the use of available capacity.

Criteria: The fare system should lower the peak-to-base service ratio of ridership.

Measure: Comparison of before and after peak-to-base ratio.

Objective c: The fare structure should maximize the cost-effective person-carrying capacity of the system.

Criteria: The fare system should encourage the use of the most cost-effective transit or paratransit modes.

Measure: Qualitative analysis based on a two step process. First the modes which are most cost-effective for different circumstances will be identified. Second, the effect of the fare system on correspondingly appropriate mode shifts will be examined.

Goal 4: The fare structure should be simple and easy to understand and administer.

Objective a: The fare structure should be easily understood and applied by riders and drivers.

Criteria 1: Fare elements should be minimized and standardized.

Measure: The number of fare elements.

Measure: The differences or sameness among fare elements.

Criteria 2: The fare system should provide for easy and quick payment.

Measure: The amount of coins and/or paper required for the average fare payment transaction.

Measure: The availability of simple fare prepayment method(s).

Criteria 3: The fare system should be efficient for the driver to administer.

Measure: The number of transactions affecting driver involvement time.

Measure: The distinctiveness of passes/I.D.'s required/transfers.

Objective b: The fare structure should be simple and cost-effective to administer.

Criteria 1: The fare system should be consistent with fare equipment capabilities.

Measure: Qualitative analysis of equipment capabilities.

Criteria 2: The fare system should allow and be consistent with the minimization of processing and equipment costs.

Measure: The estimated cost of processing and equipment maintenance.

Criteria 3: The fare system should minimize opportunities for theft and manipulation.

Measure: The number of opportunities for fraud using existing system as standard.

Criteria 4: The fare system should facilitate the collection of accurate passenger data.

Measure: A qualitative analysis including quantification of ridership and market segment identification.

Goal 5: The fare structure should be set at levels equitable to the majority of patrons.

Objective a: The fare system should minimize the cross-subsidization of fares.

Criteria: Fares paid should reflect the quality and cost of service received.

Measure: The variance or discrepancy in recovery ratio by distance traveled and time of day.

Measure: The existence of a charge for special amenities such as speed, seats for all, or extra comfort.

Goal 6: The fare structure should assist in achieving other socioeconomic and environmental goals.

Objective a: The fare system should reflect societal policies of support for targeted socioeconomic groups.

Criteria: The fare system should meet applicable legislative requirements.

Measure: Qualitative analysis of differences in meeting these 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: The impact of the fare system on transit dependent market groups.

Measure: Qualitative analysis of the financial impact on applicable market groups.

Measure: Estimated effect on ridership of applicable groups.

Goal 7: The fare structure and pricing levels should reflect public participation and shall be coordinated with the annual and biennial transit budgeting process.

Objective a: Any changes in the fare structure or pricing levels shall include public participation including public notice and a public hearing on the proposed changes.

Criteria: Public participation in the changing of the fare structure and pricing levels.

Measure: Check to insure that proper public participation process has been followed.

Objective b: The fare system should be reviewed as part of the biennial budget process and should be monitored on an annual basis.

Criteria: Annual monitoring of the fare system and biennial review coordinated with the budget process.

Measure: A check for annual and biennial adherence.

The RTB will utilize these goals, objectives, criteria and measures in the evaluation of fare structures and pricing levels. The procedure the RTB will use in this analysis is outlined in Chapter IV.

IX. Fare Policies and Procedures

This chapter presents the RTB's fare policies and procedures. The policies are based on the goals and objectives contained in the framework for evaluation and on the issues analysis presented in Chapter VII. In developing the metropolitan fare policies conflicting goals and objectives have been addressed and resolved. The policies thus present the most important elements guiding the fare structure and pricing levels in the metropolitan area. These policies, and the accompanying fare evaluation framework and procedures, will be used by the RTB to monitor, change or refine the fare structure and pricing levels.

The procedures presented in the second part of this chapter outline the specific steps the RTB will use to review, monitor, initiate changes to or evaluate requests for changes in the existing fare structure and pricing levels. It also outlines the next steps the RTB will take to receive public and provider input to the policies and procedures, finalize the policies and procedures, and consider requests from providers in changes to the existing fare system.

A. RTB Fare Policies

1. All regular route and general purpose paratransit services funded by the RTB will utilize a common unified fare structure with the same pricing levels and transfer system.
2. All Metro Mobility providers will utilize and enforce the same basic fare structure, while providing flexibility in pricing within RTB guidelines.
3. Fares for community and county paratransit programs partially funded by the RTB will be at the discretion of the local area so long as RTB guidelines for subsidy allocation are met.
4. Fares for overall regular route service will, at a minimum, generate revenues to meet the 35 percent farebox recovery ratio legislative requirement.
5. Fares for each RTB funded general purpose paratransit service will at a minimum generate revenues to provide a 20 percent farebox recovery ratio.
6. Fares for Metro Mobility will, at a minimum, generate revenues to provide an overall 10 percent farebox recovery ratio.
7. The fare structure and pricing levels will be designed to enhance revenue generation in excess of the minimum requirements, to take advantage of other revenue sources, and to provide for easily-implemented changes in response to changing revenue needs.
8. Within the constraints of the recovery ratio, the fare structure and pricing levels will encourage ridership, especially where capacity exists.
9. Fare equity will be maintained through use of distance based zone fares and pricing differentials for different types of services, including express and local, and peak and off-peak service.

10. The fare system will reflect societal policies of support for targeted socioeconomic groups, and not create undue economic hardship for transit dependent market groups.
11. Within the constraints of economic, equity and social considerations, the fare structure will be simple and easy to understand and administer.
12. The fare structure and pricing levels will be flexible to allow for promotional and experimental fares subject to RTB approval.
13. The fare structure and pricing levels will be monitored on an annual basis and fully evaluated biennially in conjunction with the biennial budget preparation, at which time fare changes will be examined.
14. Any changes in the fare structure or pricing levels will include a public participation process, including proper public notice and appropriate public hearing(s) on the proposed changes.

B. Procedures

Based on the fare policies and fare evaluation framework presented in this document, the RTB will utilize the following process to monitor and evaluate the fare structure and pricing levels in the metropolitan area. The process also outlines the procedures for operators to request fare changes and the criteria the RTB will utilize in evaluating the boundaries of special fare zones.

The RTB will monitor the farebox recovery ratio for all services on an annual basis to insure that the fare policies and corresponding recovery ratios are being met. If the farebox recovery ratios are not being met, appropriate action will be initiated to adjust fare pricing levels. On a biennial basis, the RTB will conduct a review of the fare structure and pricing levels for all services based on the fare policies and fare evaluation framework. In both cases, the monitoring and review will be coordinated with the budgeting process. Changes in the fare structure and pricing levels will be considered at these times. The RTB will request each operator to provide the necessary information from their system and to participate in the process.

The RTB will also utilize the fare policies and fare evaluation framework to respond to requests from service operators for changes in the fare structure and pricing levels. The RTB will strongly encourage that this be done as part of the biennial and annual monitoring and review process outlined above but the RTB will not limit requests to this period only. The RTB will consider special requests based on unique or unforeseen circumstances. However, by following the process outlined here, unforeseen circumstances should be kept to a minimum.

It is anticipated that once the initial review of the fare structure is completed the monitoring and review process will focus primarily on changes in the fare pricing levels.

The major steps in this process are as follows:

1. On an annual basis the RTB, in conjunction with the operators, will monitor the farebox recovery ratio for all providers to insure the required recovery ratios are being met. On a biennial basis the RTB, in conjunction with the operators will review the existing fare structure and pricing levels by the fare policies and evaluation framework.
2. These reviews will identify fare changes or adjustments which may be necessary to meet the policies, goals and objectives.
3. If adjustments are necessary, the RTB, with input from the operators, will evaluate alternative fare structures and pricing levels based on the fare evaluation framework which would bring the system into conformance with the goals and policies. Table 7 outlines, by example, how the measures developed in the framework will be used to evaluate different fare scenarios.
4. If a change is recommended, the public participation process would be initiated. A final decision would be made after all comments had been received. It is anticipated that the operator and the RTB will participate jointly in the public participation process, with the operator having the lead role.

All changes in the regular route and general purpose paratransit fare structure and pricing levels will be made for all providers. Thus all providers will be involved in the evaluation and public participation process. The evaluation will include the impacts on all affected providers, not just those making the request.

5. An operator, or local governmental unit under contract to the RTB, may also approach the RTB to request a change in the fare structure or pricing level. The RTB will evaluate this request based on the fare policy measures. Any recommended change resulting from this request would also be subject to the public participation process.
6. In responding or initiating a request for a special fare zone the RTB will analyze the impact of the zone on the overall fare revenues, the legislatively set 50 percent operating cost level, the purpose of the zone and the appropriateness of the zone boundaries. Any request for a special fare zone or change in the boundaries of an existing zone would be subject to public participation.

C. Next Steps

To finalize the fare policies and fare evaluation framework, the following steps will be taken.

1. Public participation and provider review. The RTB will receive public and provider comments and review of the fare policies presented in this report. Public hearings will be held to solicit public input. Provider reaction will be obtained through the RTB's regular provider meetings and special meetings.

2. Based on the comments and concerns raised through public and provider review, the RTB will make any needed revisions and then formally adopt the final fare policies and procedures.
3. Using the fare policies, procedures and fare evaluation framework the RTB will be in a position to respond to requests for changes in the fare structure and pricing levels. It is anticipated that the first evaluation will be conducted on the recommendations resulting from the MTC's Transit Pricing Study. While the Commission has endorsed the fare simplification recommendation, it has not formally adopted a change nor has the MTC requested the RTB to consider a change. It is anticipated that such a request will be made leading to the evaluation of the recommended alternative and appropriate public participation process.
4. The RTB will continue to monitor and review transit and paratransit fare structure and pricing levels on an ongoing basis as outlined in this report.

Table 7
Fare Evaluation Framework

Goal	Objective	Criteria	Measure	Existing Structure	Alternative
1. Areawide, unified fare structure and pricing levels	a. All regular route operators funded by RTB shall use area-wide, unified fare structure, pricing and transfer system	1. Fare system will be same for all regular route operators	a. Check of all regular route systems	Yes	
	b. All Metro Mobility providers will use same fare structure	1. Fare structure will be same for all Metro Mobility providers	a. Check of all Metro Mobility providers	Yes	
	c. Community and county paratransit programs funded by the RTB will use fares of same or order of magnitude while allowing for some flexibility	1. The fare charged will be similar to the norm for equivalent service	a. Average fare for each program vs. the average fare		
2. Revenue Generation	a. Meet or exceed specified farebox recovery ratio requirements.	1. Generate revenue to meet legislative requirements for overall regular route and RTB requirements for non-regular route service.	a. Actual recovery ratio vs. legislative or RTB requirement	37%	38%
		2. Provide revenue margin for service enhancement or financial flexibility	a. Revenue produced in excess of existing farebox recovery ratio		\$149,624
		3. Maximize fare revenue generation from other sources such as employer subsidies	a. Fare instruments amenable to easy targeted public/private subsidy	Fair	Fair
	b. Allow for easily-implemented, logical systemwide changes	1. Capable of small fare increases without destroying system equity	a. Qualitative analysis based on ability to maintain integrity of system	Fair	Fair
3. Encourage Ridership	a. Maximize overall ridership	1. Maximize ridership for given total fare revenues	a. Total passengers fare revenue	1.67	1.65
	b. Maximize the use of available capacity	1. Lower the peak-to-base service ratio of ridership	a. Before and after peak-to-base ratio	44%	44%

Goal	Objective	Criteria	Measure	Existing Structure	Alternative
	c. Maximize cost-effective person-carrying capacity	1. Encourage use of most effective transit or paratransit mode	a. Qualitative analysis: -which modes for which circumstances are most cost-effective -effect on fare system on correspondingly appropriate mode shifts	Good	
4. Simplicity	a. Easily understood and applied by riders and drivers	1. Minimize and standardize fare elements	a. Number of fare elements	27	
			b. Difference/Sameness among fare elements	16	
		2. The fare should be quick and easy to pay	a. Amount of coins and/or paper required for the average payment transaction	3-4	
			b. Availability of simple fare prepayment method	93%	
		3. The fare should be efficient for the driver to administer	a. Transactions affecting driver involvement time	Token/cash/pass - Good Transfers/Punchcards - Fair	
			b. Distinctions of passes/I.D.s required/transfers	Fair	
	b. Simple and cost-effective to administer	1. The fare system should be consistent with fare equipment capabilities	a. Qualitative analysis of equipment capabilities	Excellent	
		2. The fare system shall allow and be consistent with the minimization of processing and equipment costs	a. Estimated cost of processing and equipment maintenance	\$900,000/yr	
		3. Minimize opportunities for theft and manipulation	a. Numbers of opportunities for fraud using existing system as standard	Fair	
		4. Facilitate the collection of accurate passenger data	a. Qualitative analysis including quantification of ridership and market segment identification	Fare system itself--fair MTC--good Other providers--poor	

Goal	Objective	Criteria	Measure	Existing Structure	Alternative
5. Equity	a. Minimize cross-subsidization of fares	1. Fares paid should reflect the quality and cost of service received	a. The variance in recovery ratio by distance traveled and time of day		
			b. The existence of a charge for special amenities such as speed, seats for all, extra comfort	Express surcharge	
6. Social and Environmental Goals	a. Fares should reflect societal policies of support for targeted socio-economic groups	1. Meets applicable legislative requirements	a. Qualitative analysis in meeting requirements	Yes	
	b. The fare structure should not inhibit ridership to the point of creating an economic hardship on the transit dependents	1. Impact on transit-dependent market groups	a. Qualitative analysis of financial impact on applicable market groups b. Estimated effect on ridership of applicable groups	Seniors-- 6,256,000 Limited Mobility-- 173,000 Youth-- 3,761,000	
7. Public participation and coordination with transit budgeting process	a. Any changes shall include public participation including public notice and public hearing	1. Public participation in the changing of the fare structure or pricing levels	a. Check to insure public participation has been followed		
	b. Fare system reviewed with biennial budget process and monitored annually	1. Annual monitoring of fare system and biennial review	a. Check for annual and biennial adherence		

Appendix A
Detailed MTC Fare History Since 1970

Before the MTC acquired Twin Cities Lines, the existing fare structure included:

- 0.30 base fare
- 0.05 express surcharge
- youth, elderly and handicapped paid regular adult fare
- 2 zones based on boundaries of both central cities
- free transfers

After the MTC began operating, many changes in the fare structure took place. These are described below by year of occurrence.

- 1971
 - 0.10 reduction in senior fares, effective only on Thursdays between 9 and 3 and after 6 p.m.
 - 0.10 QT service established in Minneapolis
- 1972
 - free off-peak service for seniors in conformance with State legislation
 - 0.10 QT service established in St. Paul
- 1973
 - 0.10 fare implemented on routes 5, 7, 16 from Como-Rice to Water Street to serve the Capitol Complex and Harriet Island parking facilities approved for 120 days. City of St. Paul and Minnesota Department of Administration shared additional cost of service
 - approved 6 month trial for free transfers between the MTC and suburban operators
- 1974
 - approved continuation of free transfers with suburban operators; MTC reimbursement for acceptance of MTC transfers to be on basis of the lowest of the two base fares
 - St. Paul QT service discontinued and dime zone established
 - sale of commuter tickets implemented for 12 month trial period
 - Jan. - concentric circles zone plan implemented, with zone 1 based on 6 mile radius and zones 2 on up based on 2 mile increments from zone 1. Base fare was 0.30 with a 0.10 zone charge for each additional zone. The MN legislature authorized additional funds to permit implementation of the concentric circle plan.
 - Nov. - zones 4 and up eliminated due to imposition of 0.50 fare ceiling established by the legislature
- 1975
 - 0.15 flat off-peak fare for handicapped implemented, without zone fares or express surcharge
 - temporary authority for dime zone, including use of express buses in Minneapolis
 - Jan. - free fare for youth under 18 yrs. during off-peak
 - Jun. - free fare for youth eliminated; returned to 0.10 fare during off-peak
- 1976
 - express surcharge increased to 0.10
 - approved free rides for all uniformed police, fireman and deputies

- 1977 - youth fares changed to require payment of applicable zone fares and express surcharge in addition to 0.10 off-peak fare
 - zone 4 beyond 10 mile radius re-established with 0.60 fare after lifting of fare ceiling; 0.10 zone charge between Minneapolis and St Paul eliminated
 - monthly pass program implemented
 - weekend pass initiated at a cost of \$1.00 per pass
- 1978 no changes
- 1979 - base fare raised to 0.40
 - base fare for youth raised to 0.20 plus applicable zones fares and express surcharge
 - free fare for seniors eliminated; 0.10 off-peak fare implemented
 - base fare for handicapped raised to 0.20
 - approved use of dime zone commuter ticket by seniors during off-peak hours
- 1980 - base fare raised to 0.50
 - free fare reinstated for low income seniors
- 1981 - base fare raised to 0.60
 - base fare for handicapped raised to 0.30
 - zone charges for zones 2 and 3 increased to 0.15; zone 4 kept at 0.10
 - weekend pass cost increased to \$2.00 per pass
 - Minneapolis QT and dime zone fares raised to 0.25
- 1982 - 0.15 peak period surcharge implemented
 - free fare program for low income seniors discontinued; all seniors pay 0.10 off-peak fare
 - Minneapolis QT service discontinued and dime zone fare returned to 0.10
 - weekend pass program discontinued
- 1983 - JET pass for unemployed persond implemented on 3/30/83 for a 120 day trial for a 0.25 cash fare during off-peak. The Minnesota Dept. of Employment Services handles identification, certification and distribution of JET passes. Pass was continued through 1983 on trial basis
- 1984 - JET pass continued through 6/30/85
- 1985 No changes
- 1986 No changes

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 10, 1987
TO: Administration and Finance Committee
FROM: Katherine Turnbull, Planning Manager *KT*
SUBJECT: Revised Implementation and Financial Plan

ACTION REQUESTED

That the Administration and Finance Committee recommend the Regional Transit Board adopt the revised Implementation and Financial Plan and transmit it to the Metropolitan Council.

BACKGROUND

The Regional Transit Board (RTB) adopted the Implementation and Financial Plan on November 3, 1986, and submitted it to the Metropolitan Council as required by legislation. The Metropolitan Council approved the Implementation and Financial Plan on January 22, 1987, as being in general conformance with the Metropolitan Development Guide and Metropolitan Development and Investment Framework and Transportation Policy Plan, but directed the RTB to make specific revisions to the plan and resubmit it by April 22, 1987.

Ten areas of additional information and analysis were requested as part of the revisions. These included the following:

- o definition of relationship between Council goals and policies and Regional Transit Board goals and policies;
- o completed statement of Council transit policies;
- o documentation of past trends and forecasts of ridership and performance;
- o documentation of assumptions leading to forecasts of ridership and operating costs for the various transit services and service areas;
- o detailed description of the services and service areas of proposed transit service improvements, including detail by individual transit system;
- o documentation of the relative funding priorities among existing and new services;
- o detailed description of the relationship between the proposed service improvements and the capital improvements for the transit hubs project;

- o inclusion of the completed fare policies;
- o explicit statements of user charges for all services and service areas; and
- o discussion of the role of user charges in alleviating potential funding shortfalls from other sources.

The RTB has revised the Implementation and Financial Plan to include the information requested by the Metropolitan Council. In addition, the budget information has been updated to reflect the revised MTC budget and additional information has been included to reflect changes which have occurred since November 1986.

Specific changes which have been made in the Implementation and Financial Plan as a result of the Metropolitan Council's request are as follows:

- Page i o An addendum has been added to explain the reasons for the revisions.
- Page 5 o Policy 2. The second line has been added to indicate the "family of transit" services.
- Page 6 o Policy 9. "increase the auto occupancy rates" has been added to expand the scope of this policy.
- Page 7 o Policy 14. This policy has been added for the Board's consideration to address transit facilities.
- Page 7 o Policies 18 and 19 and their corresponding goal are new. These cover the RTB's public participation process. They are offered for the Board's consideration.
- Pages 8-9 o The RTB's fare policies have been added, with an explanation that these will be considered by the Board for adoption for receiving public and provider input.
- Pages 9-13 o This section has been expanded to provide a complete listing of the Metropolitan Council's transit policies.
- Pages 13-21 o This is a new section, added at the request of the Metropolitan Council, which compares the transit goals and policies of the Council and the RTB.
- Page 25 o Chapter III--Basis for the Implementation and Financial Plan from the adopted Implementation and Financial Plan, has been divided into two chapters. In the current document, Chapter III--Existing Transit Services and Recent Trends, contains the background information on existing conditions. Some of this information was included in the old Chapter III, but at the request of the Council, additional information on ridership, fares and funding has been added.

Chapter IV contains the background information on the Transit Service Needs Assessment, Metro Mobility and the other projects which form the basis for the Implementation and Financial Plan. Information on the Metropolitan Transit Commission's accessible bus demonstration has been added to this chapter.

Pages 70-72 o Additional wording has been added to reflect the general priorities outlined in the Implementation and Financial Plan. These should be reviewed to insure they match with the Board's intended priorities. The assumptions used in the Implementation and Financial Plan have also been more clearly explained.

Pages 73-109 o Additional information and maps have been added to provide a more detailed explanation of each program. The Regular Route budget has been revised based on the Metropolitan Transit Commission's budget change.

FINDINGS AND CONCLUSIONS

- o The Regional Transit Board adopted the Implementation and Financial Plan on November 3, 1986, and transmitted it to the Metropolitan Council as required by legislation.
- o The Metropolitan Council approved the Regional Transit Board's Implementation and Financial Plan on January 22, 1987, as being in general conformance with the Metropolitan Development Guide and Metropolitan Development and Investment Framework and Transportation Policy Plan, but requested that the RTB revise portions of the plan and resubmit it to the Metropolitan Council by April 22, 1987.
- o The Regional Transit Board has made the revisions requested by the Metropolitan Council and provided additional updates and expanded information in the Implementation and Financial Plan.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board adopt the revised Implementation and Financial Plan and transmit it to the Metropolitan Council.

KT:jmo
Attachment
OPOOKT/TX2

IMPLEMENTATION AND FINANCIAL PLAN

Regional Transit Board

October 31, 1986

Adopted November 3, 1986

Revised April 20, 1987

ADDENDUM

The Regional Transit Board (RTB) adopted the Implementation and Financial Plan for the five-year period from 1987 to 1991 on November 3, 1986, and transmitted it to the Metropolitan Council as required by law. On January 22, 1987, the Metropolitan Council approved the RTB's Implementation and Financial Plan as being in general conformance with the Metropolitan Development Guide and Metropolitan Development and Investment Framework and Transportation Policy Plan, but directed the RTB to make specific revisions to the plan and resubmit it by April 22, 1987.

Ten areas of additional information and analysis were requested as part of the revisions. These included the following:

- o definition of relationship between Council goals and policies and Regional Transit Board goals and policies;
- o complete statement of Council transit policies;
- o documentation of past trends and forecasts of ridership and performance;
- o documentation of assumptions leading to forecasts of ridership and operating costs for the various transit services and service areas;
- o detailed description of the services and service areas of proposed transit service improvements, including detail by individual transit system;
- o documentation of the relative funding priorities among existing and new services;
- o detailed description of the relationship between the proposed service improvements and the capital improvements for the transit hubs project;
- o inclusion of the completed fare policies;
- o explicit statements of user charges for all services and service areas; and
- o discussion of the role of user charges in alleviating potential funding shortfalls from other sources.

The RTB has revised the Implementation and Financial Plan to include the information requested by the Metropolitan Council. In addition, the budget has been updated to reflect the revised MTC budget and additional information has been included to reflect changes which have occurred since November 1986.

TABLE OF CONTENTS

	Page
Chapter I. Introduction	
Purpose	1
Background	2
Organization of Implementation and Financial Plan	3
Chapter II. Transit Planning Process, Roles and Responsibilities	
Regional Transit Board	4
Metropolitan Council	9
Comparison of Metropolitan Council and RTB Transit Goals and Policies	13
Minnesota Department of Transportation (Mn/DOT)	22
Metropolitan Transit Commission	23
Other Providers and Organizations	24
Federal Agencies	24
Chapter III. Existing Transit Services and Recent Trends	
Existing Transit Services	25
Ridership Trends	35
Fares	37
Service Miles	43
Transit Funding	44
Existing Capital Vehicles and Facilities	46
Gasoline Prices	50
Chapter IV. Basis for the Implementation and Financial Plan	
Introduction	51
Transit Service Needs Assessment	51
Metro Mobility Evaluation and Restructuring	53
Competitive Transit Demonstration	55
Corridor and Light Rail Transit Planning Activities	57
I-394	58
Jobseekers and Transit Disadvantaged	60
MTC Accessible Bus Demonstration	60
Other Studies	61
Chapter V. Service and Capital Implementation Program	
RTB's Approach and Priorities in the Implementation Program	70
Service Implementation Program	71
Capital Implementation Program	95

	Page
Chapter VI. Financial Plan	
Introduction	110
Funding Sources	110
Federal Funds	110
State Funds	112
Local Property Tax	112
Fare Revenues	113
Other Sources	114
Fiscal Trends, Policies and Issues Restricting Revenue Use . .	114
1988-1989 Biennial Budget Request	115
Chapter VII. Future Directions	
Introduction	118

List of Tables

	Page
Table 1 - Transit Providers in the Metropolitan Area	27
Table 2 - Characteristics of Regular Route Service Providers	28
Table 3 - MTC Services	28
Table 4 - Regular Route Ridership	35
Table 5 - Metro Mobility Ridership	36
Table 6 - Community and County Programs	36
Table 7 - Zone Fare Structure and Pricing	39
Table 8 - Adult Fare Levels	40
Table 9 - 1984 Passenger Revenue	41
Table 10 - MTC Total Bus Miles	44
Table 11 - Vehicle Inventory	47
Table 12 - Capital Facilities	48
Table 13 - Total Operating Cost Estimates	73
Table 14 - Funding Sources	73
Table 15 - Capital Program	96
Table 16 - Biennial Budget Request	116
Table 17 - Detailed Biennial Budget	117

List of Figures

	Page
Figure 1 - Transit Taxing District	26
Figure 2 - Metro Mobility Service Area	31
Figure 3 - Community and County Paratransit Programs	33
Figure 4 - Fare Zones	38
Figure 5 - Funding for Regular Route Transit.	45
Figure 6 - Regular Route Coverage	75
Figure 7 - Local Route Coverage	77
Figure 8 - Express Route Coverage	78
Figure 9 - Crosstown Route Coverage	79
Figure 10 - Reverse Commute Route Coverage	80
Figure 11 - Rideshare Strategies	83
Figure 12 - Metro Mobility Expansion	86
Figure 13 - Small Urban, Opt-Out and Rural Programs.	88
Figure 14 - Potential Test Marketing Programs	93
Figure 15 - Transit Hubs	100
Figure 16 - Transit Hubs for Initial Improvements	101

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, 1985 and 1986. 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. 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 corridor and project planning efforts

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 and the Metropolitan Development and Investment Framework.

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. It also provides a comparison of the Metropolitan Council's transit-related policies with those of the RTB.

Chapter III - Existing Transit Services and Recent Trends

This chapter contains background information on the existing transit services provided in the metropolitan area and recent trends in the provision of transit services.

Chapter IV - Basis for the Implementation and Financial Plan

This chapter reviews 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 V - 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 VI - 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 VII - 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 of the RTB, Metropolitan Council, MTC, Mn/DOT and other service providers are outlined below. Also provided are the transit-related goals and policies of each agency and a comparison of the policies of the Metropolitan Council and the RTB. 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 transit services in the Twin Cities metropolitan area which are responsive to and meet the needs of area residents.

The focus of the RTB is reflected in the wording of this mission statement, both in terms of what is included and what is omitted. The RTB's roles and responsibilities are to plan for transit services, establish priorities among transit needs, coordinate transit services and administer transit programs. The RTB's role does not include the actual operation of service, or ownership of equipment and facilities.

The RTB is responsible for the overall transit system. The RTB views this "family" of transit to include regular route services, paratransit services, specialized programs, ridesharing, and potential future systems such as light rail transit. The RTB is committed to providing service that can be provided at a reasonable cost for a needed benefit. Services will be provided which meet the needs, as defined through analysis and study, of the metropolitan area residents.

The following goals and policies provide the overall direction and focus for the Regional Transit Board. These reflect the RTB's system-wide approach to transit, which includes the use of all appropriate modes such as fixed route services, paratransit services and ridesharing. These represent the overall agency goals and policies. A more detailed set of fare policies has been developed in response to specific legislative requirements. These are provided after the overall goals and policies. As the RTB evolves, it is anticipated that more specific goals and policies will be developed to deal with specific program and policy areas. Thus the development of goals and policies will continue to be an evolving process

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 delivery method will be used to satisfy identified transit needs. Delivery methods include fixed route services, paratransit services, and ridesharing.
3. The most cost-effective providers--public, private or private-non-profit--shall be selected to provide transit services.
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:

6. Specialized transit services should be provided throughout the metropolitan area in a manner appropriate to the identified needs.
7. Specialized transit services should be coordinated to minimize duplication and maximize limited resources
8. 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:

9. Priority should be given to transit services, both regular route and ridesharing, which help to increase the auto occupancy rates, reduce highway congestion, energy consumption, air quality problems and the need for major highway-related capital investments.

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

Policies:

10. Services should be matched to the needs of geographic areas and transit market groups.
11. Priority transit investments should be given to: (a) travel corridors with the highest congestion levels 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:

12. Providers will be required to meet standards which ensure adherence to federal, state and regional operating standards.

13. Transit services will be provided and maintained to ensure customer satisfaction and loyalty.
14. Transit facilities, such as transit hubs, transit stations, park-and-ride lots, and other facilities, will be attractive, conveniently located, clearly signed, provide for user needs and amenities, and be well maintained.

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

Policies:

15. Transit information for all services should be easily available to the general public including those with specialized needs.
16. 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:

17. 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.

GOAL: The transit decision-making process should provide for the involvement of service operators, service users, communities, the general public and other agencies.

Policies:

18. The RTB's public information process will be used to ensure that service operators, users, the general public, communities and other agencies are involved in the transit decision-making process. This will include the appropriate use of public information, public hearings and other ongoing communications.
19. The RTB will use its advisory committee structure and special project management teams to obtain input in special project areas.

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

Policies:

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

In response to legislative requirements, the RTB has developed a set of metropolitan fare policies, procedures and a fare evaluation framework. The development of the RTB's fare policies was coordinated with the overall agency goals and policies. The fare policies, procedures and fare evaluation framework are contained in the RTB report "Fare Policies and Procedures for the Twin Cities Metropolitan Area." The report was adopted for the purposes of public and provider comment on April 20, 1987, and will be considered for final adoption by the board in June.

The RTB's fare policies are as follows:

1. All regular route and general purpose paratransit services funded by the RTB will utilize a single unified fare structure, pricing levels and transfer system.
2. All Metro Mobility providers will utilize and enforce the same basic fare structure, while providing flexibility in pricing within RTB guidelines.
3. Fares for community and county paratransit programs partially funded by the RTB will be at the discretion of the local area so long as RTB guidelines for subsidy allocation are met.
4. Fares for overall regular route service will, at a minimum, generate revenues to meet the 35 percent farebox recovery ratio legislative requirement.
5. Fares for each fully RTB funded general purpose paratransit service will, at a minimum, generate revenues to provide a 20 percent farebox recovery ratio.
6. Fares for Metro Mobility will, at a minimum, generate revenues to provide an overall 10 percent farebox recovery ratio.
7. The fare structure and pricing levels will be designed to enhance revenue generation in excess of the minimum requirements, to take advantage of other revenue sources, and to facilitate modification in response to changing revenue needs.
8. Within the constraints of the legislated recovery ratio, the fare structure and pricing levels will encourage ridership, especially where capacity exists.
9. Fare equity will be maintained through use of distance-based zone fares and pricing differentials for different types of services, including express and local, and peak and off-peak services.

10. The fare system will reflect societal policies of support for targeted socio-economic groups, and not create undue economic hardship for transit dependent market groups
11. Within the constraints of economic, equity and social considerations, the fare structure will be simple and easy to understand and administer.
12. The fare structure and pricing levels will be flexible to allow for promotional and experimental fares subject to RTB approval.
13. The fare structure and pricing levels will be monitored on an annual basis and fully evaluated biennially in conjunction with the biennial budget preparation
14. Any changes in the fare structure or pricing levels will include a public participation process, including public notice and a public hearing on the proposed changes.

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 Policy Plan.

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 is in the process of revising the Transportation Policy Plan. The update will be completed in 1988.

The Metropolitan Council Transportation Development Guide/Policy Plan contains the following six goals:

1. Provide transportation facilities and services to promote the orderly and economic development of the Metropolitan Area;
2. Provide metropolitan residents with good accessibility to subregional and regional opportunities;
3. Provide residents of the urban service area, as defined in the Development Framework, with cost-effective, convenient and attractive alternative choices of transportation to both subregional and regional activities;
4. 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.
5. Provide transportation facilities and services that produce positive impacts upon the social, economic and physical environment, and conserve the supply of metropolitan energy resources; and
6. 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.

The Transportation Policy Plan also contains a number of policies relating specifically to transit. These are summarized by general category area as follows:

Urban Service Area Policies

12. The transit and street and highway systems should provide a travel time of no more than 30 minutes in off-peak periods from any part of a subregion to any other part of that sub-region for 90 percent of the residents in the subregion.
13. The street and highway system should provide a travel time of no more than 30 minutes in off-peak periods from any part of the urban service area to one of the metro centers for 90 percent of the residents of the urban service area.
14. The transportation system should be planned, designed and operated to encourage higher vehicle occupancies. Major travel segments of the metropolitan highway system should be planned for 1.6 persons per auto and 35 percent of the peak-hour person-travel from suburban subregions to the metro centers on fixed route transit.
16. The transit system should provide a travel time of no more than 45 minutes in either peak or off-peak periods from any part of the urban service area to one of the metro centers for 90 percent of the residents of the urban service area.
17. All-day express transit service should be provided to the metro centers from the suburban subregions, commensurate with demand, with priority access and movement along the freeways, expressways and other high-volume travel corridors.
18. Subregions should be linked to one another with transit service when the need has been demonstrated and the service can be provided in a cost-efficient manner.
19. The highest priority for transit services should be in areas or along routes with a relatively high density of demand for the service and a population dependent upon transit by age, income, or physical or mental disability.
20. Transit services should be provided that achieve the most efficient, productive and effective use of public resources and investments.
21. Transit for disabled persons should be provided by the most cost-effective mix of services.
22. The public and private sectors are both important suppliers of transit services; whichever can provide the most cost-effective service should be encouraged to do so.

23. The transit fare structure should reflect a balance between the actual operating cost of the service to be provided and the public purpose or need for the service.
24. Transportation terminals should be incorporated within major activity centers for subregional transit taxis and airport services. The terminals should be attractive, climatized, convenient, clearly signed, and contain transit information and schedules.
25. Living, working and shopping in the metro centers should be encouraged by providing a circulation system with a high level of all-day service.
26. Circulation/distribution systems for major activity centers should be provided to accommodate vehicular and pedestrian movement.
27. Pedestrian activity should be separated from vehicular traffic within the metro centers where feasible.
28. The metro centers should be provided with adequate parking to support their diverse regional roles, commensurate with the need to encourage transit alternatives.
29. Municipalities should develop local circulation, transit and joint parking systems for high-activity contiguous land-use areas, to accommodate local traffic and consolidate parking.
30. Shorter trips and reduced auto driving should be promoted by:
 - A. Encouraging travel patterns whereby people live, work, and shop within subregions.
 - B. Providing high quality, convenient transit service, commensurate with the demand, to the major activity centers from their subregion.
31. Multi-passenger strategies should be generally promoted at the regional level and specifically encouraged at the subregional/local level by:
 - A. Establishing ongoing ridesharing programs that are cost-effective;
 - B. Fostering a close partnership between the public and private sectors in the provision of ridesharing services; and
 - C. Targeting selected problem areas, congested corridors, or subregions.

Rural Service Area Policies

37. Internal transit service should be encouraged for the living/working/shopping opportunities within freestanding growth centers as warranted by these activities.

38. Commuter trips from freestanding growth centers to the urban service area should be served by rideshare strategies rather than by expanding metropolitan highways and fixed route transit services.

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. Comparison of Metropolitan Council and Regional Transit Board Transit Goals and Policies

This section of the Implementation and Financial Plan compares the previously outlined transit-related goals and policies of the Metropolitan Council and RTB. This comparison is presented to aid in the Council's update of the Transportation Policy Plan which contains the Council's transit goals and policies. The Council is currently working on revising the Transportation Policy Plan, which will be completed in 1988. The Metropolitan Governance legislation, which was passed by the 1986 Minnesota Legislature, requires the RTB to revise its Implementation and Financial Plan based on the Council's updated Transportation Policy Plan.

The comparison of the transit-related policies of the two agencies is thus appropriate to aid in the Metropolitan Council's Transportation Policy Plan update. The comparison was requested by the Metropolitan Council as part of the revisions to the Implementation and Financial Plan.

The format used in this comparison groups similar Metropolitan Council policies together and then identifies the RTB policies which relate to these. An analysis of the policies is then provided. The results of this analysis are interesting. In some cases, the Metropolitan Council's policies are more specific, while in other cases, the RTB's policies are more detailed. Both agencies have policies in some areas which are not addressed by the other agency.

Urban Service Area Policies

Travel Time

Metropolitan Council Policies:

12. The transit and street and highway systems should provide a travel time of no more than 30 minutes in off-peak periods from any part of a subregion to any other part of that subregion for 90 percent of the residents in the subregion
13. The street and highway system should provide a travel time of no more than 30 minutes in off-peak periods from any part of the urban service area to one of the metro centers for 90 percent of the residents of the urban service area.
14. The transit system should provide a travel time of no more than 45 minutes in either peak or off-peak periods from any part of the urban service area to one of the metro centers for 90 percent of the residents of the urban service area.

RTB Policies:

The RTB does not have any policies which relate this specifically to travel times between different parts of the metropolitan area. The one RTB policy which somewhat addresses the travel time issue is:

11. Priority transit investments should be given to: (a) travel corridors with the highest congestion and poorest travel times 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.

Analysis:

The Metropolitan Council's policies on transit travel time provide guidance for travel within subregions and for travel from the urban service area to one of the metro centers, for peak and off-peak travel. The RTB's policy is much more general, relating to giving priority to transit investments in travel corridors with the highest congestion levels and poorest travel times to the two downtowns. The RTB has not used the Council's subregions in its planning framework. Rather, it has used the subarea analysis developed in the Transit Service Needs Assessment.

Auto Occupancy Levels

Metropolitan Council Policy:

14. The transportation system should be planned, designed and operated to encourage higher vehicle occupancies. Major travel segments of the metropolitan highway system should be planned for 1.6 persons per auto and 35 percent of the peak-hour person-travel from suburban subregions to the metro centers on fixed route transit.

RTB Policy:

9. Priority should be given to transit services, both regular route and ridesharing, which help to increase the auto occupancy rate, reduce highway congestion, energy consumption, air quality problems and the need for major highway-related capital investments.

Analysis:

The Metropolitan Council's policy is more specific than that of the RTB, identifying the auto occupancy and peak-hour person travel figures which should be used in the planning for the metropolitan highway system to encourage higher vehicle occupancies. The RTB's policy, while less specific, also addresses increasing the auto occupancy rates. Currently the metropolitan average auto occupancy rate is 1.2 persons per auto. This rate has been declining over the past years and is currently at a historic low. Thus, it would be appropriate for the Council to reevaluate the 1.6 figure in the update of the Transportation Policy Plan.

Service Type

Metropolitan Council Policies:

17. All-day express transit service should be provided to the metro centers from the suburban subregions, commensurate with demand, with priority access and movement along the freeways, expressways and other high-volume travel corridors.
18. Subregions should be linked to one another with transit service when the need has been demonstrated and the service can be provided in a cost-efficient manner.
19. The highest priority for transit services should be in areas or along routes with a relatively high density of demand for the service and a population dependent upon transit by age, income, or physical or mental disability.

RTB Policies:

10. Services should be matched to the needs of geographic areas and transit market groups.
11. Priority transit investments should be given to: (a) travel corridors with the highest congestion levels 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.
2. The most cost-effective service delivery method will be used to satisfy identified transit needs. Delivery methods include fixed route services, paratransit services and ridesharing. These services will be provided in a manner consistent with the Metropolitan Council's Transportation Policy Plan.

Analysis:

Both sets of policies address the need to match service types and service levels with identified needs. Both sets of policies also identify that these services need to be provided in a cost-effective manner.

Efficiency and Effectiveness

Metropolitan Council Policies:

20. Transit services should be provided that achieve the most efficient, productive and effective use of public resources and investments.
22. The public and private sectors are both important suppliers of transit services; whichever can provide the most cost-effective service should be encouraged to do so.

RTB 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 delivery method will be used to satisfy identified transit needs. Delivery methods include fixed route services, paratransit services and ridesharing.
3. The most cost-effective providers--public, private or private-non-profit--shall be selected to provide transit services
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.

Analysis:

Both the Metropolitan Council's and the RTB's policies state that transit services should be provided in the most efficient and cost-effective manner to achieve the best use of public resources. Both sets of policies also address that all types of service providers, public, private and public-non-profit, should be used as appropriate in the delivery of transit services. The RTB's policies are more specific in identifying that financial and performance standards will be used in planning, managing, and evaluating services to ensure cost-effective service. The RTB's policies also encourage transit providers to seek cost-effective approaches to all aspects of service delivery and to maximize service productivity.

Specialized Transportation Services

Metropolitan Council Policy:

21. Transit for disabled persons should be provided by the most cost-effective mix of services.

RTB Policies:

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

Analysis:

Both sets of policies address the need to provide transit services to handicapped individuals. The RTB's policies are more specific in defining that specialized services should be provided throughout the metropolitan area in a manner appropriate to identified needs and that priority should be given to serving areas with the highest concentration of transit-dependent population. The RTB's policies also address the issue of coordination among specialized transit services to minimize duplication and maximize limited resources.

Fares

Metropolitan Council Policy:

23. The transit fare structure should reflect a balance between the actual operating cost of the service to be provided and the public purpose or need for the service.

RTB Policies:

The RTB's fare policies contain fourteen policies specifically relating to the fare structure and pricing levels. These are all identified in the previous section on RTB goals and policies. Those relating to the specific Council policy are:

7. The fare structure and pricing levels will be designed to enhance revenue generation in excess of the minimum requirements, to take advantage of other revenue sources, and to facilitate modification in response to changing revenue needs.
8. Within the constraints of the legislated recovery ratio, the fare structure and pricing levels will encourage ridership, especially where capacity exists.
9. Fare equity will be maintained through use of distance-based zone fares and pricing differentials for different types of services, including express and local, and peak and off-peak services.
10. The fare system will reflect societal policies of support for targeted socio-economic groups, and not create undue economic hardship for transit dependent market groups

- 11 Within the constraints of economic, equity and social considerations, the fare structure will be simple and easy to understand and administer.

Analysis:

The RTB's more detailed fare policies are consistent with the Metropolitan Council's policy. Both reflect the need for fares to reflect the actual cost of providing the service, the benefit to the user and the overall system purpose.

Transportation Terminals

Metropolitan Council Policy:

24. Transportation terminals should be incorporated within major activity centers for subregional transit taxis and airport services. The terminals should be attractive, climatized, convenient, clearly signed, and contain transit information and schedules

RTB Policy:

14. Transit facilities, such as transit hubs, transit stations, park-and-ride lots and other facilities, will be attractive, conveniently located, clearly signed, provide for user needs and amenities, and be well maintained

Analysis:

Both RTB and Metropolitan Council policies are consistent in addressing the key elements for locating, designing and maintaining transit facilities.

Specific Subregion Strategies

Metropolitan Council Policies:

25. Living, working and shopping in the metro centers should be encouraged by providing a circulation system with a high level of all-day service.
26. Circulation/distribution systems for major activity centers should be provided to accommodate vehicular and pedestrian movement.
27. Pedestrian activity should be separated from vehicular traffic within the metro centers where feasible.
28. The metro centers should be provided with adequate parking to support their diverse regional roles, commensurate with the need to encourage transit alternatives.

29. Municipalities should develop local circulation, transit and joint parking systems for high-activity contiguous land-use areas, to accommodate local traffic and consolidate parking.
30. Shorter trips and reduced auto driving should be promoted by:
 - A. Encouraging travel patterns whereby people live, work, and shop within subregions.
 - B. Providing high quality, convenient transit service, commensurate with the demand, to the major activity centers from their subregion.
31. Multi-passenger strategies should be generally promoted at the regional level and specifically encouraged at the subregional/local level by:
 - A. Establishing ongoing ridesharing programs that are cost-effective;
 - B. Fostering a close partnership between the public and private sectors in the provision of ridesharing services; and
 - C. Targeting selected problem areas, congested corridors, or subregions.

RTB Policies:

The RTB does not have specific subregion strategies.

Analysis:

The Metropolitan Council policies are more specific on subarea approaches to transit, pedestrian and travel. These provide direction not only for transit, but for all modes. The RTB does not have policies which are directed at subregions or subareas.

Safety

Metropolitan Council Policies:

The Metropolitan Council does not have specific policies relating to transit safety.

RTB Policy:

12. Providers will be required to meet standards which ensure adherence to federal, state and regional operating standards.

Analysis:

The Metropolitan Council's Transportation Policy Plan does not contain any policies which relate specifically to transit safety issues. The RTB's policy points out the importance of providing safe transit services by meeting federal, state and regional operating standards.

Public Participation and Information

Metropolitan Council Policies:

The Metropolitan Council Transportation Policy Plan does not specifically address the public participation and informational needs.

RTB Policies:

13. Transit services will be provided and maintained to ensure customer satisfaction and loyalty.
15. Transit information for all services should be easily available to the general public including those with specialized needs
16. Transit information for all services should be coordinated among providers to ensure easy transferring between services and comparison of options.
18. The RTB's public information process will be used to ensure that service operators, users, the general public, communities and other agencies are involved in the transit decision-making process. This will include the appropriate use of public information, public hearings and other ongoing communications.
19. The RTB will use its advisory committee structure and special project management teams to obtain input in special project area.

Analysis:

The Metropolitan Council does not have any policies relating to public information and the public participation process. The RTB's policies stress both the importance of public information to transit users and the public participation process to planning and implementing transit services.

Rural Service Area Policies

Metropolitan Council Policies:

37. Internal transit service should be encouraged for the living/working/shopping opportunities within freestanding growth centers as warranted by these activities.
38. Commuter trips from freestanding growth centers to the urban service area should be served by rideshare strategies rather than by expanding metropolitan highways and fixed route transit services.

RTB Policy:

2. The most cost-effective delivery method will be used to satisfy identified transit needs. Delivery methods include fixed route services, paratransit services and ridesharing.

Analysis:

The Metropolitan Council's policies are more specific on the types of transit services which are appropriate and not appropriate to rural areas than the RTB's.

Transit Financing

Metropolitan Council Policies:

The Metropolitan Council Transportation Policy Plan does not have policies addressing transit financing.

RTB Policy:

17. 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

Analysis:

The Metropolitan Council's Transportation Policy Plan does not include a policy relating to transit financing. The RTB's policy relates to providing for a stable funding source to promote long-term stability and revenue certainty for transit.

Energy-Contingency

Metropolitan Council Policy:

The Metropolitan Council's Transportation Policy Plan does not contain a policy relating to energy contingency planning

RTB Policy:

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

Analysis:

The Metropolitan Council's Transportation Policy Plan does not contain a policy relating to energy contingency planning. The RTB's policy, which relates to a specific legislative charge, states that basic transit services should be provided during energy emergencies.

D. 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.

E. 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.

F. 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.

G. 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. Existing Transit Services and Recent Trends

This chapter contains background information on the existing transit services provided in the Twin Cities metropolitan area and recent trends in the provision of transit services. An overview of existing regular route and paratransit programs is provided to establish the base conditions for the development of the Implementation and Financial Plan. Recent trends in service provision, ridership levels, fares, service miles, transit funding, capital needs and gasoline prices are outlined.

A. 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 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 services currently in operation in the area. The RTB's system map is also attached in the back pocket of this report to show the overall types of services provided throughout the area.

Figure 1 outlines the boundaries of the Transit Taxing District in the Twin Cities area. Within the Transit Taxing District communities receive regular route services and are taxed based on the level of regular route service they receive. This "tax feathering" varies from 2.0 mills for full peak and off-peak service, 1.5 mills for full peak and limited off-peak service, and 1.25 mills for peak service only. The area outside the Transit Taxing District is called the exurban area. This area does not receive regular route transit service. Rather, paratransit services may be provided in these areas. Communities in the exurban area are taxed at one-tenth of the full mill rate, or 2 mills.

Regular Route Services

Six operators, one public and five private, provided regular route transit services in the Twin Cities metropolitan area as of February 1987. These are the Metropolitan Transit Commission, the public operator, Medicine Lake Lines (MLL), North Suburban Lines (NSL), Valley Transit (VT), Airport Limousine Service and St. Paul and Suburban Bus Company. The last two began operating two routes, Saturday Route 25 and weekday Minneapolis Route 39, after the routes were identified by the MTC as being over the interim subsidy per passenger standard. These routes were then competitively bid by the RTB and service was initiated by the new providers in February of 1987. Key characteristics of the first four operators are shown in Table 2 and a brief summary of all six operators is provided below.

Table 1
Transit Providers in the Metropolitan Area

Regular Route

Public

- o Metropolitan Transit Commission

Private

- o Medicine Lake Lines
- o North Suburban Lines
- o Valley Transit, Inc.
- o Airport Limousine Service
- o St. Paul and Suburban Bus Company

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
 - Anoka County Coordinated Transportation Program
 - Carver Area Rural Transportation (CART)
 - Dakota Area Referral and Transportation for Seniors, Inc. (DARTS)
 - Dakota County Human Services Planning
 - 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
 - Suburban Community Services - Delano
 - Westonka Community Services
 - Hastings Commuter Express
 - Southwest Metro (SWAT)
 - o Social Service and Private-Non-Profit Organizations
-

Table 2
 Characteristics of Regular Route Service Providers (a)

	MTC	MLL	NSL	VT
Number of routes	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 (includes 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

Source: Regional Transit Board, "Transit Service Needs Assessment Final Report," March 1987.

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

St. Paul and Suburban Bus Company operates Route 25 on Saturday only. This route provides shuttle service between Northtown Shopping Center and Apache Plaza. Airport Limousine Service operates Minneapolis Route 39, which provides weekday commuter service from Burnsville and Apple Valley to the airport and Veterans Administration Hospital area. Both providers starting operating the services in February 1987.

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.

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 is a coordinated transportation system designed to provide public transit for disabled individuals who are unable to use regular route transit services. Metro Mobility provides demand-responsive door-through-door service to registered clients. In 1985, ridership on Metro Mobility was 501,564 and increased to 520,067 in 1986. Projected ridership in 1987 is 635,387.

As shown in Figure 2, the Metro Mobility service area, including Minneapolis, St. Paul and first ring suburbs, was expanded in January of 1987 to include the following communities: White Bear Lake, Vadnais Heights, North Oaks, Shoreview, Arden Hills, Circle Pines, Lexington, Mounds View, Spring Lake Park, Brooklyn Park, Osseo, Birchwood, Mendota, Anoka, Champlin, Coon Rapids, Blaine, Lino Lakes, Centerville, Maple Grove, Excelsior, Spring Park, Hopkins, Minnetonka, Plymouth, Long Lake, Wayzata, Orono, Shorewood, Deephaven, Minnetonka Beach, Tonka Bay, Greenwood, Woodland, Medicine Lake, Mound and Eden Prairie.

On January 1, 1988, Metro Mobility services will be expanded to include the following communities: Stillwater, Bayport, Willernie, Oak Park Heights, Baytown, Lake Elmo, Oakdale, Eagan, Inver Grove Heights, Saint Paul Park, Apple Valley, Burnsville, Chanhassen, Chaska, Savage, Prior Lake and Shakopee.

Metro Mobility was restructured through the implementation of a modified user-side subsidy in the fall of 1986. In conjunction with this restructuring, which allows 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.

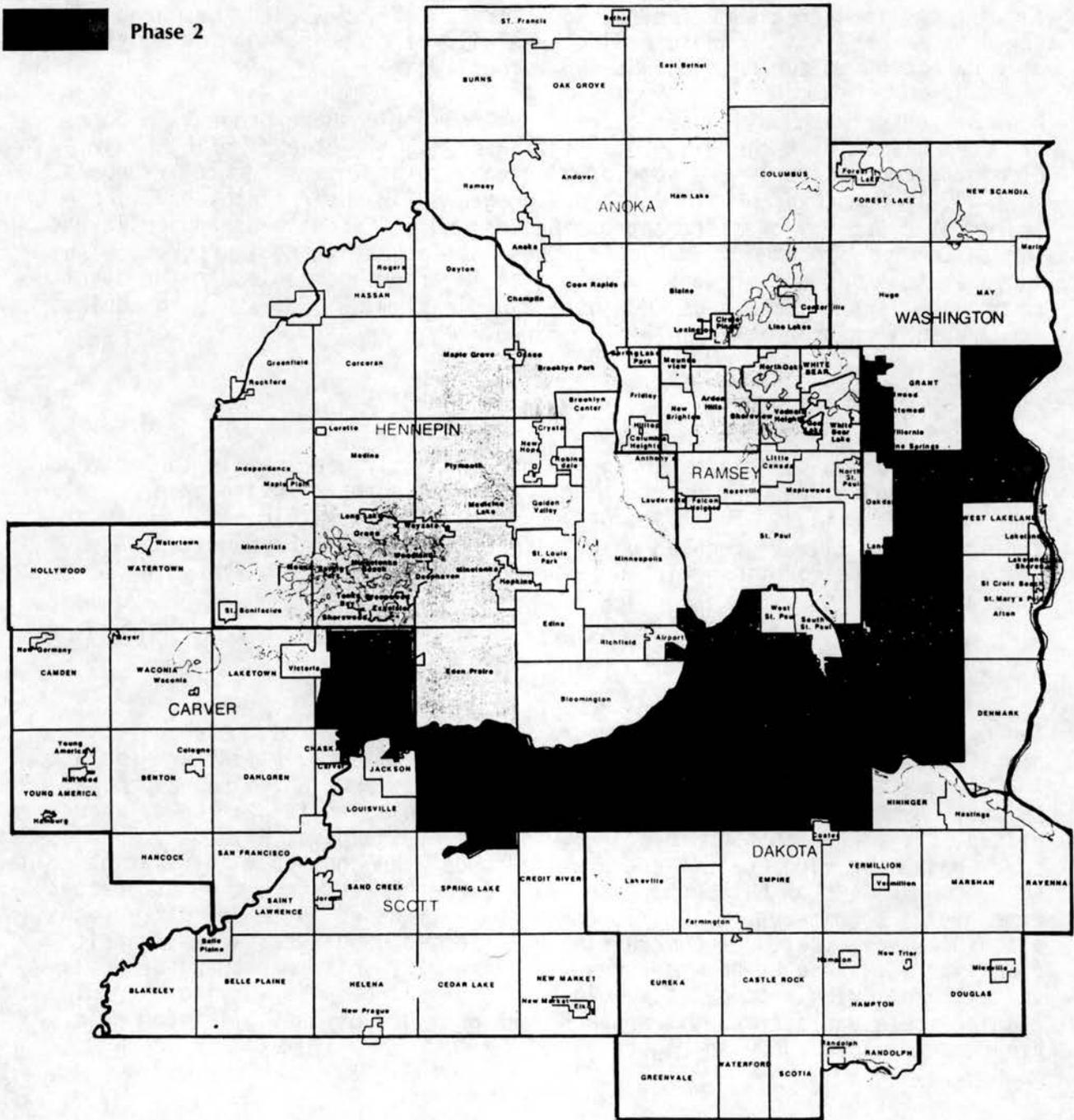
Minnesota Rideshare's matching is done through the development and maintenance of a rideshare database, which contains information on individuals interested in carpooling or vanpooling in the seven county metropolitan area. Minnesota Rideshare updates the database on a regular basis. Minnesota Rideshare 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.

Figure 2

Metro Mobility Service Area

- Phase 1
- Phase 2



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.

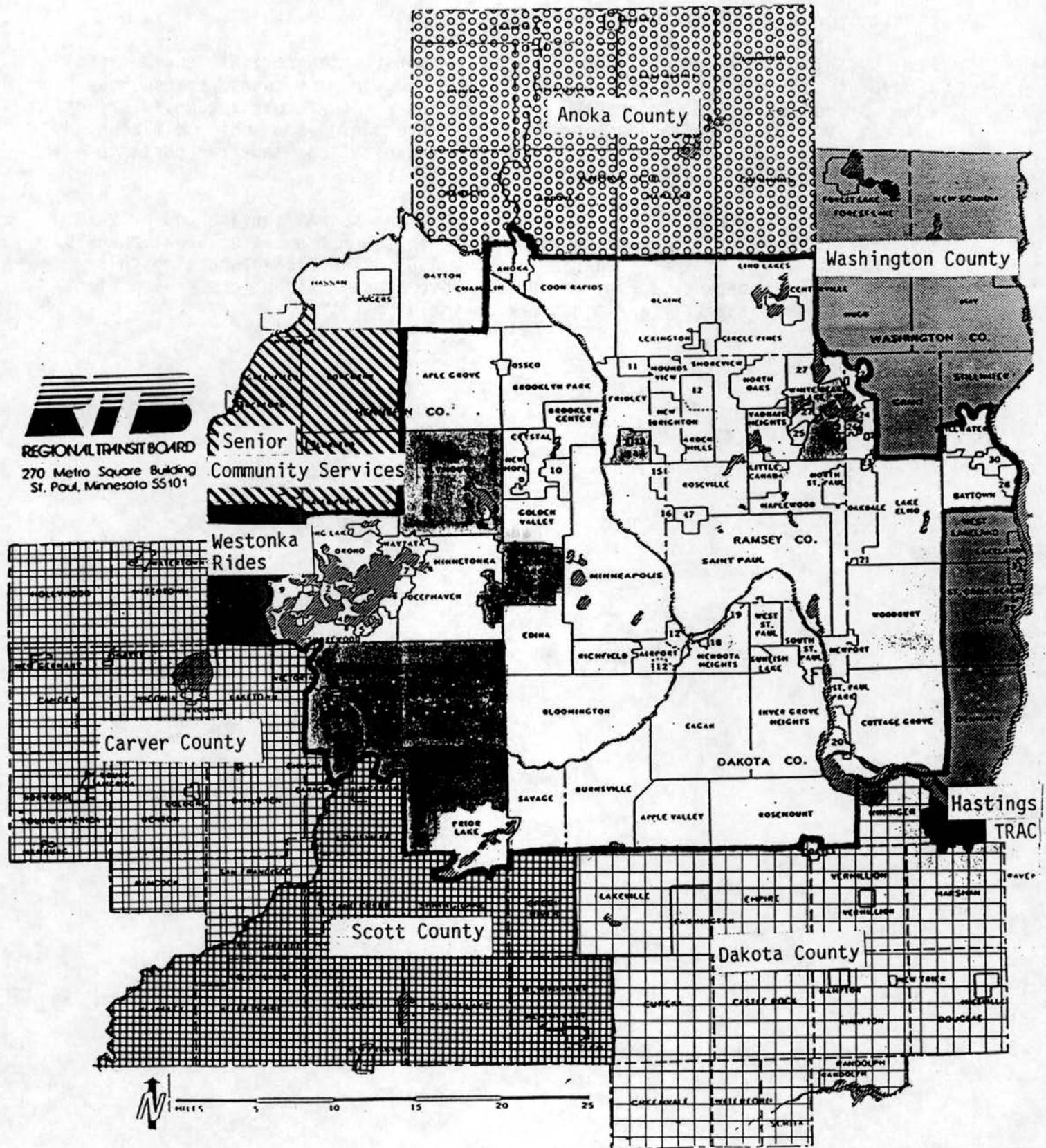
County Programs

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. The counties which provide paratransit programs are shown in Figure 3.

Community Programs

Ten community-based paratransit programs are operated in the metropolitan area. These systems, which provide primarily local circulation, are operated in Columbia Heights, Hastings, Hopkins, St. Louis Park, Shakopee, Plymouth, Delano, communities receiving service from Westonka, White Bear Lake, Chanhassen, Chaska and Eden Prairie. Five of these, Shakopee, Plymouth, Chanhassen, Chaska and Eden Prairie are provided under the "opt-out" legislation. The three communities of Chanhassen, Chaska and Eden Prairie are the most recent communities to opt-out of the MTC service area. Based on the results of the planning study, the three communities have formed "Southwest Metro Transit" (SWAT) through a joint-powers agreement. The MTC, which was awarded the contract following a competitive bid process, provides the service. Both regular route and paratransit services are provided by SWAT. The community programs are also shown in Figure 3.

Figure 3
Community and County Programs



TWIN CITIES METROPOLITAN AREA

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. The RTB is updating this information with another survey in 1987. These organizations form an important part of the specialized transit network in the Twin Cities.

B. Ridership Trends

1. Regular Route Service

Annual regular route ridership levels since 1970 are shown in Table 4. Since 1970 the 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.

Table 4
Regular Route Ridership*

	<u>Annual Unlinked Passenger Trips (in millions)</u>
1971	57.1 (1)
1972	61.7 (1)
1973	66.0 (1)
1974	75.1 (1)
1975	81.2 (1)
1976	80.8 (2)
1977	81.7 (2)
1978	89.1 (2)
1979	94.3 (2)
1980	93.1 (3)
1981	90.6 (3)
1982	82.4 (3)
1983	76.2 (3)
1984	75.0 (4)
1985	74.1 (4)

- (1) includes MTC and Medicine Lake Lines
- (2) includes MTC, Medicine Lake Lines and Valley Transit
- (3) includes MTC, Medicine Lake Lines, Valley Transit and North Suburban Lines
- (4) Plymouth Metrolink Added

Source: Regional Transit Board and Providers

2. Metro Mobility

Ridership levels on Metro Mobility, which are shown in Table 5, have continued a dramatic increase over the years. 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.

Table 5
Metro Mobility Ridership Levels

		<u>Number of Passengers</u>
1979	-	181,919
1980	-	372,153
1981	-	399,337
1982	-	368,951
1983	-	412,407
1984	-	486,909
1985	-	501,564
1986	-	535,000
1987*	-	685,800

*Projected

Source: Regional Transit Board, Metro Mobility and Minnesota Department of Transportation

The community and county programs have also experienced increases in ridership over the past few years. Table 6 provides ridership information on all the systems since 1981.

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.

Table 6
Ridership Levels of Community and County Programs

<u>Year</u>	<u>Community Programs</u>	<u>County Programs</u>
1981	106,848	200,329
1982	96,125	172,452
1983	100,639	185,808
1984	196,132	189,878
1985	250,821	192,006
1986*	258,084	227,800

*Budgeted Ridership Levels

Source: Minnesota Department of Transportation and Regional Transit Board

C. Fares

A detailed analysis of past trends and the existing fare structure and pricing levels are provided in the RTB's "Fare Policies and Procedures for the Twin Cities Metropolitan Area." A summary of the most significant trends and present fares is provided here.

1. Regular Route Transit

The current regular route fare structure has a number of different components. The fare structure is based on a four-zone system, with fares increasing by each zone, a base fare, a peak-period surcharge, an express service surcharge and special fares for targeted social groups such as the elderly, youth and limited mobility.

The fare system is based on a four zone "concentric circle" plan, as shown in Figure 4. Zone 1 comprises the two central cities of Minneapolis and St. Paul and a portion of many first ring suburban communities. Zone 2 encompasses a two mile ring surrounding zone 1. Zone 3 includes a two mile ring around zone 2 and zone 4 encompasses the remainder of the transit service area.

The current fare structure by zone is shown in Table 7. Zone fares are applied to radial trips into Minneapolis and St. Paul. Trips made completely within zones 2, 3 and 4 do not pay the zone charges, but are based on the appropriate base fare.

The base adult fare is currently \$.60. An additional \$.15 charge is added to fares in the peak periods, which are defined by legislation as between 6:00 a.m. - 9:00 a.m. and 3:30 p.m. and 6:30 p.m. as defined by legislation. An additional \$.10 fare is also charged for freeway express services. Special off-peak fares are provided for the elderly, over age 65, \$.10, youth under age 18, \$.20, and individuals with limited mobility, \$.30. Valid eligibility cards must be shown to make use of these special fares. Children under six ride free when accompanied by a person paying an adult fare. Free fares are provided for uniformed police officers, sheriff's deputies, fire fighters, Minneapolis and St. Paul meter monitors and MTC employees, commissioners and members of MTC's advisory committees.

The existing fare levels have evolved over time. The history of the regular route adult fare structure is summarized in Figure 4 and Table 8. As this information indicates, regular route fares have gone through long periods of no change, followed by increases over a short period of time, followed by another long period of no change. For a nine-year period from 1970 to 1979 the base fare remained at the same \$0.30 level. Over the course of the next three years, from 1979 to 1981, fare levels were raised three times in \$.10 increments. This resulted in the base fare raising from \$0.30 in 1978 to \$0.60 in 1981. Since 1981 the base fare has remained at the \$0.60 level.

From 1970 to 1976, an extra \$0.05 fare was applied to freeway express service. In 1976, this surcharge was raised to \$0.10. It has remained at this level since that time. In 1982, an additional peak hour surcharge of \$0.15 was implemented. This surcharge has remained in effect since that time.

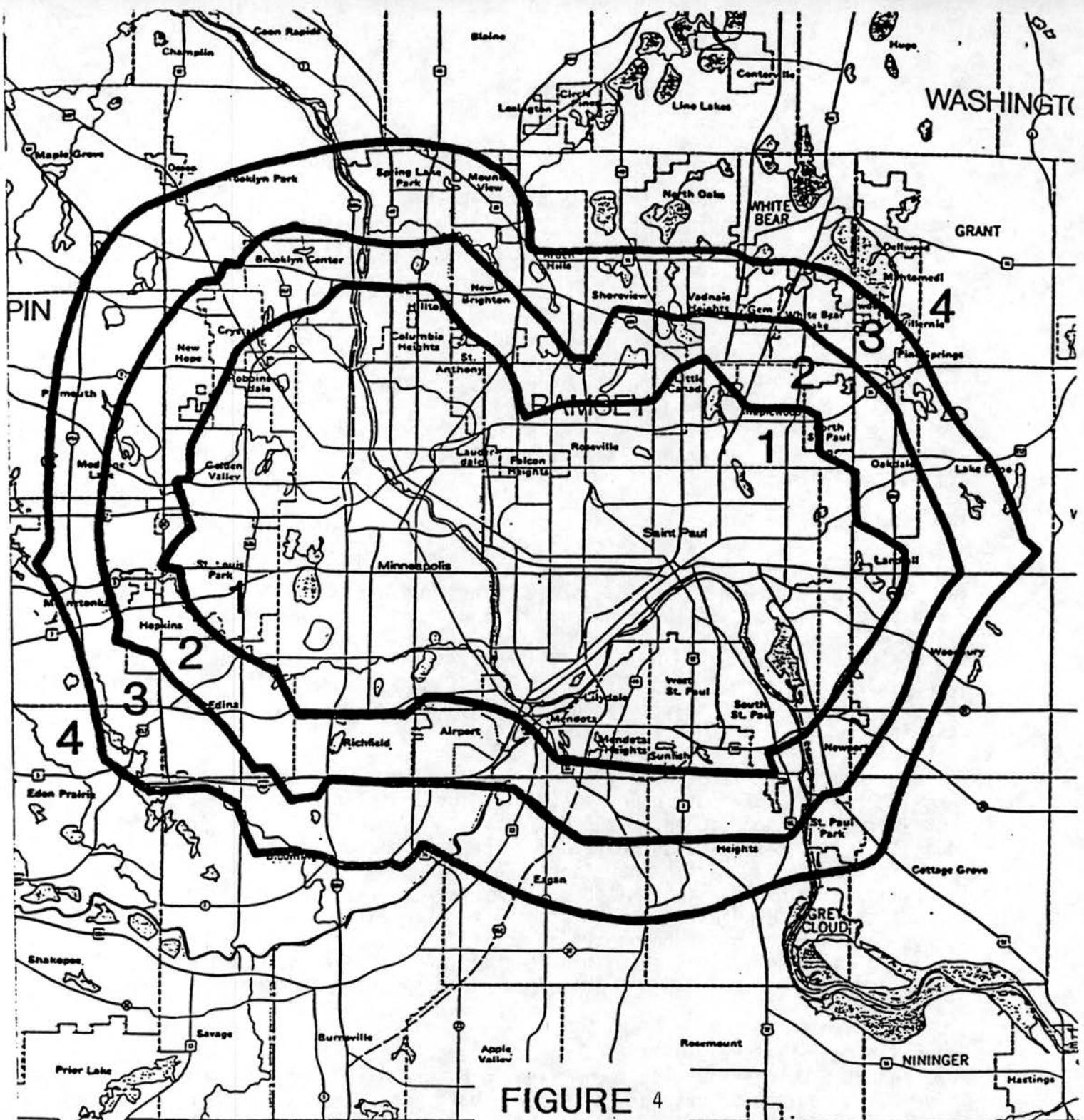
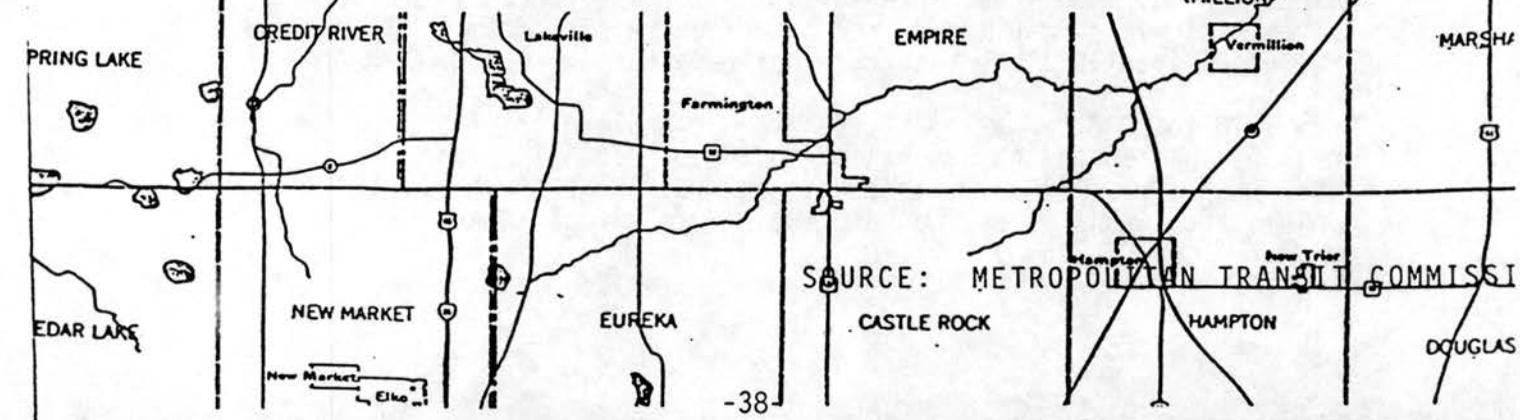


FIGURE 4

TRANSIT FARE ZONES



SOURCE: METROPOLITAN TRANSIT COMMISSION

Changes have also occurred in the fares charged to special social groups. Prior to the formation of the MTC senior citizens paid the regular adult fare. In 1971, a trial \$.10 reduction was instituted during the off-peak on Thursdays. In 1972, the legislature instituted free off-peak fares. In 1979 this was changed to a \$.10 off-peak fare. A trial free fare for low income senior citizens was in effect from 1980 to 1982. Since 1982, the fare has been \$.10.

Free transfers are provided to passengers who need to continue their trip on a different route at no charge. Transfers are accepted between all regular route providers.

There are two special fare zones in downtown Minneapolis and downtown St. Paul. Riders may use regular transit services within these zones for a \$.10 fare.

Table 7
Existing Regular Route
Zone Fare Structure and Pricing

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
Off-Peak				
Local	.60	.75	.90	\$1.00
Express	.70	.85	1.00	1.10
Peak				
Local	.75	.90	1.05	1.15
Express	.85	1.00	1.15	1.25

Source: Metropolitan Transit Commission, "Transit Pricing Study - Phase I," April, 1985.

Table 8
Regular Route Adult Fare Levels

<u>Year</u>	<u>Base Fare</u>	<u>Express Surcharge</u>	<u>Peak Period Surcharge</u>
1970	\$0.30	\$0.05	
1971	\$0.30	\$0.05	
1972	\$0.30	\$0.05	
1973	\$0.30	\$0.05	
1974	\$0.30	\$0.05	
1975	\$0.30	\$0.05	
1976	\$0.30	\$0.10	
1977	\$0.30	\$0.10	
1978	\$0.30	\$0.10	
1979	\$0.40	\$0.10	
1980	\$0.50	\$0.10	
1981	\$0.60	\$0.10	
1982	\$0.60	\$0.10	\$0.15
1983	\$0.60	\$0.10	\$0.15
1984	\$0.60	\$0.10	\$0.15
1985	\$0.60	\$0.10	\$0.15
1986	\$0.60	\$0.10	\$0.15
1987	\$0.60	\$0.10	\$0.15

Source: Metropolitan Transit Commission

The MTC's Transit Pricing Study included an analysis of estimated ridership and revenue by fare types. Adult fares account for about 94 percent of overall MTC revenues received by fares. Social fares account for only 6 percent of the total. In terms of ridership, adult fares account for 72 percent of overall ridership, social fares account for 26 percent and special fares account for 2 percent.

There are currently four primary fare payment methods. These are cash, tokens, tickets or passes. The use of each of these methods is briefly described below and shown in Table 9.

Cash is the most commonly used fare payment mechanism on MTC service, accounting for approximately 59 percent of total fare revenues. The MTC fareboxes currently accept all cash donations except dollar bills and Susan B. Anthony half dollars.

Tokens, which are one method of fare prepayment, represent only a very small part, 1 percent, of the MTC's fare revenues. Tokens are currently sold in groups of 10 at the face value \$.60 fare. Tokens were much more heavily used in the past. One reason the MTC feels the use of tokens has declined is that they are based on the \$.60 base fare and individuals riding in the peak, using express services or riding outside zone 1 must still use cash to make up the additional fare.

Commuter tickets, which the MTC sells 10 ride punch cards in all adult peak and off-peak fare denominations, account for 9 percent of the MTC's overall fare revenues.

The last fare payment method is the All-You-Can-Ride monthly pass. These prepaid passes, which are available in ten different denominations depending on zone, express and peak fare charges, account for 31 percent of the MTC's overall fare revenue. The monthly passes are priced based on an average of 40 trips a month.

Table 9

1984 Passenger Revenue
(In Thousands)

<u>Category</u>	<u>Amount</u>	<u>Percent</u>
Cash	\$18,999	59%
Token	295	1
Ticket	2,813	9
Pass	<u>10,140</u>	<u>31</u>
Total	\$32,247	100%

Source: Metropolitan Transit Commission "Transit Pricing Study-Phase II," Mundle & Associates, Inc., June, 1986.

2. Metro Mobility

In 1976 the MTC initiated Project Mobility which provided door-to-door accessible transportation to handicapped individuals within certain areas of Minneapolis. The initial demonstration, which was funded by Mn/DOT, was successful and led to further expansion of the system. In 1979, Metro Mobility was developed through the joint efforts of the MTC, Mn/DOT and the Metropolitan Council. This system was in operation until the fall of 1986 when Metro Mobility was restructured by the RTB to a modified "user-side" subsidy.

The fare structure for this specialized service was changed with each of these service modifications. A \$0.35 fare was charged for the initial Project Mobility service. When this system was expanded into Metro Mobility in 1979 the fare was increased to \$0.60 during the off-peak and \$0.75 during the peak. An additional \$0.15 transfer fee was charged for transfers between different operators. With the restructuring of Metro Mobility in October 1986 the fares were raised to \$1.00 for trips not exceeding 8 miles. For trips longer than 8 miles, individual operators are allowed to charge at their discretion, up to a total fare of \$3.75.

3. Community Programs

Six community-based paratransit programs operate in the metropolitan area with funding from the RTB. These systems, which provide primarily local circulation and are oriented toward elderly and handicapped populations, are operated in Columbia Heights, Hastings, Hopkins, St. Louis Park, Shakopee and White Bear Lake. These programs were formed under different circumstances and provide different types of paratransit services. The fares charged also vary widely, with some systems only requesting donations. The 1986 fare levels for each of these programs are outlined below.

- o City of Shakopee Dial-a-Ride Service
 - \$1.00 adults
 - \$0.75 students
 - \$0.50 seniors and children under 6
 - Vanpool Service
 - \$12.50 per week
 - \$2.00 per trip
- o Columbia Heights Shared Ride Paratransit System
 - \$.50 Elderly, Handicapped, Children
 - 1.00 All Others
 - \$10.00 for book of ten rides
 - \$5.00 for book of ten rides for seniors, children under 10 and handicapped
- o Hastings Transportation Around the City
 - \$1.25 for trips requested 24 hours in advance
 - \$1.50 for same day trip requests
 - \$1.20 for tokens
- o Hopkins Hop-a-Ride
 - \$0.90 base fare
 - \$0.35 for low income individuals
- o St. Louis Park Emergency Program (STEP)
 - Donation Basis, no suggested amount
- o White Bear Area Transit
 - \$1.00 base fare
 - \$0.75 for wheel chair accessible van service
- o Suburban Community Services - Delano
 - Suggested Donation:
 - \$.50 within service area
 - \$1.00 outside service area
 - Trips over 30 miles increased fare according to miles
- o Westonka Community Services
 - \$.50 round trip within 1 mile
 - \$1.00 round trip 1-3 miles
 - \$1.50 round trip over 3 miles
- o Hastings Commuter Express
 - \$1.75 base fare (peak hour only)

4. County Programs

Five county-based paratransit programs are currently operated in the metropolitan area. Anoka, Carver, Dakota, Scott and Washington counties operate some type of paratransit services, primarily oriented to the elderly and handicapped population. Like the community programs the fares charged by the county services vary widely. The 1986 fares or donations required by the different programs are outlined below.

- o Anoka County Community Health and Social Services
 - Suggested Donation: \$2.00 round trip within county
 - \$6.00 round trip outside county
- o Anoka County Coordinated Transportation Program
 - Suggested Donation: \$.75 per trip
- o Carver Area Rural Transportation (CART)
 - \$.50 round trip local
 - \$1.00 round trip within county
 - \$3.00 round trip to downtown Minneapolis
- o Dakota Area Referral and Transportation for Seniors Inc.
 - Suggested Donation: \$1.00 one way fare
- o Dakota County Human Services Planning
 - No fares
- o Scott County Transportation Program
 - \$.50 round trip local
 - \$1.00 round trip within county
 - \$3.50 round trip to metro area or over 30 miles
- o Human Services Inc. in Washington County
 - \$1.00 one way within county
 - \$1.50 one way outside county

D. Service Miles

Total miles of service provided have 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 1980s and has since been reduced to approximately 28 million miles. Table 10 shows the total bus miles provided by the MTC from 1971 to 1984. Paratransit service miles have been increasing during the 1980s.

Table 10
MTC - Total Bus Miles

	<u>Total Miles (in millions)</u>
1971	18.5
1972	19.1
1973	21.0
1974	23.2
1975	27.3
1976	29.8
1977	30.0
1978	28.9
1979	29.4
1980	30.3
1981	30.6
1982	28.8
1983	27.4
1984	27.6

Source: Metropolitan Transit Commission

E. Transit Funding

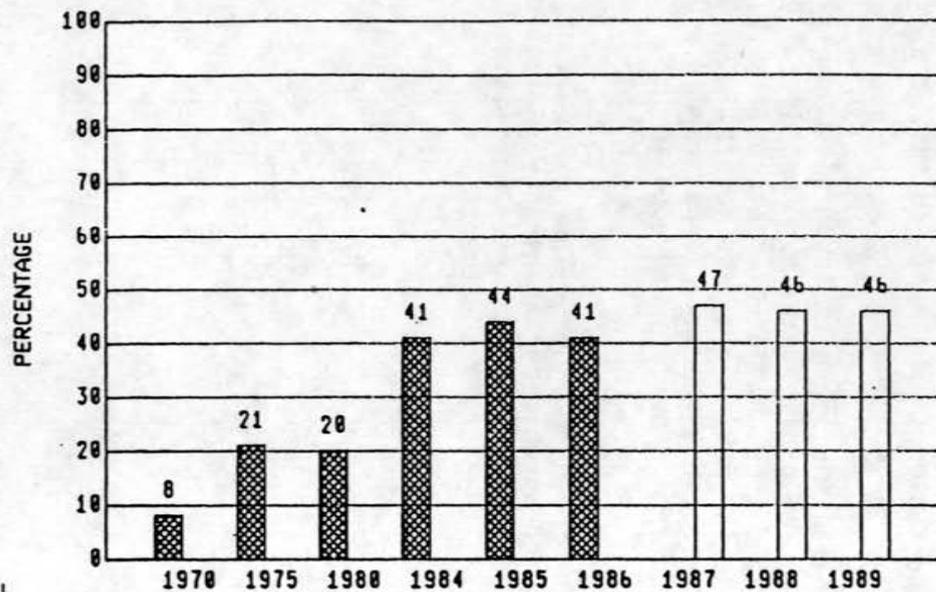
The funding levels for transit services in the metropolitan area have been increasing over the last fifteen years. For example, in 1970 the MTC's annual budget was approximately \$15 million. In 1986 it was almost \$100 million. Funding sources for transit have also changed during this time period. These are summarized in Figure 5.

These diagrams 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 increased to a high in the early 1980s but has been declining since that time.

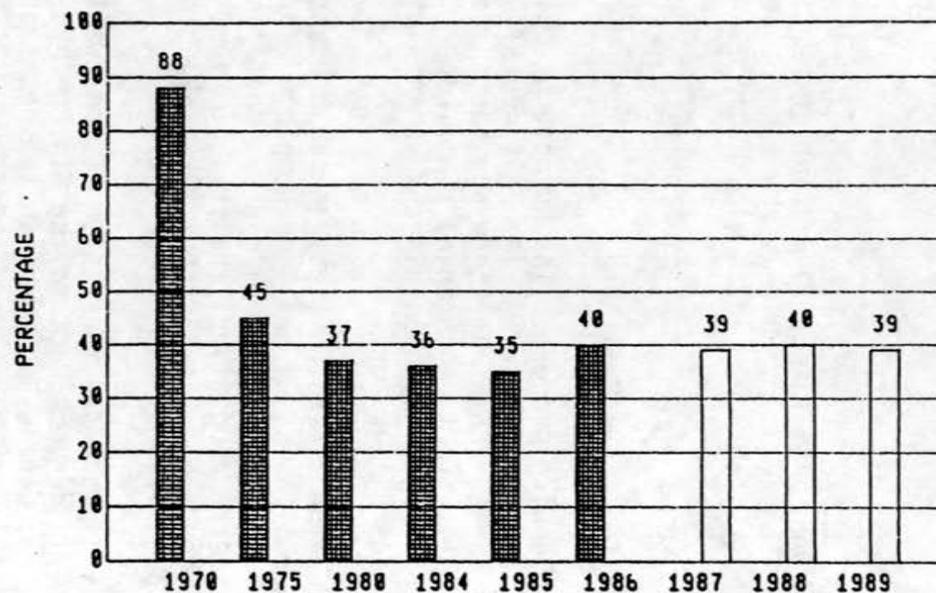
The Implementation and Financial Plan assumes the following in terms of future funding. The federal share of operating funds is projected to decline by 4 percent in 1987 and then remain relatively stable. Federal capital funding is assumed to remain available. Fares are anticipated to remain at existing 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.

Figure 5. REGIONAL TRANSIT BOARD
FUNDING FOR REGULAR
ROUTE TRANSIT

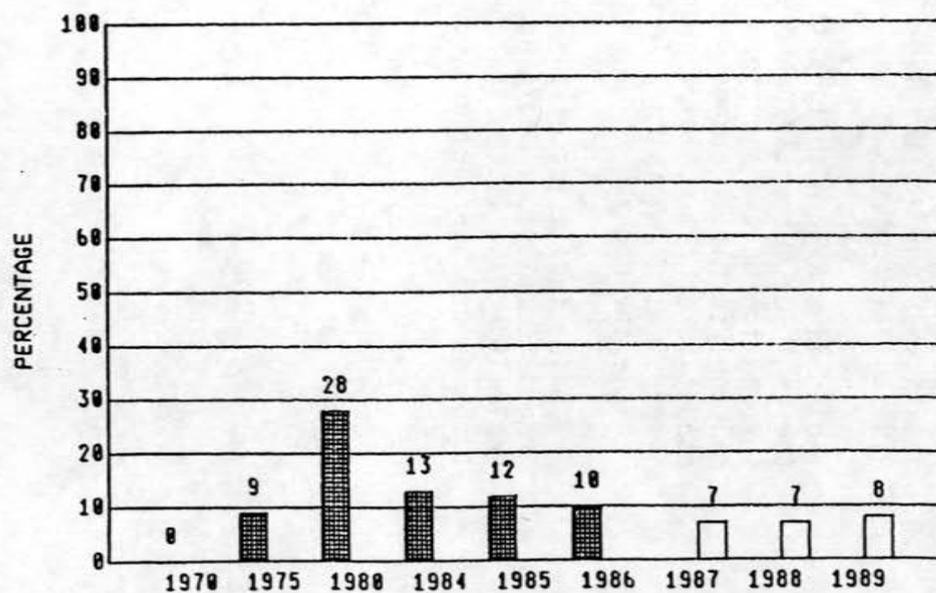
PROPERTY TAX



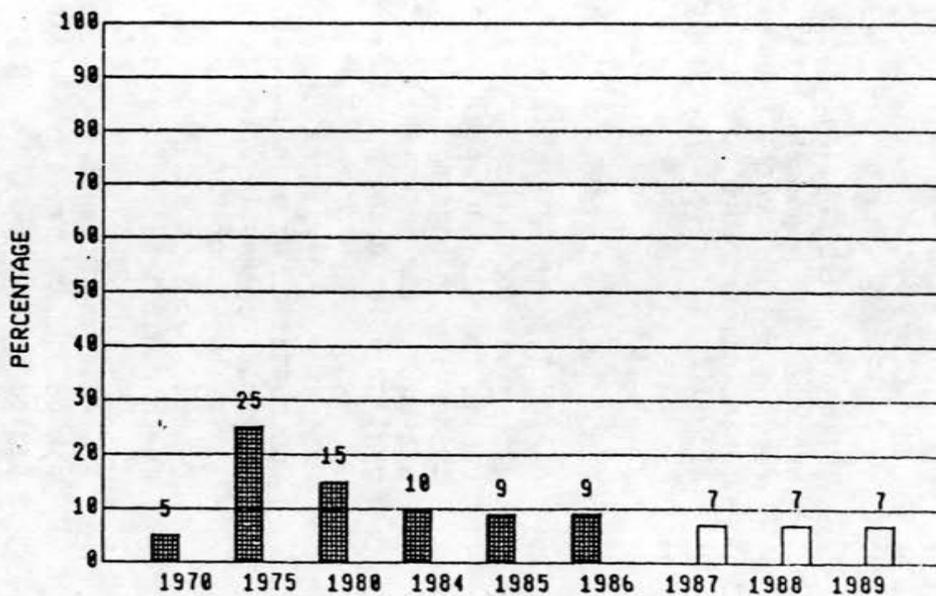
OPERATING REVENUE



STATE GRANTS



FEDERAL GRANTS



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.

F. 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 11 and 12 highlight the major capital facilities. Table 11 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 12. Also listed are the number and type of park-and-ride facilities, bus turnarounds, bus shelters, and major transit priority treatments.

Table 11

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 21 - Accessible Vans
Suburban Paratransit	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 Bussette 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 12

CAPITAL FACILITIES

Fred T. Heywood Office Facility	
560 Sixth Avenue North, Minneapolis, Minnesota	
Function:	MTC Administrative Offices
Metro Mobility Transportation Center	
570 Sixth Avenue North, Minneapolis, Minnesota	
Function:	Administrative Offices for Metro Mobility
Fred T. Heywood Operating Facility	
570 Sixth Avenue North, Minneapolis, Minnesota	
Function:	MTC Bus Storage and Maintenance
Capacity:	275 Buses
Usage:	212 Buses
Nicollet Garage	
3106 Nicollet Avenue, Minneapolis, Minnesota	
Function:	MTC Bus Storage and Maintenance
Capacity:	240 Buses
Usage:	207 Buses
Shingle Creek Garage	
6845 Shingle Creek Parkway, Brooklyn Center, Minnesota	
Function:	MTC Bus Storage and Maintenance
Capacity:	180 Buses
Usage:	165 Buses
Snelling Garage	
400 North Snelling Avenue, St. Paul, Minnesota	
Function:	MTC Bus Storage and Maintenance, Personnel and Training Facilities
Capacity:	259 Buses
Usage:	259 Buses
South Garage	
7501 20th Avenue South, Minneapolis, Minnesota	
Function:	MTC Bus Storage and Maintenance
Capacity:	176 Buses
Usage:	166 Buses
Overhaul Base	
515 North Cleveland Avenue, St. Paul, Minnesota	
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	
400 South Third Street, Minneapolis, Minnesota	
Function:	MTC Bus Layover Facility and Parking Ramp
Capacity:	42 Buses

Table 12
Capital Facilities (Continued)

Medicine Lake Lines Facility
835 Decatur Avenue North, Golden Valley, Minnesota
Function: Bus Garage and Medicine Lake Lines Administrative Offices
Capacity: 150 Buses
Usage: 150 Buses

Medicine Lake Lines Facility
835 Decatur Avenue North, Golden Valley, Minnesota
Function: Medicine Lake Lines Bus Storage
Capacity: 48 Buses
Usage: 48 Buses

North Suburban Lines Facility
8600 Xylite Street North, Minneapolis, Minnesota
Function: Bus Storage and Maintenance
Capacity: 16 Buses

North Suburban Lines Facility
8600 Xylite Street North, Minneapolis, Minnesota
Function: Bus Storage and Maintenance
Capacity: 11 Buses

MTC Information and Sales Booth
Location: Town Square, 44 Cedar Street, St. Paul, Minnesota
Baker Building, 719 Marquette Avenue, Minneapolis, Minnesota

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

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.

G. Gasoline Prices

Gasoline prices increased dramatically during the 1970s, 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. Recognizing that energy prices are a key component of the assumptions made for the Implementation and Financial Plan and subsequent transit budgets, fuel prices should be monitored and updated as necessary.

Chapter IV. 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. 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.

C. 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 passen-

gers. 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.

D. 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.

E. 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.

F. 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-transfer 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.

G. 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.

H. MTC Accessible Bus Demonstration

The Accessible Bus Demonstration is intended to demonstrate the ridership response and operational viability of fixed-route accessible service in the Twin Cities metropolitan area. Two routes, Minneapolis/St. Paul route 16 and Minneapolis route 19 were selected by the following criteria.

1. There should be a high potential for handicapped ridership.
2. The routes should include a wide range of traffic conditions and ridership levels.
3. The routes should run out of Heywood Garage because Project Mobility is based there. It is the only garage with a trained pool of drivers and mechanics.
4. Initially, only 12 buses should be required for the service, but it should be possible to add up to five more if the vehicles prove reliable.
5. The test routes should serve Minneapolis, St. Paul and a suburban area, if possible.

The evaluation criteria for judging the success of the demonstration include:

- o Bus spare factor--this will be eight spare buses at the beginning, but lowered to five by end of demonstration
- o Miles per road call--goal of 2500 for the project to continue indefinitely.
- o Subsidy per handicapped passenger--A subsidy no higher than \$10.00 is recommended at initiation and for future expansion.

- o Missed trips--recommended systemwide standard of 1/2 of 1 percent of peak buses for demonstration.
- o Pass Ups--any pattern of regular pass ups must be avoided.
- o Snow conditions--recommend that accessible service not operate during MTC declared snow emergencies.

A detailed operational plan has been developed for the project, which is scheduled to begin April 11, 1987. Included in this plan are:

- training program for drivers
- marketing program
- policies for scheduling the buses and deploying spares
- procedures for handling handicapped passengers
- procedures for back-up service if a handicapped person is passed up
- maintenance procedures

The demonstration is scheduled for a two-year period. At the end of this period, a decision must be made to expand accessible service to other routes or the entire system, continue demonstration routes only, or discontinue accessible service. MTC staff will follow-up with a report on ridership, cost per passenger and bus reliability.

I. 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 Transit Pricing Study, Phase I and Phase II

Responsible Agency: Metropolitan Transit Commission

Purpose: To define and evaluate options for fare simplification.

Completion Date: April 1985 and June 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: Fare Policies and Procedures for the Twin Cities Metropolitan Area

Responsible Agency: Regional Transit Board

Purpose: Development of metropolitan fare policies, procedures and a fare evaluation framework for transit services in the metropolitan area as required by legislation.

Major Conclusions:

Contains fourteen fare policies and procedures which will be used by the RTB to monitor, evaluate and make decisions concerning changes in the fare structure and pricing levels. Policies provide for a uniform fare structure and pricing levels for all regular route services, a 35 percent farebox recovery ratio for regular route services, a 20 percent farebox recovery ratio for general purpose paratransit services and a 10 percent farebox recovery ratio for Metro Mobility.

Implications for Implementation Plan:

Provides direction in approach RTB will take to the metropolitan fare structure and pricing levels and farebox recovery ratios which will be utilized.

4. 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.

5. 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.

6. 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

7. Study: Legislative Study Commission

Responsible Agency: 1983 Minnesota Legislature

Purpose: In 1983 the legislature created the Study Commission on Metropolitan Transit. The Study Commission identified two primary areas of concern: 1) structural or organizational problems relating to the assignment of roles among various agencies and levels of government; and 2) financial problems relating to the acquisition and distribution of funds necessary to operate an effective transit system.

Completion Date: February 1984

Major Conclusions:

The Study Commission made the following recommendations to the legislature:

Organizational Recommendations

1. A Regional Transit Board (RTB) should be established with primary responsibilities for metropolitan transit planning, financing and arranging or contracting for transit services. The RTB should be designated a recipient of federal funds.
2. The legislature should focus its role on the development of overall regional transit policy goals.
3. MTC responsibilities should be focused on transit operations.
4. The Metropolitan Council should continue its role in long-range transit policy planning.
5. The role of the Minnesota Department of Transportation in metropolitan transit should be phased out and responsibilities transferred to the Regional Transit Board.
6. Local units of government should be assisted and encouraged to plan and arrange transit services that meet their needs.

Financial Recommendations

1. The RTB should develop a long-range financing structure which will promote stability and revenue certainty.
2. The fare structure should be simplified and should be consistent across the metropolitan area. Fares other than social fares should be established to ensure that operating revenues are proportionate to the cost of providing service.
3. Over time, funding sources should become approximately 35 percent fares, 35 percent property taxes, 20 percent state aid and 10 percent federal aid.
4. The property tax structure should be adjusted between communities to reflect the level of transit service provided in them.
5. Funds should be made available to all providers to the extent that they qualify under federal and state guidelines.

8. 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.

9. Study: Long Range Transit Analysis; Study of Potential Transit Capital Investments in Twin Cities Corridors

Responsible Agency: Metropolitan Council

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 Central corridor and the Minneapolis South corridor were ranked in the first priority group. The Minneapolis Southeast, Minneapolis North, Minneapolis Northwest and Minneapolis Southwest were ranked in the second group. For each of these corridors the report identifies the transit improvements with the greatest potential and the alignments with the greatest potential.
- o The results will be used by the Metropolitan Council to update the Transportation Policy Plan in 1987 and 1988.

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.

10. 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.

11. 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.

12. 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 V. Service and Capital Implementation Program

A. RTB's Approach and Priorities in 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.

A top priority of the RTB is to continue to provide the existing levels of service among all programs. The metropolitan area has a very good overall transit network which provides a high level of mobility to most residents.

These services should continue to be provided and enhanced. At the same time, inefficient or unproductive service should be eliminated or reorganized.

At the same time, the RTB places a high priority on funding the Test Marketing program to implement new service concepts, service delivery methods and other new or innovative approaches to transit. It is important to continue to try new strategies to satisfy unmet needs. Only through testing new ideas and approaches will the metro area continue to improve and expand its transit system. Thus, the RTB is committed to an ongoing Test Marketing program.

- 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, assumptions used in estimating ridership and cost, and anticipated sources of funds. Maps are provided to help identify the service area and focus of the strategy. The information from all these is summarized in the accompanying tables.

The assumptions used in costing each service are as follows:

- o Operating Costs. 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. Funding shares have been projected as follows: federal funding through Section 9 will remain at a stable 1987 level, which represents a 4 percent decline from 1986; federal funding for other programs such as ridesharing and rural services are projected to increase by four percent a year; 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. Tax feathering is projected to continue. The current mill levies are also projected to continue with a four percent growth in assessed valuation.
- o Fares. Fares have been projected based on current levels. If changes in fares are made, they will be reflected in future updates of the Implementation and Financial Plan.
- o Ridership. A modest growth in regular route ridership of 1 percent per year has been used in developing the ridership estimates. This is based on increasing the market penetration of existing services, increasing the productivity of existing services, and additional ridership generated through new services. Ridership levels for Metro Mobility are projected to increase by 20 percent in 1987 and by 9 percent in 1988. After 1988, Metro Mobility is anticipated to experience smaller ridership increases of 1 to 2 percent. The ridership forecasts used for the community, county and opt out programs were a modest one percent annual growth.
- o Service Miles. The Implementation Plan projects modest increases in regular route miles and paratransit services.
- o Service Mix. The Implementation Plan projects that different operators will continue to be used to provide different types of services. While other operators will be utilized for regular route services, it is anticipated that the MTC will continue to provide the majority of regular route service.
- o Fuel Prices. The Implementation Plan assumes continued stable fuel prices and availability.
- o Capital. Continued availability of federal funding for capital needs is assumed. Also assumed is that adequate bonding authority will be provided to ensure the availability of local matching funds.
- 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 13 and Table 14. Table 13 shows the anticipated costs for each service type for 1987 through 1991. Table 14 identifies the anticipated sources of funding for the next five years.

Table 13
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	\$100,851,022	\$100,763,192	\$103,833,642	\$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
TOTAL	\$112,906,881	\$114,635,680	\$118,301,267	\$125,906,271	\$129,555,797	\$612,555,896

Table 14
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	18,807,000	19,641,000	21,124,000	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
TOTAL	\$112,906,881	\$114,635,680	\$118,301,267	\$125,906,271	\$129,555,797	\$612,555,896

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:

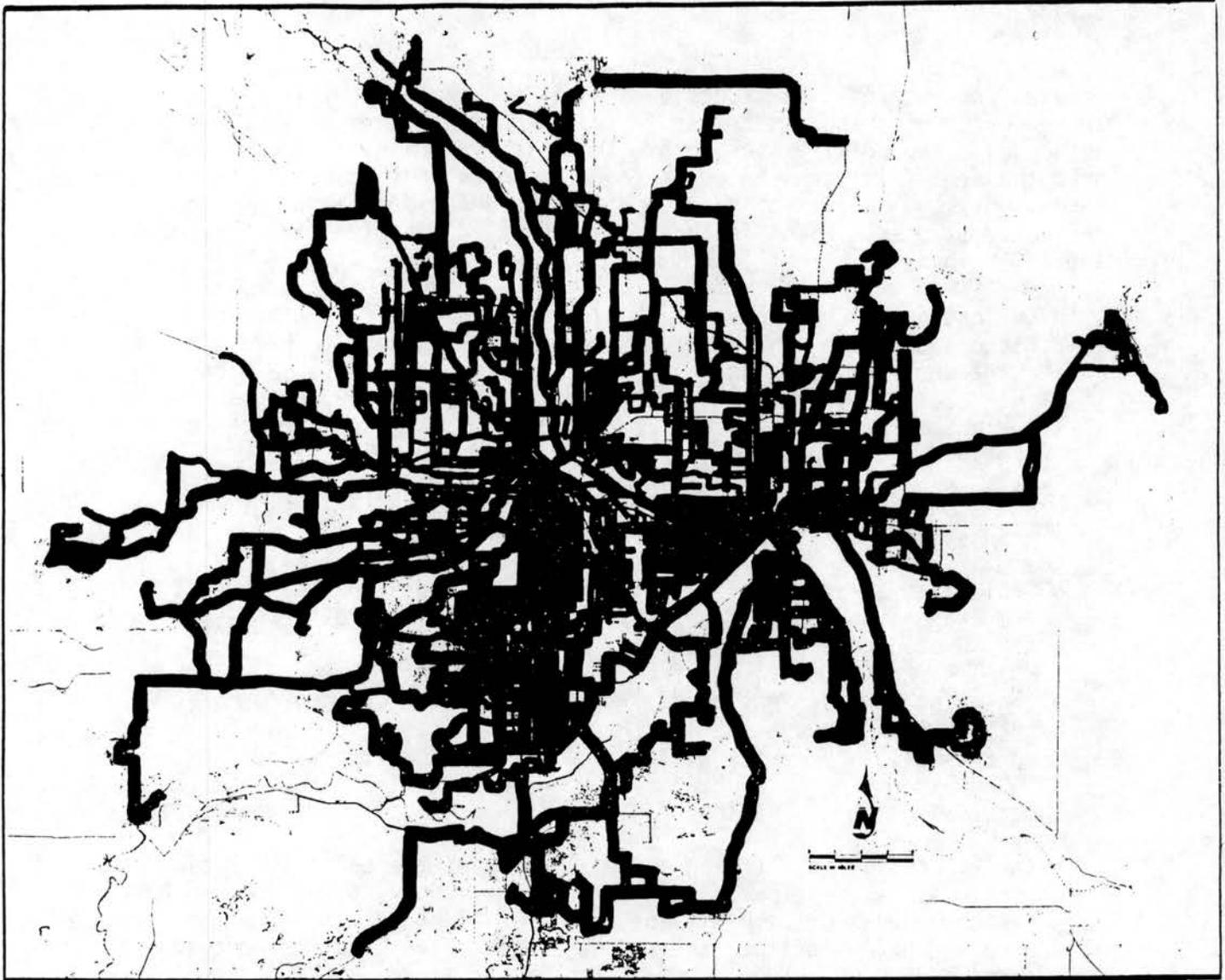
- o Evaluation and redeployment of high subsidy routes identified through the four-factor cost model analysis. Routes identified tend to have similar characteristics such as long routes, peak-hour express service with few trips, infrequent service and routes which serve specialized purposes. These will 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:

The service area of the regular route transit system is shown in Figure 6. This identifies the transit accessibility to existing services. Transit accessibility is defined as the area one-quarter mile on either side of a transit route. The current route network serves all four of the major market groups analyzed in the Transit Service Needs Assessment; trips oriented to the two Central Business Districts (CBDs); suburban travel; trips oriented to the University of Minnesota; and trips of transit dependents.

As can be seen by Figure 6, the regular route system provides a grid-like coverage in the central city and many first ring suburban communities. In second and third ring communities, routes become more spread apart, reflecting the development patterns in those areas.

Figure 6
Regular Route Transit Coverage



**DIRECT TRANSIT ACCESS IS DEFINED AS
THE AREA WITHIN 1/4 MILE EITHER SIDE
OF A TRANSIT ROUTE.**

**FIGURE 13
TRANSIT ACCESSIBILITY**

Figure 7 identifies the local weekday service provided in the metropolitan area. This service reflects the overall route structure, with a grid network in the central cities and many first ring communities. Local service is oriented to the two CBD's, the University of Minnesota and other major activity centers. Local service is well utilized by transit dependent market groups. The Implementation Plan assumes that the local service will continue to form the backbone of the transit system. Some small modifications, both additions and reducing duplication or inefficient service, may be made but the basic local system will be maintained.

Express Service. Figure 8 identifies the express service currently provided. This serves primarily the CBD oriented work trips and travel to the University of Minnesota. Due to the longer distances of express routes and its peak-only nature, express service costs more to provide than local service. During the next year, high subsidy express routes will be examined to determine if there are more cost-effective ways of providing the service.

Crosstown Service. Figure 9 shows the crosstown services currently provided. Most crosstown routes are located in the central city where they form a part of the grid network. A few suburban crosstown routes do exist, however. Crosstown services are used by all four market groups. The Transit Service Needs Assessment identified additional strategies for crosstown services, which are outlined in the Test Marketing section. Within this regular route category, it was assumed that minor modifications may be made to existing crosstown services. Potential new crosstown services are identified in the Test Marketing category.

Reverse Commute. Figure 10 identifies the regular route reverse commute services. These provide service from the central city areas to suburban work and shopping locations. Many of these routes provide peak hour service only, although some do provide all-day service. Reverse commute routes provide service to trips with suburban-based destinations and are used by transit dependent groups going to suburban work or shopping destinations.

Relationship to the Overall System:

Regular route service provides the basic transit system in the metropolitan area, and represents the backbone of the overall system. This element is critical to the continued mobility of area residents. Currently regular route services are provided by the Metropolitan Transit Commission, Medicine Lake Lines, North Suburban Lines, Valley Transit, St. Paul and Suburban Bus Company and Airport Limousine. It is assumed that these operations will continue to provide services in the future and through the competitive bidding demonstration other new operators may also join in the provision of service.

Assumptions:

- o Costs are based on 1987 operating costs, with a four percent per year growth trend.
- o Funding sources will remain approximately the same as 1986.
- o No major fare increase.
- o A modest one percent annual growth in ridership.
- o A modest growth in service miles.
- o A similar service mix as in 1987 with the possible addition of new providers through the competitive bidding demonstration.
- o Stable fuel prices and available supply.

Figure 7
Local Route Coverage

BEING PRODUCED

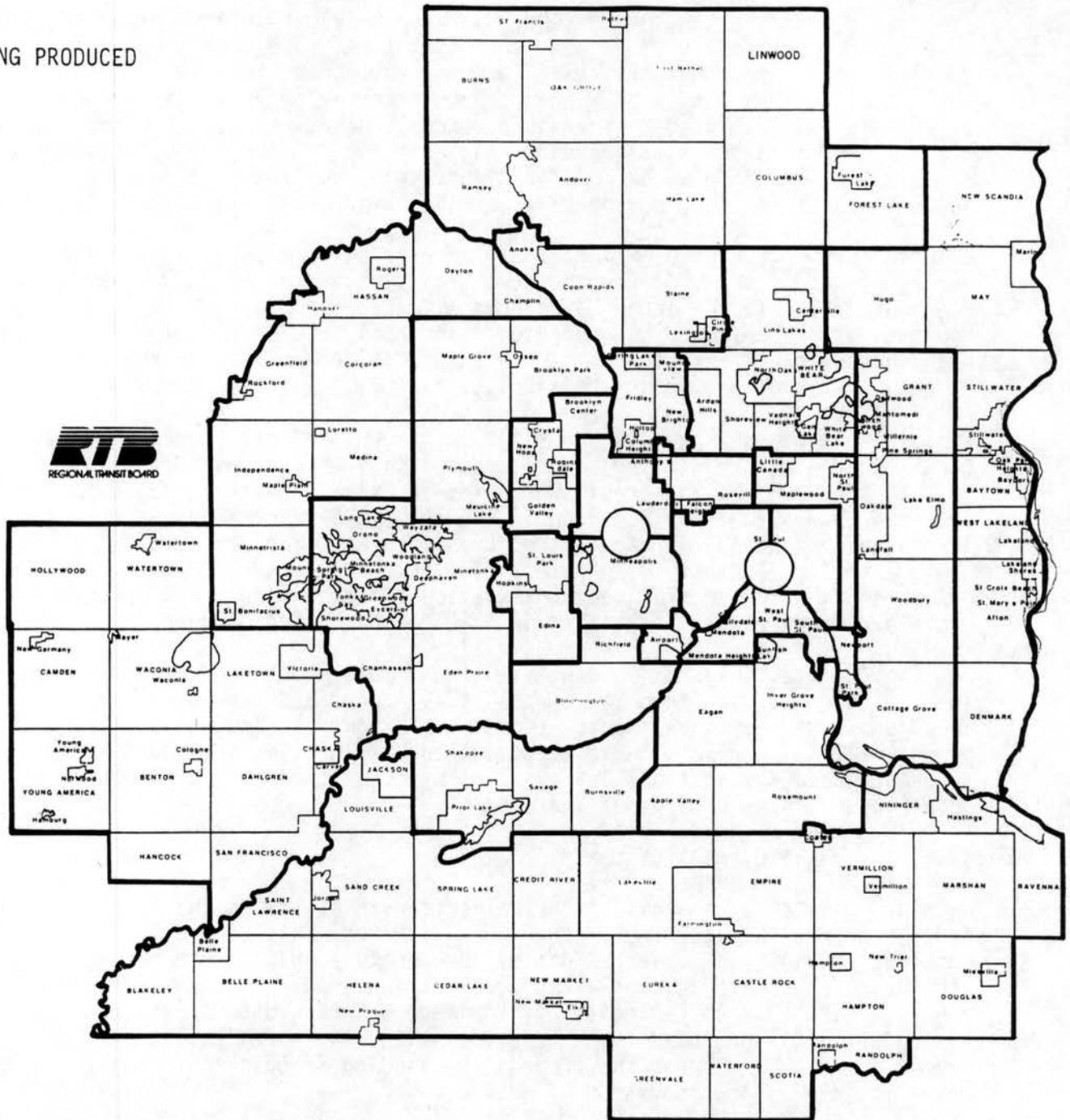


Figure 8
Express Route Coverage

BEING PRODUCED

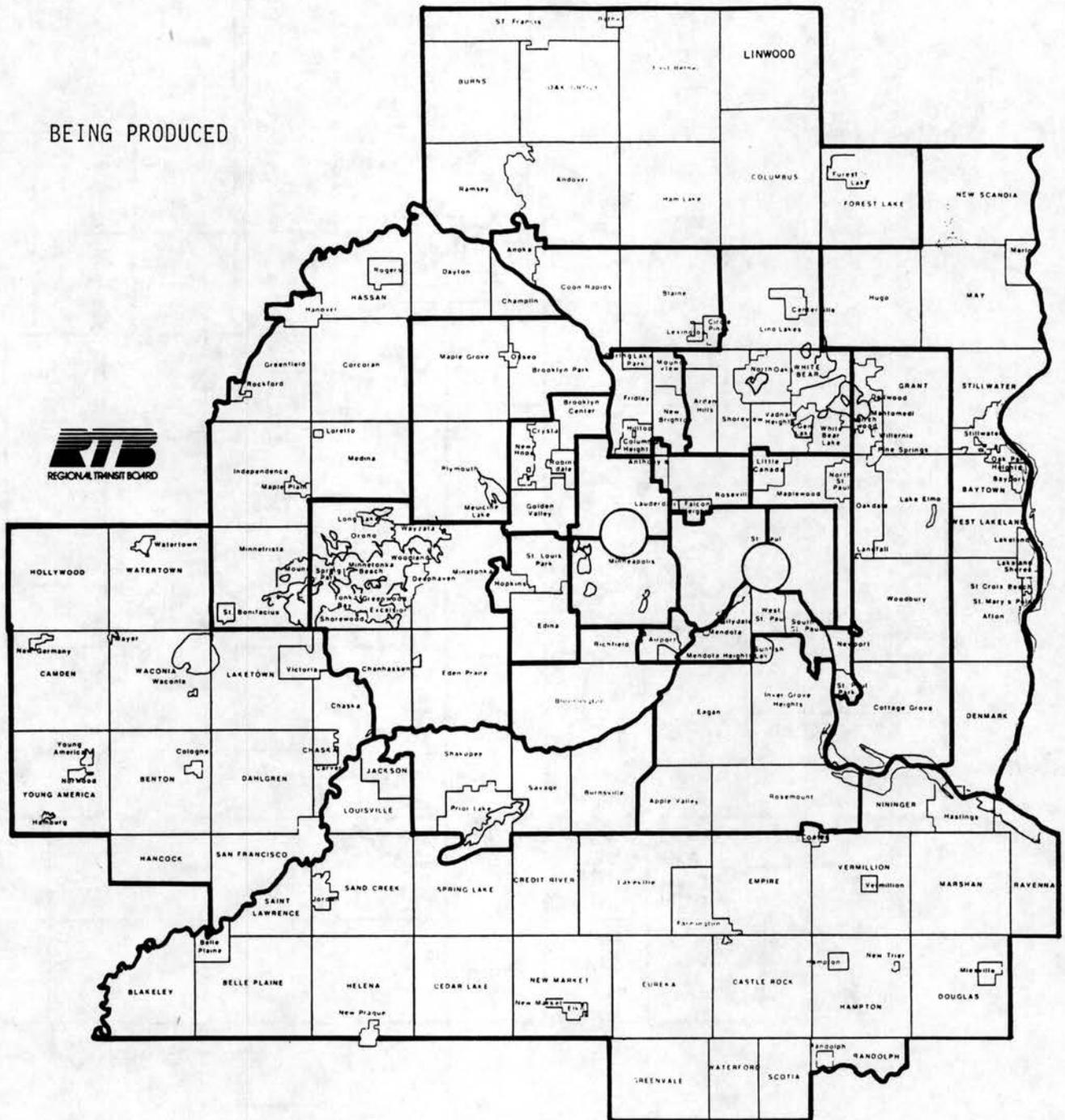
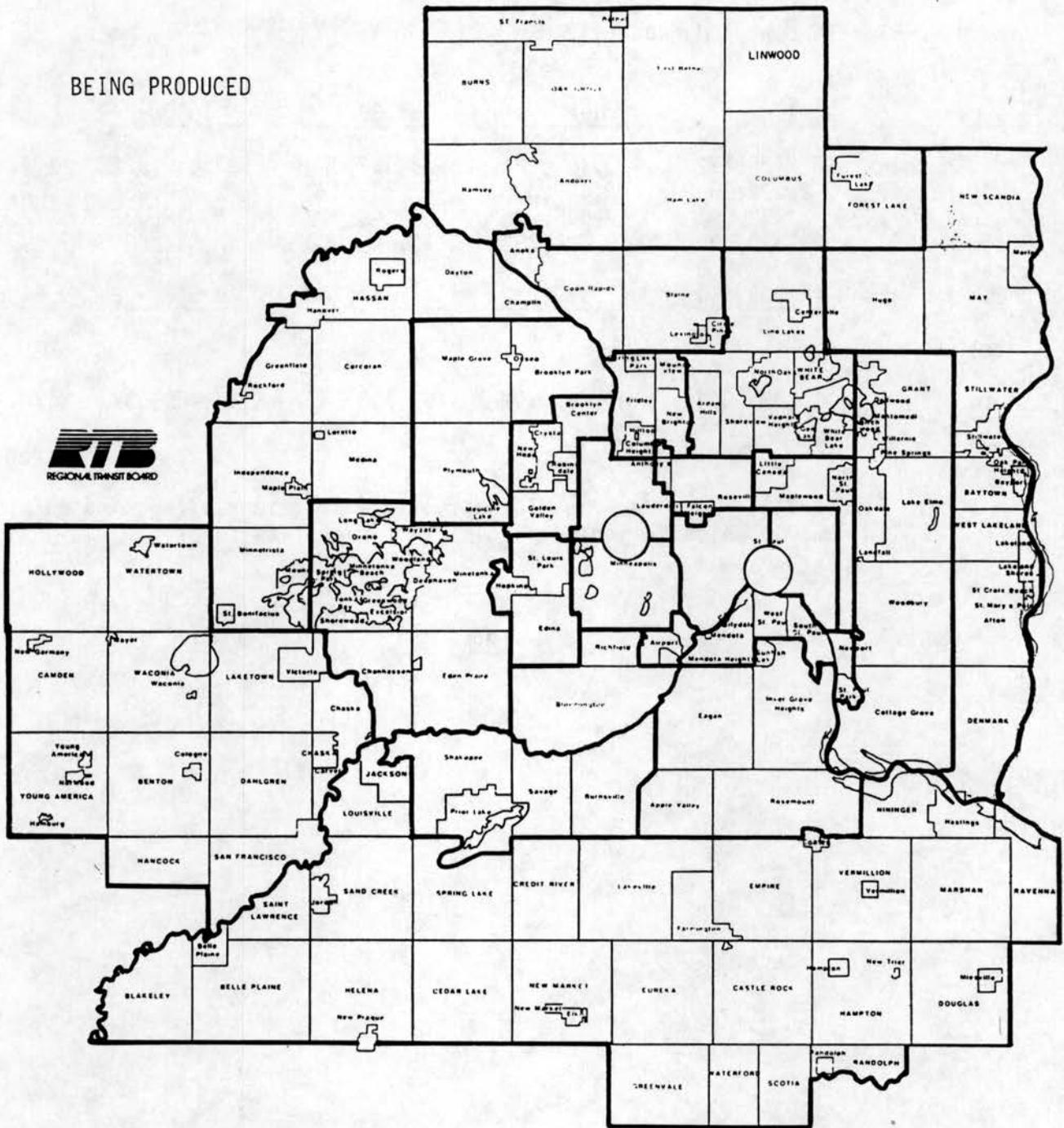


Figure 10
Reverse Commute Route Coverage



Timing, Estimated Cost and Funding:

<u>Sources</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
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	11,920,100	11,386,700	12,340,000	17,514,000	18,214,000
Local	0	0	0	0	0
Property Tax	<u>47,002,300</u>	<u>46,532,412</u>	<u>48,154,372</u>	<u>49,646,900</u>	<u>51,632,900</u>
Total Operating Cost	\$100,851,022	\$100,763,192	\$103,833,642	\$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 offered include computerized matching, promotional activities, vanpool programs and other rideshare service 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 13,000 match lists to potential clients and match approximately 6,000 to 7,000 carpoolers a year.

While rideshare services will continue to be offered and promoted throughout the metropolitan area, specific areas will be targeted for more intense ridesharing activities, in keeping with the strategies outlined in the Transit Service Needs Assessment. These include focusing ridesharing activities on areas with high levels of highway congestion, destinations with high parking costs and limited parking and suburban employment concentrations. Specific rideshare strategies will focus on the Minneapolis and St. Paul CBDs, the University of Minnesota, the I-394 corridor, the I-35W corridor, major employment concentrations along I-494, travel corridors in northern Minneapolis, and the Anoka County area.

Service Area or Market:

Ridesharing serves all four of the major markets, including CBD travel, suburban travel, trips oriented to the University of Minnesota, and transit dependents. Its service area includes the whole metropolitan area. As noted above, the major strategies will focus on highly congested travel corridors, the two downtowns which have limited parking and high parking costs, and suburban employment concentrations.

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 or are outside the transit taxing district, relieving traffic congestion and reducing energy consumption

Timing, Estimated Cost and Funding:

The existing program will be continued with a more focused program outlined above and based on the results of the rideshare service delivery evaluation to be completed in 1987.

Assumptions:

- o Similar staffing levels.
- o Four percent annual growth in program costs.

<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	<u>243,700</u>	<u>253,448</u>	<u>263,586</u>	<u>274,129</u>	<u>285,095</u>
Total Operating Cost	\$ 594,700	\$ 618,488	\$ 643,228	\$ 668,956	\$ 695,715

Service: Metro Mobility

Description/Strategy:

Metro Mobility provides door-through-door transportation services to the mobility handicapped. As outlined in Figure 12, Metro Mobility currently serves the two central cities, most first ring communities, and the second ring western suburban communities. Metro Mobility will be expanded to all communities within the Transit Taxing District by January 1988.

Service Area or Market:

Metro Mobility serves the specific market segment of mobility handicapped individuals. Trips can be taken to the major market destinations such as the CBDs, the University of Minnesota, suburban locations within the service area, and other destinations also within the service area. Metro Mobility serves work trips, school trips, medical trips and other business and recreational travel.

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.

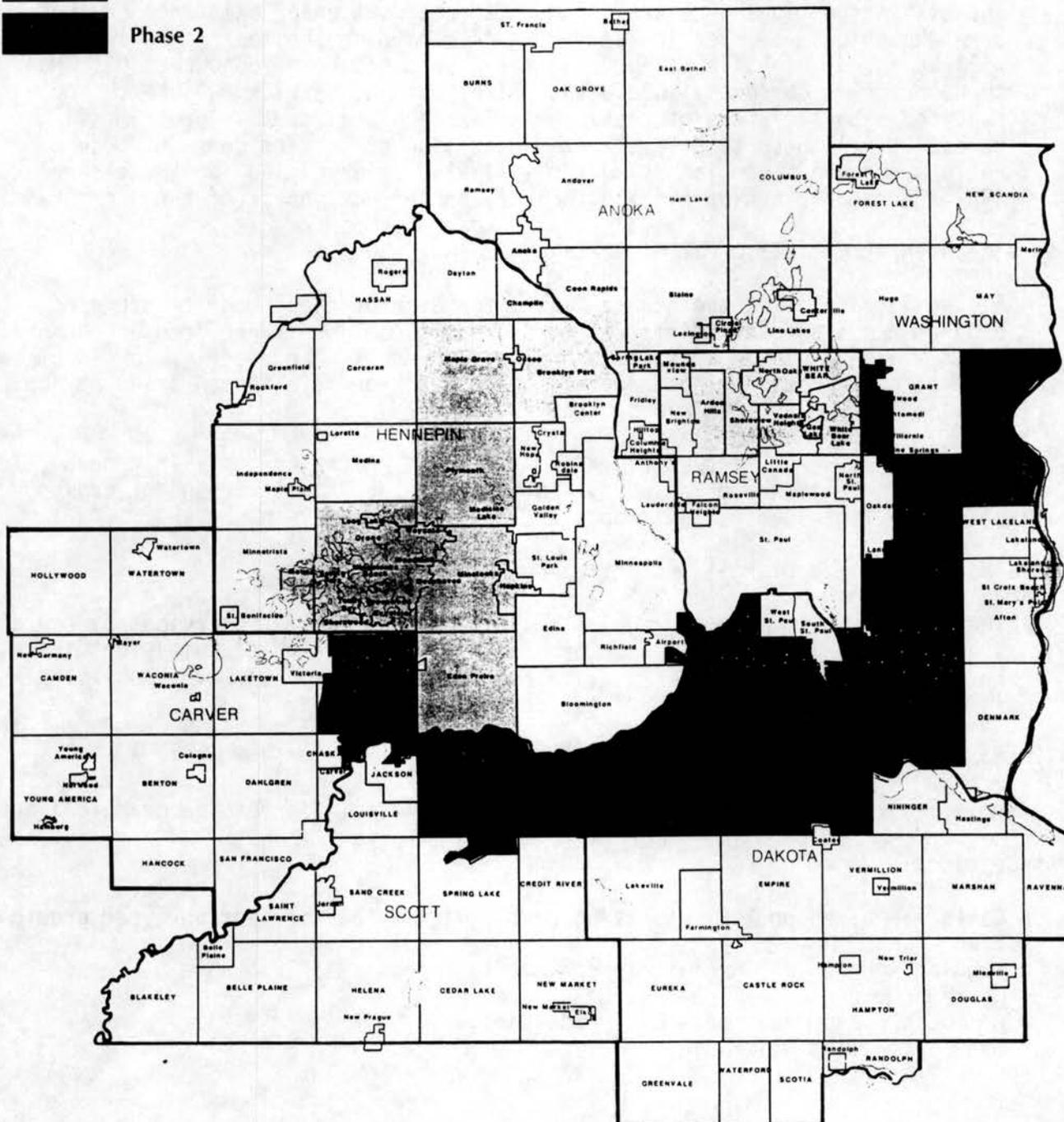
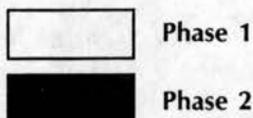
Assumptions:

- o Costs are based on a biennial budget request to meet additional trip needs for expansion of the program.
- o Funding sources will remain the same as 1986.
- o No fare increase or provider reimbursement rate increase.
- o Ridership growth of 20 percent in 1987, 9 percent in 1988 and modest growth thereafter.
- o A similar service mix of providers, with new providers added as the system expands in 1988.

<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

Figure 12

Metro Mobility Service Area



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:

Figure 13 identifies the general areas for each of the community programs. Each program has a slightly different focus, but the majority are focused on serving the basic travel needs of transit dependents, primarily the elderly, low income and handicapped. Most are focused on local travel needs, although trips may be provided to the CBDs or nearby regional centers

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.

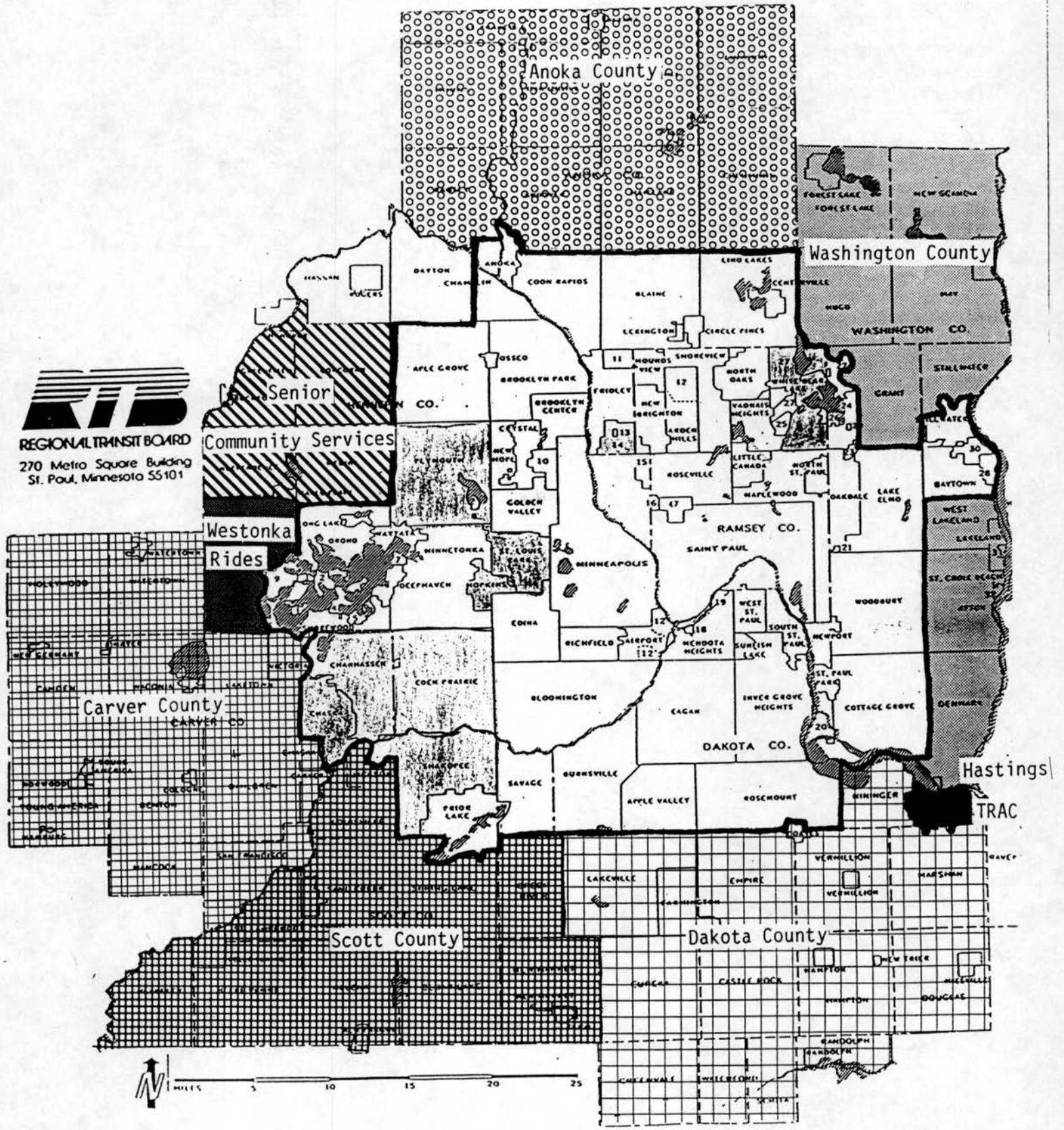
Timing, Estimated Cost and Funds:

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

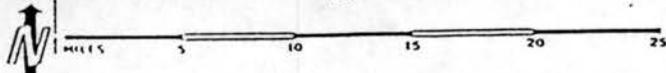
Assumptions:

- o Costs are based on 1987 operating costs, with a four percent per year growth trend.
- o Funding sources will remain approximately the same as 1986.
- o No major changes in fare revenues.
- o A modest one-percent growth in ridership.
- o Similar service mile levels.

Figure 13
Small Urban, Opt-Out and Rural Programs



RTD
REGIONAL TRANSIT BOARD
270 Metro Square Building
St. Paul, Minnesota 55101



TWIN CITIES METROPOLITAN AREA

<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	<u>23,600</u>	<u>25,500</u>	<u>26,500</u>	<u>28,000</u>	<u>29,000</u>
Total Operating Cost	\$ 399,135	\$ 417,611	\$ 430,962	\$ 445,898	\$ 461,522

Service: Opt-Out Services

Description/Strategy:

Currently five communities have replaced MTC service with their own transit programs. The communities, which are shown in Figure 13, are Plymouth, Shakopee, Chaska, Chanhassen and Eden Prairie. Plymouth operates the Plymouth Metrolink service. Shakopee operates a vanpool program and a community-based service. Chaska, Chanhassen and Eden Prairie operate the Southwest Metro system under a joint powers agreement. Southwest Metro operates regular route services to Minneapolis and reverse commute services into the communities, a local circulation system and a dial-a-ride service in Chaska.

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.

Assumptions:

- o Costs are based on 1987 operating costs, with a four percent per year growth trend.
- o Funding sources will remain approximately the same as 1986.
- o No major changes in fare revenues.
- o A modest one-percent growth in ridership.
- o Similar service mile levels.
- o No additional communities replacing MTC service.

<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	<u>1,501,000</u>	<u>1,561,000</u>	<u>1,623,000</u>	<u>1,688,000</u>	<u>1,755,000</u>
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 services designed to serve the needs of individuals in specific geographical areas. Rural services are provided in Carver, Scott, Dakota, Washington and Anoka counties. 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:

The general area of coverage of each program is shown in Figure 13. 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 for trips within the county. Trips to the metro centers or regional centers may also be provided.

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.

Assumptions:

- o Costs are based on 1987 operating costs, with a four percent per year growth trend.
- o Funding sources will remain approximately the same as 1986.
- o No major changes in fare revenues.
- o A modest one-percent growth in ridership.
- o Similar service mile levels.

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	<u>296,700</u>	<u>308,600</u>	<u>320,900</u>	<u>334,000</u>	<u>347,000</u>
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 Population
- 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 and 1988. These are shown in Figure 14.

- 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. More detail on the service area and markets for each potential test case are as follows:

- o Crosstown Services
 - Minneapolis CBD/Larpenteur. Would provide east-west crosstown service, particularly for intra-suburban travel.
 - North Minneapolis/Robbinsdale. Would provide east-west accessibility to adjoining suburban community and for high numbers of transit dependents.
 - I-494/Bloomington/Edina/Richfield. Would provide east-west crosstown service between suburban communities along a major freeway corridor.

- o Local Suburban Circulation Services
 - Rosedale. Would provide suburban service for intra-suburban trips, both work and non-work, while also providing for connections on CBD-oriented routes.
 - Maplewood/North St. Paul/Oakdale. Would provide internal circulation service in a suburban area and also provide east-west accessibility and connections to the St. Paul CBD.

- o Rural Alternate Day or Paratransit Service
 - Rural Anoka. Would provide alternate day service to rural Anoka County and to high levels of low income and elderly populations.
 - Forest Lake. Would provide paratransit service to high levels of transit dependents in Columbus Township and Forest Lake, along with circulation service to Forest Lake, a freestanding growth center.
 - Lakeville/Farmington. Would provide service to high levels of transit dependents in Farmington and Lakeville, while providing feeder service to and connections at Burnsville.

Assumptions:

- o Assumes implementation of two to three of the potential programs by late 1987 to 1988.
- o Assumes 20 to 35 percent farebox recovery ratio depending on the type of service. This may be high for a demonstration and the ridership revenue projections estimated here may be overly optimistic. More detailed cost and ridership estimates will be developed as part of the individual implementation plans.

Timing, Estimated Cost and Funds:

Sources	1987	1988	1989	1990	1991
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 15 summarizes the anticipated capital program for the next five years and the source of funds.

Table 15

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	<u>46,800</u>	<u>40,000</u>	<u>42,000</u>	<u>44,000</u>	<u>46,000</u>	<u>218,800</u>
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	<u>65,800</u>	<u>100,000</u>	<u>105,000</u>	<u>110,000</u>	<u>116,000</u>	<u>496,800</u>
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 as shown in Figure 15.

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 Shopping Center, Rosedale and Maplewood Mall--were identified to be examined further for the first test. These are shown in Figure 16. 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:

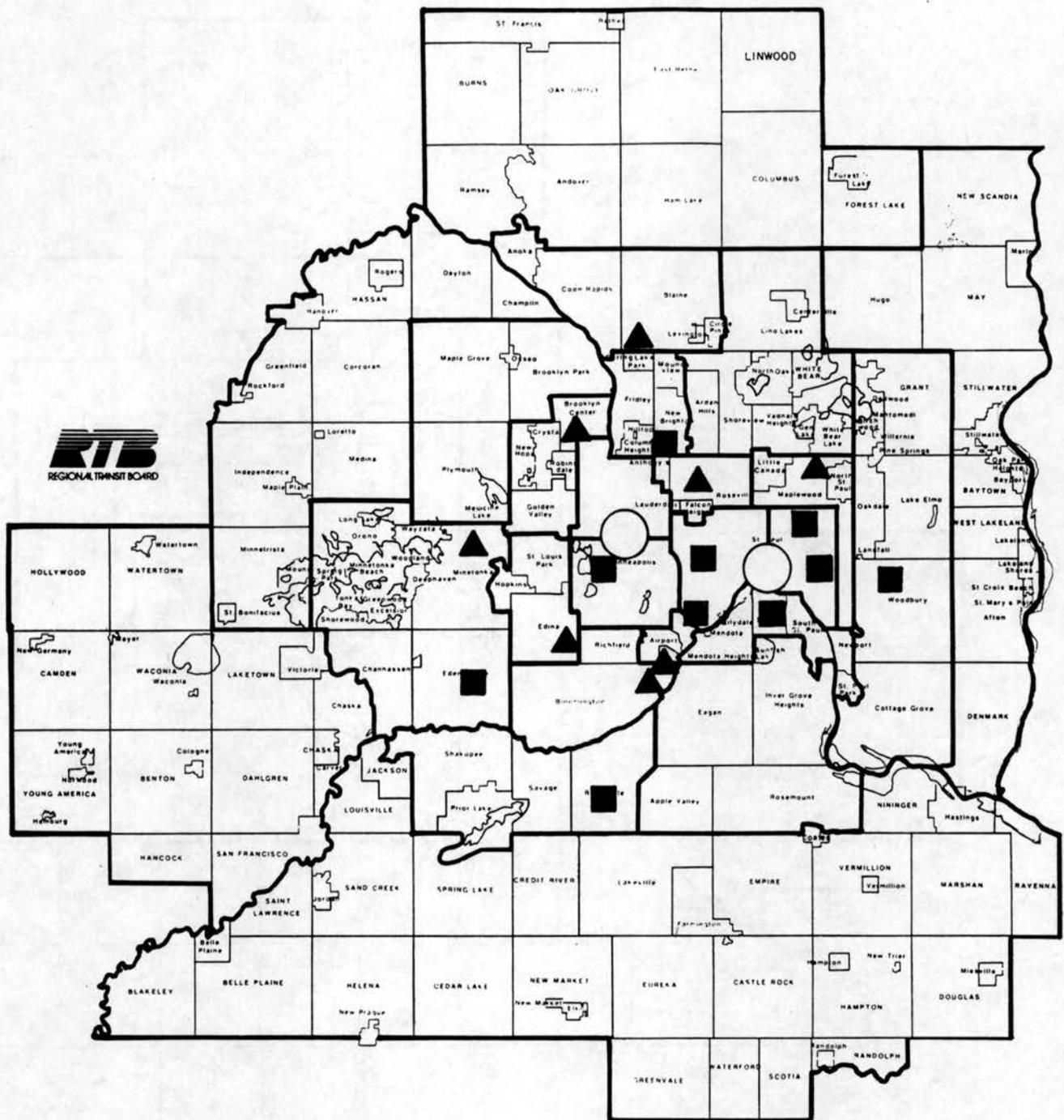
The service area for the transit hubs cover most of the area within the transit taxing district. Hubs provide for a combination of waiting areas, connections between routes and different services and park-and-ride facilities. Hubs are oriented toward the different market groups and service areas. Specific information on the three hubs--Northtown Shopping Center, Rosedale and Maplewood Mall--and their relationship to existing services and those proposed in the Test Marketing are outlined below:

Northtown Shopping Center Major Transit Hub. Currently five bus routes serve Northtown Shopping Center, which serves as a hub for services in Anoka County. The Transit Service Needs Assessment and more specific work done in Anoka County identified a number of service improvements focusing on Northtown Shopping Center. These improvements have been identified in the Test Marketing Program.

A 100-car park-and-ride lot is located at Northtown. The lot is currently about three-quarters full on a daily basis.

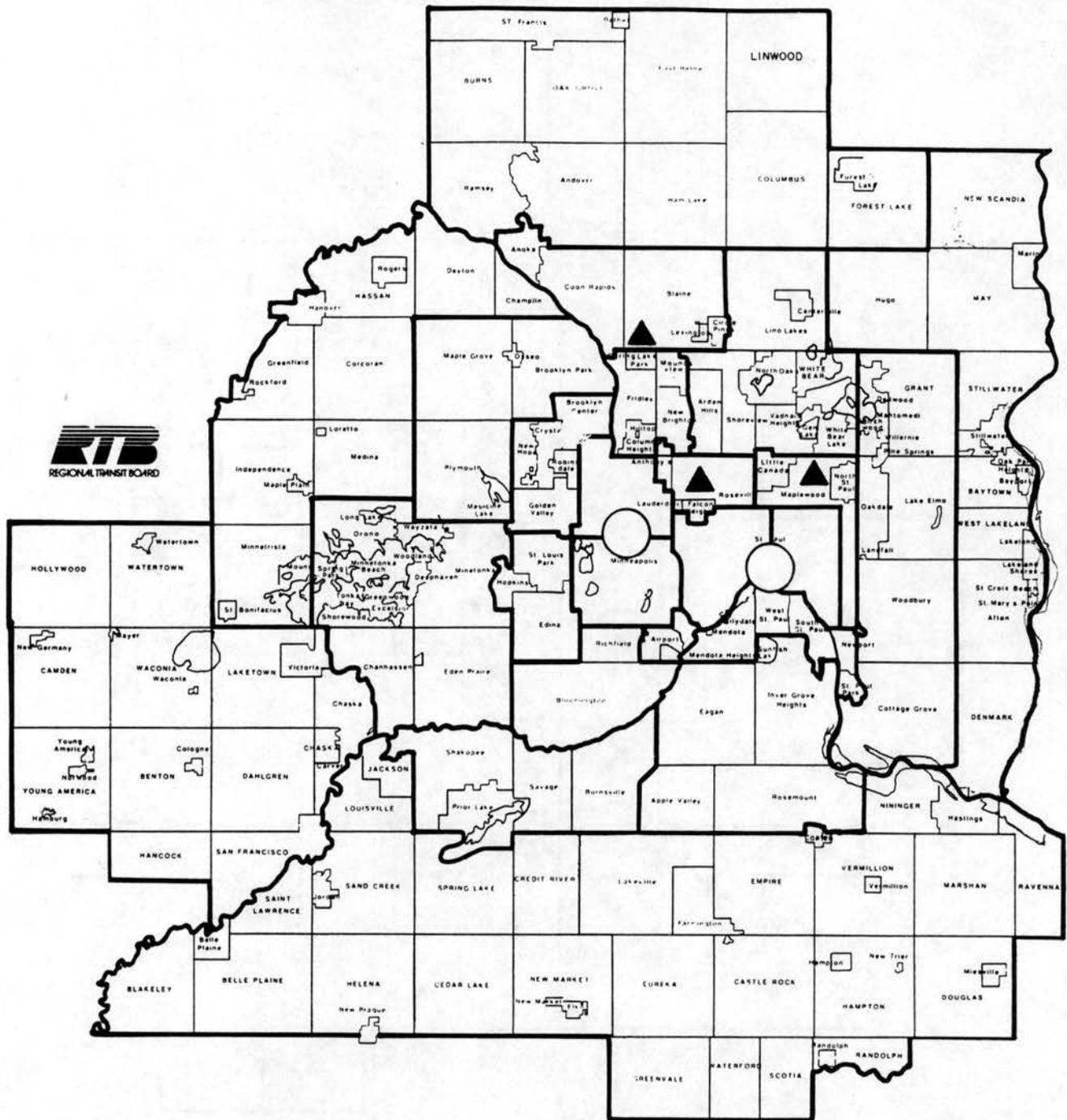
The existing passenger waiting area and bus stop are situated at the southeast shopping center entrance, while the bus staging area is located in a different area of the parking lot. This necessitates costly bus operations within the shopping center. Future expansion plans by the shopping center will necessitate changes to

Figure 15
Transit Hubs



- ▲ Major Transit Hubs
- Minor Transit Hubs

Figure 16
 Transit Hubs for Initial Improvements



▲ Transit Hubs

the existing transit arrangements and at the same time provide new opportunities for transit facility improvements. A transit station integrated into the new development, featuring a bus staging area, passenger waiting shelters and passenger boarding area has been identified to ensure the success of Northtown as a major transit hub.

Improvements will benefit not only the existing services, but also those proposed in the Test Marketing program. These will improve the cost-effectiveness of service in the area and expand the services available.

Rosedale Shopping Center Major Transit Hub. Currently five bus routes serve Rosedale. The MTC continues to add buses on the express service to downtown Minneapolis from Rosedale due to increases in demand. In addition, local circulation service in the Roseville area has been proposed in the Test Marketing program.

Current arrangements with the shopping center owners provide for a 70-car capacity park-and-ride lot in the northeast corner of the center. Current daily usage figures range from 95-100 vehicles, which indicates that the lot is in need of expansion.

The existing passenger waiting area, bus stop, and staging area are located at the western entrance to the center, while the park-and-ride lot and express buses are located on the western side. Improvements could include expanding the size of the park-and-ride facility, expanding the bus staging area, and improving the passenger waiting area. There is a need to combine all transit components in a single location.

Maplewood Mall Major Transit Hub. Six existing bus routes and one general public dial-a-ride service operate to Maplewood Mall, which serves as a hub for the Maplewood, North St. Paul area. Additional circulation service in Maplewood/Oakdale/North St. Paul has also been identified as a potential Test Marketing Strategy.

The existing lease arrangement with Maplewood Mall provides for a 25-car capacity park-and-ride lot which currently is close to capacity

Currently, two different areas within the shopping center area are used for bus staging. This is confusing to transit patrons and more costly from an operations perspective. Suggested improvements include providing one common bus area with spaces for seven vehicles, providing improved passenger waiting area, schedule information and other amenities, and increasing the capacity of the park-and-ride lot to 50 vehicles.

Improvements would benefit not only existing services and encourage the use of transit in the area, but would also enhance the Test Marketing program in the area.

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	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
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	<u>106,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,000</u>
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	<u>69,800</u>	<u>53,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>123,000</u>
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:

<u>Source</u>	<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	<u>3,822,000</u>	<u>3,822,000</u>	<u>3,822,000</u>	<u>2,171,000</u>	<u>733,800</u>	<u>14,370,800</u>
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	<u>323,400</u>	<u>320,000</u>	<u>336,000</u>	<u>352,000</u>	<u>160,000</u>	<u>1,491,400</u>
Total	\$ 1,617,000	\$ 1,600,000	\$ 1,680,000	\$ 1,760,000	\$800,000	\$ 7,457,000

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	<u>153,800</u>	<u>189,000</u>	<u>0*</u>	<u>0*</u>	<u>0*</u>	<u>342,800</u>
Total	\$769,000	\$ 945,000	\$ 0*	\$ 0*	\$ 0*	\$ 1,714,000

* The MTC has indicated that they will have computer-related equipment needs in 1989 to 1991, but these have not yet been estimated.

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 RTB has reviewed this request and directed the MTC to include the project in their capital budget to be resubmitted to the RTB. The RTB also requested the MTC to include how the needs of other operators will be accommodated in the design and management of the facility

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 RTB has reviewed this request and directed the MTC to include the project in their capital budget to be resubmitted to the RTB. The RTB also requested the MTC to include how the needs of other operators will be accommodated in the design and management of the facility.

o Mega Mall Transit Station

The RTB has supported the City of Bloomington's Federal Aid Urban (FAU) application for a transit station in the proposed Mega Mall. This would provide for passenger-waiting and transfer area for regular-route and charter services. The Mega Mall has been identified as a potential transit hub.

o Capital Needs of Other Operators

The RTB is examining the capital needs of providers other than the MTC. The completion of the initial capital planning activities will be included in future budget and Implementation and Financial Plan revisions.

Chapter VI. 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.

Section 6: These funds are used to undertake research, development and demonstration projects in all phases of urban mass transportation (including the development, testing and demonstration of new facilities,

equipment, techniques, and methods) which will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost.

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

The RTB receives reimbursement from the General Fund of the State Treasury for the amounts of the levy reduction effective July 1, 1986. 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 of \$10,000,000 will be requested during the 1987 session to implement the RTB's capital program.

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. As noted previously, the assumption of no changes in fare levels was made as one of the assumptions in the Implementation and Financial Plan. The RTB's Fare Policies and Procedures address the policies and procedures the RTB will use in monitoring, evaluating and making decisions on changes in the fare structure and pricing levels. While fares may be used to help alleviate potential funding shortfalls, many other mechanisms may provide more appropriate approaches. However, should funding shortfalls occur, fares would be one area which would be examined for increasing revenues. The RTB's Fare Policies and Procedures would be used in this analysis.
- 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 of \$10,000,000 will need to be authorized during the 1987 legislature to fund the RTB's capital program.
- 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 \$46,490,800. The source of funding for this request is \$36,753,000 from the Transit Assistance Fund (MVET) and \$9,737,800 from the General Fund. The RTB program budget request is summarized in Table 16 by budget activity. This request is shown in Table 17 in six-month increments. As required, the preceding two years are shown along with the next three.

Table 16
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	11,257,300	12,185,100	23,442,400
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	<u>\$ 23,361,800</u>	<u>\$ 23,129,000</u>	<u>\$ 46,490,800</u>

Table 17

STATEUD

REGIONAL TRANSIT BOARD
OPERATING SCENARIO
BIENNIAL BUDGET

	STATE F. Y. 1986-1987 BIENNIAL	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 BIENNIAL	JULY-DEC 1989	PROJECTED CAL. YEAR 1989
NON-OPERATING REVENUES										
LOCAL PROPERTY TAX SOURCES	\$76,631,129	\$20,786,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,605,500	\$87,385,400	\$22,605,500	\$45,211,000
SUB TOTAL	\$76,631,129	\$20,786,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,605,500	\$87,385,400	\$22,605,500	\$45,211,000
STATE REVENUE SOURCES										
METRO TRANSIT ASSISTANCE	\$30,553,850	\$12,486,264	\$21,937,664	\$10,955,500	\$11,360,500	\$22,316,000	\$11,768,500	\$46,490,764	\$11,079,500	\$22,848,000
HOMESTEAD TAX CREDIT	\$17,867,547	\$4,420,000	\$8,840,000	\$4,596,000	\$4,596,000	\$9,193,600	\$4,781,000	\$18,394,600	\$4,781,000	\$9,562,000
TAX FEATHERING REIMB.	\$2,570,000	\$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	\$50,991,397	\$17,882,264	\$32,729,664	\$16,567,300	\$16,972,300	\$33,539,600	\$17,605,500	\$68,947,364	\$16,916,500	\$34,522,000
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	\$482,000	\$0	\$0
FEDERAL AID-URBAN	\$600,500	\$175,500	\$351,000	\$182,500	\$182,500	\$365,000	\$190,000	\$730,500	\$190,000	\$380,000
SUB TOTAL	\$1,414,186	\$494,500	\$916,000	\$486,500	\$411,500	\$898,000	\$340,000	\$1,732,500	\$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	\$50,000	\$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
TOTAL NON-OPERATING REVENUE	\$129,920,200	\$39,510,264	\$76,200,664	\$41,410,500	\$39,760,500	\$81,171,000	\$41,473,000	\$162,154,264	\$40,272,000	\$81,745,000
OPERATING EXPENDITURES										
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	\$186,000	\$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	\$280,000	\$150,000	\$150,000	\$300,000	\$150,000	\$604,000	\$150,000	\$300,000
GENERAL & ADMIN./OTHER	\$565,912	\$285,700	\$382,600	\$205,000	\$205,000	\$410,000	\$215,000	\$830,700	\$215,000	\$430,000
TRANSIT PROVIDER EXPENSE	\$113,398,124	\$33,238,000	\$68,726,000	\$34,468,500	\$34,468,500	\$68,937,000	\$35,946,000	\$138,121,000	\$35,946,000	\$71,892,000
SUB TOTAL-OPERATING EXP.	\$117,567,461	\$35,901,400	\$72,781,300	\$36,621,500	\$36,621,500	\$73,243,000	\$38,338,000	\$147,482,400	\$37,288,000	\$75,626,000
NON-OPERATING EXPENDITURES										
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	\$13,500,900	\$2,984,000	\$6,119,000
TOTAL EXPENDITURES	\$126,452,711	\$38,419,300	\$77,817,100	\$41,410,500	\$39,760,500	\$81,171,000	\$41,473,000	\$161,063,300	\$40,272,000	\$81,745,000
APPLICATION OF RESERVE FUNDS										
FUND BALANCE RESERVE										
BEGINNING FUND RESERVE	\$441,467	\$3,909,036	\$6,680,436	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$3,909,036	\$5,000,000	\$5,000,000
NET SURPLUS/(DEFICIT)	\$3,467,569	\$1,090,964	(\$1,680,436)	\$0	\$0	\$0	\$0	\$1,090,964	\$0	\$0
ENDING FUND RESERVE	\$3,909,036	\$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 VII. 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: 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: 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.

REGIONAL TRANSIT BOARD
 State Budget Request
 Biennium 1988-1989
 (000's)

	1986/1987 Appropriation	1988-89 Revised 2/15/87	Governor's Recommendation	HOUSE PROPOSAL	
Metro Mobility	\$11,000	\$12,500	\$ 5,805	<u>\$ 12,500</u> ✓	
Regular Route		23,443		23,443 ✓	
Rural		1,080		1,080	
Small Urban	26,020.8	380		380	
Opt-Out					
Test Marketing	<u>-0-</u>	<u>2,500</u>	29,570	<u>1,000</u>	
Total Transit Assistance	\$37,020.8	39,903		<u>38,403</u> ✓	
LRT Preliminary Engineering	-0-	3,500		<u>500</u> ✓	
Transit Planning/ Programs	1,750	2,324		-1,500	
Administration	<u>2,165</u>	<u>764</u>		<u>700</u>	
	<u>\$40,935.8</u>	<u>\$46,491</u>	<u>\$35,375</u>	<u>\$41,103</u>	

HOUSE PROPOSAL
 FUNDING SOURCE

\$ 9,200 - MVET
 31,903 - GEN. FUND
\$41,103

35,375
 31,903
 - 3,472

HAPCOM
 4-17-87

- 1 investment;
- 2 Commissioner of administration; \$50,000-\$60,000
- 3 Commissioner of agriculture;
- 4 Commissioner of commerce;
- 5 Commissioner of corrections;
- 6 Commissioner of jobs and training;
- 7 Commissioner of employee relations;
- 8 Commissioner of energy and economic
- 9 development;
- 10 Commissioner of health;
- 11 Commissioner of labor and industry;
- 12 Commissioner of natural resources;
- 13 Commissioner of revenue;
- 14 Commissioner of public safety;
- 15 Chair, waste management board;
- 16 Chief administrative law judge; office of
- 17 administrative hearings;
- 18 Director, pollution control agency;
- 19 Director, state planning agency;
- 20 Executive director, housing finance
- 21 agency;
- 22 Executive director, public employees
- 23 retirement association;
- 24 Executive director, teacher's
- 25 retirement association;
- 26 Executive director, state retirement
- 27 system;
- 28 Chair, metropolitan council;
- 29 ~~Chair, regional transit board;~~
- 30 Coordinator of full productivity and
- 31 opportunity;
- 32 Commissioner of human rights; \$40,000-\$52,500
- 33 Director, department of public service;
- 34 Commissioner of veterans' affairs;
- 35 Director, bureau of mediation services;
- 36 Commissioner, public utilities commission;

1 Member, transportation regulation board.

2 Sec. 2. Minnesota Statutes 1986, section 15A.081,
3 subdivision 7, is amended to read:

4 Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor
5 shall set the salary rate within the range set forth below for
6 the following part-time positions, upon approval of the
7 legislative commission on employee relations and the legislature
8 as provided by section 43A.18, subdivisions 2 and 5:

9 Effective

10 July 1, 1985

11 Chair, metropolitan airports

12 commission \$15,000-\$25,000

13 Chair, metropolitan waste control

14 commission

15 Effective

16 January 1, 1988

17 Chair, regional transit board \$15,000-\$25,000

18 Fringe benefits for unclassified employees of the
19 metropolitan waste control commission shall not exceed those
20 fringe benefits received by unclassified employees of the
21 metropolitan council.

22 Sec. 3. Minnesota Statutes 1986, section 473.1623,
23 subdivision 2, is amended to read:

24 Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY
25 COMMITTEE.] A financial reporting and management advisory
26 committee is created, consisting of the chairs of the council
27 and the following metropolitan agencies: the waste control
28 commission, transit board, transit commission, metropolitan
29 airports commission, and sports facilities commission. The
30 committee is established to assist and advise the council and
31 other governing boards in meeting the requirements of this
32 section. Staff and administrative services for the committee
33 must be provided by the council and the member agencies. Other
34 agencies shall make financial information available upon request.

35 Sec. 4. Minnesota Statutes 1986, section 473.373, is
36 amended by adding a subdivision to read:

1 Subd. 1a. [PURPOSE.] The board is established: (1) to
2 foster effective delivery of existing transit services and
3 encourage innovation in transit service, (2) to prepare
4 implementation and financial plans for the metropolitan transit
5 system, (3) to set policies and standards for implementing the
6 transit policies and programs of the state and the transit
7 policies of the metropolitan council in the metropolitan area,
8 (4) to conduct transit research and evaluation, and (5) to
9 administer state and metropolitan transit subsidies.

10 The board shall arrange with others for the delivery and
11 provision of transit services and facilities. The board shall
12 avoid, to the greatest extent possible, direct operational
13 planning, administration, or management of specific transit
14 services and facilities.

15 Sec. 5. Minnesota Statutes 1986, section 473.377, is
16 amended by adding a subdivision to read:

17 Subd. 4. [FARE POLICY.] The plan must contain a statement
18 of the policies that will govern the imposition of user charges
19 for various types of transit service and the policies that will
20 govern decisions by the board to change fare policy.

21 Sec. 6. Minnesota Statutes 1986, section 473.377, is
22 amended by adding a subdivision to read:

23 Subd. 5. [LOCAL REVIEW AND COMMENT.] At least 30 days
24 before holding the hearing required on the implementation plan
25 or revision, the board shall submit copies of the plan or a
26 summary of the plan to the chief administrative officer of each
27 statutory and home rule charter city, town, and county in the
28 metropolitan area, along with notice of the hearing and an
29 invitation to testify and submit comments.

30 Sec. 7. Minnesota Statutes 1986, section 473.38,
31 subdivision 2, is amended to read:

32 Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with
33 its annual budget, each even-numbered year the board shall
34 prepare a financial plan for the succeeding three calendar
35 years, in half-year segments. The financial plan must be
36 consistent with the board's implementation plan and must contain

1 the elements specified in section 473.1623, subdivision 3. The
2 financial plan must contain schedules of user charges and any
3 changes in user charges planned or anticipated by the board
4 during the period of the plan. The financial plan must contain
5 a proposed request for state financial assistance for the
6 succeeding biennium. The board shall submit the financial plan
7 to the council for review and approval or disapproval. The
8 council may approve or disapprove in whole or in part. The
9 council may disapprove only for inconsistency with the policy
10 plan of the council.

11 Sec. 8. Minnesota Statutes 1986, section 473.39,
12 subdivision 1a, is amended to read:

13 Subd. 1a. [~~AMOUNT, I-394-FACILITIES~~ AMOUNTS.] (a) The
14 council may issue certificates of indebtedness, bonds, or other
15 obligations under this section in an amount not
16 exceeding ~~\$8,500,000~~ \$17,000,000 for expenditure financial
17 assistance to the commission, as prescribed in the
18 implementation plan of the board and the capital program of the
19 commission. ~~Of this~~

20 (b) The council may issue certificates of indebtedness,
21 bonds, or other obligations under this section in an amount, no
22 more than not exceeding \$1,500,000 may be spent for land
23 acquisition and capital improvements for park and ride lots and
24 transit transfer stations planned for the interstate highway
25 described in section 161.123, clause (2), commonly known as
26 I-394. These facilities may be constructed and maintained by
27 the metropolitan transit commission. The board shall require,
28 as a condition of financial assistance to the commission, that
29 the commission make facilities it constructs, acquires, or
30 improves for I-394 with funds provided under this provision
31 available to all transit providers on a nondiscriminatory basis,
32 as the board defines these terms.

33 Sec. 9. [FARES.]

34 The board may not alter fare policies nor may the
35 commission alter fare schedules existing on January 1, 1987,
36 until:

1 (1) the board has satisfied statutory transit and financial
2 planning requirements by: (i) adopting plans and policies on
3 fares, as required by Laws 1985, First Special Session chapter
4 10, section 30 and restated by sections 3 and 4 of this act;
5 (ii) adopting an implementation plan under Minnesota Statutes
6 1986, section 473.161, that has been approved by the council,
7 including any revisions required by the council, under Minnesota
8 Statutes 1986, section 473.161; (iii) adopting an approved
9 financial plan under Minnesota Statutes 1986, section 473.38,
10 subdivision 2, as amended; and (iv) submitting the
11 implementation and financial plans adopted under clauses (ii)
12 and (iii) to the legislature with its request for state
13 financial assistance; and

14 (2) the legislature has acted on the board's request for
15 state financial assistance submitted under clause (1).

16 Sec. 10. [FEDERAL GRANTS.]

17 The board may not be a recipient of federal capital or
18 operating assistance for transit until:

19 (1) the board has satisfied statutory planning requirements
20 by: (i) adopting plans and policies on fares, as required by
21 Laws 1985, First Special Session chapter 10, section 30 and
22 restated by sections 3 and 4 of this act; (ii) adopting an
23 implementation plan under Minnesota Statutes 1986, section
24 473.161, that has been approved by the council, including any
25 revisions required by the council, under Minnesota Statutes
26 1986, section 473.161; (iii) adopting an approved financial plan
27 under Minnesota Statutes 1986, section 473.38, subdivision 2, as
28 amended; and (iv) submitting the implementation and financial
29 plans adopted under clauses (ii) and (iii) to the legislature
30 with its request for state financial assistance;

31 (2) the legislature has acted on the board's request for
32 state financial assistance submitted under clause (1); and

33 (3) the board has studied and reported to the legislature
34 on the effects, advantages, and disadvantages of transferring
35 the authority to receive these funds from the commission to the
36 board and on how and for what purpose the board would use the

1 funds differently than the commission could use the funds.

2 Sec. 11. [ROUTE PLANNING AND SCHEDULING.]

3 The board shall contract with the commission or other
4 operators or local governments for route planning and scheduling
5 services in any configuration of new or reconfiguration of
6 existing transit services and routes, including route planning
7 and scheduling necessary for the test marketing program, the
8 service bidding program, and the interstate highway described in
9 Minnesota Statutes, section 161.123, clause (2), commonly known
10 as I-394. Route planning and scheduling is subject to approval
11 by the board for conformity to the board's transit
12 implementation plans and route, schedule, and other service
13 standards, objectives, and policies established by the board.

14 Sec. 12. [SERVICE BIDDING.]

15 The board may competitively bid transit service only in
16 accordance with standards, procedures, and guidelines adopted by
17 resolution of the board. The board shall establish a project
18 advisory team to assist and advise the board in developing and
19 implementing standards, procedures, and guidelines. The project
20 advisory team must include representatives of the commission,
21 the Amalgamated Transit Union Local 1005, private operators,
22 local governments, and other persons interested in the subject.
23 At least 60 days before adopting any standards, procedures, or
24 guidelines for competitive bidding of transit service, the board
25 shall hold a public hearing on the subject. The board shall
26 publish notice of the hearing in newspapers of general
27 circulation in the metropolitan area not less than 15 days
28 before the hearing. At the hearing all interested persons must
29 be afforded an opportunity to present their views orally and in
30 writing. Following the hearing, and after considering the
31 testimony, the board shall revise and adopt the standards,
32 procedures, and guidelines.

33 Sec. 13. [APPROPRIATION.]

34 Subdivision 1. [AMOUNTS.] The following amounts are
35 appropriated from to the regional transit board for
36 the purposes and fiscal years specified:

1 1988 1989

- 2 (1) Regular route MTC service
3 (2) Other regular route service
4 (3) Metro mobility
5 (4) Small urban, rural, and
6 replacement services
7 (5) Test marketing of new services
8 (6) Light rail transit studies
9 (7) Planning and programs
10 (8) Administration

11 The unencumbered balance remaining in the first year does
12 not cancel but is available for the second year.

13 Subd. 2. [LIMITATIONS.] (a) The board may not reduce the
14 amounts available for expenditure under subdivision 1,
15 categories (1) to (5), or spend any money, except money received
16 from federal grants and private contributions, for the purposes
17 of categories (6) to (8) in addition to the amounts
18 appropriated. The board may not transfer funds among categories
19 except as provided in paragraph (b)

20 (b) The board may not transfer funds among categories until:

21 (1) the board has satisfied statutory transit and financial
22 planning requirements by: (i) adopting plans and policies on
23 fares, as required by Laws 1985, First Special Session chapter
24 10, section 30 and restated by sections 3 and 4 of this act;
25 (ii) adopting an implementation plan under Minnesota Statutes
26 1986, section 473.161, that has been approved by the council,
27 including any revisions required by the council, under Minnesota
28 Statutes 1986, section 473.161; (iii) adopting an approved
29 financial plan under Minnesota Statutes 1986, section 473.38,
30 subdivision 2, as amended; and (iv) submitting the
31 implementation and financial plans to the legislature adopted
32 under clauses (ii) and (iii) with its request for state
33 financial assistance; and

34 (2) the legislature has acted on the board's request for
35 state financial assistance submitted under clause (1).

36 Sec. 14. [APPLICATION.]

1 Sections 3 to 12 apply in the counties of Anoka, Carver,
2 Dakota, Hennepin, Ramsey, Scott, and Washington.

3 Sec. 15. [EFFECTIVE DATE.]

4 Section 1 is effective January 1, 1988.

State of Minnesota
HOUSE OF REPRESENTATIVES

SEVENTY-FIFTH
SESSION }

H. F.

No. 1043



Introduced by Carruthers, Rest, Blatz, Stanius and Osthoff.
Read First Time Mar. 19, 1987 and Referred to the Committee on
Metropolitan Affairs.
Committee Recommendation and Adoption of Report:
To Pass as Amended Apr. 14, 1987.
Read Second Time Apr. 14, 1987.

1 A bill for an act

2 relating to metropolitan government; providing for
3 qualifications, terms, compensation, and duties of
4 members of various metropolitan agencies; requiring
5 various publications, plans, and reports; regulating
6 routes and service bidding; amending Minnesota
7 Statutes 1986, sections 473.141, subdivision 2, and by
8 adding a subdivision; 473.161, subdivision 1c;
9 473.1623, subdivisions 2, 4, and 5; 473.303, by adding
10 a subdivision; 473.373, by adding a subdivision;
11 473.377, subdivision 1, and by adding subdivisions;
12 473.38, subdivision 2; and 473.604, subdivision 1, and
13 by adding subdivisions; proposing coding for new law
14 in Minnesota Statutes, chapter 473.

15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

17 Section 1. Minnesota Statutes 1986, section 473.141,
18 subdivision 2, is amended to read:

19 Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency
20 consists of eight members, plus a chair appointed as provided in
21 subdivision 3. The metropolitan council shall appoint the eight
22 members on a nonpartisan basis after consultation with the
23 members of the legislature from the district for which the
24 member is to be appointed. The consultation with legislators in
25 the affected district must include informing each legislator of
26 the name, address, and background of each candidate for
27 appointment and soliciting and reporting to the appointments
28 committee the recommendations of each legislator on the
29 appointment.

30 (b) In addition to the notice required in section 15.0597,

1 subdivision 4, notice of vacancies and expiration of terms must
2 be published in newspapers of general circulation in the
3 metropolitan area and the appropriate districts. The council
4 shall notify in writing the governing bodies of the statutory
5 and home rule charter cities, counties, and towns having
6 territory in the district for which the member is to be
7 appointed. The notices must describe the appointment process
8 and invite participation and recommendations on the appointment.

9 (c) The council shall establish an appointments committee,
10 composed of members of the council, to screen and review
11 candidates. Following the submission of member applications to
12 the metropolitan council as provided under section 15.0597,
13 subdivision 5, the appointments committee shall conduct public
14 meetings, following appropriate notice, to accept statements
15 from or on behalf of persons who have applied or been nominated
16 for appointment and to allow consultation with and secure the
17 advice of the public and local elected officials. The committee
18 shall hold the meeting on each appointment in the district or in
19 a reasonably convenient and accessible location in the part of
20 the metropolitan area in which the district is located. The
21 committee may consolidate meetings. Following the meetings, the
22 committee shall submit to the council a written report that
23 lists the persons who have applied or been nominated or
24 recommended for the position, along with a description of the
25 background and qualifications of each. In making its
26 recommendation, the committee specifically shall consider
27 evidence of the candidate's commitment to regularly communicate
28 on issues before the agency with metropolitan council members,
29 legislators, and local elected officials in the district, and
30 the committee shall report its findings on this subject in its
31 written report to the council.

32 (d) One member shall be appointed from each of the
33 following agency districts:

- 34 (1) district A, consisting of council districts 1 and 2;
35 (2) district B, consisting of council districts 3 and 7;
36 (3) district C, consisting of council districts 4 and 5;

- 1 (4) district D, consisting of council districts 6 and 10;
2 (5) district E, consisting of council districts 8 and 9;
3 (6) district F, consisting of council districts 11 and 12;
4 (7) district G, consisting of council districts 13 and 14;
5 and
6 (8) district H, consisting of council districts 15 and 16.

7 Sec. 2. Minnesota Statutes 1986, section 473.141, is
8 amended by adding a subdivision to read:

9 Subd. 3a. [MEMBERS; DUTIES.] Each member shall communicate
10 regularly with metropolitan council members, legislators, and
11 local government officials in the district the member represents.

12 Sec. 3. Minnesota Statutes 1986, section 473.161,
13 subdivision 1c, is amended to read:

14 Subd. 1c. [SERVICES AND SYSTEMS MANAGEMENT.] The plan must
15 include a services and systems management component that
16 describes the levels and costs of services that will be provided
17 to service areas and populations within the metropolitan area.
18 The component must describe: (1) service needs, objectives, and
19 priorities; (2) changes in existing services; (3) deployment of
20 new services; (4) distribution and coordination of services; (5)
21 timing, priority, and location, with maps, of service areas,
22 routes, levels of service, and similar matters, as appropriate
23 to the type of service; (6) delivery methods and
24 providers; ~~(6)~~ (7) system management and administration; ~~(7)~~ (8)
25 costs; ~~(8)~~ (9) manner of finance and revenue sources, including
26 federal and state funds, private funds, taxes, and user charges;
27 and ~~(9)~~ (10) fiscal effects.

28 Sec. 4. Minnesota Statutes 1986, section 473.1623,
29 subdivision 2, is amended to read:

30 Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY
31 COMMITTEE.] A financial reporting and management advisory
32 committee is created, consisting of the chairs of the council
33 and the following metropolitan agencies: the waste control
34 commission, transit board, transit commission, metropolitan
35 airports commission, and sports facilities commission. The
36 committee is established to assist and advise the council and

1 other governing boards in meeting the requirements of this
2 section. Staff and administrative services for the committee
3 must be provided by the council and the member agencies. Other
4 agencies shall make financial information available upon request.

5 Sec. 5. Minnesota Statutes 1986, section 473.1623,
6 subdivision 4, is amended to read:

7 Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The
8 advisory committee, with the assistance of the state auditor and
9 the legislative auditor, shall develop uniform or consistent
10 standards, formats, and procedures for the budgets and financial
11 reports of the council and all metropolitan agencies. The
12 council shall report to the legislature from time to time on
13 progress made by the committee in improving the uniformity and
14 quality of budgets and financial reports and on legislation that
15 may be needed for this purpose.

16 (b) The council and each metropolitan agency shall prepare
17 a summary budget for agency fiscal year 1988 and each year
18 thereafter. The advisory committee, with the assistance of the
19 state auditor and the legislative auditor, shall develop
20 guidelines and models for the summary budgets. The purpose of
21 the summary budget is to increase public knowledge and agency
22 accountability by providing citizens outside of the agency with
23 a condensed, accessible, and graphic description of the
24 financial affairs of the agency. The document should contain a
25 coherent, effectively communicated, understandable statement
26 of: financial trends and forecasts; budget policies and policy
27 changes; agency financial assumptions, objectives and plans;
28 revenue sources and expenditures by program category; personnel
29 policies, decisions, and allocation; budgetary performance
30 measures; and similar matters serving the purpose of the
31 document.

32 Sec. 6. Minnesota Statutes 1986, section 473.1623,
33 subdivision 5, is amended to read:

34 Subd. 5. [ADMINISTRATIVE COORDINATION.] The advisory
35 committee shall evaluate the benefits, costs, methods, and
36 effects, including operational effects, of joint or uniform and

1 coordinated exercise of powers by the council and metropolitan
2 agencies for appropriate administrative functions. The study
3 must include at least ongoing managerial reporting, contracts,
4 purchasing, data processing, and personnel. The council shall
5 report to the legislature from time to time on the findings and
6 recommendations of the advisory committee to date ~~by January 17~~
7 ~~1987~~, and on legal and other impediments to increased
8 coordination of administrative functions. Before submitting the
9 report, the council shall request comments on the report from
10 the affected metropolitan agencies, and the comments must be
11 submitted along with the report.

12 Sec. 7. [473.247] [METROPOLITAN AGENCIES; PUBLIC
13 INFORMATION.]

14 The council shall publish a consolidated metropolitan
15 bulletin or register containing official notices, meeting and
16 hearing schedules, notices of adopted ordinances, rules,
17 policies, and similar matters for the council and all
18 metropolitan agencies. Metropolitan agencies shall cooperate
19 with the council in providing timely information for publication.

20 Sec. 8. Minnesota Statutes 1986, section 473.303, is
21 amended by adding a subdivision to read:

22 Subd. 3a. [MEMBERS; DUTIES.] Members have the duties
23 imposed by section 2.

24 Sec. 9. Minnesota Statutes 1986, section 473.373, is
25 amended by adding a subdivision to read:

26 Subd. 1a. [PURPOSE.] The board is established: (1) to
27 foster effective delivery of existing transit services and
28 encourage innovation in transit service, (2) to prepare
29 implementation and financial plans for the metropolitan transit
30 system, (3) to set policies and standards for implementing the
31 transit policies and programs of the state and the transit
32 policies of the metropolitan council in the metropolitan area,
33 (4) to conduct transit research and evaluation, and (5) to
34 administer state and metropolitan transit subsidies.

35 The board shall arrange with others for the delivery and
36 provision of transit services and facilities. The board shall

1 avoid, to the greatest extent possible, direct operational
2 planning, administration, or management of specific transit
3 services and facilities.

4 Sec. 10. Minnesota Statutes 1986, section 473.377,
5 subdivision 1, is amended to read:

6 Subdivision 1. [REQUIREMENT.] The transit board shall
7 prepare, submit to the council, and adopt an implementation plan
8 as provided in section 473.161. The services and systems
9 management component of the board's plan must include a
10 description of the special transportation service provided under
11 section 473.386. The board shall prepare an implementation plan
12 meeting the requirements of this section and submit the plan to
13 the council by August 1, 1986, and thereafter at a time
14 prescribed by the council.

15 Sec. 11. Minnesota Statutes 1986, section 473.377, is
16 amended by adding a subdivision to read:

17 Subd. 4. [FARE POLICY.] The plan must contain a statement
18 of the policies that will govern the imposition of user charges
19 for various types of transit service and the policies that will
20 govern decisions by the board to change fare policy.

21 Sec. 12. Minnesota Statutes 1986, section 473.377, is
22 amended by adding a subdivision to read:

23 Subd. 5. [LOCAL REVIEW AND COMMENT.] At least 30 days
24 before holding the hearing required on the implementation plan
25 or revision, the board shall submit copies of the plan or a
26 summary of the plan to the chief administrative officer of each
27 statutory and home rule charter city, town, and county in the
28 metropolitan area, along with notice of the hearing and an
29 invitation to testify and submit comments.

30 Sec. 13. Minnesota Statutes 1986, section 473.38,
31 subdivision 2, is amended to read:

32 Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with
33 its annual budget, each even-numbered year the board shall
34 prepare a financial plan for the succeeding three calendar
35 years, in half-year segments. The financial plan must be
36 consistent with the board's implementation plan and must contain

1 the elements specified in section 473.1623, subdivision 3. The
2 financial plan must contain schedules of user charges and any
3 changes in user charges planned or anticipated by the board
4 during the period of the plan. The financial plan must contain
5 a proposed request for state financial assistance for the
6 succeeding biennium. The board shall submit the financial plan
7 to the council for review and approval or disapproval. The
8 council may approve or disapprove in whole or in part. The
9 council may disapprove only for inconsistency with the policy
10 plan of the council.

11 Sec. 14. Minnesota Statutes 1986, section 473.604,
12 subdivision 1, is amended to read:

13 Subdivision 1. The following persons and their respective
14 successors shall constitute the members and governing body of
15 the corporation, namely:

16 (1) All of the members and commissioners in office January
17 1, 1973, for the remainder of the terms for which they were
18 appointed or otherwise selected, respectively;

19 (2) The mayor of each of the cities, or a qualified voter
20 appointed by the mayor, for the term of office as mayor;

21 (3) A member of the council of each of the cities,
22 appointed by the council for a term of four years commencing in
23 July, 1977;

24 (4) A member of the park board of Minneapolis appointed by
25 that board and a second member of the council of St. Paul,
26 appointed by it, each for a term of two years commencing in
27 July, 1979;

28 (5) One additional resident of each city, who does not hold
29 any office under the state or any of its political subdivisions
30 except that of notary public, herein termed a "citizen
31 commissioner," such member in St. Paul to be appointed by the
32 mayor, with the approval of the council, and in Minneapolis by
33 the council, with the approval of the mayor; each for a term of
34 two years commencing in July, 1979;

35 (6) Six additional members, each appointed by the governor
36 on a nonpartisan basis, and each holding no other office under

1 the state or any of its political subdivisions except that of
2 notary public; for terms and with residence qualifications as
3 follows:

4 (a) (1) A resident of the area of the counties of
5 Washington and Ramsey, outside of St. Paul, for a four-year term
6 commencing in July, 1974, and a successor for a term ending July
7 1, 1981;

8 (2) A resident of the county of Anoka, for a four-year term
9 commencing in July, 1974, and a successor for a term ending July
10 1, 1981;

11 (3) Three residents of the area of the counties of Carver,
12 Scott and Hennepin, outside Minneapolis, for a two-year term
13 commencing in July, 1974, and their successors for a term ending
14 July 1, 1981;

15 (4) A resident of the county of Dakota, for a four-year
16 term commencing in July, 1974, and a successor for a term ending
17 July 1, 1981;

18 (b) As successors to all members referred to in paragraphs
19 (2) to (6)(a), whose terms will expire in July, 1981, a number
20 of members appointed from precincts equal or nearest to but not
21 exceeding half the number of districts which are provided by law
22 for the selection of members of the metropolitan council in
23 section 473.123. Each member shall be a resident of the
24 precinct represented. The members shall be appointed by the
25 governor as follows: a number as near as possible to
26 one-fourth, for a term of one year; a similar number for a term
27 of two years; a similar number for a term of three years; and a
28 similar number for a term of four years, all of which terms
29 shall commence on July 1, 1981. The successors of each member
30 shall be appointed for four-year terms commencing in July of
31 each fourth year after the expiration of the original term.
32 Before making an appointment, the governor shall consult with
33 each member of the legislature from the precinct for which the
34 member is to be appointed, to solicit the legislator's
35 recommendation on the appointment;

36 (7) One member appointed by the governor of the state, who

1 shall be chair of the corporation, appointed for a term
2 coterminous with that of the governor.

3 Sec. 15. Minnesota Statutes 1986, section 473.604, is
4 amended by adding a subdivision to read:

5 Subd. 3a. Precinct boundaries existing on March 1, 1987,
6 for appointments under subdivision 1 may not be changed and
7 remain fixed until reapportionment under this subdivision. The
8 terms of all members appointed from precincts under subdivision
9 1 expire on the effective date of the next apportionment of
10 metropolitan council districts under section 473.123,
11 subdivision 3a. Members shall continue to serve until the
12 governor appoints eight members from newly drawn districts
13 defined in section 473.141, subdivision 2, for terms provided in
14 section 473.141, subdivision 4a. Thereafter, the eight members
15 must be appointed by the governor from the districts defined in
16 section 473.141, subdivision 2, for terms provided in section
17 473.141, subdivision 4a.

18 Sec. 16. Minnesota Statutes 1986, section 473.604, is
19 amended by adding a subdivision to read:

20 Subd. 7. [MEMBERS; DUTIES.] Members appointed from
21 precincts under subdivision 1 have the duties imposed by section
22 2.

23 Sec. 17. [REPORT; METROPOLITAN AGENCIES.]

24 By January 1, 1988, the council and each agency represented
25 on the advisory committee established under section 473.1623
26 shall report to the legislature on the following:

27 (1) agency personnel practices, including an analysis of
28 trends, compliance with legal requirements, health care and
29 other benefits, and salary levels in comparison with relevant
30 job markets; and

31 (2) ethical practices requirements for board members and
32 employees of each agency, including the sources of the
33 requirements, agency comparisons, and comparison with
34 requirements for state and local government officers and
35 employees.

36 Sec. 18. [ROUTE PLANNING AND SCHEDULING.]

1 The board shall contract with the commission or other
2 operators or local governments for route planning and scheduling
3 services in any configuration of new or reconfiguration of
4 existing transit services and routes, including route planning
5 and scheduling necessary for the test marketing program, the
6 service bidding program, and the interstate highway described in
7 section 161.123, clause (2), commonly known as I-394. Route
8 planning and scheduling is subject to approval by the board for
9 conformity to the board's transit implementation plans and
10 route, schedule, and other service standards, objectives, and
11 policies established by the board.

12 Sec. 19. [SERVICE BIDDING.]

13 The board may competitively bid transit service only in
14 accordance with standards, procedures, and guidelines adopted by
15 resolution of the board. The board shall establish a project
16 management team to assist and advise the board in developing and
17 implementing standards, procedures, and guidelines. The project
18 management team must include representatives of the commission,
19 the Amalgamated Transit Union Local 1005, private operators,
20 local governments, and other persons interested in the subject.
21 At least 60 days before adopting any standards, procedures, or
22 guidelines for competitive bidding of transit service, the board
23 shall hold a public hearing on the subject. The board shall
24 publish notice of the hearing in newspapers of general
25 circulation in the metropolitan area not less than 15 days
26 before the hearing. At the hearing all interested persons must
27 be afforded an opportunity to present their views orally and in
28 writing. Following the hearing, and after considering the
29 testimony, the board shall revise and adopt the standards,
30 procedures, and guidelines.

31 Sec. 20. [APPLICATION.]

32 Sections 1 to 19 are effective in the counties of Anoka,
33 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

AMENDED

HOUSE SUBCOMMITTEE REPORT

SUBCOMMITTEE ACTION TAKEN April 14, 1987

TO: Representative Osthoff, Chairman

Committee on Metropolitan Affairs

FROM: Representative McLaughlin, Chairman of the

Subcommittee on Transportation,

to which was referred S.F. No. 282,

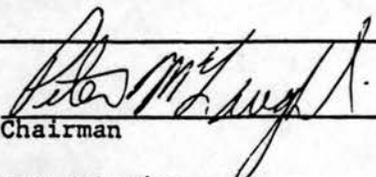
A bill for an act

relating to crimes; metropolitan transit; authorizing
peace officers hired by the metropolitan transit
commission to make arrests within the metropolitan
area; amending Minnesota Statutes 1986, section
629.40, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

SEE ATTACHED

And when so amended that the bill be recommended to pass to the full
committee


Chairman

Subcommittee on Transportation

1 _____ moves to amend S.F. 282 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 1986, section 15A.081,
4 subdivision 1, is amended to read:

5 Subdivision 1. The governor shall set the salary rate
6 within the ranges listed below for positions specified in this
7 subdivision, upon approval of the legislative commission on
8 employee relations and the legislature as provided by section
9 43A.18, subdivisions 2 and 5:

	Salary Range
	Effective
	July 1, 1983
13 Commissioner of education;	\$57,500-\$70,000
14 Commissioner of finance;	
15 Commissioner of transportation;	
16 Commissioner of human services;	
17 Executive director, state board of	
18 investment;	
19 Commissioner of administration;	\$50,000-\$60,000
20 Commissioner of agriculture;	
21 Commissioner of commerce;	
22 Commissioner of corrections;	
23 Commissioner of jobs and training;	
24 Commissioner of employee relations;	

- 1 Commissioner of energy and economic
- 2 development;
- 3 Commissioner of health;
- 4 Commissioner of labor and industry;
- 5 Commissioner of natural resources;
- 6 Commissioner of revenue;
- 7 Commissioner of public safety;
- 8 Chair, waste management board;
- 9 Chief administrative law judge; office of
- 10 administrative hearings;
- 11 Director, pollution control agency;
- 12 Director, state planning agency;
- 13 Executive director, housing finance
- 14 agency;
- 15 Executive director, public employees
- 16 retirement association;
- 17 Executive director, teacher's
- 18 retirement association;
- 19 Executive director, state retirement
- 20 system;
- 21 Chair, metropolitan council;
- 22 ~~Chair, regional transit board;~~
- 23 Coordinator of full productivity and
- 24 opportunity;
- 25 Commissioner of human rights; \$40,000-\$52,500
- 26 Director, department of public service;
- 27 Commissioner of veterans' affairs;
- 28 Director, bureau of mediation services;
- 29 Commissioner, public utilities commission;
- 30 Member, transportation regulation board.

31 Sec. 2. Minnesota Statutes 1986, section 15A.081,
32 subdivision 7, is amended to read:

33 Subd. 7. [PART-TIME METROPOLITAN OFFICERS.] The governor
34 shall set the salary rate within the range set forth below for
35 the following part-time positions, upon approval of the
36 legislative commission on employee relations and the legislature

1 as provided by section 43A.18, subdivisions 2 and 5:

2 Effective
3 July 1, 1985
4 Chair, metropolitan airports
5 commission \$15,000-\$25,000

6 Chair, metropolitan waste control
7 commission

8 Effective
9 January 1, 1989

10 Chair, regional transit board \$15,000-\$25,000

11 Fringe benefits for unclassified employees of the
12 metropolitan waste control commission shall not exceed those
13 fringe benefits received by unclassified employees of the
14 metropolitan council.

15 Sec. 3. Minnesota Statutes 1986, section 473.398, is
16 amended to read:

17 473.398 [TRANSIT NEEDS ASSESSMENT.]

18 (a) The metropolitan council, the regional transit board,
19 ~~and the metropolitan transit commission, and any regional rail~~
20 ~~authority or political subdivision in the metropolitan area~~ may
21 not either separately or in combination expend or obligate any
22 money from public sources for study, planning, design,
23 preliminary engineering, engineering, acquisition, construction,
24 or any other purpose related to facilities for transporting
25 passengers by cars operating on fixed rails, without express
26 legislative authorization.

27 (b) Before performing any further detailed work on light
28 rail transit, the regional transit board shall complete the
29 total assessment of transit service needs and markets for the
30 metropolitan area and the implementation plan required by
31 section 473.377, subdivisions 1 and 2. It may consider any mode
32 of travel to serve identified needs and markets.

33 (c) Following approval of the implementation plan by the
34 metropolitan council, as required by section 473.377,
35 subdivision 1, the regional transit board may commence corridor
36 planning, consisting of preliminary engineering for general

1 route configuration and alignments, station locations, modal
2 interconnectors, and access of any modes including light rail
3 transit, for the corridor between the downtowns of Minneapolis
4 and St. Paul if the needs assessment and implementation plan so
5 provide. It may utilize private or public funds to do this work.

6 (d) The board shall report to the legislature by December
7 1, 1986, on the needs, alternative transit systems, and services
8 considered and recommendations for implementation, costs,
9 alternative sources of financing, and preferred financing
10 sources.

11 (e) Notwithstanding the provisions of paragraph (a), the
12 metropolitan council may cooperate with regional rail
13 authorities in the study, planning and design of regional rail
14 authority light rail transit systems, and the metropolitan
15 transit commission may cooperate with regional rail authorities
16 in the operation and operational planning of regional rail
17 authority light rail transit systems.

18 Sec. 4. [473.170] [LIGHT RAIL TRANSIT; DESIGN PLANS.]

19 Subdivision 1. [REQUIREMENT.] Before constructing a light
20 rail transit facility, the political subdivision proposing the
21 facility must have held a public hearing on preliminary design
22 plans, as provided in subdivision 2, and submitted preliminary
23 and final design plans for review, as provided in subdivisions 3
24 to 5.

25 Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC
26 HEARING.] Before preparing final design plans for a light rail
27 transit facility, a public hearing on the preliminary design
28 plans must be held by the political subdivision proposing the
29 facility. The hearing must be held following appropriate public
30 notification and publicity to ensure that affected parties have
31 an opportunity to present their views at the hearing.

32 Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At
33 least 30 days before the hearing under subdivision 2, the
34 proposer shall submit the preliminary design plans to the
35 governing body of each statutory and home rule charter city,
36 county, and town in which the route is proposed to be located.

1 The city, county, or town has 30 days following the hearing
2 under subdivision 2 to review and approve or disapprove the
3 plans for the route located in the city, county, or town.
4 Failure to respond within the time period is deemed to be
5 approval, unless an extension of time is agreed to by the city,
6 county, or town and the proposer. If the preliminary design
7 plans are approved, the proposer may proceed with final design
8 plans under subdivision 5.

9 Subd. 4. [PRELIMINARY DESIGN PLANS; METROPOLITAN COUNCIL
10 REFERRAL.] If the governing body of one or more cities,
11 counties, or towns disapproves the preliminary design plans
12 within the period allowed under subdivision 3, the proposer may
13 refer the plans to the metropolitan council. The council shall
14 hold a hearing, giving the proposer and the disapproving local
15 governmental units opportunity to present the case for or
16 against approval of the plans. The council may conduct
17 independent study as it deems desirable and may mediate and
18 attempt to resolve disagreements about the plans. Not later
19 than 90 days after the referral, the council shall either
20 approve the plans as submitted by the proposer or recommend
21 amended plans to accommodate the objections presented by the
22 disapproving local governmental units. Failure to respond
23 within the time period is deemed to be approval, unless an
24 extension of time is agreed to by the council and the proposer.
25 Following approval or recommendation of preliminary design plans
26 by the council, the proposer may proceed with final design plans
27 under subdivision 5.

28 Subd. 5. [FINAL DESIGN PLANS.] (a) After the approval of
29 preliminary design plans under subdivision 3 or review by the
30 council following referral to the council under subdivision 4,
31 the proposer may prepare final design plans.

32 (b) Before proceeding with construction, the proposer shall
33 submit the final design plans to the governing body of each
34 statutory and home rule city, county, and town in which the
35 route is proposed to be located. The city, county, or town has
36 60 days following the submittal to review and approve or

1 disapprove the plan for the route located in the city, county,
2 or town. Failure to respond within the time period is deemed to
3 be approval, unless an extension is agreed to by the city,
4 county, or town and the proposer. If the final design plans are
5 approved, the proposer may proceed with construction.

6 (c) If the governing body of one or more cities, counties,
7 or towns disapproves of the final design plans within the period
8 allowed under paragraph (b), the proposer may refer the plans to
9 the metropolitan council. The council shall review the final
10 plans under the same procedure and with the same effect as
11 provided in subdivision 4 for preliminary design plans.
12 Following approval or recommendation of final design plans by
13 the council, the proposer may proceed with construction.

14 Subd. 6. [COUNTY APPROVAL.] Preliminary and final design
15 plans for a light rail transit facility in the metropolitan area
16 must be submitted for approval or disapproval by the governing
17 board of the county in which the route is proposed to be
18 located. The proposer of the facility may not proceed with the
19 facility without the approval of the county.

20 Subd. 7. [COUNCIL APPROVAL.] Before proceeding with final
21 plans for a light rail transit facility, a regional rail
22 authority established under chapter 398A shall submit
23 preliminary engineering and other plans to the metropolitan
24 council for review, and approval or disapproval, for consistency
25 with the council's development guide.

26 Subd. 8. [METROPOLITAN SIGNIFICANCE.] Nothing in this
27 section diminishes or replaces the authority of the council
28 under section 473.173.

29 Sec. 5. [METROPOLITAN TRANSIT PLANNING PROCESS.]
30 By January 15, 1988, the council shall report to the
31 legislature a recommended process for coordinating the planning
32 and development of transit by regional railroad authorities and
33 other political subdivisions.

34 Sec. 6. [APPLICATION.]

35 Section 1 is effective July 1, 1987. Sections 3 to 5 are
36 effective the day following final enactment in the counties of

4-15-87/8:20

[RESDEPT] TT/fa RS282A-25

- 1 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."
- 2 Amend the title accordingly

SENATE
STATE OF MINNESOTA
SEVENTY-FIFTH LEGISLATURE

PRINTED
PAGE NO.

49

57

S.F. NO. 282

Introduced by Luther; Purfeerst; Kroening; Moe, R. D. and
McQuaid.

Read First Time Feb. 5, 1987, and Referred to the
Committee on Transportation.

Committee Recommendation. To Pass.

Committee Report Adopted Mar. 5, 1987.

Read Second Time Mar. 5, 1987.

1 A bill for an act

2 relating to metropolitan government; permitting
3 regional railroad authorities to engage in certain
4 activities; amending Minnesota Statutes 1986, section
5 473.398.

6

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 1986, section 473.398, is
9 amended to read:

10 473.398 [TRANSIT NEEDS ASSESSMENT.]

11 The metropolitan council, the regional transit board, and
12 ~~the metropolitan transit commission, and any regional rail~~
13 ~~authority or political subdivision in the metropolitan area~~ may
14 not either separately or in combination expend or obligate any
15 money from public sources for study, planning, design,
16 preliminary engineering, engineering, acquisition, construction,
17 or any other purpose related to facilities for transporting
18 passengers by cars operating on fixed rails, without express
19 legislative authorization.

20 Before performing any further detailed work on light rail
21 transit, the regional transit board shall complete the total
22 assessment of transit service needs and markets for the
23 metropolitan area and the implementation plan required by
24 section 473.377, subdivisions 1 and 2. It may consider any mode
25 of travel to serve identified needs and markets.

1 Following approval of the implementation plan by the
2 metropolitan council, as required by section 473.377,
3 subdivision 1, the regional transit board may commence corridor
4 planning, consisting of preliminary engineering for general
5 route configuration and alignments, station locations, modal
6 interconnectors, and access of any modes including light rail
7 transit, for the corridor between the downtowns of Minneapolis
8 and St. Paul if the needs assessment and implementation plan so
9 provide. It may utilize private or public funds to do this work.

10 The board shall report to the legislature by December 1,
11 1986, on the needs, alternative transit systems, and services
12 considered and recommendations for implementation, costs,
13 alternative sources of financing, and preferred financing
14 sources.

15 Sec. 2. [EFFECTIVE DATE.]

16 Section 1 is effective the day following final enactment.

1 A bill for an act

2 relating to metropolitan government; regulating
3 participation in a transportation program; allowing
4 the metropolitan council to incur debt to provide
5 assistance to the metropolitan transit commission;
6 providing conditions for incurrence of debt for
7 certain purposes; removing fare restrictions; amending
8 Minnesota Statutes 1986, section 473.388, subdivision
9 2; 473.39; and 473.446, subdivision 1; repealing
10 Minnesota Statutes 1986, section 473.436, subdivisions
11 6 and 7; and Laws 1985, First Special Session chapter
12 10, section 122.

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

15 Section 1. Minnesota Statutes 1986, section 473.388,
16 subdivision 2, is amended to read:

17 Subd. 2. [REPLACEMENT SERVICE; ELIGIBILITY.] The transit
18 board may provide assistance under the program to a statutory or
19 home rule charter city or town or combination thereof, that:

20 (a) is located in the metropolitan transit taxing district;

21 (b) is not served by the transit commission or is served
22 only with transit commission bus routes which begin or end

23 within the applying city or town or combination thereof; and

24 (c) has fewer than four scheduled runs of metropolitan
25 transit commission bus service during off-peak hours defined in
26 section 473.408, subdivision 1.

27 Eligible cities or towns or combinations thereof may apply
28 on behalf of a transit operator with whom they propose to
29 contract for service.

1 The board may not provide assistance under this section to
2 a statutory or home rule charter city or town unless the city or
3 town,

4 (i) was receiving assistance under Minnesota Statutes 1982,
5 section 174.265 or by July 1, 1984,

6 (ii) had submitted an application for assistance under that
7 section by July 1, 1984, or

8 (iii) had submitted a letter of intent to apply for
9 assistance under that section by July 1, 1984, and submits an
10 application for assistance under this section by July 1, 1988.

11 Sec. 2. Minnesota Statutes 1986, section 473.39, is
12 amended to read:

13 473.39 [BORROWING MONEY.]

14 Subdivision 1. [GENERAL AUTHORITY.] The council, if
15 requested by vote of at least two-thirds of all of the members
16 of the transit board, may issue general obligation bonds subject
17 to the volume limitation in subdivision 1a to provide funds to
18 the board for expenditure to implement the board's approved
19 implementation plan and may issue general obligation bonds not
20 subject to the volume limitation set forth in subdivision 1a for
21 the refunding of outstanding bonds, or certificates of
22 indebtedness of the council, the board or the commission, and
23 judgments against the board or the commission. The council may
24 not unreasonably withhold the issuance of obligations for an
25 implementation plan that has been approved by the council. The
26 council may not issue obligations pursuant to this subdivision,
27 other than refunding bonds, in excess of the amount specifically
28 authorized by law. Except as otherwise provided in sections
29 473.371 to 473.449, the council shall provide for the issuance,
30 sale, and security of the bonds in the manner provided in
31 chapter 475, and has the same powers and duties as a
32 municipality issuing bonds under that law, except that no
33 election is required and the net debt limitations in chapter 475
34 do not apply to the bonds. The obligations are not a debt of
35 the state or any municipality or political subdivision within
36 the meaning of any debt limitation or requirement pertaining to

1 those entities. Neither the state, nor any municipality or
2 political subdivision except the council and board, nor any
3 member or officer or employee of the board or council, is liable
4 on the obligations. The obligations may be secured by taxes
5 levied without limitation of rate or amount upon all taxable
6 property in the transit taxing district and transit area as
7 provided in section 473.446, subdivision 1, clause (c). The
8 council shall certify to the transit board before October 1 of
9 each year the amounts necessary to provide full and timely
10 payment of the obligations. As part of its levy made under
11 section 473.446, subdivision 1, clause (c), the board shall levy
12 the amounts certified by the council and transfer the proceeds
13 to the council for payment of the obligations. The taxes must
14 be levied, certified, and collected in accordance with the terms
15 and conditions of the indebtedness.

16 Subd. 1a. [~~AMOUNT~~; ~~I-394-FACILITIES~~ OBLIGATIONS.] (a) The
17 council may issue certificates of indebtedness, bonds, or other
18 obligations under this section in an amount not
19 exceeding ~~\$8,500,000~~ \$17,000,000 for expenditure financial
20 assistance to the commission, as prescribed in the
21 implementation plan of the board and the capital program of the
22 commission. ~~Of this~~

23 (b) The council may issue certificates of indebtedness,
24 bonds, or other obligations under this section in an amount; ~~no~~
25 ~~more than~~ not exceeding \$1,500,000 ~~may be spent~~ for land
26 acquisition and capital improvements for park and ride lots and
27 transit transfer stations planned for the interstate highway
28 described in section 161.123, clause (2), commonly known as
29 I-394. These facilities may be constructed and maintained by
30 the metropolitan transit commission. The board shall require,
31 as a condition of financial assistance to the commission, that
32 the commission make facilities it constructs, acquires, or
33 improves for I-394 with funds provided under this provision
34 available to all transit providers on a nondiscriminatory basis,
35 as the board defines these terms. The limitation contained in
36 this subdivision does not apply to refunding bonds issued by the

1 council.

2 Subd. 1b. [TEMPORARY BORROWING.] On or after the first day
3 of any fiscal year, the board may borrow money which may be used
4 or expended by the board for any purpose, including but not
5 limited to current expenses, capital expenditures and the
6 discharge of any obligation or indebtedness of the board, or
7 with the prior consent of the council any obligation or
8 indebtedness of the council issued pursuant to subdivision 1 or
9 any obligation or indebtedness of the commission. The
10 indebtedness must be represented by a note or notes with a
11 maximum maturity of three years which may be issued from time to
12 time in any denomination and sold at public or private sale
13 pursuant to a resolution authorizing the issuance. The
14 resolution must set forth the form and manner of execution of
15 the notes and contain any other terms and conditions the board
16 deems necessary or desirable to provide security for the holders
17 of the notes. The note or notes are payable from committed or
18 appropriated money from taxes levied by the board under section
19 473.446, subdivision 1, clause (a), grants or loans of the state
20 or federal government made to the board, or other revenues of
21 the board or, if the commission has given prior approval to the
22 pledge of them, grants or loans made to or other revenues of the
23 commission, and the money may be pledged to the payment of the
24 notes. To the extent the notes are not paid from the grant or
25 loan money pledged for their payment, the principal of and
26 interest on the notes must be paid from any taxes levied by the
27 board pursuant to section 473.446, subdivision 1, clause (a) and
28 any income and revenue received by or accrued to the board
29 during the fiscal year in which the note or notes were issued,
30 or other money of the board lawfully available for the purpose.
31 Notes issued under this subdivision are not a debt of the state
32 or any municipality or political subdivision within the meaning
33 of any debt limitation or requirement pertaining to those
34 entities. Neither the state nor any municipality or political
35 subdivision except the board, nor any member or officer of the
36 board, is liable on the notes.

1 Subd. 2. [LEGAL INVESTMENTS.] Certificates of
2 indebtedness, bonds, or other obligations issued by the
3 council or by the board to which tax levies have been pledged
4 pursuant to section 473.446, are proper for investment of any
5 funds by a bank, savings bank, savings and loan association,
6 credit union, trust company, insurance company, or public or
7 municipal corporation, and may be pledged by any bank, savings
8 bank, savings and loan association, credit union, or trust
9 company as security for the deposit of public money.

10 Sec. 3. Minnesota Statutes 1986, section 473.446,
11 subdivision 1, is amended to read:

12 Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.]
13 For the purposes of sections 473.401 to 473.451 and the
14 metropolitan transit system, except as otherwise provided in
15 this subdivision the regional transit board shall levy each year
16 upon all taxable property within the metropolitan transit taxing
17 district, defined in subdivision 2, a transit tax consisting of:

18 (a) an amount up to two mills times the assessed value of
19 all such property, based upon the level of transit service
20 provided for the property, the proceeds of which shall be used
21 for payment of the expenses of operating transit and paratransit
22 service and to provide for payment of obligations issued by the
23 commission under section 473.39, subdivision 1b, or 473.436,
24 subdivision 6;

25 (b) an additional amount, if any, as the board determines
26 to be necessary to provide for the full and timely payment of
27 its certificates of indebtedness and other obligations
28 outstanding on July 1, 1985, to which property taxes under this
29 section have been pledged; and

30 (c) an additional amount necessary to provide full and
31 timely payment of certificates of indebtedness, bonds, including
32 refunding bonds or other obligations issued or to be issued
33 under section 473.39 by the council for purposes of acquisition
34 and betterment of property and other improvements of a capital
35 nature and to which the council or board has specifically
36 pledged tax levies under this clause.

1 The county auditor shall reduce the tax levied pursuant to
2 this subdivision on all property within statutory and home rule
3 charter cities and towns that receive full peak service and
4 limited off-peak service by an amount equal to the tax levy that
5 would be produced by applying a rate of 0.5 mills on the
6 property. The county auditor shall reduce the tax levied
7 pursuant to this subdivision on all property within statutory
8 and home rule charter cities and towns that receive limited peak
9 service by an amount equal to the tax levy that would be
10 produced by applying a rate of 0.75 mills on the property. The
11 amounts so computed by the county auditor shall be submitted to
12 the commissioner of revenue as part of the abstracts of tax
13 lists required to be filed with the commissioner under section
14 275.29. Any prior year adjustments shall also be certified in
15 the abstracts of tax lists. The commissioner shall review the
16 certifications to determine their accuracy and may make changes
17 in the certification as necessary or return a certification to
18 the county auditor for corrections. The commissioner shall pay
19 to the regional transit board the amounts certified by the
20 county auditors on the dates provided in section 273.13,
21 subdivision 15a, clause (3). There is annually appropriated
22 from the general fund in the state treasury to the department of
23 revenue the amounts necessary to make these payments in fiscal
24 year 1987 and thereafter.

25 For the purposes of this subdivision, "full peak and
26 limited off-peak service" means peak period regular route
27 service, plus weekday midday regular route service at intervals
28 longer than 60 minutes on the route with the greatest frequency;
29 and "limited peak period service" means peak period regular
30 route service only.

31 Sec. 4. [FARE RESTRICTION REPEALED.]

32 The provisions respecting fares of the metropolitan transit
33 commission in Laws 1981, chapter 363, section 55, subdivision 1;
34 Laws 1981, Third Special Session chapter 2, article 1, section
35 2, subdivision 2; and Laws 1983, chapter 293, section 2,
36 subdivision 5, are repealed.

1 Laws 1985, First Special Session chapter 10, section 122 is
2 repealed.

3 Sec. 5. [RATIFICATION.]

4 Minnesota Statutes, section 473.39, subdivision 1, as
5 amended by section 2, clarifies legislative intent. Obligations
6 issued prior to the effective date of section 2 are not invalid
7 or unenforceable if issued in accordance with Minnesota
8 Statutes, section 473.39, subdivision 1, as amended by section 2.

9 Sec. 6. [REPEALER.]

10 Minnesota Statutes 1986, section 473.436, subdivisions 6
11 and 7, are repealed.

12 Sec. 7. [EFFECTIVE DATE.]

13 This act applies in the counties of Anoka, Carver, Dakota,
14 Hennepin, Ramsey, Scott, and Washington and takes effect the day
15 after final enactment.