February 11, 2013

Governor Dayton’s Proposed Budget
Regional Dedicated Transit Sales Tax

Presentation to Regional Council of Mayors
Governor Dayton’s Budget Proposal

- Increases transit funding to keep metro area competitive
  - Additional ¼ cent for seven-county metro area
  - Increased receipts to CTIB from broader sales tax
  - Approximately $348 million for SFY’14-15

- Addresses the state budget shortfall

- Ends one-time fixes that hinder transit development

- Provides stable source of revenue that keeps pace with growth
1.0% Annual Growth in Bus System
Transit investments key to strong economy

- Transit connects people to jobs and businesses to customers.
- Currently provide more than 250,000 rides per day and more than 94 million transit rides per year
- 80% of riders are going to work and school
- 40% of people who work in downtown Minneapolis use transit
Return on Investment $6-10 Billion

• *Itasca Group Transitway ROI Study* analyzed the 2030 Transportation Policy Plan

• Itasca predicts **ROI of $6-10 billion** to 2030 achieved through accelerated build out of transit and through savings such as:
  • travel time savings
  • reduced vehicle operating cost
  • saving to shippers
  • reduced emissions
Metro area needs to compete with other regions

**OTHER REGIONS KNOW TRANSIT MATTERS AND ARE INVESTING MORE**

Regional tax dedicated to transit:

- **1.05 cents**
  - San Francisco

- **1 cent**
  - Atlanta
  - Boston
  - Cleveland
  - Dallas
  - Denver
  - Houston

- **.9 cents**
  - San Jose
  - Seattle

- **.75 cents**
  - St. Louis

- **.42 cents**
  - San Diego

- **.25 cents**
  - Mpls/St. Paul
Eight out of ten (79%) agreed.... Minnesota “would benefit from having an expanded and improved public transit system, such as rail and buses” —January 2013
Chambers of Commerce survey
Transit connects people to work, creates jobs

- LRT construction creates jobs
  - CCLRT employed over 4,800 construction workers
  - SWLRT is expected to directly support 3,650 construction and engineering jobs

- CCLRT will connect people to 280,000 jobs, expected to grow to 374,000 jobs

- SWLRT will connect people to 210,000 jobs, expected to grow to 270,000 jobs
Transit relieves congestion for all highway & road users
Transit provides environmental benefits
Transit investment leads to development

Central Corridor
$1.2 billion in development

Hiawatha LRT Corridor
Nearly 10,000 New Housing Units