

SUBURBAN TRANSIT ASSOCIATION 2007 LEGISLATIVE AGENDA

STA HISTORY AND GUIDING PRINCIPLES

The Suburban Transit Association (STA) was established in 1995 to provide a voice at the Minnesota Legislature for the suburban communities that provide transit service to their constituents. These communities have opted to establish either their own transit services, contract with Metropolitan Council/Transit or contract with a private provider. These cities sought legislative authority because it was more efficient and effective for them to provide service. Operating as independent entities, in some cases since 1984, the Suburban Transit Association providers work as partners with Metro Transit to provide seamless service throughout the metropolitan area.

Currently, there are eleven cities that comprise the Suburban Transit Association: Apple Valley, Burnsville, Eagan, Rosemount, Savage, Maple Grove, Plymouth, Eden Prairie, Chanhassen, Chaska and Shakopee. These communities belong to five separate transit service providers: Minnesota Valley Transit Authority, Maple Grove Transit, Plymouth Metrolink, SouthWest Transit and Shakopee Transit.

The Suburban Transit Association provides flexible transit services through a variety of programs, including: express and reverse commute services, regular route services, and dial-a-ride services.

Demand for service within the seven county metro area is rapidly growing. As a result of the reductions and unpredictability in MVST funding, resources have been strained, thus jeopardizing continued service. As a result, legislators should be aware that:

- 1) the demand for service (primarily express) outside the taxing district is significant and creating an increasing burden;
- 2) the recently passed MVST Constitutional Amendment will not provide enough dedicated reliable funding for future transit demands and needs;
- 3) the MVST funding level approved by the 2001 Legislature is not sufficient to address the existing demands within the taxing district and transit providers are facing a shortfall.

Prior to casting a vote on transit or transportation funding, the STA asks each member of its legislative delegation to consider the following principles:

- Transit funding policies adopted by the Legislature should ensure transit service the stability to plan for the future with a high level of financial confidence.
- Efforts by the Legislature to alleviate growing traffic congestion should include comprehensive transit service and highway advantages as an integral component.

- Demand for service (specifically express) is growing rapidly in suburban communities. Any serious discussion of growth in transit funding should include adequate resources for express service.

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Since their inception, STA providers have been very successful at attracting and retaining large and growing numbers of suburban riders. Ridership has increased over 100% since 1991 for the five STA service providers. This success has not come without challenges. STA providers are frequently faced with overcrowded buses and overflowing park-and-ride lots, with many of these riders coming from outside the transit taxing district.

The 2007 Legislature must continue its efforts to reduce the growing traffic congestion in the suburban and metropolitan areas. Congestion in Minnesota costs metropolitan residents at least \$1.35 billion each year in lost time, delays and added fuel consumption. According to recent studies "transit in the Twin Cities area receives substantially less public funding on a per capita basis than transit systems in peer metropolitan regions" (MPTA 2004). Investments in bus transit capital and operations will be necessary to make significant impact to congestion mitigation in the rapidly expanding region. Further, the bus system will remain the core of transit service as evidenced by the Metropolitan Council's 2030 Transportation Policy Plan, "bus system will remain the foundation of future transit services."

Regarding this effort, the key STA legislative initiatives for the 2007 session include appropriate allocation of new MVST funding, transit capital investments (regional bonding), additional new funding for transportation and educating lawmakers on viable options to solve the transit taxing district limitations and challenges.

ACTIVELY SUPPORT

A. SUPPORT METROPOLITAN COUNCIL'S GENERAL FUND REQUEST TO COVER MVST SHORTFALL, AND OPPOSE ANY GENERAL FUND REDUCTIONS TO THE METROPOLITAN COUNCIL

The demand and need for transit service continues to grow. Any attempt to reduce the Metropolitan Council's General Fund appropriation for transit would harm all transit providers within the metropolitan area. It would result in fare increases, service cuts and would significantly delay the adoption of the future plans for transit services that are needed to meet the growing demand of the metropolitan area. Due to the shortfall in MVST receipts the Metropolitan Council is requesting additional general fund dollars to maintain existing service. To illustrate the need for these funds, there are currently two dozen park and rides at or over capacity and another four are at 90% capacity. The STA strongly supports this funding.

B. SUPPORT 38% / 2% MVST APPROPRIATION AND STATUTORILY DEDICATED FUNDING FOR STA

The STA is encouraged by the voter's approval of the MVST Constitutional Amendment as passed by the legislature. The current dedication of 21.5% of MVST does not provide adequate operating resources for existing services let alone service expansion outside the transit taxing district.

The STA supports a 38% / 2% split given the demand for transit in the metropolitan area.

- * As part of the MVST distribution legislation the STA will seek a funding formula dedicated in statute that reflects the growing demand and need for the service we provide.
- * Ridership figures in the metropolitan area are at a 22 year high and park and ride capacity has expanded 177% since 1999. In addition, park and ride usage has grown by a whopping 223% during the same timeframe.
- * There are currently two dozen park and rides at or over capacity and another four are at 90% capacity.

In addition, the following items regarding MVST should be addressed by the legislature this year:

- Provide a "trigger" to continue adequate funding should there be a MVST shortfall
- Make allocation decisions that will maintain the current bus system
- Use additional MVST funding primarily for operation, not capital expenditures

C. REGIONAL BONDING FOR TRANSIT

The STA strongly supports significant regional transit bonding authority to provide basic transit investments such as bus fleet replacement, garage facilities and construction of park and rides, transit hubs and other passenger facilities. Regional bonding authority refers to bonds issued by the Metropolitan Council and backed by the property tax within the transit taxing district.

The Metropolitan Council will be seeking approximately \$32.8 million in regional bonding authority in 2007 for transit capital projects. By way of historical reference, the Legislature authorized \$54 million of bonds in 2002, \$45 million in 2003, and \$0 in 2004. In 2005, the legislature passed \$64 million in regional bonding authority in large part to make up for the lack of any regional bonding appropriation in 2004. Soon after the legislature approved the \$64 million in regional bonding, the Metropolitan Council indicated that they were unwilling to issue the entire \$64 million because it would result in a property tax increase. In 2006, the legislature approved regional bonding authority in the amount of \$32.8 million.

While the STA supports the Metropolitan Council's request for regional bonding, we believe this request is inadequate to meet the demand for current needs, let alone future capital needs and we advocated for an increased investment in transit capital through the use of regional bonds. (Please see attached chart illustrating need vs. appropriation) Also, given the demonstrated need, the STA requests that the Metropolitan Council issue the entire amount of bonding authorized by the legislature.

In addition, the STA supports granting a biannual authority to the Metropolitan Council for regional transit bonding. This would allow for more strategic planning of capital needs.

D. LONG-TERM TRANSPORTATION FUNDING

The STA also supports a comprehensive transportation funding package that considers and plans for transit and transportation needs well into the future. The STA believes that the solution must include a cost effective approach encompassing both highways and transit options.

Increased transportation funding is critically needed and directly effects our safety, economic competitiveness and quality of life. Congestion is estimated to cost Twin Cities commuters over \$700 per year in wasted fuel and time. Businesses depend upon efficient movement of goods and people and our economic growth is linked to the quality of our transportation system.

In addition to the recently passed Constitutional Amendment that will transfer 100% of MVST to transportation, the STA supports the following revenue sources for additional funding:

Transit Investments

- Regional sales tax – with no correlation to MVST split
- Addition of leased vehicles to MVST account
- Increase regional bonding and request the Metropolitan Council fully exercise authority
- Use of State G.O. Bonds (for regional transit capital investments such as park & rides and garages)
- Use of Trunk Highway Bonds (THB) BAPTA for transit advantages

Transportation Investments

- Increase in gas tax (the gas tax formula needs to change to better reflect needs as a result of population density and growth)
- Index gas tax increases to inflation
- Trunk highway bonding
- Adjustments to license fee tabs

E. SUPPORT EXPANSION OF TRANSIT TAXING DISTRICT BOUNDARIES

While recognizing existing demand within the Transit Taxing District is increasing, there is also a significant demand for express service from individuals outside the taxing district. These riders contribute to over-crowded buses and overfilled park and ride lots, however they do not contribute to the capital costs, because they do not pay the property tax levied within the transit taxing district.

The problem is significant and highlighted by recent park and ride studies showing the percentages of passengers coming from outside the current taxing district boundaries:

- Maple Grove 25%
- MVTA 23%
- SouthWest Transit 20%

Increased congestion and higher gas prices have led to an increased demand for express service. This problem will only be exacerbated over the next 10 years due to significant growth in the metropolitan area. During the next ten years, STA communities will increase in population an average of 30%, increase households by 40% and see increases of 32% in employment. There are currently two dozen park and rides at or over capacity and another four are at 90% capacity.

Further, very little expansion of existing freeway infrastructure is scheduled to take place that would provide meaningful congestion relief in these areas within the next 10 years. Additional investments are needed to meet the express service demand, particularly to address transit needs from the following areas:

- Lakeville
- Victoria
- Waconia
- Carver
- Rogers
- St. Michael
- Albertville
- Farmington

The STA is committed to working together with the Metropolitan Council and other interested parties in an effort to resolve this issue.

The STA supports an operational formula for funding that reflects the demand from individuals from outside of the Transit Taxing District and increased service demands.

F. SUPPORT "JEALOUS MOTORISTS" LEGISLATION

STA providers are experiencing a disturbing trend regarding drivers who are intentionally interfering with bus activity. Specifically, motorists are intruding into the bus shoulder lanes and preventing buses from safely passing. The interference with this transit advantage is frustrating in lost time and also creates a dangerous public safety issue.

In addition, transit drivers are reporting instances where drivers are refusing to allow buses to merge back into traffic. This naturally creates the same issues as previously mentioned. After consulting with law enforcement, STA providers are seeking legislation that would provide for a civil penalty for drivers who are creating these dangerous situations.