Chapter 5. Peer Region Comparisons

The Twin Cities transit system performance is assessed, in part, using data from the federal National Transit Database (NTD). The area's performance is compared to the performance of a peer group of 11 urban areas transit systems.

Table 6-1. Peer Urban Areas Used in Transit Audit

Baltimore	Cleveland	Dallas	Milwaukee	Portland	Seattle
Cincinnati	Denver	Houston	Pittsburgh	St. Louis	

Changes to Peer Group

In 1996 a twelve region peer group was selected with similar population and transit system characteristics. But between the 1990 and 2000 census, the population of the Twin Cities grew by 17% while Buffalo had population losses of 2%. This difference is now great enough to warrant the removal of Buffalo from the peer group.

Peer Regions vs. Peer Transit Systems

Prior to 1999, parts of the Twin Cities regional transit system did not report statistics into the National Transit Database, meaning that data was not available for the whole region. Because of this, this is the first transit audit that overall Twin Cities statistics are available. Statistics for other regions are also aggregated to include all providers in a region. Exceptions were made in three areas—Baltimore, Dallas and Seattle—where the urban area includes major cities that are separated by 30 to 40 miles. In these cases, only the transit systems serving or related to the major city were included. Also, the ferry services in Seattle were not included.

The following transit service providers were included for each region for this report:

- Baltimore
  - Maryland Transit Authority (MTA)
  - Harford County Transportation
- Cincinnati
  - Southwest Ohio Regional Transit Authority (SORTA/Metro)
  - Transit Authority of Northern Kentucky (TANK)
- Cleveland
  - Greater Cleveland Regional Transit Authority (GCRTA)
  - Brunswick Transit Alternative
- Dallas
  - Dallas Area Rapid Transit Authority(DART)
  - Fort Worth Transportation Authority
  - Handitran Special Transit Division
  - First Transit, Inc.
  - City of Grand Prairie
  - City of Mesquite

- Denver
  - Regional Transportation District (RTD)
- Houston
  - Metropolitan Transit Authority of Harris County (METRO)
  - First Transit
  - VPSI
- Milwaukee
  - Milwaukee County
  - Waukesha County
  - Waukesha Transit
- Pittsburgh
  - Port Authority of Allegheny County (PAT)
  - Beaver County Transit Authority
  - Westmoreland County Transit
  - GG & C Bus Company, Inc.
  - ACCESS Transportation Systems, Inc.
  - University of Pittsburgh
- Portland
  - Tri-County Metropolitan Transit District of Oregon (Tri-Met)
  - Clark County Public Transportation
- St. Louis
  - Bi-State Development Agency (BSDA)
  - Madison County
- Seattle
  - King County Department of Transportation (KC Metro)
  - City of Seattle - Monorail Transit
  - Everett Transit
  - Snohomish County Transportation Benefit Area Corporation (Community Transit)
  - Senior Services of Snohomish County
  - Central Puget Sound Regional

Peer Modes

When this peer group was established in 1996, regions were selected that were similar both in size and in composition of transit service. Over the intervening eight years, most transit systems have added modes of service.

This data is as of 2002. As of 2002, all of the peers except Houston, Milwaukee, and Cincinnati had at least one mode in operation besides bus service. Since 2002, Houston has opened a light rail line and planning for additional modes is occurring in Milwaukee and Cincinnati.

The Twin Cities area's first light-rail line will be operational in 2004. Statistics about the Twin Cities light-rail line will be included in future reports.

The modes operated as of the date of these statistics, the end of 2002:

Baltimore: Heavy rail, commuter rail, light rail, bus

Cincinnati: Bus

Cleveland: Heavy rail, light rail, bus

Dallas: Light rail, commuter rail, bus

Denver: Light rail, bus

Houston: Bus

Milwaukee: Bus

Pittsburgh: Light rail, inclined plane, bus

Portland: Light rail, bus

St. Louis: Light rail, bus

Seattle: Trolley bus, monorail, light rail, bus

In addition, demand-response service to meet the requirements of the American with Disabilities Act is operated in all areas. In the Twin Cities, this service is provided primarily by Metro Mobility.

Twin Cities ridership regionally is down slightly, similar to peer regions.

Annual transit ridership in the seven-county Twin Cities area decreased almost 1.6 million trips or 1.8% from 1999 to 2002. This 1.8% decrease was similar to, but smaller than, the average decrease of 3.2% that occurred in 11 comparable regions.

Table 6-2. Twin Cities Region
Annual Transit Ridership, 1999-2002

Twin Cites Region Ridership	
1999	76,546,515
2000	78,500,799
2001	78,505,905
2002	75,181,990

Ridership Change 99 - 02 (*Actual)*	(1,644,558)
Ridership Change 99 - 02 *(Percent*)	-1.8%
Ridership Change Peer Group 99-02 *(Percent)*	-3.2%

Transit spending for both the Twin Cities and peer regions increased at a similar rate when adjusted for inflation.

Spending for operating transit in the Twin Cities increased 18.4% between 1999 and 2002 as compared to 16% for peer regions. When adjusted for inflation, the real rate of increase was about 7.7%, almost exactly the same rate as peer regions of 7.6%.

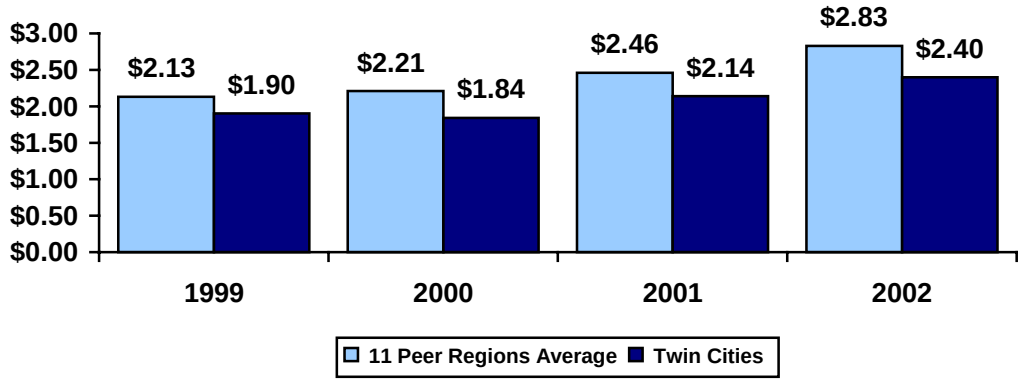
Table 6-3. Twin Cities Region
Annual Transit Operating Costs, 1999-2002

	Actual	Inflation Adjusted
1999	$212,337,361	$212,337,361
2000	$216,822,961	$208,083,456
2001	$243,624,074	$225,369,171
2002	$251,484,639	$228,622,399
Percent Change 1999-2002		
Twin Cities	18.4%	7.7%
Average 11 Peer Regions	16.0%	7.6%
Average Annual Percent Change 1999-2002		
Twin Cities	5.8%	2.5%
Average 11 Peer Regions	4.8%	2.2%
Inflation Adjustnments Made to 1999 Dollars using CPI-U		

The region's subsidy per passenger increased over the last four years but remains significantly lower than comparable systems.

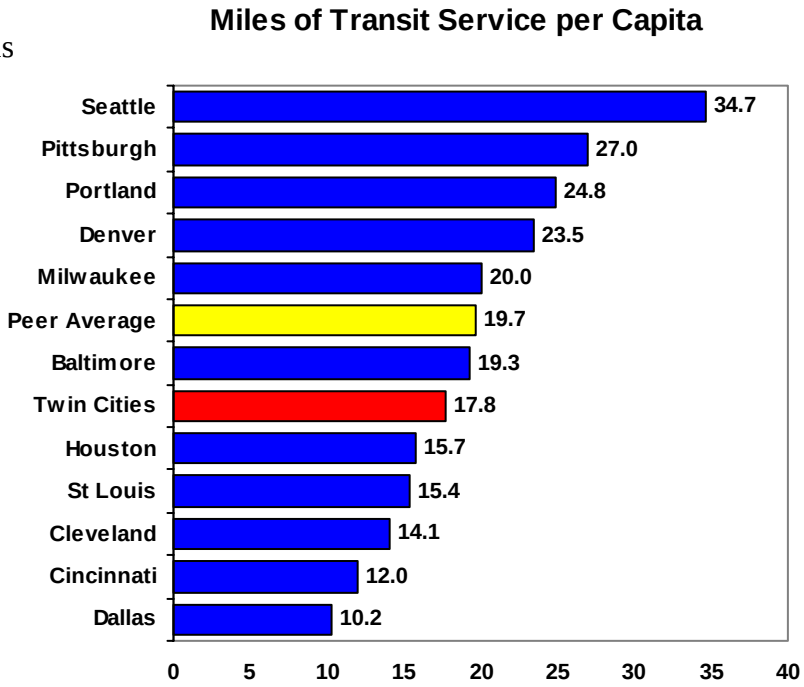
The measure *net government cost per passenger*, or subsidy, is the cost made up by government subsidies after user revenues and other transit-generated revenues (e.g., advertising) are deducted. The source of this funding is a combination of federal, state, and local tax revenues. The Twin Cities net subsidy per passenger increased at a lower rate than the average peer region between 1999 and 2002—26.3% versus 32.9%. In 2002, the Twin Cities subsidy was 15.2% below that of peer regions.

Twin Cities Region
Net Government Cost (Subsidy) per Passenger



The Twin Cities area has less transit service than other peer regions.

The number of miles of transit service provided in the Twin Cities is lower than in other regions. This is consistent with the level of funding provided for transit in the Twin Cities area.

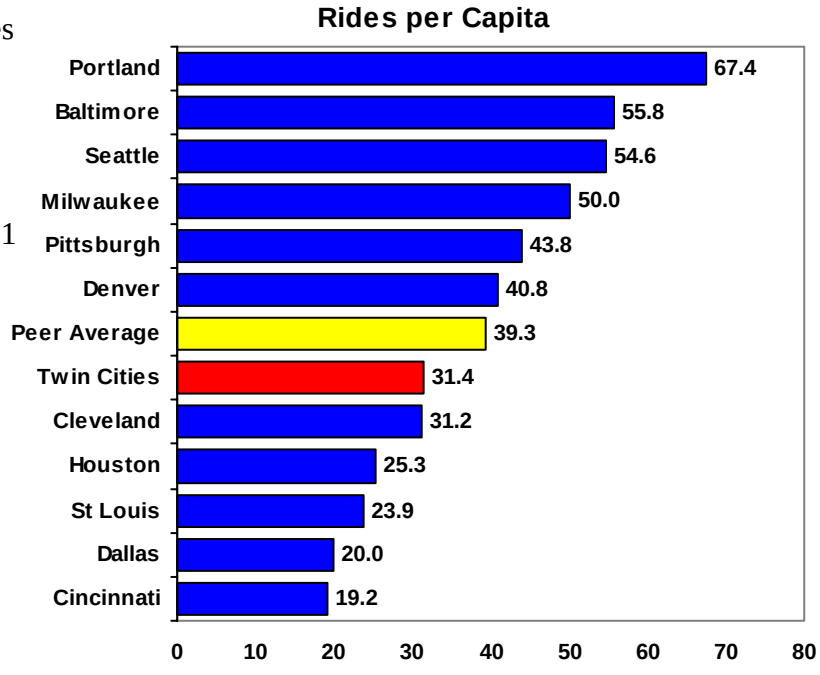


2002 NTD Regional Figures – Population is 2000 urbanized population

The Twin Cities area has fewer rides per capita than other regions, consistent with the low amount of government spending and high fare levels.

In 2002, the Twin Cities provided 31 transit rides for every person in the region. This was 20% less than the peer average and 53% less than Portland, which has the highest ridership of any region.

This is due to a number of factors. Government spending on transit in this region is low in terms of spending per capita. In addition, a larger-than-typical portion of the budget is recovered through fares, giving an economic disincentive to riders.

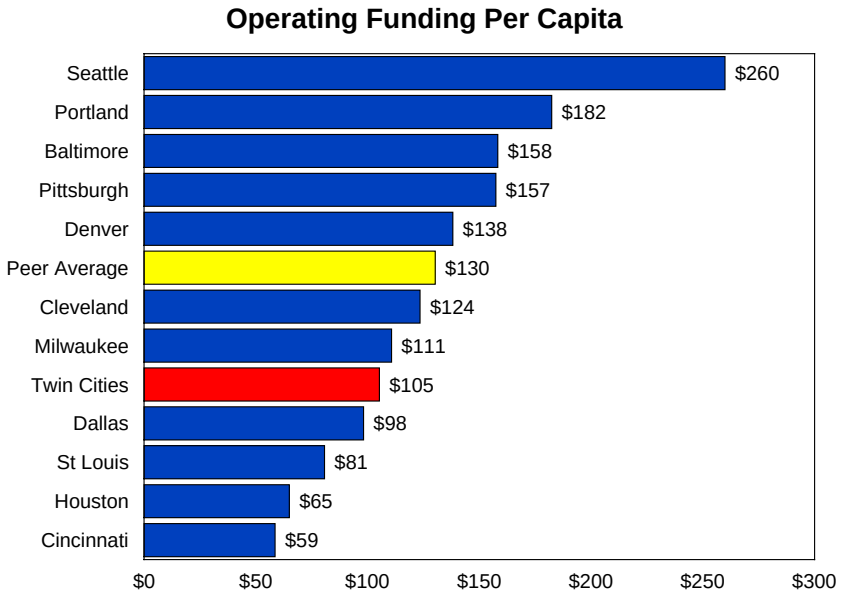


The Twin Cities area also has a lower population density than most other regions, making transit inherently less efficient. Similarly, the Twin Cities has two downtowns to serve and, therefore, jobs are split between two locations rather than focused on one traditional downtown.

2002 NTD Regional Figures – Population is 2000 urbanized population

Overall, transit funding is significantly lower in the Twin Cites area than in other areas.

The overall level of transit funding determines how much transit service can be provided. The Twin Cities area provided $105 per capita for transit service in 2002. This is compared to a peer average of $130, or 24% more transit funding. Seattle spends $260, about two and a half times more funding for transit than the Twin Cites area.



2002 NTD Regional Figures - 2000 UZA Population

Low subsidy levels are one component of low transit funding.

Subsidy is calculated by taking the total cost of service and subtracting fares. Subsidy can include state and local subsidies, federal grants, interest earnings, lease earnings, and other self-generated funds

The amount of subsidy provided for transit is low in the Twin Cities area when compared to the peer regions. The Twin Cities provides a subsidy of $76 per capita for transit. The peer average is $109, about 44% more than the amount provided in the Twin Cities. At a subsidy of $225 per capita, Seattle provides three times as much.

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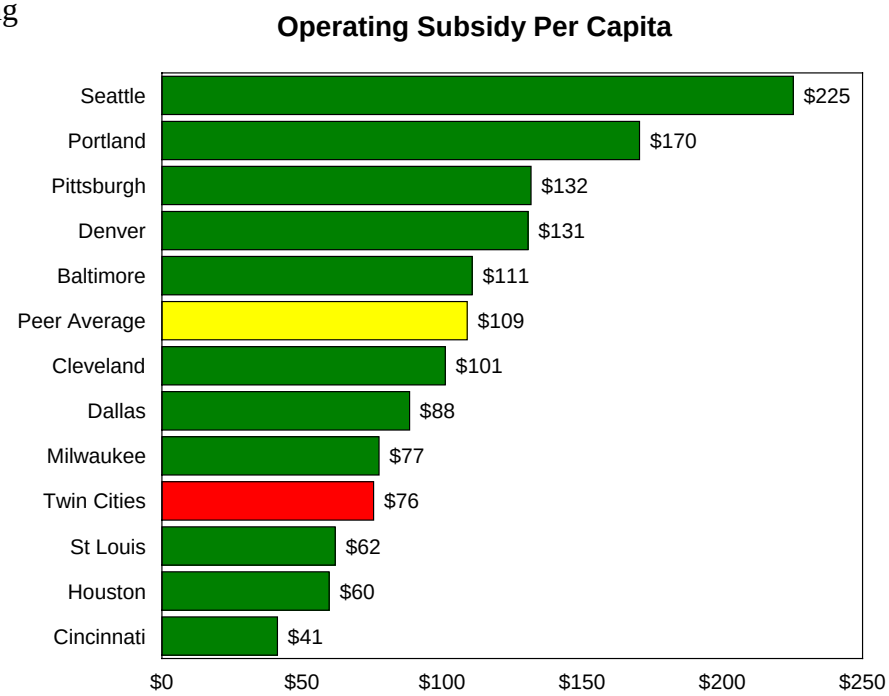
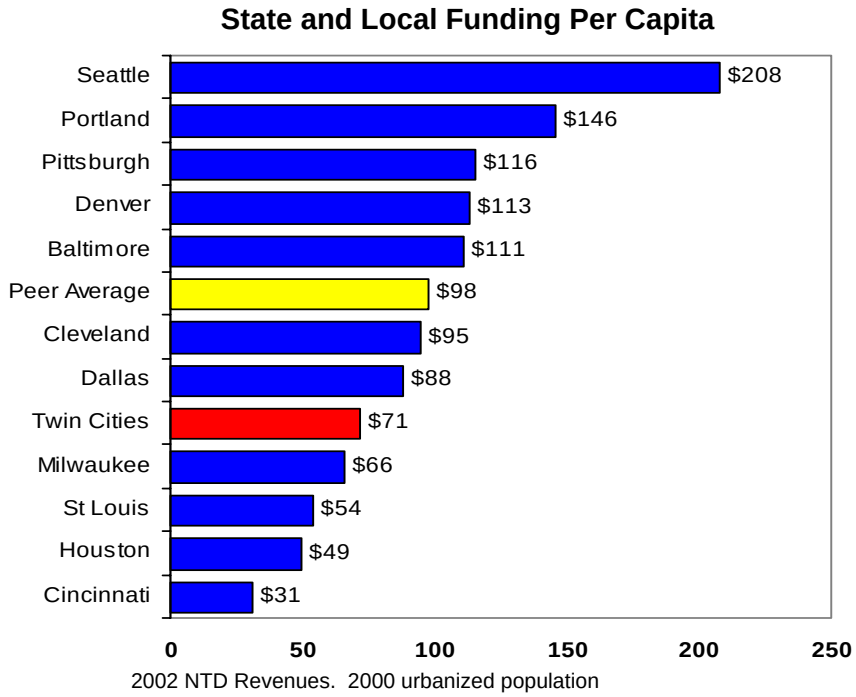


2002 NTD Regional Figures - 2000 UZA Population

The level of state and local funding support for Twin Cities transit is lower than in other regions.

The level of transit funding support from local and state governments is a critical factor in the performance of public transportation. The measure *local and state assistance per capita* is a common indicator of public commitment to adequate transit service.

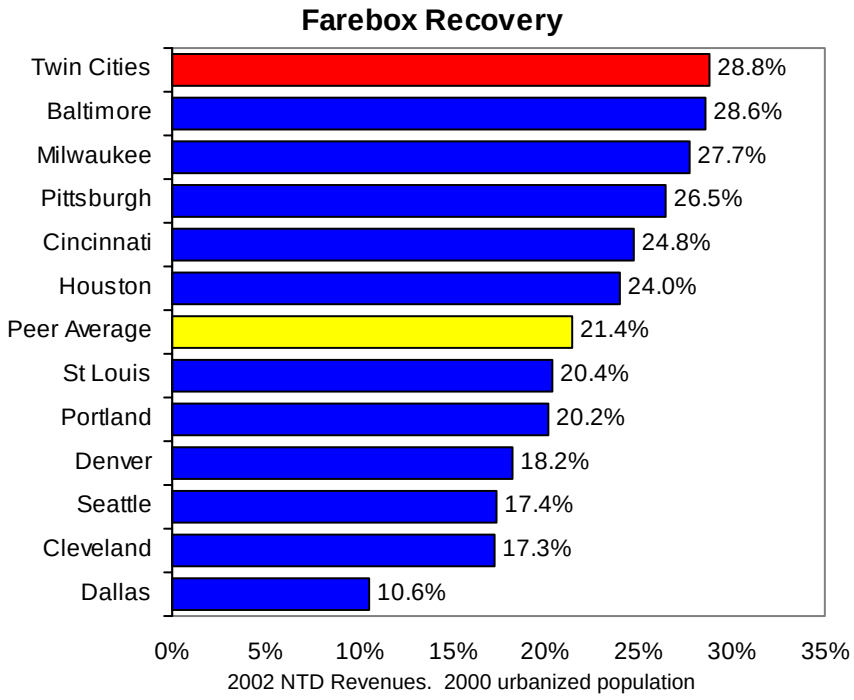
In 2002, the Twin Cities area received $71 per capita in local and state operating assistance. This total would need to increase by 37% to equal the peer group average of $98 per capita and almost double to reach Seattle's $208 per capita.



Transit riders pay a larger percentage of operating costs than users in other areas.

The region ranks first in the peer group in terms of farebox recovery—the percentage of operating costs covered by passenger fares. Fares paid by the region's transit riders cover 28.8% of transit operating costs compared to only 21.4% at the average region in the peer group.

Farebox recovery rates for the Twin Cities have historically remained fairly stable at about 31%. The farebox recovery rate declined in 2002 primarily because of the loss of passengers due to the economic downturn in the region.



Funding transit from state motor vehicle excise taxes is not a typical transit funding mechanism.

The Twin Cities area's major sources of funding for transit operating subsidies are the motor vehicle sales tax (MVST) and from the state general fund. This is a fairly unusual funding source for transit; only one other of the peer regions uses MVST as a transit funding source. Five of the 11 regions have a local sales tax as the primary source of transit funding, the most predominate method of funding transit.

Table 8-1. Major Sources of Funding for 11 Peer Transit Systems

Local Sales Tax	6 of 11 systems
Property Tax	2 of 11 systems
Petroleum Tax:	2 of 11 systems
Payroll Tax	2 of 11 systems
General Funds	3 of 11 systems
MVST	2 of 11 systems
Other Funds	3 of 11 systems

Table 8-2. Funding Source for Each of 11 Peer Transit Systems

Region	Largest Source of Funding	Second Largest Source
Baltimore	State Multimodal Fund (Gas Tax/MVST/Corporate Income)	
Cincinnati	Local Payroll Tax	State General
Cleveland	Local Sales Tax	
Dallas	Local Sales Tax	
Denver	Local Sales Tax	
Houston	Local Sales Tax	
Milwaukee	State General Fund	Property Tax
Pittsburgh	State/ Local General Funds	State Lottery/ Hotel/Other
Portland	Local Payroll Tax	Local Property Tax
Seattle	Local Sales Tax	Local Property Tax
St Louis	Local Sales Tax	
Twin Cities	State Motor Vehicle Sales Tax (MVST)	State General

Most peer transit systems have local control of their major funding sources.

Of the 11 peer regions, 8 have their major revenue source—and thus funding levels—under local rather than state control.

Table 8-3. Funding Control for Each of 11 Peer Transit Systems

Region	Funding Control
Baltimore	State
Buffalo	State
Cincinnati	Local
Cleveland	Local
Dallas	Local
Denver	Local
Houston	Local
Milwaukee	State
Pittsburgh	State & Local
Portland	Local
Seattle	Local
St. Louis	Local
Twin Cities Area	State