

DBE ENTERPRISES



AUGUST 2004 ISSUE 8

Re-Thinking Transit

With the successful launch of the Hiawatha Light Rail Transit Line a few weeks behind us we thought it would be cool to revisit the host of reasons that LRT is a key ingredient to a sound community oriented transportation system.

While transit clearly benefits those who use it, even larger benefits accrue to all citizens in the form of economic development, reduced congestion, more livable communities and cleaner air.

- **Stimulates Economic Development**
- **Saves Money**
- **Creates Jobs**
- **Gets People To Work**
- **Eases Traffic Congestion**
- **Fosters More Livable Communities**
- **Boosts Real Estate Values**
- **Improves Air Quality**
- **Reduces Energy Consumption**
- **Ensures Safety**
- **Enhances Mobility During Emergencies**

Stimulates Economic Development

- A transit coalition report, "Dollars & Sense: The Economic Case for Public Transportation in America," found that every dollar taxpayers invest in public transportation generates \$6 or more in economic returns.
- Every \$10 million in capital investment in public transportation yields \$30 million in increased sales.
- Every \$10 million in operating investment yields \$32 million in increased sales.

Saves Money

- It's more cost efficient to use public transportation, particularly in business and urban areas.
- For every \$10 million invested in public transportation, more than \$15 million is saved in transportation costs to both highway and public transportation users.
- According to the American Automobile Association, the estimated cost of driving a single-occupant vehicle is between \$4,826 (for a small car) and \$9,685 (for a large car), depending upon mileage. By contrast, the annual average cost for public transportation for one adult ranges from \$200 to \$2,000, depending upon mileage, time of day, type of vehicle or service.

Creates Jobs

- In addition to the 350,000 people directly employed by public transportation systems, thousands of others are employed in related support services (i.e., engineering, manufacturing, construction, retail, etc.). For every \$10 million invested in capital projects for public transportation, more than 300 jobs are created and a \$30 million gain in sales for business is realized.

Gets People to Work

- Public transportation is key to moving former welfare recipients into the workforce as permanent wage earners. An estimated 94% of welfare recipients attempting to move into the workforce do not own cars and rely on public transportation.

- The current \$75 million federal "Access To Jobs" initiative provides grants to transit service providers to help low-income residents get to work by providing transportation choices.
- Another \$500 million for these programs is guaranteed by law for a five-year period.
- Public transportation provides valuable options for suburban commuters who work in the city. In fact, the average annual income of rail commuters is more than \$50,000 and most own two cars.

Eases Traffic Congestion

- Nearly half of all Americans believe traffic is a serious problem where they live. Most (57%) do not feel their commute will improve over the next three years, and nearly a quarter expect to spend more time commuting.
- According to the Texas Transportation Institute (TTI), car drivers spent more than 40 hours last year stuck in traffic in one-third of the cities studied.
- Half the drivers spent the same amount of time stuck in traffic as they did on vacation, according to the same TTI study. These findings apply to small, medium and large cities.
- Public transportation helps to alleviate our nation's crowded network of roads by providing transportation choices.



- Without transportation choices, there would be 64,413 more cars on the road in New Orleans, 167,061 more cars on San Diego roads, and 2,610,280 more cars on New York City roads, according to the Sierra Club.
- In Portland, Oregon, a study by the Sierra Club showed that when more transportation options are offered, people use their cars less, thereby cutting traffic by 6% and traffic delays by 66%.

Fosters More Livable Communities

- Public transportation facilities and corridors are natural focal points for economic and social activities. These activities help create strong neighborhood centers that are more economically stable, safe and productive.
- Studies have shown that the ability to travel in an area conveniently, without a car, is an important component of a community's livability.
- Public transportation provides opportunity, access, choice and freedom, all of which contribute to improved quality of life.
- For example, Salt Lake City's new TRAX system has achieved nearly 20,000 daily riders since 1999 (41% of whom are new to transit), thereby helping to revitalize the downtown area by attracting new businesses, a community center, ice-skating rink and amphitheater.

Boosts Real Estate Values

- Public transportation fuels local development and in turn has a positive impact on local property values.
- Studies have shown greater increases in the value of properties located near public transportation systems than in similar properties not located near public transportation.

Improves Air Quality

- Public transportation helps promote cleaner air by reducing automobile use, which can exacerbate smog and public health problems.
- Each year, public transportation use avoids the

emission of more than 126 million pounds of hydrocarbons, a primary cause of smog, and 156 million pounds of nitrogen oxides, which can cause respiratory disease.

- For each mile traveled, fewer pollutants are emitted by transit vehicles than by a single-passenger automobile. (Buses emit 80% less carbon monoxide than a car; rail, almost none.)
- According to the Sierra Club, 7 of the 12 cities with the highest grades for low car and truck smog per person (New York, Chicago, Los Angeles, San Diego, San Francisco, Sacramento and Washington, DC) are located in the states that spend the most on clean transportation choices, demonstrating the power of public transit as a tool to combat air pollution.

Reduces Energy Consumption

- Public transportation can significantly reduce dependency on gasoline, reducing auto fuel consumption by 1.5 billion gallons annually.
- For example, a person who commutes 60 miles each way daily could save an estimated 1,888 gallons of gasoline every year by switching from using a car to using public transportation.
- Many U.S. transit systems are continuing to invest in compressed natural gas, low-sulfur burning buses or diesel-electric hybrid buses.

Ensures Safety

- Public transportation continues to be one of the safest modes of travel in the United States.
- Riding a transit bus is 91 times safer than car travel. By train, passengers are 15 times safer.
- Every major public transportation system participates in annual safety audit programs that examine all areas of operation.
- Transit vehicle operators are highly trained to anticipate and avoid problems. Most transit vehicles are larger, newer and more substantial than autos or vans.



Enhances Mobility During Emergencies

- During many types of crises, both natural and man-made, people rely on public transportation.
- On September 11, 2001, the New York-New Jersey Port Authority transit systems moved people safely away from the World Trade Center disaster.
- Public transportation systems have operated around the clock to transport firefighters to the sites of wildfires; to evacuate nursing homes and hospitals; to move people to safety during storms; and to bring out-of-town police and rescue workers from airports.

Who Pays For Public Transportation?

- Public transportation is funded through two main sources: capital funds and operating fees.
- Capital funds finance infrastructure needs such as new construction and rehabilitation of existing facilities. The federal government contributes 44% of these funds, but this portion can be as high as 80% for some projects. The balance is made up of a combination of state and local government funds, with states contributing 10% and local governments, 13%.
- In 1999, public transportation received a total of \$9 billion in capital funds from all sources.
- Operating funds provide income for operating expenses. Approximately 74% of these funds come from local sources.
- Passenger fares comprise 37%; local governments, 20%; and non-government agencies and taxes, tolls and fees, 16%. State and federal governments contribute 22% and 4% respectively.

- In 1999, an adult passenger paid an average of \$1.09 per base fare.

Why is More Funding Necessary?

- Public transportation usage is expected to experience the sharpest growth of any form of transportation this decade.
- The American Society of Civil Engineers (ASCE) reports that improvements to transit bus and rail facilities are not keeping up with the strain placed on systems by increased ridership. ASCE says public transportation spending must increase by 41% just to maintain current conditions.
- According to the U.S. Department of Transportation, in today's dollars, \$17 billion in capital investment is needed annually to maintain and improve performance of the nation's transit systems.



Appreciating Congressman Sabo...

CONTACTS

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PFA Notice:

The Met. Council's PFA program only accepts W/MBE businesses listed with the State Department of Administration and the DBE Unified Certification Program.

For more information call Roderic Southall at **651-602-1184**.

Contractor/Consultants	Total Contract Amount	Total Paid to Date	DBE Paid to Date	(1) DBE % Actual to Date	(2) DBE % Total Contract Value	Target DBE % Goal
Minnesota Transit Constructions (MnTC)	327,125,516	310,822,077	40,902,648	13.16%	12.50%	15%
Other Contractors	6,248,763	6,011,054	775,774	12.91%	12.41%	
O'Brien Kreitzberg (OBK) (3)	19,000,000	18,861,970	3,239,967	17.18%	17.05%	15%
Marsh	545,000	485,000	146,517	30.21%	26.88%	5%
Other Consultants	27,391,567	24,461,061	1,653,992	6.76%	6.04%	
SUB-TOTAL	380,310,846	360,641,162	46,718,898	12.95%	12.28%	
Other Commitments *	92,464,168	91,820,082	N/A	N/A	N/A	N/A
TOTAL	472,775,014	452,461,244	N/A	N/A	N/A	N/A

* ROW Cooperative Agreements, Other Direct Costs, etc. (1) Calculates DBE percentage based upon DBE dollars expended vs. contract dollars paid to-date (actuals). (2) Calculates DBE percentage based upon DBE dollars expended vs. total contract value. (3) Value as of June, 2004 - Preliminary ** Incorporates Amendment #2 to the URS/OBK Agreement