



COUNTIES *Transit*
Improvement
BOARD

Citizens League Transit Study Committee
October 6, 2016

Presentation Overview

1. Brief History: Pre-CTIB
2. A Shared Regional Vision for Transit
3. Governance and Organizational Structure
4. Roles and Responsibilities
5. Funding Our Regional Vision
6. Current Funding Challenges

BRIEF HISTORY: PRE-CTIB

Brief History: Pre-CTIB

1. County Regional Railroad Authorities

- leadership role in advancing rail projects since mid-1980's
- collaborating since 1992 to advocate for transit funding at state and federal level

2. No dedicated funding source/no local match

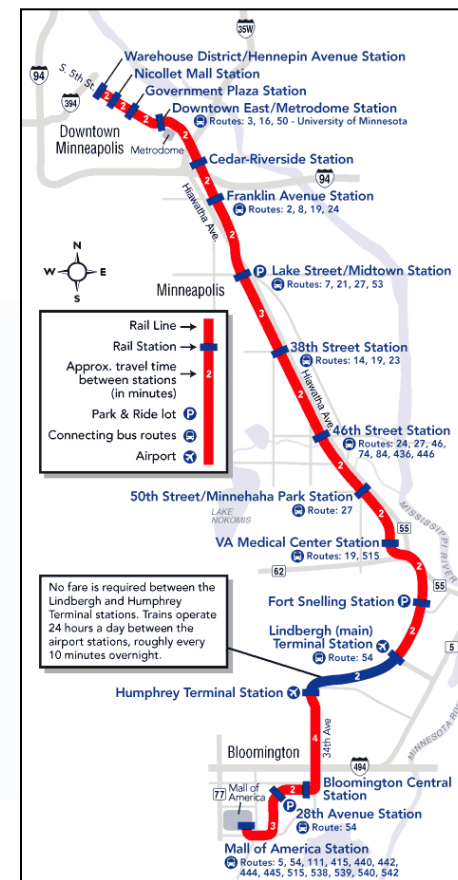
3. No plan for system-wide transitway development

4. No clear governance structure

5. Success in securing earmarks, but difficult to compete for full funding

Brief History (cont'd)

- HCRRA started planning process
- Hiawatha LRT advances with initial state funding in 1998, opening in 2004
- MnDOT and Met Council responsible for construction
- Funding cobbled together, long development process



2008 Transportation Legislation

Authorization of County Tax
For Transit Expansion

Imposed by 5 of 7
Metro Counties

Leased Motor Vehicle Tax

¼ of 1% sales tax
\$20 motor vehicle excise tax

Anoka, Dakota, Hennepin,
Ramsey, & Washington

Anoka, Dakota, Ramsey,
Washington & Scott

CTIB's Authorizing Legislation (297A.992)

- Authorized metro counties to impose sales tax by resolution
- Required formation of Joint Powers Board
- Required the pooling of sales tax resources
- Required board to use revenue for grants
- Consistent with Met Council's Transportation Policy Plan

A SHARED REGIONAL VISION FOR TRANSIT

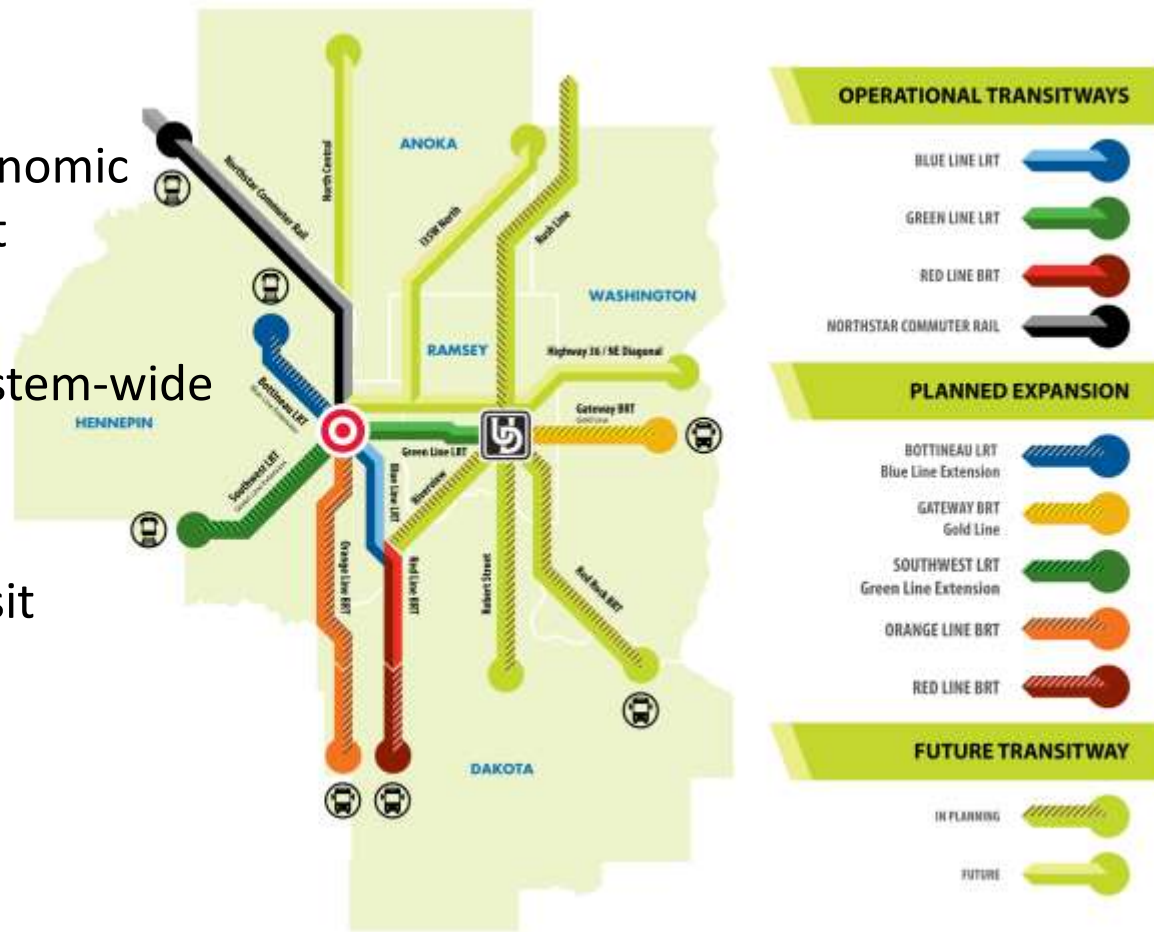
CTIB's Vision

A network of connected transitways that acts as a catalyst for economic development, increased ridership and further transit expansion

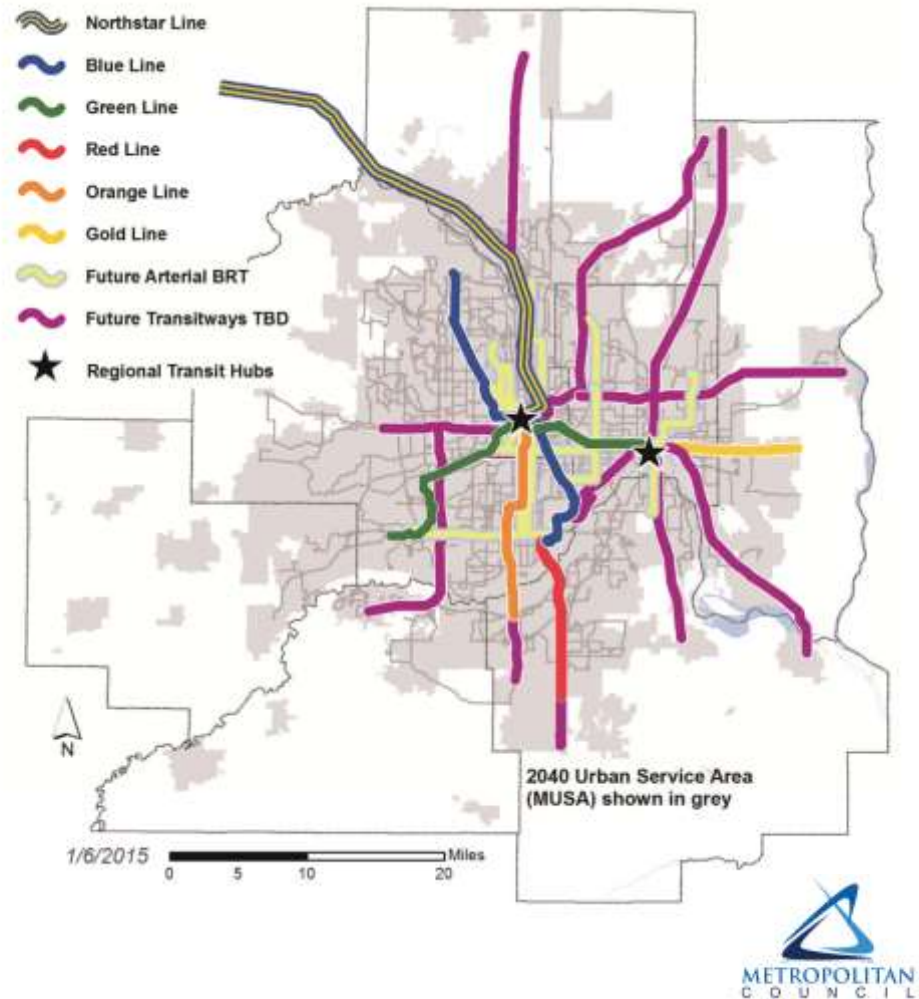
- Move users efficiently & safely
- Mitigate congestion
- Enhance development & competitiveness
- Improve sustainability & livability

CTIB's Regional Vision for Transitways

- Catalytic economic development
- Increased system-wide ridership
- Further transit expansion



Planned Transitways

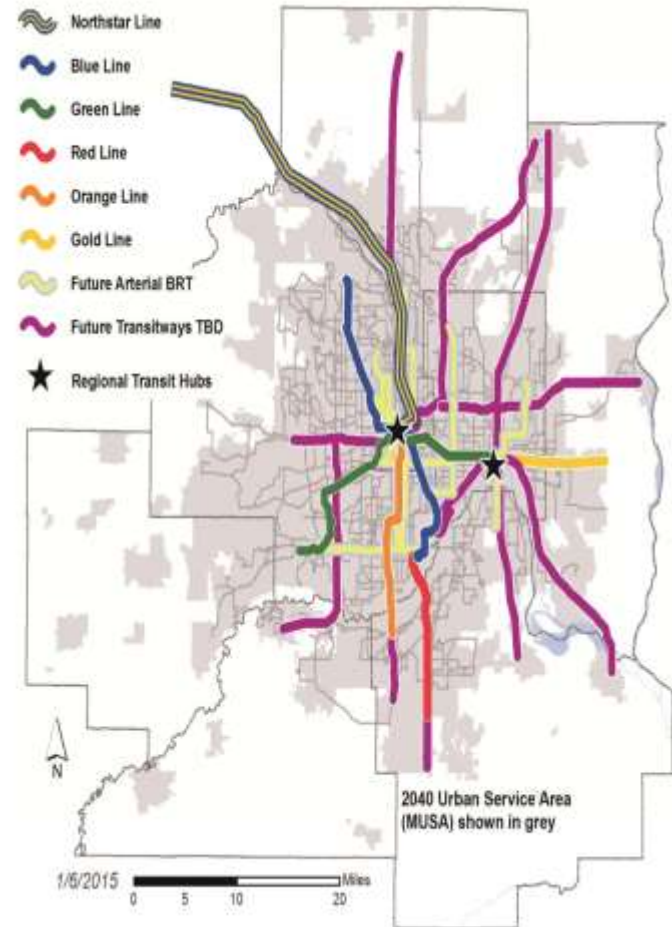


Slide source: Presentation to Citizens League Transit Study Committee by Dave Van Hattum, Transit for Livable Communities, 9/29/16

CTIB



Met Council's



Transitways propelling growth

Economic Development

Blue Line = \$366 million

Green Line = \$4.2 billion

SWLRT = \$430 million

Bottineau = \$358 million

Blue and Green Line Riders

28% of Total 2015 ridership



Sept. 1, 2016

Metro Transit Record Ridership



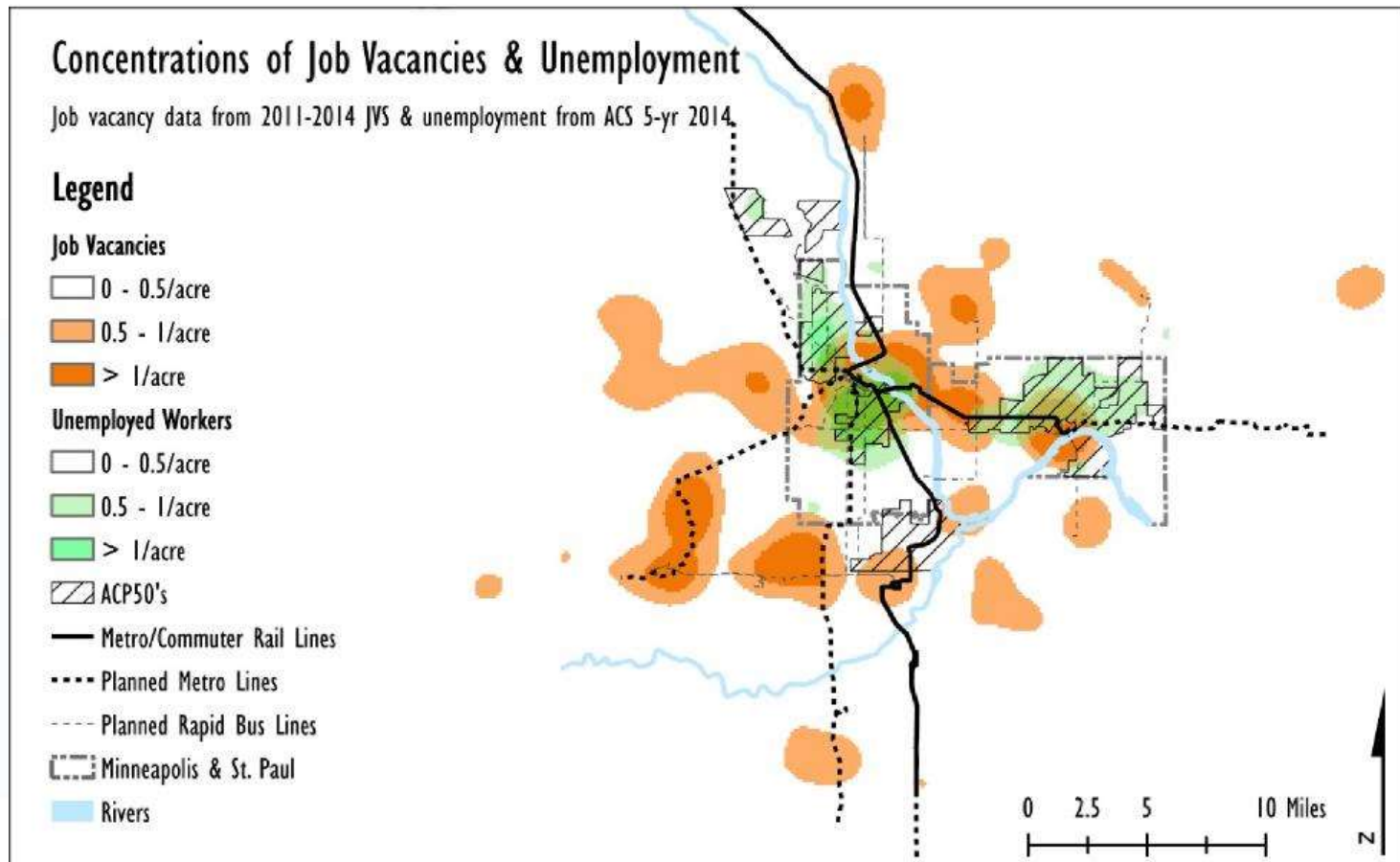
**370,000
system
riders**



**117,000
light rail
riders
(32%)**

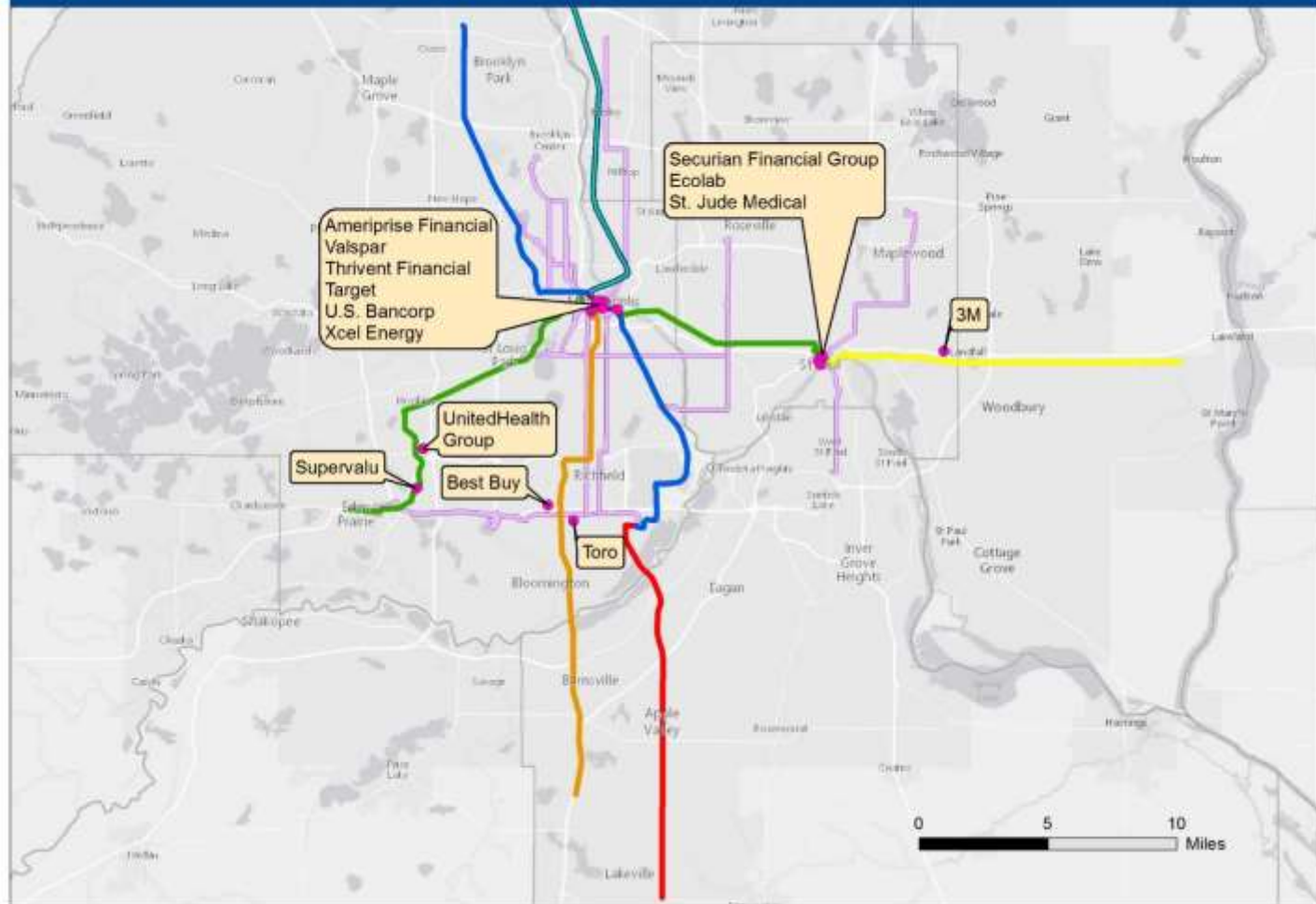
Source: Metropolitan Council, 2016

Transitways Connect Workers to Jobs

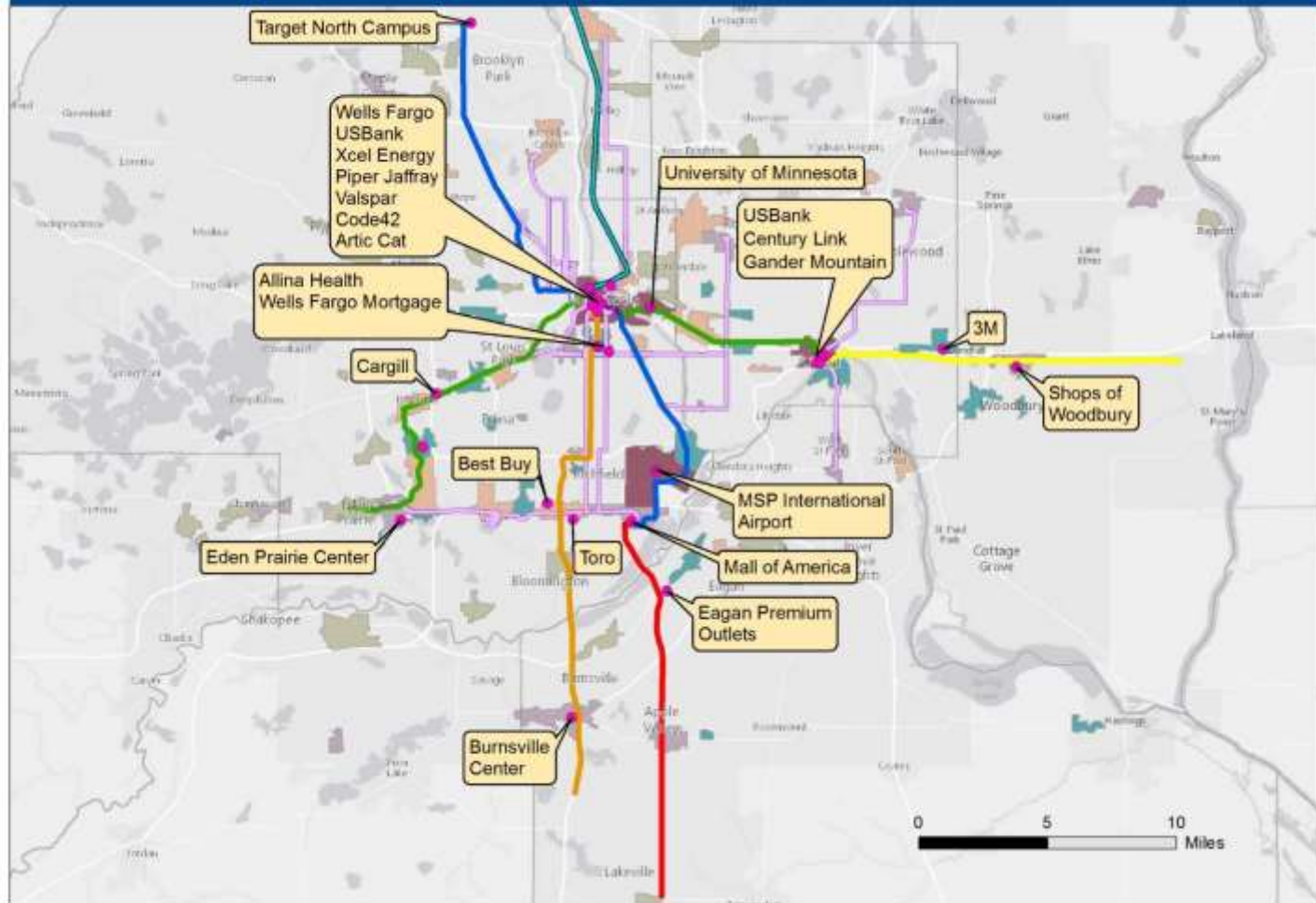


Source: CTS, Linking the Unemployed to Jobs, Figure 3-4, 2016

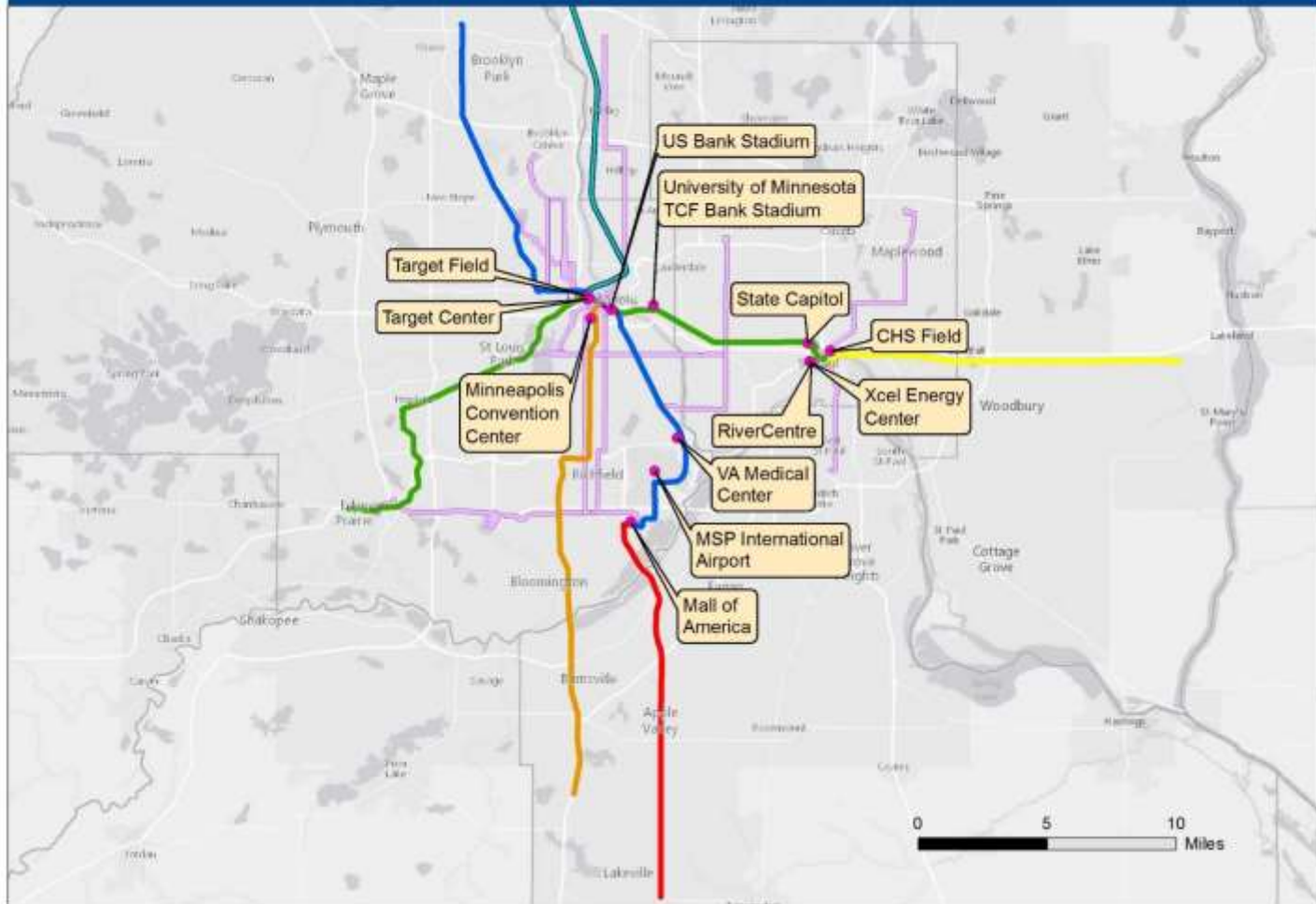
Fortune 500 Companies



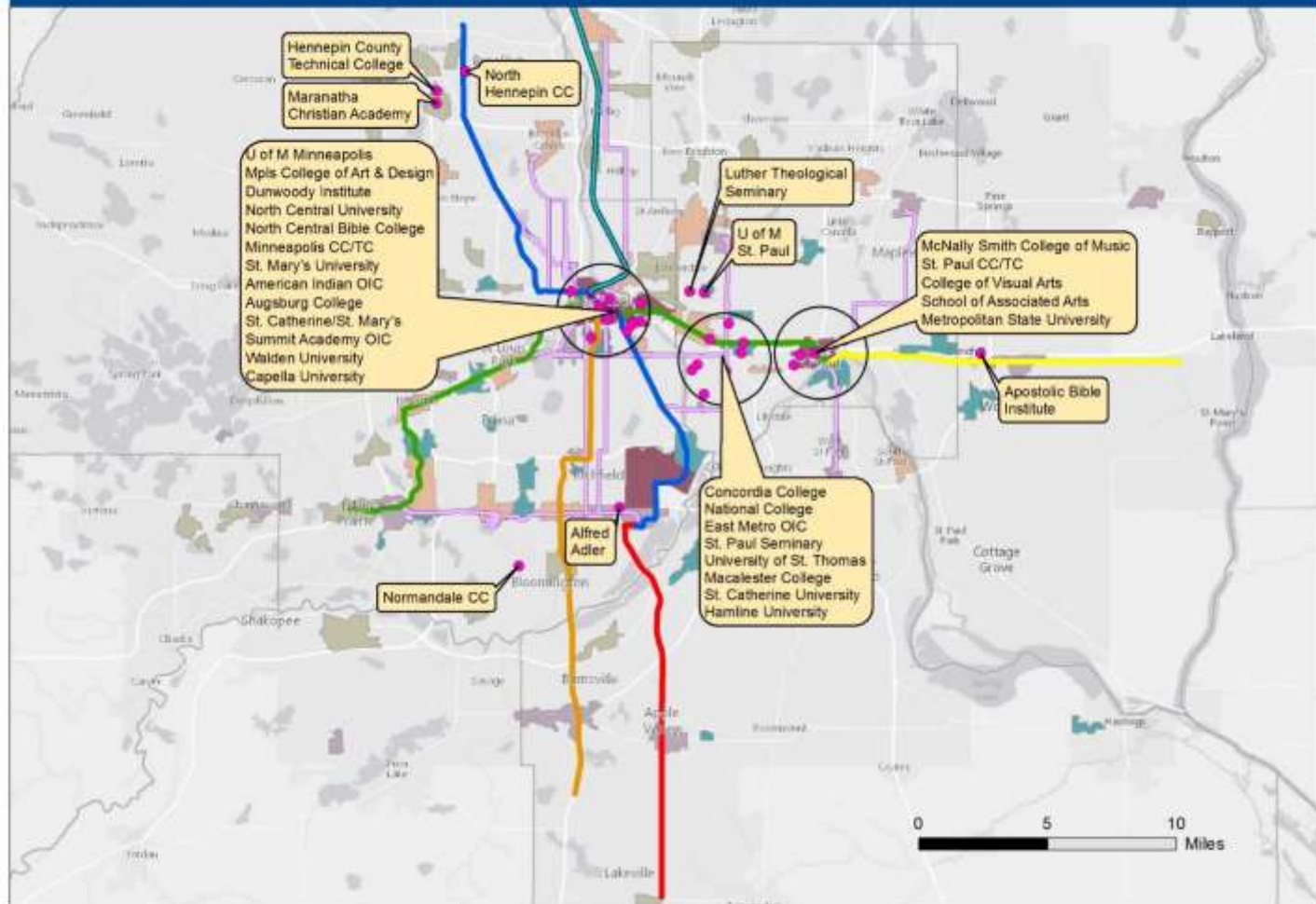
Job and Activity Centers



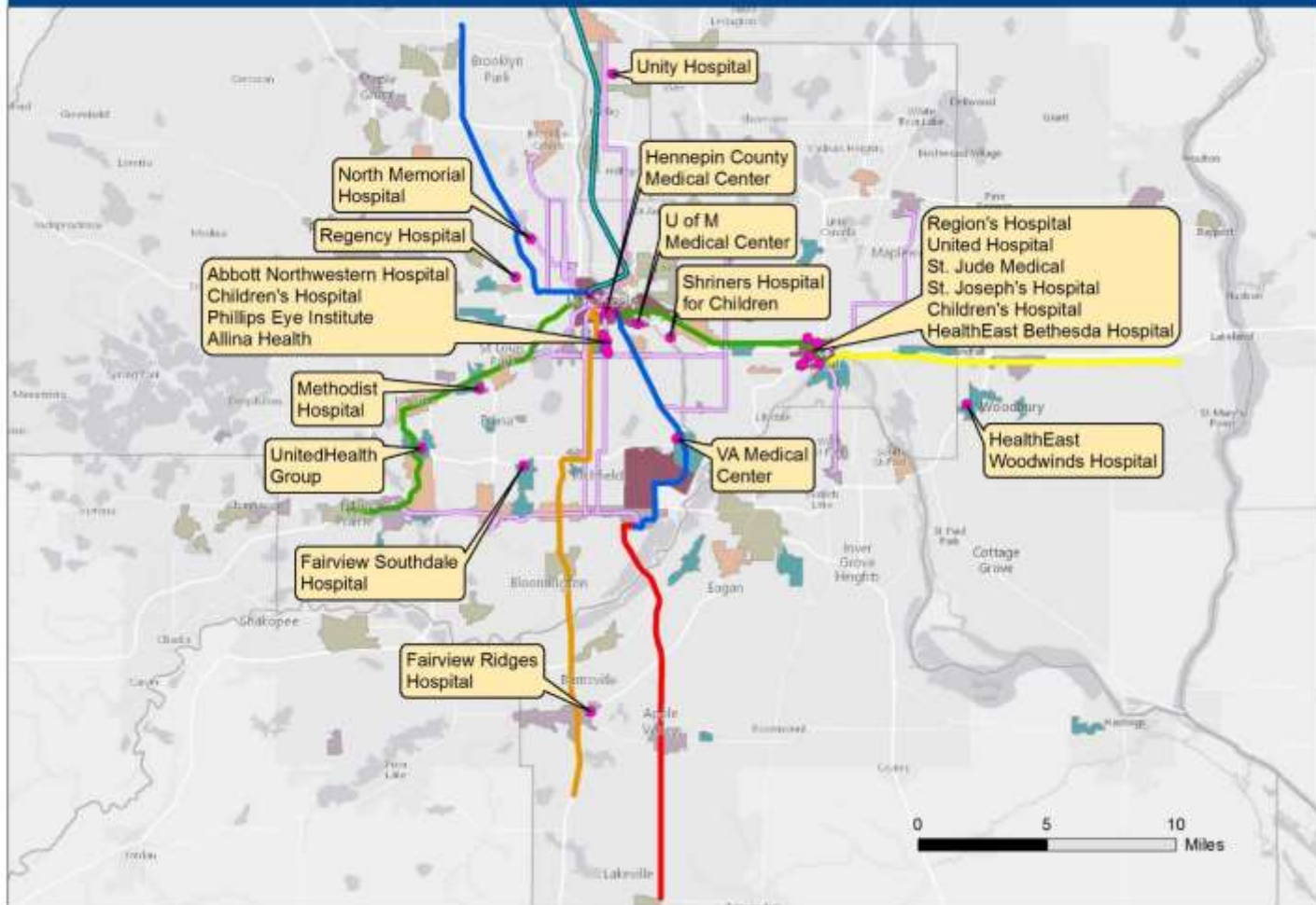
Key Destinations



Higher Education, Public and Private



Hospitals and Medical Organizations



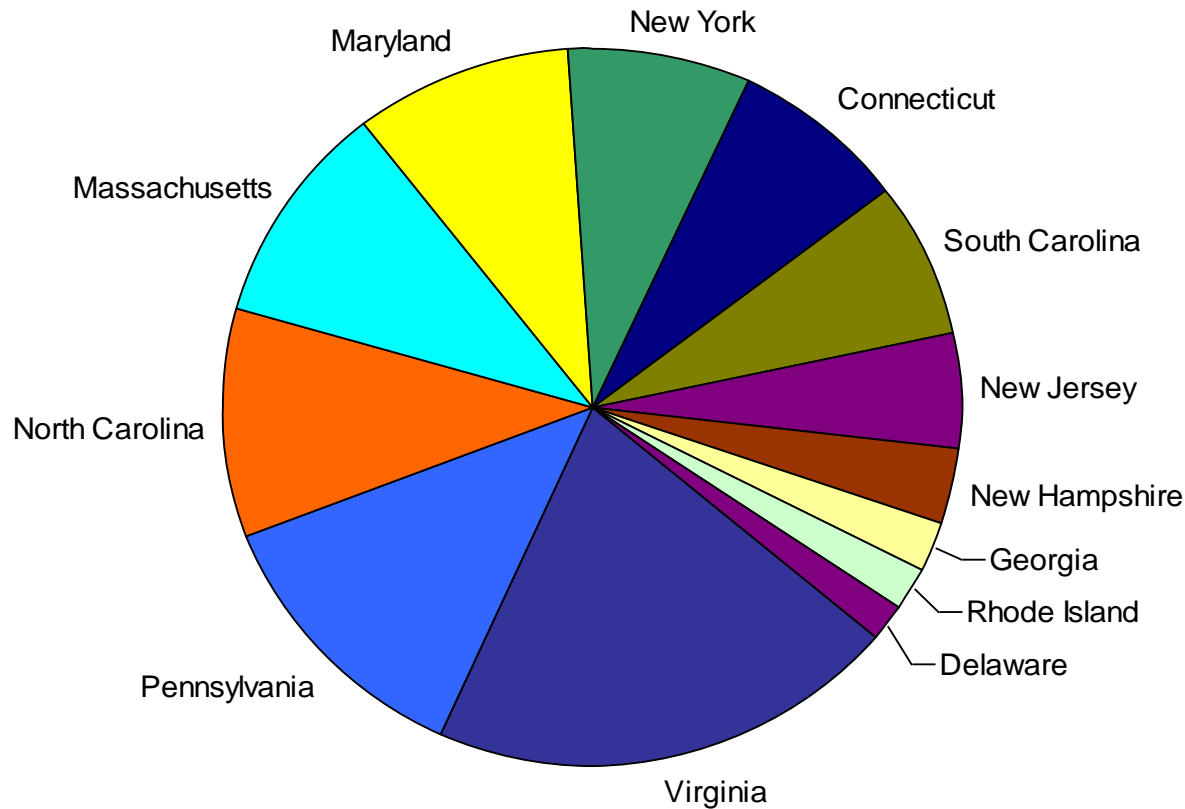
Governance and Organizational Structure

HOW CTIB MAKES DECISIONS

Governance Structure

- **Joint Powers Board** of 5 Member Counties
 - 2 commissioners from each county
 - Chair of Metropolitan Council
 - Commissioners from 2 ex officio counties
- **GEARS Committee** of Cities and Counties
 - Elected officials (8 city, 6 county)
 - Develops recommendations on grant applications

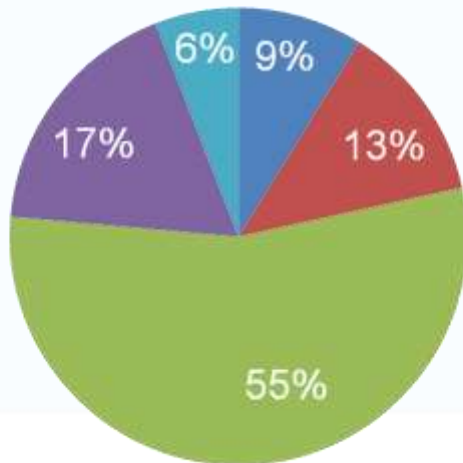
13 Colonies Population (1780)



Regional Differences

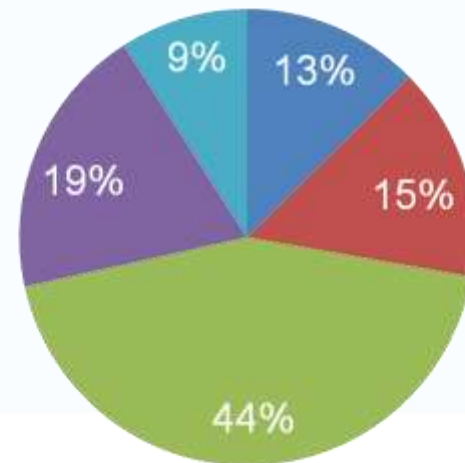
Sales Tax

Sales Tax Share



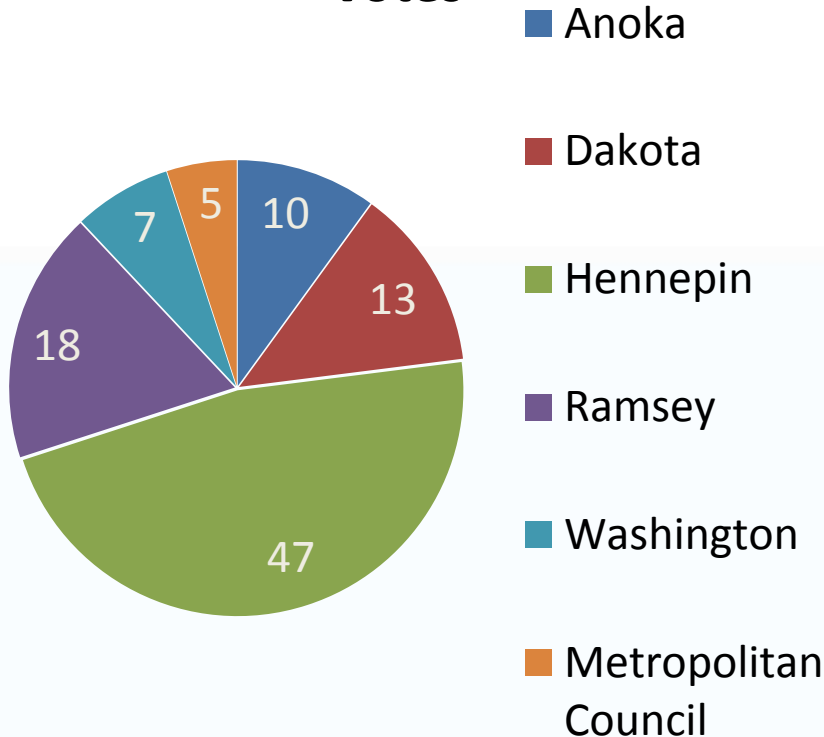
Population

Population Share



Weighted Voting Structure

Votes

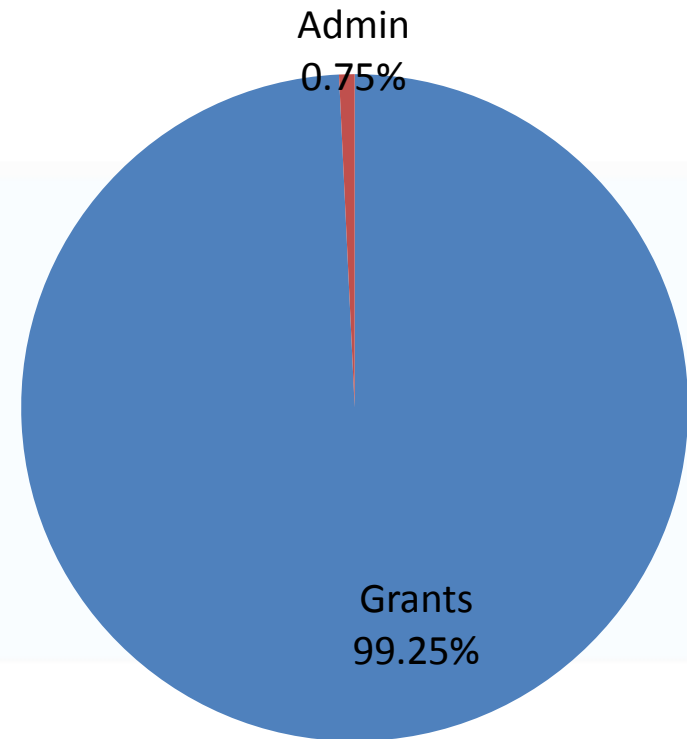


- **100 total votes**
- **Super Majority –**
63 votes, from at least 3 counties, required to pass anything
- **Super Super Majority -**
75 votes, from at least 3 counties, required to approve issuance of debt

A Lean Organization

$\frac{3}{4}$ of 1% for administrative expenses (MN Statute Section 297A.992 subd. 4)

- No buildings, property or land
- No employees
- Use county legal, financial and communications staff
- Contract for services as needed
- Hennepin County acts as financial manager



CTIB'S ROLES AND RESPONSIBILITIES

Focus: Transitway Expansion

Invest in:

- Engineering, construction and operations
- BRT, commuter rail and LRT
- “Supplement, not supplant”

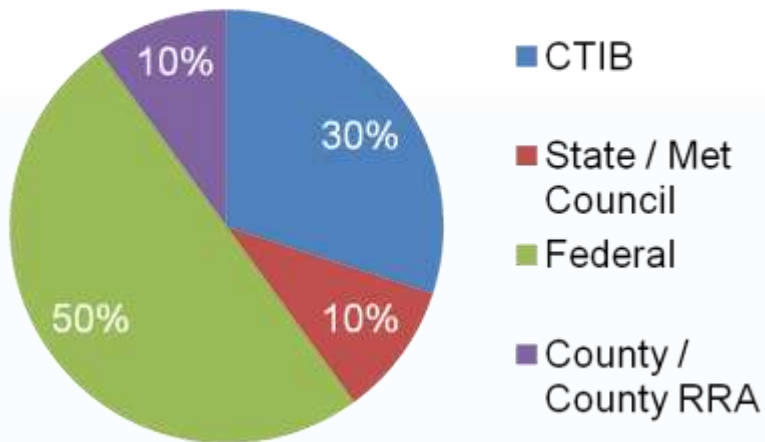
Do not invest in:

- Studies*
- Passenger rail, regular route buses, or arterial BRT

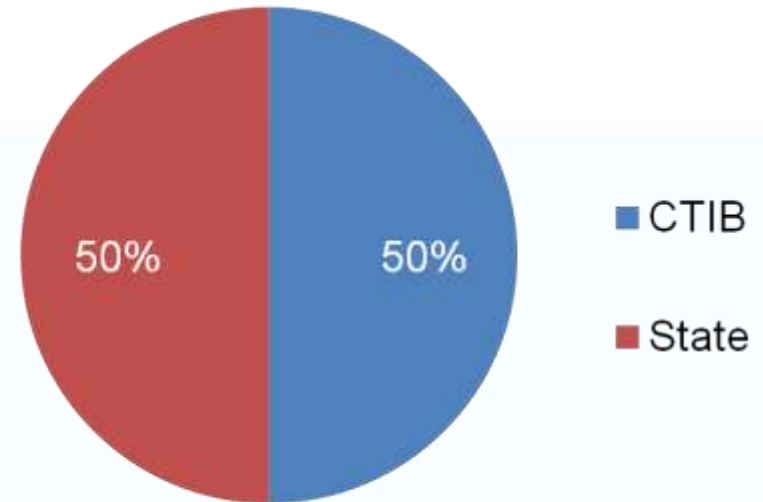
*Exception: Washington County Guaranteed Grants

CTIB's Role: Largest Non-Federal Funding Source

Capital



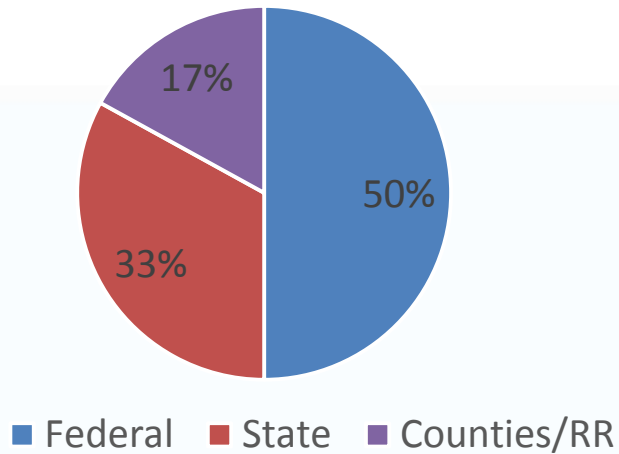
Net Operating



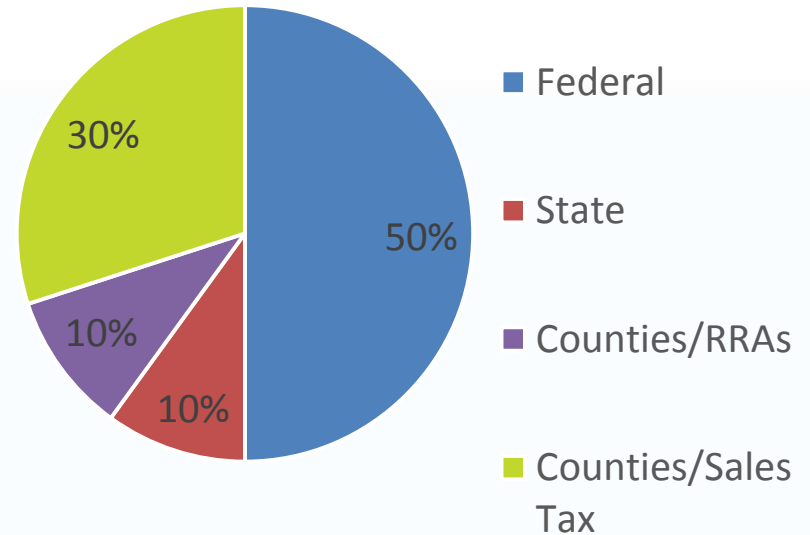
County organization provides 80% of non-federal funding

Capital Funding Overview

Before CTIB



After CTIB



CTIB's Role as a Funding Partner

- **30%** or more of total transitway capital cost
- **60%** of funding for Project Development and Engineering
 - i.e., Significant upfront risk, cash flow needs
- **50%** of the net operating subsidy
- Provide funding commitments to maximize federal funding
- Do not own, operate or construct transitways

CTIB's 2-Armed Approach

Funding for transitways



Leadership on transit policy & investment

\$769.8M: CTIB Investments to Date




Federal Funding Secured

(\$1.5 B)

Project	Federal Funding Through September 2015
Bottineau Corridor	\$9,520,830
Cedar Avenue BRT	\$45,004,899
Central Corridor LRT	\$544,300,450
Hiawatha LRT	\$412,500,000
Gateway Corridor	\$250,000
The Interchange	\$17,441,500
Northstar Corridor	\$178,701,661
Northstar Corridor Phase 2	\$3,000,000
Northstar Corridor Phase 2 Bus Demonstration	\$97,400
Red Rock Corridor	\$6,135,000
Robert Street Corridor	\$1,180,000
Rush Line Corridor	\$2,654,000
Southwest LRT	\$534,275
Union Depot	\$124,000,000
I-35W South BRT	\$133,500,000
TIGER for Anoka County	\$10,000,000
Gateway Corridor	\$1,000,000
Total	\$1,489,820,015

FUNDING OUR REGIONAL VISION

CTIB's Policy Framework

- 
- Authorizing legislation (*Minn. Stat. 297A.992*)
 - Joint Powers Agreement
 - Transit Investment Framework
 - Program of Projects Investment Strategy
 - Resolution Authorizing Annual Grant Solicitation
 - Grant Agreements

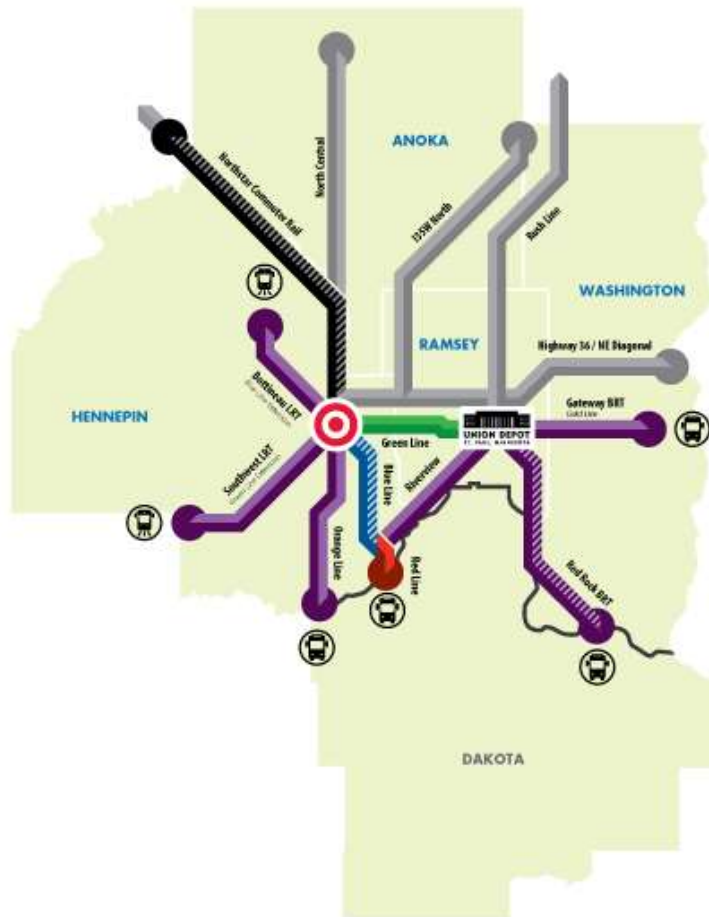
CTIB Key Fiscal Policies

1. Achieve regional balance & connectivity
2. Maximize availability & use of federal funding
3. Fiscal discipline & stewardship of tax dollars
4. Responsible planning & execution of financial commitments
5. Reliable funding partner

Program of Projects Investment Strategy

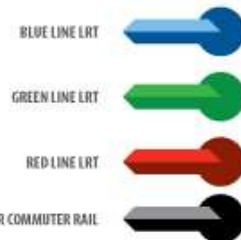
- Financial planning tool to inform Board decisions
- Monitor sales tax resources, need for bonding, what the Board can afford
- When and how to meet funding commitments
- Specific projects eligible for funding and amount available for grants

Program of Projects: Phase 1

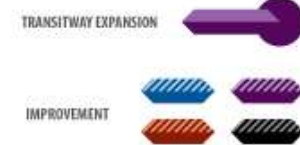


CTIB's Program of Projects Phase 1

EXISTING TRANSITWAY



PHASE ONE PROJECTS



FUTURE PHASES



Adopted 2016 PoP Phase 1

CTIB Transitways

- Southwest LRT
- Bottineau LRT
- Orange Line BRT
- Gateway BRT
- Riverview as LRT

Transitway Improvements

- Blue Line vehicles
- Mall of America Station
- Northstar safety –Armstrong & Hanson
- Red Rock BRT

50% Net operating subsidy grants for designated transitways and transitway improvements

Sales Tax Receipts

Month	2012	2013	2014	2015	2016	Variance 2015 to 2016	
Jan	\$ 7,432	\$ 8,514	\$ 9,377	\$ 9,885	\$ 9,866	\$ (19)	-0.2%
Feb	15,899	16,841	18,501	18,345	19,230	885	4.8%
Mar	26,099	25,583	28,019	29,600	31,138	1,538	5.2%
Apr	33,167	35,092	36,224	38,013	39,511	1,498	3.9%
May	40,225	42,443	45,711	45,603	47,760	2,156	4.7%
Jun	48,797	51,221	55,058	55,486	57,535	2,048	3.7%
Jul	56,982	59,439	64,072	65,034	67,344	2,310	3.6%
Aug	65,569	68,908	73,814	74,603	77,148	2,545	3.4%
Sep	73,908	77,686	83,177	84,820	86,813	1,993	2.3%
Oct	83,939	88,533	94,240	96,773	-		
Nov	92,670	98,174	104,096	106,132	-		
Dec	101,926	108,336	113,629	116,682	-		
\$ increase	\$4,679	\$6,410	\$5,293	\$3,053	\$2,545	Annual	
% increase	4.8%	6.3%	4.9%	2.7%	2.3%	YTD	
5-year avg. annual			5.6%	5.55%			

Sales Tax Assumptions

2016 PoP IS

– 2016 (2015 actual+2%)	\$119,000,000
– 2017 +2%	\$121,380,000
– 2018 and beyond	+3.50%

FUNDING PRIORITIES AND COMMITMENTS

Funding Priorities

1. Debt Service
2. Funding commitments: capital & operating
3. Completion of PoP Phase 1
 - CTIB Transitways
 - Transitway Improvement Projects
 - Operating Subsidies

Debt Service

- Senior Sales Tax Revenue Note, Series 2010A
- Original amount: \$102,810,000
- Currently outstanding: \$87,755,000
- Annual debt service: ~\$8,300,000
- Final maturity: December 2030

Capital Commitments

(in \$millions)

Corridor	PD	Eng.	Full	CTIB Funding Committed	Grants Awarded or Paid to Date	Remaining
METRO Green Line LRT	-	-	\$300,000	\$ 283,950	\$283,950	-
METRO Red Line BRT	-	-	17,700	17,700	17,700	-
Southwest LRT	\$88,600	TBD	516,500	516,500	97,700	\$418,800
Bottineau LRT	27,500	TBD	463,760	463,760	18,300	445,460
METRO Orange Line BRT	6,000	n/a	30,000	30,000	3,000	27,000
TOTAL				\$1,281,910	\$420,650	\$891,260

Planned Funding Shares

<u>Transitway</u>	<u>2015 %</u>	<u>2015 \$</u>	<u>2016 %</u>	<u>2016 \$</u>
Southwest LRT	30%	\$496 M	27.8%	\$517 M
Bottineau LRT	31%	311 M	31.0%	464 M
Orange Line BRT	30%	45 M	19.9%	30 M
Gateway BRT	35%	170 M	35.0%	170 M
Riverview LRT	80%	836 M	31.0%	420 M

50% Net Operating Costs

- Hiawatha LRT (Blue Line)
- Northstar Commuter Rail
- Cedar Avenue BRT (Red Line)
- I-35W South BRT (Express Bus)
- Central Corridor LRT (Green Line)
- Southwest LRT (funding commitment)
- Bottineau LRT (funding commitment)

CURRENT FUNDING CHALLENGES

Growth Rate of Sales Tax Slows

2010	2.9%
2011	6.4%
2012	4.8%
2013	6.3%
2014	4.9%
2015	2.7%
2016 YTD	2.3%

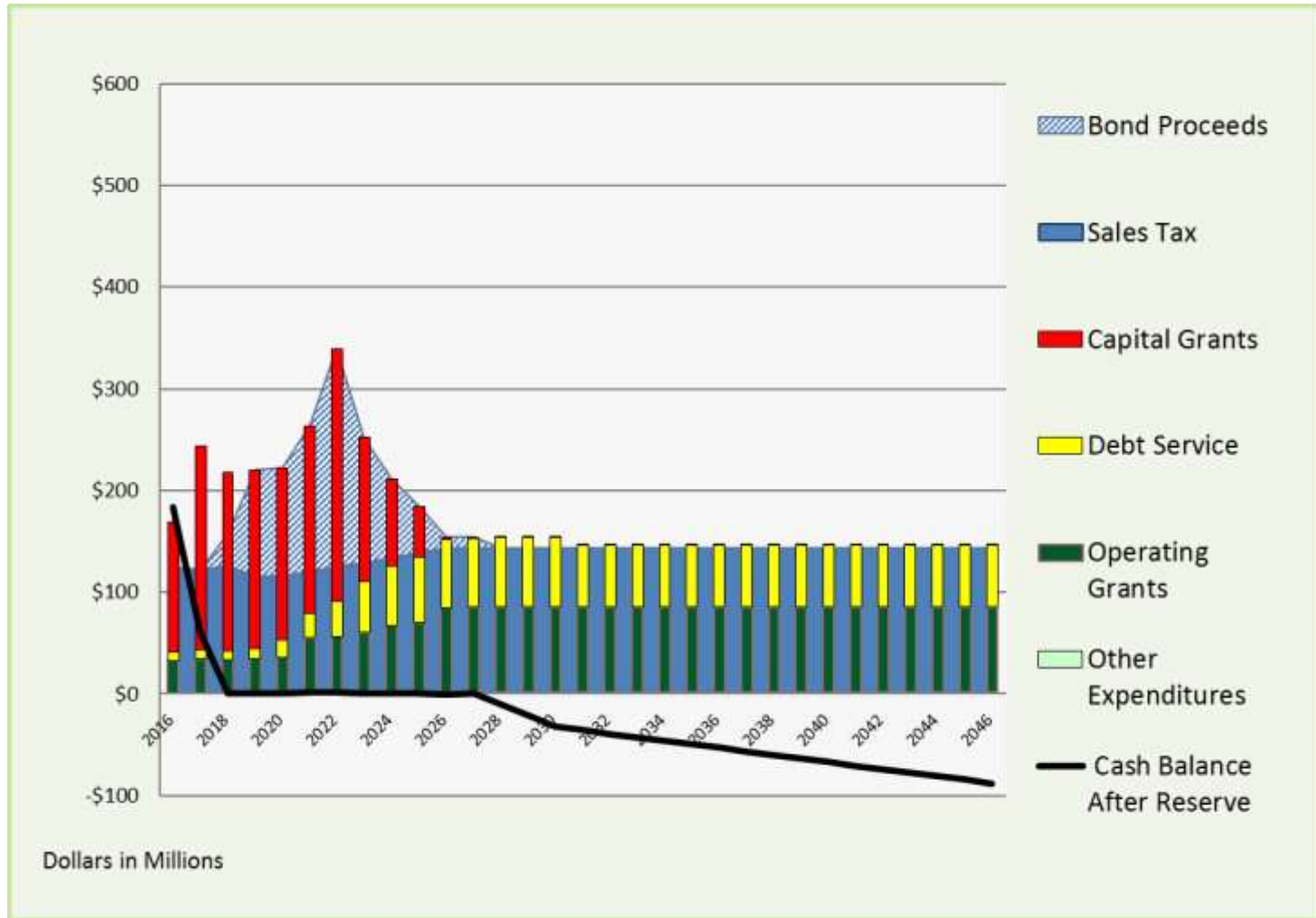
Dakota County Withdrawal

- Withdrawal notice provided June 2016
- CTIB receipt of Dakota County portion of sales tax stops March 2019
- Loss is ~13.21% or ~ \$18M in 2020

Lack of State Share for Southwest

- Resulting delay increased project costs (\$19M)
- Necessitated bridge financing for Southwest
 - \$20.5M increase in HCRRA share
 - \$20.5M increase in CTIB share
 - Met Council to issue \$103.5M in COP's
 - \$11.75M CTIB annual appropriation for MC COP

2016 Cash Flow



Contributors to Structural Balance

- Reliable State share
 - Increased revenue
 - Cost containment
-

External factors

- Debt assumptions
- Metering grant payments

Internal factors

Questions?

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CTIB Administrator

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