

Chapter 1: Executive Summary

Public transportation empowers individuals to be independent, seek and retain employment, access medical care, and gain access to new opportunities. The Greater Minnesota Transit Plan is a 20-year strategic plan that sets forth future directions for the future of public transportation in Greater Minnesota. The plan describes current challenges in the state, examines future transit service needs and analyzes future levels of funding to meet that need.

The planning effort was lead by the Minnesota Department of Transportation (Mn/DOT) Office of Transit. As illustrated in Figure 1.1, Mn/DOT is responsible for planning and programming for many modes of transportation including highways, freight, rail, bicycles, pedestrians, transit, and aeronautics. As one of Mn/DOT's Modal and Specialty Plans, the Greater Minnesota Transit Plan will be incorporated into the Minnesota Statewide Transportation Plan.

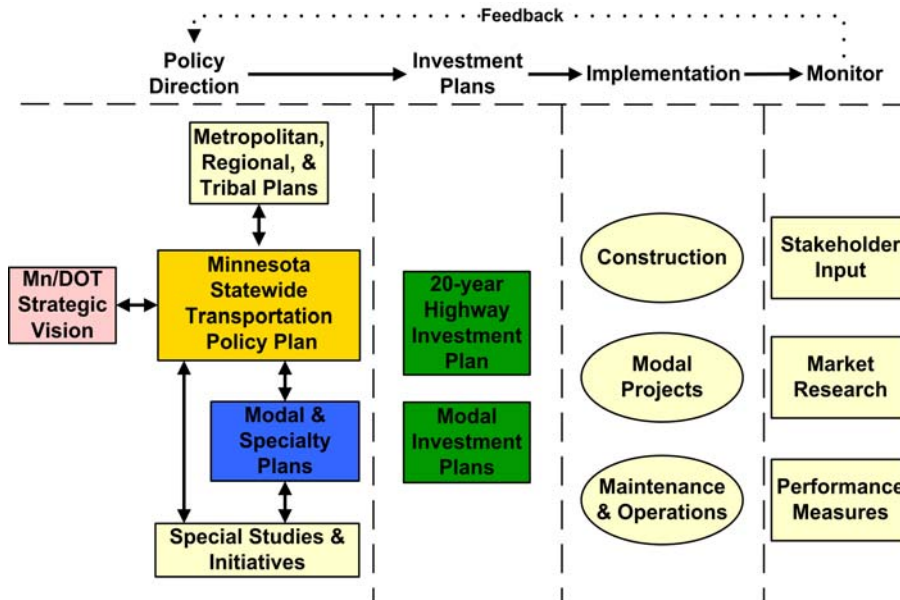


Figure 1.1 Planning and Programming Process

Source: Mn/DOT Office of Investment Management

This plan has been developed by Mn/DOT's Office of Transit in cooperation and consultation with its partner transportation providers, both public and private, stakeholders, and the general public. Stakeholders include the Minnesota Department of Employment and Economic Development (DEED), Minnesota Department of Health, Minnesota Department of Human Services, Minnesota State Council on Disability, Minnesota Board on Aging, Udac, University of Minnesota's Center for Transportation Studies, regional development commissions, metropolitan planning organizations, and public transit providers. The planning process included work and discussions during advisory and technical committee meetings, facilitated workshops, structured interviews, and an electronic survey.

Challenges

Throughout Greater Minnesota, public transportation service provides residents with enhanced personal mobility and improved access to destinations. Of the 80 counties in Greater Minnesota, 76 currently have some level of public transit service. The diversity of service needs, the uncertainties involved with funding, and the variety of services present unique challenges to transit service providers. The stakeholder involvement process resulted in the identification of major themes that shaped the development of this plan and are summarized in five challenges.

Challenge 1: Maintaining and Expanding Public Transit

One of the biggest challenges facing public transportation agencies is finding sufficient and reliable sources of funds to not only operate and maintain existing systems, but also to expand service. Funding levels are subject to fluctuations as the State's general fund is appropriated every two years. In addition, local funds must be available to provide a percentage of matching funding. Funding is dedicated to transit through the State's Motor Vehicle Sales Tax (MVST), but revenues fluctuate substantially with the economy. There is still a need for a stable source in order to maintain transit service within Greater Minnesota. In addition, in order to expand transit services, additional funding would need to be identified.

Challenge 2: Changing Mobility Needs of Individuals

Personal mobility needs in Greater Minnesota are changing in response to a growing population with evolving characteristics. Public transit is the means by which these trips are made by those who choose not to or cannot drive. This section provides background information on demographic conditions and trends that influence Greater Minnesota, both in terms of historic trends as well as future projections. Specific emphasis is placed on consumer groups that have traditionally had mobility limitations: seniors, minorities, low-income persons, and persons with disabilities. As these populations change and grow, the challenge is how to implement transit services to meet their mobility needs.

Growing Population

Minnesota has grown more rapidly since 2000 than neighboring states in the Upper Midwest, but has not grown as fast as the nation as a whole. Between 1990 and 2007, Minnesota's population increased by almost 19 percent from 4.4 million residents to nearly 5.2 million residents. From 2000 to 2030, the population of Greater Minnesota is expected to increase by 32 percent - adding nearly three-quarters of a million people - with the largest population gains in the areas immediately north and northwest of the Twin Cities.

Aging Population

As people age, isolation becomes a growing problem, and access and mobility become increasingly critical needs. For older Americans, affordable, reliable transportation options are essential. In 2005, approximately 12 percent of Minnesotans were 65 years of age or older. By 2035, the proportion of seniors is expected to nearly double, with 21 percent of Minnesotans aged 65 or older. This trend is illustrated in Figure 1.2.

In 2000, the Office of Transit conducted the Greater Minnesota Transit Market Research Study which surveyed transit riders across Minnesota. It found that between 50 and 60 percent of users in rural counties were 65 years of age or older. This aging demographic trend will impact the need for transit services in the future.

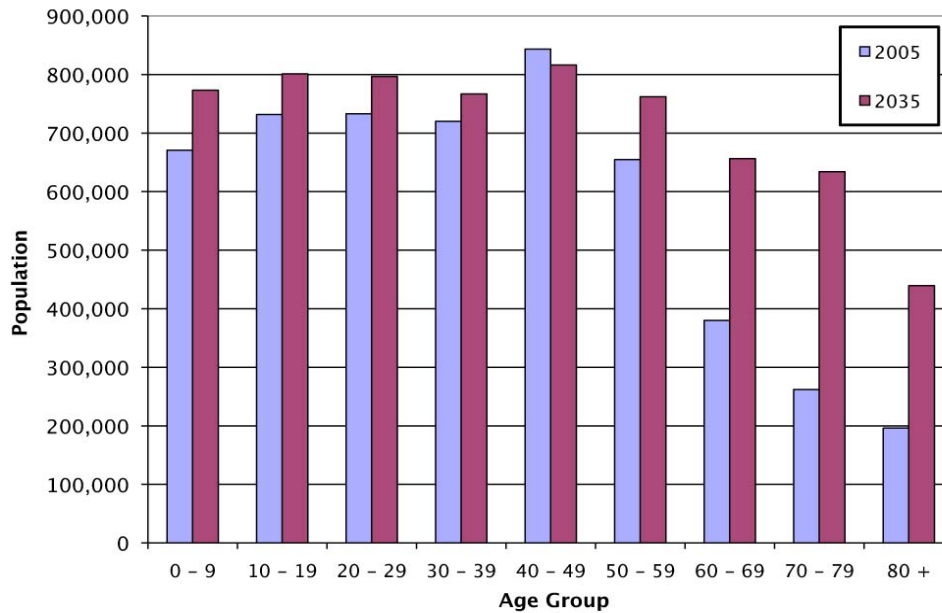


Figure 1.2 Minnesota's Population by Age, 2005–2035

Source: U.S. Census Bureau, Minnesota State Demographic Center

Changing Population: Persons with Disabilities, Low-Income Persons, and Minorities

Persons with disabilities comprise 15 to 20 percent of the total population in most Greater Minnesota regions. The Americans with Disabilities Act (ADA) defines a person with a disability as an individual with a physical or mental impairment that substantially limits one or more major life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. It is anticipated that this population will grow at a faster rate than the general population in future years due to the significant number of seniors with disabilities. Limited funding for public transit service restricts the ability to meet the needs of persons with disabilities.

The percentage of Minnesotans living at or below the poverty line is just under 10 percent statewide. The Greater Minnesota Transit Market Research Study surveyed transit riders in 2000 on basic demographic characteristics. Between 58 and 69 percent of the respondents to the onboard survey had annual incomes below \$15,000. The low-income population across the state is expected to grow at a faster rate than the general population due to the number of elderly poor.

The ethnic and racial composition of Minnesota's population is changing, but it is still less diverse than the nation. Minnesota's nonwhite and Latino (minority) population increased from 6 percent to 14 percent between 1990 and 2005. In coming decades, Minnesota's population is anticipated to continue becoming more racially and ethnically diverse. Between 2005 and 2015, the nonwhite population is projected to grow by 35 percent, compared to a growth rate of 7 percent for the white population. During the same time period, the Hispanic population is expected to increase by 47 percent. Much of the rapid growth in the nonwhite and Latino population stems from migration from other states and from outside of the United States.

Challenge 3: Changing Mobility Needs of the Workforce

Greater Minnesota's employment is projected to grow through 2030 with the largest gains expected in regions to the north and northwest of the Twin Cities. The statewide increase in employment is

projected to be almost 30 percent from 2000 to 2030, equating to an increase of approximately 350,000 workers.

The workforce is also changing as Minnesotans increasingly work outside of their county of residence. The number of Minnesota workers employed in their county of residence has fallen steadily since 1970, dropping to 66 percent in 2000. Counties surrounding Minneapolis and Saint Paul have the lowest percentages of residents who live and work in the same county because of proximity to the strong Twin Cities job market.

The Metropolitan Council 2030 Transportation Policy Plan has taken first steps toward addressing this trend around the Twin Cities Metropolitan Area by identifying several corridors that may help connect residents of Greater Minnesota counties with important employment centers in the Twin Cities. These corridors are as follows:

- Transitways that should be evaluated further to see if they warrant light rail transit (LRT) or bus rapid transit (BRT) service: I-35W north of downtown Minneapolis, TH 36, TH 65/Central Avenue, and I-94 east of downtown Saint Paul and Minneapolis
- Long-distance express bus routes: I-35 from North Branch, I-35 from Faribault, TH 55 from Buffalo, and St. Cloud to Big Lake (connecting to the Northstar Commuter Rail service)

Challenge 4: Changing Transit Options in Greater Minnesota

Opportunities exist to continue expanding transit options in Greater Minnesota to better meet existing and emerging individual and commuter mobility challenges. Various transit options are available and can be explored. Each transit option presents its own challenges and opportunities.

Possible Transit Options

Intercity Bus

Intercity Bus Service is regularly scheduled bus service for the general public that operates with limited stops over fixed routes, connects two or more urban areas not in close proximity, has the capacity for transporting baggage carried by passengers, and makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available. The intercity bus system in Greater Minnesota is operated by three main carriers: Jefferson Lines, Greyhound Lines, and Megabus. Jefferson Lines provides the majority of service in Greater Minnesota and is currently the only recipient in Minnesota of federal assistance for rural intercity transit service through the Section 5311(f) program. While ridership on routes in rural Minnesota increased in 2008, national intercity bus ridership levels have decreased significantly since the 1960s. Despite a smaller network in 2009 than in 1999, 85 percent of Minnesotans in rural areas live within 25 miles of an intercity bus stop.

Volunteer Driver

Expanding transit service by engaging volunteer drivers is a strategy that enables communities to address the problem of limited public transportation and the high cost of private transportation. However, volunteer driver programs are often subject to a shortage of volunteers, liability and insurance issues, and general program administration. Still, volunteer drivers greatly increase mobility for the primary consumer groups in Greater Minnesota including transit dependent senior populations, persons with disabilities, and the economically disadvantaged. Volunteer driver programs administered by public transit agencies are presently available in 48 counties across Greater Minnesota.

Rideshare

Rideshare programs, either through carpooling or vanpooling, provide additional transportation options to commuters who travel long distances, such as from Greater Minnesota to job sites in the Twin Cities. Ridesharing has many benefits including reduced costs, increased time-savings through the use of high-occupancy vehicle (HOV) lanes, reduced greenhouse gas emissions, and reduced need for additional parking spaces at destinations. Despite these benefits, the cost to administer and support a formal program, the diversity of transit providers, and the various layers of government involved present a challenge for implementing formal rideshare programs.

College/University Fare Integration

Many transit operations now have enhanced systems of fare integration with local universities. Commonly known in Minnesota as “U-Pass,” this student-oriented transit program allows students at local participating universities to take public transit at reduced or no cost. Administration of the program and adequate funding are challenges that both the universities and transit providers face. U-Pass programs occur at several locations across Greater Minnesota, including:

- Duluth Transit Authority: University of Minnesota, Duluth; College of St. Scholastica; and Lake Superior College
- Metro Area Transit: Minnesota State University, Moorhead
- Metro Bus: St. Cloud State University
- Paul Bunyan Transit: Bemidji State University and Northwest Technical College
- Western Community Action: Southwest Minnesota State University

Commuter Bus

Commuter bus (or commuter coach) is an express bus service that targets commuters who make trips during weekday peak hours, connecting a transit center or park and ride located outside a major metropolitan area to the central city. This transit mode addresses mobility needs spreading beyond traditional transit service areas. Finding sufficient funding for these services, however, is a significant challenge for implementing commuter bus services.

Rail

Greater Minnesota currently has intercity passenger rail service that operates daily along the Empire Builder corridor from Chicago to Portland/Seattle. In addition, the Northstar Commuter Rail opened for service between Big Lake and Minneapolis in November 2009. While there is increased interest in new passenger rail projects across the state, creating a new passenger rail network requires sufficient capital and operating funding from both the state and federal levels. Mn/DOT is currently developing a Statewide Freight and Passenger Rail Plan that will identify and prioritize corridors for future intercity passenger rail lines.

Facilities

This section describes facilities that utilize innovative ideas and technology to expand the transit network or to provide transit advantages. These techniques are primarily found and used in the Twin Cities Metropolitan Area. The funding, administration, and maintenance of these facilities pose a challenge to providing this supportive infrastructure in Greater Minnesota.

Park-and-Pool Facilities: Park-and-pool facilities are places where people can leave their private vehicles and meet a carpool or vanpool. Park-and-pool lots lack the access to transit services that park-

and-ride lots offer. Mn/DOT manages park-and-pool facilities located in Greater Minnesota on the Trunk Highway System.

Park-and-Ride Facilities: Park-and-ride facilities are parking lots for private vehicles that offer connections to transit services. Park-and-ride lots make transit more accessible to people who live outside transit system boundaries, reduce traffic congestion on the road, and offer greater transportation options for commuters.

Bus-only shoulders: Bus-only shoulders refer to the utilization of highway shoulders by transit buses during peak travel periods and heavy congestion. Bus-only shoulder facilities allow transit operators to have more predictable route travel times, provide an incentive to ride the bus through both the actual and perceived time savings, and decrease congestion for drivers on the road.

Bicycling and Walking Facilities: State agencies and many local and regional jurisdictions provide bicycle and pedestrian facilities such as paved shoulders, on-road bike lanes, and off-road shared use paths and sidewalks with curb ramps. In addition to offering mobility to those who are unable to or choose not to drive, these facilities offer other connections to transit.

Challenge 5: Coordination of Services

Federal, state, and local governments and community-based organizations have created specialized programs to meet particular transportation needs. At the federal level, there are at least 62 separate programs that provide special transportation services to people with disabilities, low-income individuals, and older adults. Coordinating services in the most cost-efficient and effective manner can be a challenge due to the variety of human service programs and public transit providers.

Human service transportation providers include the following:

- **Elderly and Persons with Disabilities Capital Program:** Human service agencies assisted by Mn/DOT are private non-profit organizations that receive capital funding through the Federal Transit Administration's Elderly Individuals and Individuals with Disabilities Program (Section 5310). The program requires that the agencies coordinate services with other agencies to receive capital funding; however, the extent of this coordination is hampered by the larger issues of insurance requirements and Special Transportation Service regulations.
- **Non-Emergency Medical Transportation:** Non-emergency medical transportation involves transporting a patient to and from the source of medical care when the medical condition is not life threatening. In Greater Minnesota, non-emergency medical transportation services are administered on a countywide basis with each county subcontracting the actual transportation services to a third party HMO provider. Although run by the same individual organizations, the counties act independently and there is frequent duplication of administrative costs in addition to lack of transportation coordination between county boundaries.
- **Head Start:** Head Start is a national program that provides family and child development services to America's low-income, pre-school age children and their families. Part of Head Start's operation includes the safe and secure transport of children back and forth to school. Head Start has been challenged by a flat operating budget, lack of capital funding for equipment, and federal regulations that mandate a variety of safety features that are not required of other transportation services.

Existing Public Transit Systems

An extensive network of public transit systems exists in Greater Minnesota that can help meet a significant level of existing and emerging mobility challenges. This network of public transit is a vital piece of the overall transportation system serving Minnesota. In Greater Minnesota, public transit systems presently serve the mobility needs of the general public including the elderly and/or persons with disabilities, low-income persons, commuters, students, and recreational users. Table 1.1 shows that public transportation agencies provided more than 11 million rides to Greater Minnesota residents in 2008.

Table 1.1 Greater Minnesota Public Transit Ridership by System Type, 2008

Type	Total Rides (Millions)
Urbanized	7.4
Small Urban	0.9
Rural	2.6
Elderly and Persons with Disabilities	0.2
Total	11.2

Source: Mn/DOT Office of Transit

Figure 1.3 illustrates that in 2009, public transit systems serve 76 counties in Greater Minnesota and provide a range of service options to residents. Fixed-route, route deviation, and demand response are the three main types of services provided through the transit systems in these areas. As of 2009, 68 counties have county-wide service providers, 8 counties have municipal service providers only, and 4 counties have no public transit service providers.

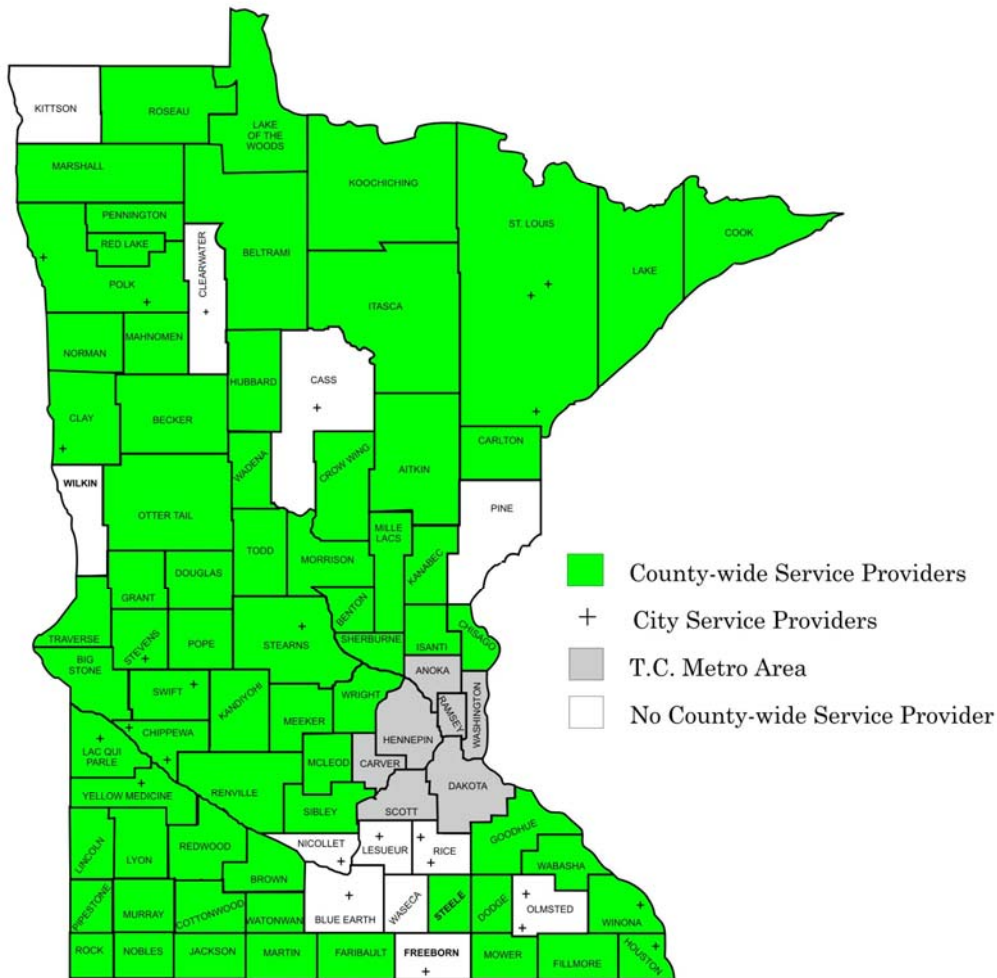


Figure 1.3 Greater Minnesota Public Transit Service Providers

Source: Mn/DOT Office of Transit

The Mn/DOT Office of Transit is responsible for the administration of state and federal transit assistance funds for Greater Minnesota. Public transportation programs in Minnesota are funded through a federal-state-local partnership. Local sources pay a share of the total operating costs, which in 2008 was a minimum of 15 or 20 percent, depending on the size of the locality, with the remainder of the operating cost paid from state and federal sources.

Public transit in Minnesota is supported from a variety of sources including the State General Fund, the Motor Vehicle Sales Tax (MVST), the federal government, and local jurisdictions. In a statewide referendum in 2006, Minnesotans voted to dedicate a portion of MVST to transit. Local jurisdictions provide funding through a combination of farebox revenue, advertising, property tax, etc. Figure 1.4 shows the sources of Greater Minnesota’s funding for public transit systems operating costs from 2005 to 2009. (Numbers for 2005, 2006, 2007, and 2008 represent actual reported operating costs. 2009 numbers are estimates.)

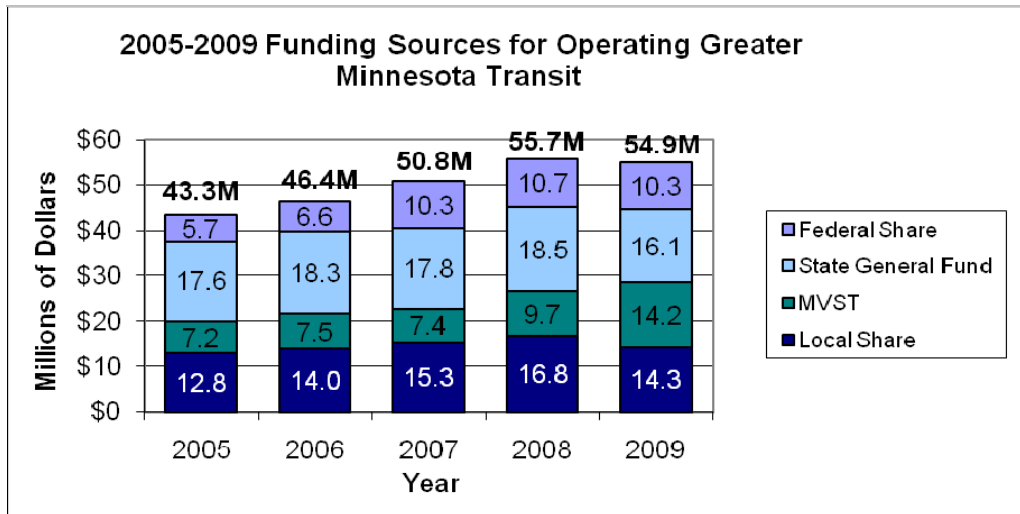


Figure 1.4 2005-2009 Funding Sources for Operating Greater Minnesota Transit

Source: Mn/DOT Office of Transit

Future Transit Needs and Demand for Service

Gauging the need for transit is different from estimating demand for transit services. Need is always greater than demand and exists whether or not public transit is available. Demand reflects the number of trips actually made given the level of service provided and cost to the rider. Estimating future demand for transit services is typically based on household trip rates or per capita usage rates from sample systems. A constrained estimate of future demand was developed for 2010, 2020, and 2030 using per capita usage rates from Minnesota peer system data.

In the analysis of future demand, Greater Minnesota transit systems were grouped by similar characteristics, including size, service area, and type of service provided. Next, transit systems were compared amongst themselves within each peer group. This peer group analysis defines a rate of performance that other similar systems can strive to achieve. The passenger per capita demand rate were defined as the 80th percentile for each peer group. This threshold represents a transition point from moderate performance, where most systems can be expected to perform, to very good performance, where only a few systems can consistently perform. The passengers per capita demand rate was applied to the population served by each transit agency.

- Urban Fixed Route
- ADA Paratransit
- County
- Multi-County
- Small Urban (Population over 10,000)
- Small Urban (Population under 10,000)

Estimates were also produced for underserved areas of the state as well as unserved areas. Underserved areas are counties within which a small urban transit system currently operates but county-wide service is not available. Overall demand estimates are summarized in Table 1.2.

Table 1.2 Summary of Estimated Demand

	Annual Trips (Millions)		
	2010	2020	2030
Urban Areas	8.4	9.8	11.0
Small Urban/Rural Areas	4.8	5.3	5.6
Underserved/Unserved Areas	1.0	1.1	1.2
Total	14.2	16.2	17.8

Service Hours to Meet Future Demand

Estimates of the service hours needed to meet the 80 percent demand target were prepared using productivity rates of passengers per revenue hour. A transit service goal of meeting at least 80 percent of unmet transit service needs in Greater Minnesota is contained in Minnesota Statute 174.24, Subd. 1a. Transit service needs implementation plan. The service hour estimates are summarized in Figure 1.5.

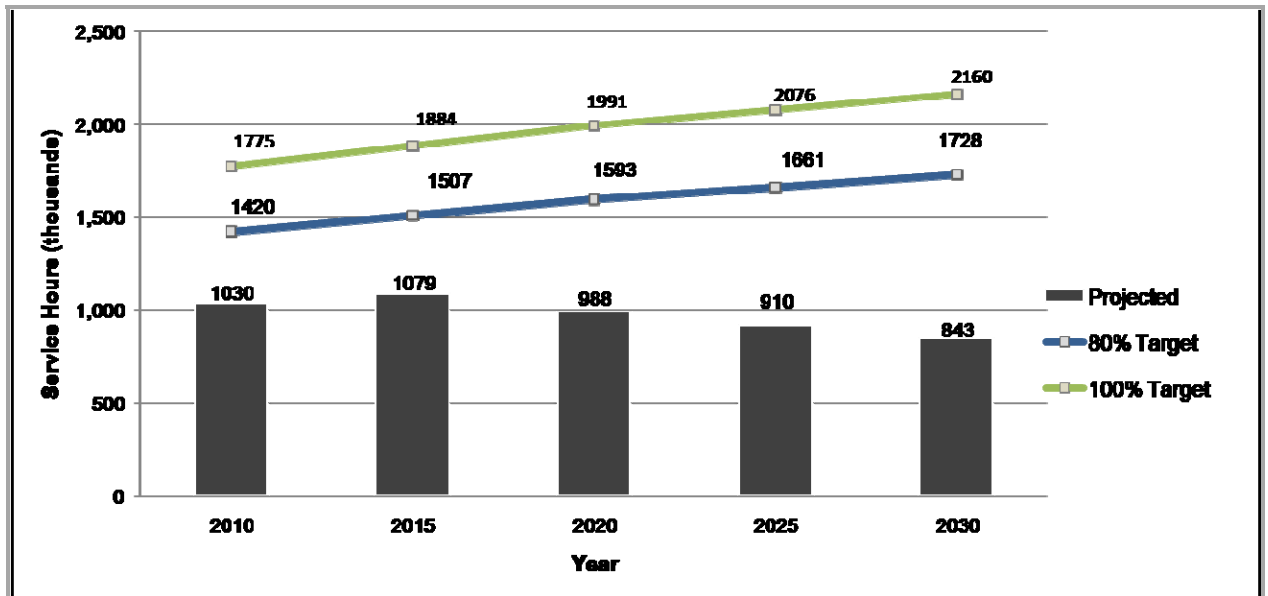


Figure 1.5 Greater Minnesota Transit Targeted and Projected Bus Service Hours, 2010–2030

Financial Analysis

Operating and capital cost estimates were prepared for existing services that are expected to grow with increasing demand, as well as for new services that could be implemented in currently underserved or unserved areas of the state.

Operating Costs

The future year costs to operate the services required to meet estimated future demand are based on the current cost per service hour for all services across Greater Minnesota. To estimate future costs, the baseline hourly rate was increased at an annual rate of three percent. Estimated future annual operating costs are summarized in Table 1.3.

Table 1.3 Annual Operating Cost Estimates, 2010–2030

Service Classification	Annual Operating Cost			
	2008	2010	2020	2030
Urban Areas	\$26,820,169	\$27,793,710	\$43,218,500	\$64,794,560
Small Urban/Rural Areas	\$28,837,645	\$46,145,820	\$68,753,100	\$99,110,100
Underserved Areas/Unserved Areas	N/A	\$9,854,670	\$14,353,300	\$20,248,300
Total	\$55,657,814	\$83,794,200	\$126,324,900	\$184,152,960

Capital Costs

Capital cost estimates include vehicle replacement costs for existing services, equipment needed to expand current services to keep pace with increasing demand, new equipment for underserved and unserved areas, and replacement costs for these new fleets in the outer years. Estimated future annual capital costs are summarized in Table 1.4.

Table 1.4 Total Fleet Cost Estimates

	2010	2020	2030
Replacement Fleet Costs	\$11,508,150*	\$15,465,991	\$20,784,999
Total Expanded Fleet Costs	\$3,432,000	\$18,888,089	\$24,385,883
Total	\$14,940,150	\$34,354,080	\$45,170,882

* \$7.4 million for 60 vehicles under the American Recovery and Reinvestment Act included in this total.

Vision, Policies, and Strategies

The vision, goals, and strategies presented below are the result of the concerted planning effort of stakeholders, community leaders, advisory committee members, and Mn/DOT transit professionals. In addition to providing technical research and demand modeling, consultant staff coordinated stakeholder involvement to support the development of the vision, policies, and strategies.

Vision

A high-quality coordinated transit network that is integrated into the overall transportation system and that meets the mobility needs of the people of Minnesota.

Policies

The current plan takes a comprehensive approach to planning for transit services in Greater Minnesota. These five policies seek to achieve Mn/DOT’s vision for Greater Minnesota transit by establishing a set of overarching policies with accompanying strategies. These policies and their accompanying strategies will shape how Mn/DOT will manage its transit programs in the future.

Policy 1. Maintain and expand the statewide public transit network.

Strategy 1: Mn/DOT will maintain the viability of existing transit systems through the allocation of operating and financial assistance first to existing public transit service that meets performance targets.

- Strategy 2:** Mn/DOT will provide resources to start new transit services in areas without public transit when new financial resources are available to expand service.
- Strategy 3:** Mn/DOT will provide resources to expand core service frequencies and weekday or weekend service hours of existing providers when all geographic areas seeking public transit services have services and new financial resources are available.

Policy 2. Increase mobility for individuals and the workforce.

- Strategy 1:** Mn/DOT will work with the Metropolitan Planning Organizations (MPOs), Regional Development Commissions (RDCs), and tribal and local government to evaluate options to address mobility needs of individuals and the workforce, such as new routes, expanded carpool and vanpool assistance, and park-and-pool and park-and-ride lots.
- Strategy 2:** Mn/DOT, in its planning and policy work, will work to ensure that long-range public transit decisions in Greater Minnesota address future demographic shifts.

Policy 3. Provide a safe and reliable transit environment.

- Strategy 1:** Mn/DOT will work with transit providers to develop safety and security plans.
- Strategy 2:** Mn/DOT will provide continuing defensive driver training for transit operators through the Rural Transit Assistance Program (RTAP).
- Strategy 3:** Mn/DOT will make available safety and security training for transit staff.

Policy 4. Prioritize infrastructure investments to increase access to services.

- Strategy 1:** Mn/DOT will invest in size-appropriate ADA-accessible equipment to maximize operating efficiencies.
- Strategy 2:** Mn/DOT will invest in transit maintenance and storage facilities and passenger facilities that meet program guidelines and are consistent with local plans as funds are available.
- Strategy 3:** Mn/DOT will work with transit providers to replace or rehabilitate transit fleets following industry standards for vehicle replacement cycles.
- Strategy 4:** Mn/DOT, in cooperation with RDCs, tribal governments, local jurisdictions, and advocacy and recreation groups, should coordinate efforts to enhance regional bicycle and pedestrian systems.
- Strategy 5:** Mn/DOT will invest in advanced technology applications first at the largest service providers to add vehicle tracking technology and improve customer information, trip scheduling and fare payment/revenue handling.

Policy 5. Enhance coordination and communication to reach the broadest possible audience with the most cost-effective service.

- Strategy 1:** Mn/DOT will work in partnership with local human service and state agencies to coordinate service planning and operations for all users including the elderly, persons with disabilities, and low-income populations.
- Strategy 2:** Mn/DOT will work with local providers to expand marketing and information services to better inform target populations of available services.
- Strategy 3:** Mn/DOT and local transit and planning officials must work together to generate land use and transportation interaction decisions to yield more cost-effective transit solutions.
- Strategy 4:** Mn/DOT will support a peer-to-peer network to encourage the exchange of best practices information among transit providers.
- Strategy 5:** Mn/DOT will evaluate options for enhancing communication and coordination at the local level, including establishing mobility management organizations and mobility managers at least at the regional level.

Next Step: Greater Minnesota Transit Investment Plan

Following the completion of the Greater Minnesota Transit Plan, Mn/DOT will undertake the development of a Transit Needs Investment Plan as directed by the Minnesota State Legislature in Minnesota Statute 174.24, Subd. 1a. Transit service needs implementation plan. The plan will specifically address special transportation service ridership and needs. Based on identified needs, the objective of the plan is to determine the level of funding required to meet at least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and at least 90 percent of unmet transit service needs in greater Minnesota by July 1, 2025. This plan will be completed in 2010.