Greater Minnesota
Transit Investment Plan

CTS Research Conference
May 25, 2011
Plan Goal

To reduce unmet transit service needs by:

- Understanding transit needs among current and potential riders
- Identifying total transit needs at a county level and the cost of providing service to meet that need
- Building support for investment priorities
Plan Elements

Market Research

- Focus Groups
- Demographic Profile Maps
- On-board Surveys
- Structured Interviews

Technical Analysis

- Passenger Demand Projections
- Service Hour Projections
- Operating Cost Estimates
Plan Elements

Public Outreach

- Technical Advisory Committee
- Plan Advisory Committee
- Project website
- 50+ stakeholder presentations
- 12 public open houses
- Public hearing
Technical Analysis
Requirements

• **Passenger Needs Estimates**
  – County level estimates at 5 year intervals through 2030
  – Method that can be replicated by staff as new information becomes available
  – Method supported by stakeholders

• **Service Hour Estimates**
  – Incorporate all types of Greater Minnesota transit service
Estimating Passenger Needs

- Need is a function of dependent populations
- Demand is a function of service provided
- No one method universally accepted to estimate needs at state level
- Common methods focus more on Transit Dependent markets than Choice Riders
Methods Considered

• **Arkansas Model** (and variations): works well for transit dependent populations
• **Mobility Gap Model**: relates better to choice riders
• **MN Hybrid Demand Model**: blends best components of Arkansas and Mobility Gap models
MN Hybrid Demand Model

- Uses inputs easily projected at county level
- Calibrates the model to the level of needs currently being met by Greater MN transit providers
  - 2010 survey of riders indicated 68% of travel needs met by current services—little variation across state including urban to rural
- Projects need through 2030
MN Hybrid Demand Model Inputs

• For all Greater MN counties
  – Population 65 and over
  – Disabled population under 65 years
  – Low income population under 65 years

• For counties with large urban cities (50,000 + population)
  – Zero car households
Passenger Demand Model Results

**Annual Passenger Demand:**
- 2010: 18.1 million
- 2020: 20.2 million
- 2030: 22.0 million

11.0 million rides were delivered in 2009: current services meet about 60% of projected demand
Service Hours: Methods Considered

• A common method uses actual productivity levels (passengers per service hour) to calculate hours needed to meet demand targets
  – Hours = Demand/Passengers per Hour
  – This approach was tested but produced inconsistent results at the county level
MN Service Hours Model

- Established “target” per capita service rates for populations within each county
  - Urban (over 50,000) : 1.5 to 1.75 annual hrs per capita
  - City (10,000-50,000) : 0.75 to 1.0
  - Rural (under 10,000) : 0.5 to 0.75

- Calibrated to current level of needs being met from user survey

- Projected to 2030 using future
Annual Service Hour Needs:

- 2010: 1.8 million
- 2020: 2.1 million
- 2030: 2.2 million

1.03 million service hours were delivered in 2009: current services meet about 57% of projected need.
Operating Cost to Meet 100% of Service Needs

**Annual Cost Projections***:

- **2010**: $103.7 million
- **2020**: $153.8 million
- **2030**: $216.9 million
- **2009 actual costs**: $55 million

*Future year costs adjusted for 2.85% inflation.*
Capital Cost to Meet 100% of Service Needs

Annual Cost Projections:
2010: $33.5 million
2020: $62.2 million
2030: $81.0 million

*Future year costs adjusted for 2.85% inflation.
Operating Costs to Meet Legislative Targets

2015 Target level* of 80% of total needs
  =$102 million

2025 Target level* of 90% of total needs
  =$165 million

2009 actual costs= $55 million

*Capital costs not included in these figures. Future year costs adjusted for 2.85% inflation.
Future State and Federal Funding

Expansion
- Establish service in locations without any existing public transit
- Enhance service in existing systems

Preservation
- Maintain viability of existing systems that demonstrate fiscal capacity and meet performance standards

Contraction
- Do not fund system enhancements
- Work with local partners to redesign underperforming services
- Reduce funding for existing systems
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http://www.dot.state.mn.us/transit/reports/investmentplan/index.html