

September 27, 2011

TO: MVTA Board
FROM : Beverley Miller
SUBJECT: Approve Financing Plan

Requested Action

Approve a financing plan, including a service reduction, use of MVTA funds to support Cedar BRT Station to Station service and changes to MVTA CMAQ Grants, by directing staff to seek required approvals,

Background

In 2005 and 2007 MVTA submitted grant applications for Federal Congestion Mitigation Air Quality (CMAQ) funding and received approvals from the Transportation Advisory Committee (TAC), Transportation Advisory Board (TAB) and the Metropolitan Council (MC). The 2005 CMAQ grant provides buses for Cedar Avenue Station-to-Station and Express service and other capital improvements. No money was requested in the application to operate the service, and no other money has since been identified to start BRT service November, 2012. The 2007 CMAQ grant provides buses for express- and limited-stop service in the I-35W corridor, along with three years of operating money.

In recent months there have been numerous meetings and attempts to solve the void of operating money for Cedar BRT service. To help solve this shortfall, staff has prepared a funding plan using monies from the 2007 CMAQ award, County Transit Investment Board, our NTD funds and a service reduction. This plan will require a scope change to the CMAQ grant and approval from TAB where there is no guarantee that this will be sanctioned. The funding plan also requests the MC to provide the local capital match for the 2007 CMAQ grant. It is my understanding that all CMAQ grants prior to 2009 already have a funding commitment from MC. However, if MC prefers their participation take the form of operating monies, then the NTD money can be used for capital match. This plan provides MC the flexibility to provide support as either capital or operating funding. A plan for service has been developed in both corridors and fits within the context of our discussions and grant requirements.

BRT in the I-35W and Cedar Avenue Corridors provides new opportunity to serve the needs of our residents and the MVTA appreciates the opportunity to participate in the service in these corridors. We have worked to balance all the project partner's interests, including our own and that of the riders. While it may not be perfect, this plan does support service in both the I-35W and Cedar Corridors. Further, it maintains the integrity of the grant process and approvals, and supports use of available resources.

Impact

Finding a solution to operate Cedar BRT service is in everyone's best interest, failure is not an option. A decision is paramount to use grant monies, order buses and implement service within the project timelines.

Resolution

Adopt the attached financing plan, in the best interest of all the parties.

Cedar Avenue and 35W Funding

Project	Capital	Operating		35W CMAQ						Total Funding
	One-Time	Annual Cost	3 yr Annual ¹	Federal	MC Local Match	CTIB	MC	NTD	MVTA srcv reduce	
STIP #TRS-MVTA-10A										
Cedar S2S Service (36 months)										
Total Cost		2,537,150								
Fare Revenue		(260,000)								
Net Cost		2,277,150	7,048,900 ¹	1,285,736		3,809,094		1,800,000	154,070	7,048,900
Cedar S2S Service (2 months)										
Net Cost		359,880				269,910	89,970			359,880
STIP #TRS-TCMT-11										
35W Service										
Buses	2,580,000			1,531,354	1,048,646					2,580,000
Technology	600,000			480,000	120,000					600,000
Total Cost		890,000								
Fare Revenue		(445,000)								
Net Cost		445,000	1,377,494 ¹	1,377,494						1,377,494
TOTAL FUNDING				4,674,584	1,168,646	4,079,004	89,970	1,800,000	154,070	11,966,274

CMAQ TOTAL 5,843,230

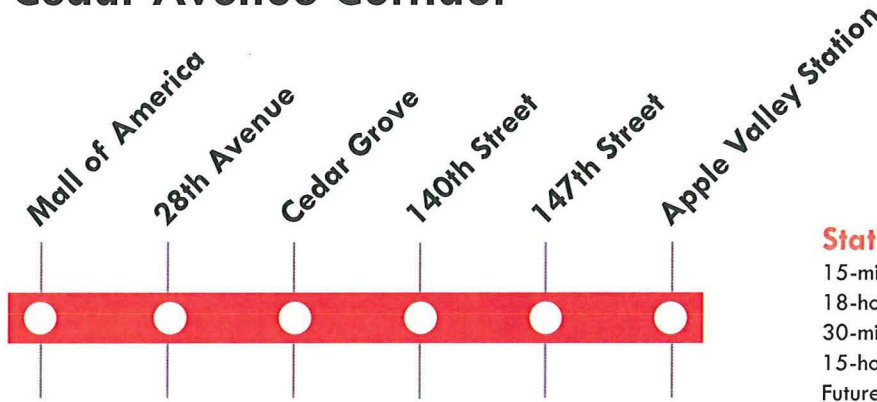
• = Funding Identified

• = Proposed MC Funding

Notes

1. Per MC policy, operating funding covers 36 months
2. Inflation @ 3.15% per year for operations
3. Cedar S2S buses funded through CMAQ

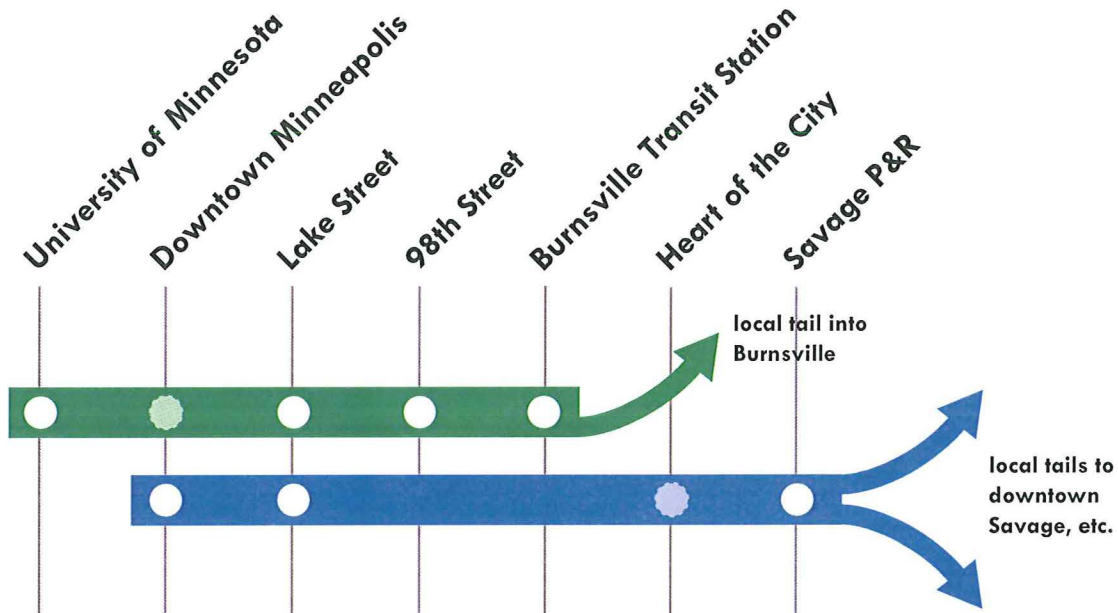
Cedar Avenue Corridor



Station-to-Station "BRT" Service

- 15-minute weekday frequency
- 18-hour weekday span of service
- 30-minute weekend frequency
- 15-hour weekend span of service
- Future extension to Lakeville

I-35W Corridor



Limited-Stop Express Service

Add 23 new trips to U of M and downtown

Savage Express Service

Add 7 new peak trips

New non-stop service from Savage Park and Ride to downtown