

## 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 area transit systems.

**Table 5-1. Peer Urban Areas Used in Transit Evaluation**

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

### ***Peer Regions vs. Peer Transit Systems***

For the purposes of a regional comparison, statistics for the Twin Cities and other regions are aggregated to include all providers in a region. Several regions extend across large areas spanning 30 to 40 miles. The ferry services in Seattle were not included. A separate comparison of major transit providers is included in Chapter 6.

The following transit service providers are included for each region for this report. Some of these providers have ceased reporting to the NTD directly, but they did so in previous years used for comparison purposes:

- Baltimore
  - Maryland Transit Authority (MTA)
  - Harford County Transportation
- Cleveland
  - Greater Cleveland Regional Transit Authority (GCRTA)
  - Brunswick Transit Alternative
- Dallas
  - Fort Worth Transportation Authority
  - Dallas Area Rapid Transit (DART)
  - First Student (*not after 2002*)
  - ATC/Vancom (*not before 2001*)
  - Handitran Special Transportation Division
  - City of Grand Prairie Transportation Services
  - City of Mesquite, TX (MTED)
  - Dallas – VPSI, Inc.
- Denver
  - Regional Transportation District (RTD)
  - Special Transportation for Boulder (*not after 2001*)
- Houston
  - Metropolitan Transit Authority of Harris County (METRO)
  - First Transit (*not after 2003*)
  - VPSI (*not after 2003*)

- Milwaukee
  - Milwaukee County (MCTS)
  - Washington County Transit
  - Ozaukee County Transit Services
  - Waukesha County (*not after 2002*)
  - 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.
  - Southwestern Pennsylvania Commission (SPC)
  - University of Pittsburgh (*not after 2003*)
- Portland
  - Tri-County Metropolitan Transit District of Oregon (Tri-Met)
  - Clark County Public Transportation
  - South Metro Area Rapid Transit (SMART) (*not before 2002*)
- San Diego
  - San Diego Metropolitan Transit System
  - North County Transit District
  - San Diego Trolley
  - San Diego Association of Governments (SANDAG)
  - MTS Contract Services (MCS)
  - Chula Vista Transit (*not before 2003*)
  - County of San Diego Transit (*2001-2003 only*)
  - National City Transit (*not before 2001*)
- Seattle
  - King County Department of Transportation (KC Metro)
  - City of Seattle - Monorail Transit
  - Pierce County Transportation Benefit District
  - Snohomish County Transportation Benefit Area Corporation (Community Transit)
  - Senior Services of Snohomish County
  - Central Puget Sound Regional
- St. Louis
  - Bi-State Development Agency (BSDA)
  - Madison County

### Peer Modes

Peer groups were originally established in 1996 and regions were selected that were similar both in size and in composition of transit service. Over the intervening 11 years, changes in transit agencies, services provided and regional demographics have led the Council to reevaluate the peer regions and their agencies. A region was added for this report, San Diego, while other regions were eliminated from past reports, Cincinnati and Buffalo.

As of 2006, all of the peers except Milwaukee had at least one mode in operation besides bus service.

The Twin Cities area's first light-rail line became operational in June 2004. Other regions, including Houston, Pittsburgh, Denver, Portland, Seattle, and Dallas have added rail transit or are expanding their existing system in recent years.

All regions operate some form of bus service. The other modes operated as of the date of these statistics, the end of 2006, are shown in Table 5-2.:

**Table 5-2. Peer Region Transit Modes**

	Bus	Heavy Rail	Comm. Rail	Light Rail	Van Pool	Other	Other, Description
Baltimore	X	X	X	X			
Cleveland	X	X		X			
Dallas	X		X	X	X		
Denver	X			X	X		
Houston	X			X	X		
Milwaukee	X				X		
Pittsburgh	X			X	X	X	Inclined Plane
Portland	X			X	X		
St. Louis	X			X	X		
San Diego	X		X	X	X		
Seattle	X		X	X	X	X	Trolley Bus, Monorail
Twin Cities	X			X	X		

Commuter rail generally travels longer distances connecting central cities to suburban sites and exurban sites. It typically operates on existing or abandoned freight rail tracks with longer distances between stations than heavy or light rail. The proposed Northstar commuter rail line is an example of such a technology. Heavy rail typically represents grade-separated rail operating in dense urban environments with shorter station spacing (often underground).

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

## Ridership

**Transit ridership in the Twin Cities has grown more than the peer region average.**

Annual ridership in the Twin Cities region has seen a dramatic increase in the last two years. Because a 44-day transit driver strike in 2004 skewed ridership numbers that year, we must look at least at the last four years.

**Table 5-3. Twin Cities Region Annual Transit Ridership, 2002-2006 NTD**

	Twin Cities Region Ridership	Peer Region Ridership (Average)
2002	75,104,375	85,536,697
2003	73,343,571	83,969,291
2004	67,398,600	84,015,509
2005	81,021,762	84,532,155
2006	85,163,336	87,659,090

Twin Cities Ridership Change 02 - 06 ( <i>Actual</i> )	10,058,961
Twin Cities Ridership Change 02 - 06 ( <i>Percent</i> )	13.4%
Ridership Change Peer Group 02 - 06 ( <i>Actual</i> )	2,112,393
Ridership Change Peer Group 02 - 06 ( <i>Percent</i> )	2.5%

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

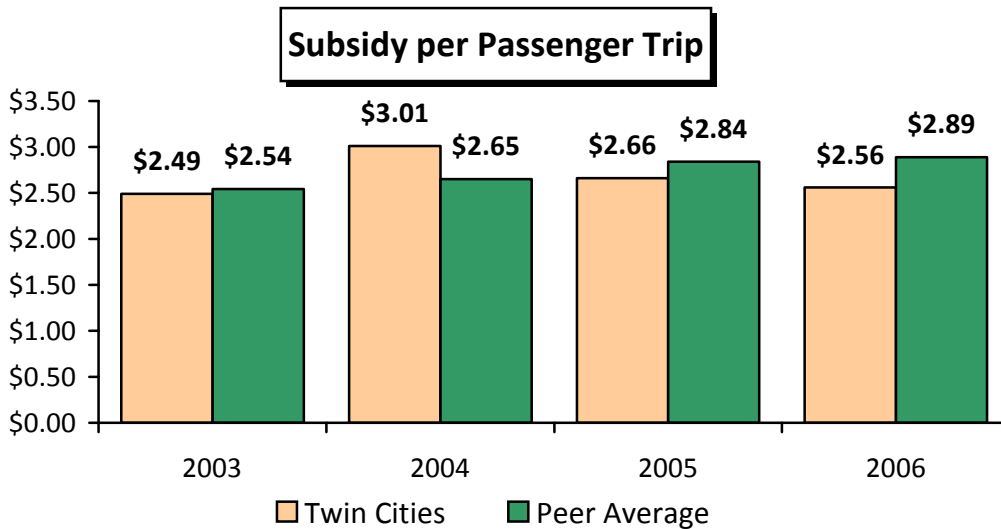
Spending for operating transit in the Twin Cities increased 19.5% between 2003 and 2006 as compared to 17.9% for peer regions. When adjusted for inflation, the real rate of increase was about 15.6%, slightly more than the peer region rate of 14.0%.

**Table 5-4. Twin Cities Region Annual Transit Operating Costs, 2003-2006 NTD**

	Actual	Inflation Adjusted
<b>2003</b>	\$256,319,710	\$256,319,710
<b>2004</b>	\$266,388,784	\$253,221,278
<b>2005</b>	\$293,753,084	\$277,151,697
<b>2006</b>	\$306,413,388	\$296,309,243
<b>Percent Change 2003-2006</b>		
Twin Cities	19.5%	15.6%
Average 11 Peer Regions	17.9%	14.0%
<b>Average Annual Percent Change 2003-2006</b>		
Twin Cities	6.2%	5.1%
Average 11 Peer Regions	6.0%	4.7%
Inflation adjustment reflects 2003 dollars using, <i>General freight trucking, local PPI Measure</i>		

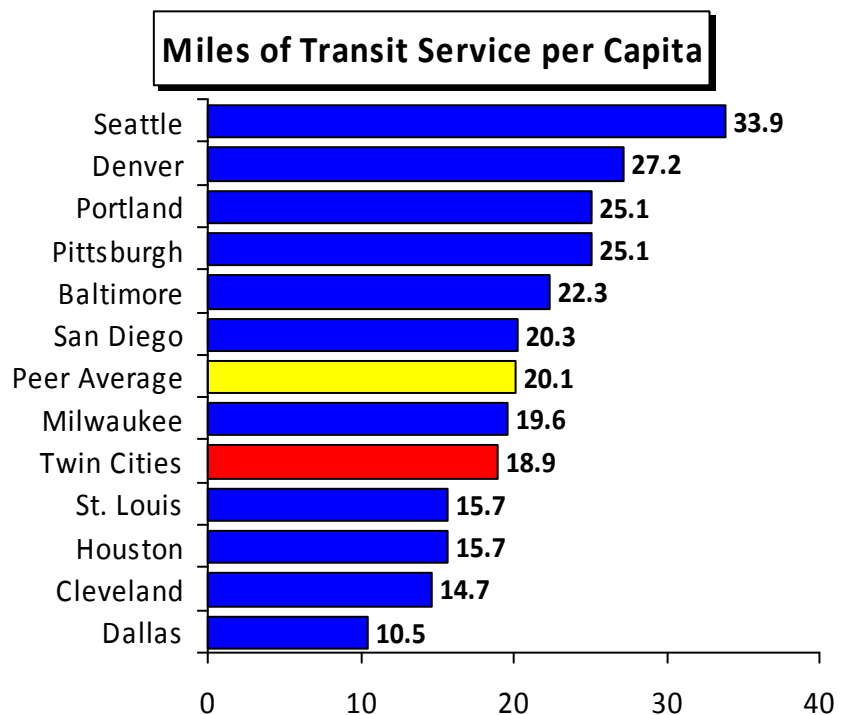
**The region’s subsidy per passenger increased only slightly over the last four years and remains significantly lower than comparable regions.**

The measure *net government cost per passenger*, or subsidy, is the cost made up by government subsidies after user revenues 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 significantly lower rate than the average peer region between 2003 and 2006, 2.8% versus 13.8% and it actually decreased in the last year by 3.8%. In 2006, the Twin Cities subsidy was 11.4% below that of peer regions.



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

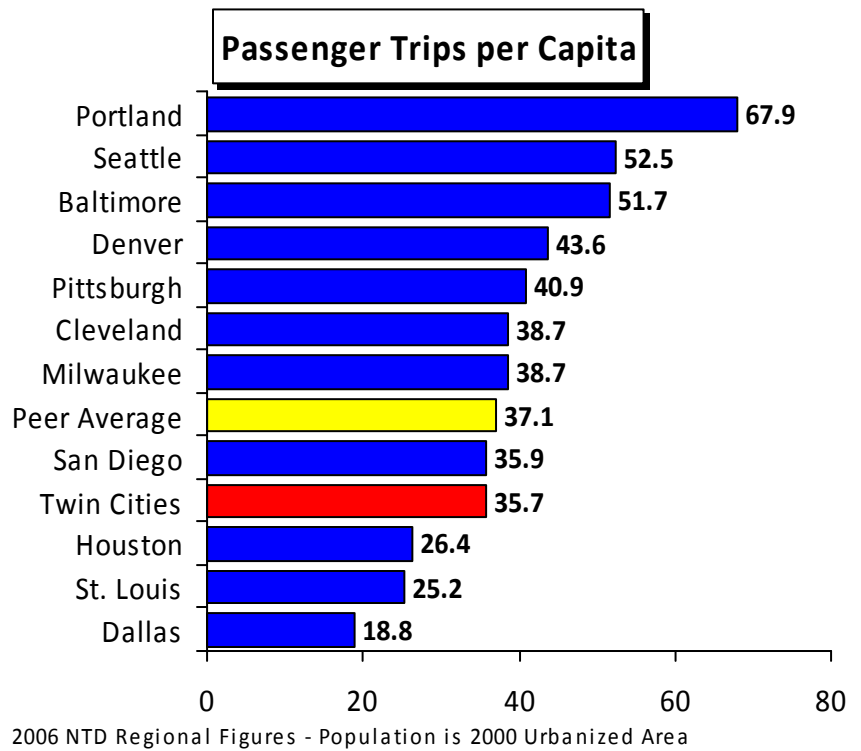
The number of miles of transit service provided in the Twin Cities is lower than in other regions. This is consistent with the level of funding provided for transit in the Twin Cities area.



2006 NTD Regional Figures – Population is 2000 urbanized population

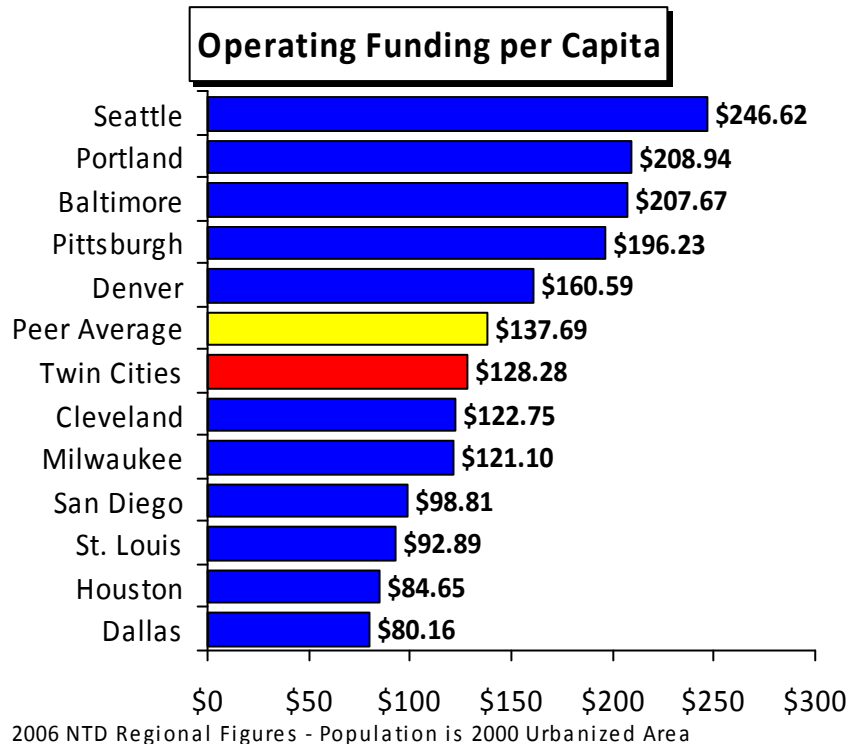
**The Twin Cities area has fewer rides per capita than the peer region average.**

In 2006, the Twin Cities provided 36 transit rides for every person in the region. This was 4% less than the peer average but 47% less than Portland, which has the highest ridership rate of any peer region. This is due to a number of factors. The availability of transit is less (see above graph). In addition, a larger-than-typical portion of the budget is recovered through fares, giving an economic disincentive to riders. The Twin Cities also has two downtowns to serve and, therefore, jobs are split between two locations rather than focused on one traditional downtown.



**Overall, transit funding is lower in the Twin Cities area than in other areas.**

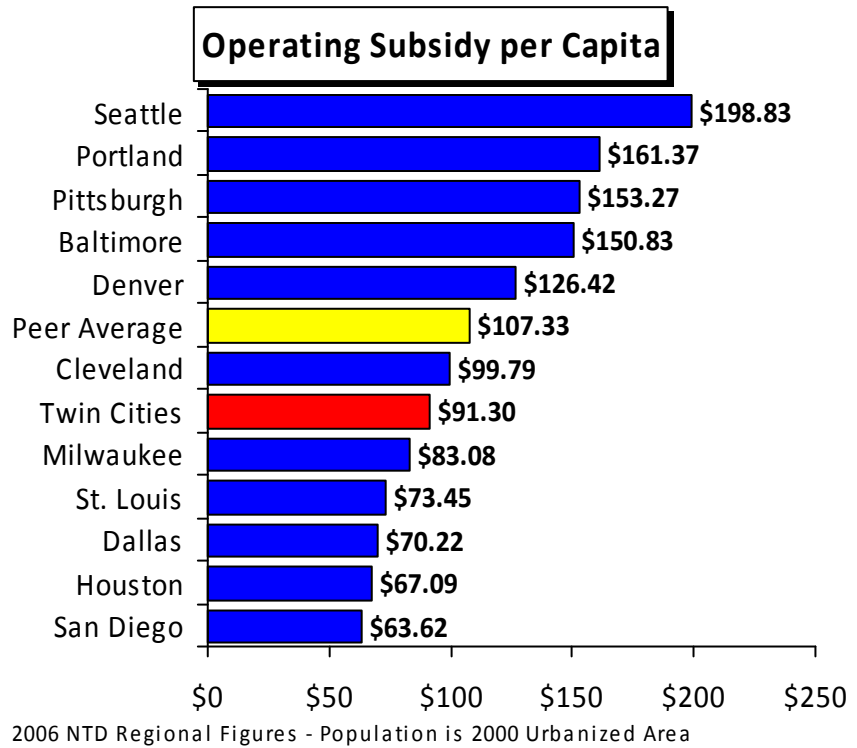
The overall level of transit funding determines how much transit service can be provided. The Twin Cities area provided \$128 per capita for transit service in 2006. This is compared to a peer average of \$138, or 7% more transit funding. The addition of light rail has increased this number in the Twin Cities, as rail service typically costs more to provide than bus service. Seattle spends \$247, about twice as much funding for transit as the Twin Cities region. Some regions, such as San Diego, provide more contracted service that has lower labor rates.



**Subsidy per capita differs from operating cost by factoring in fare recovery.**

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

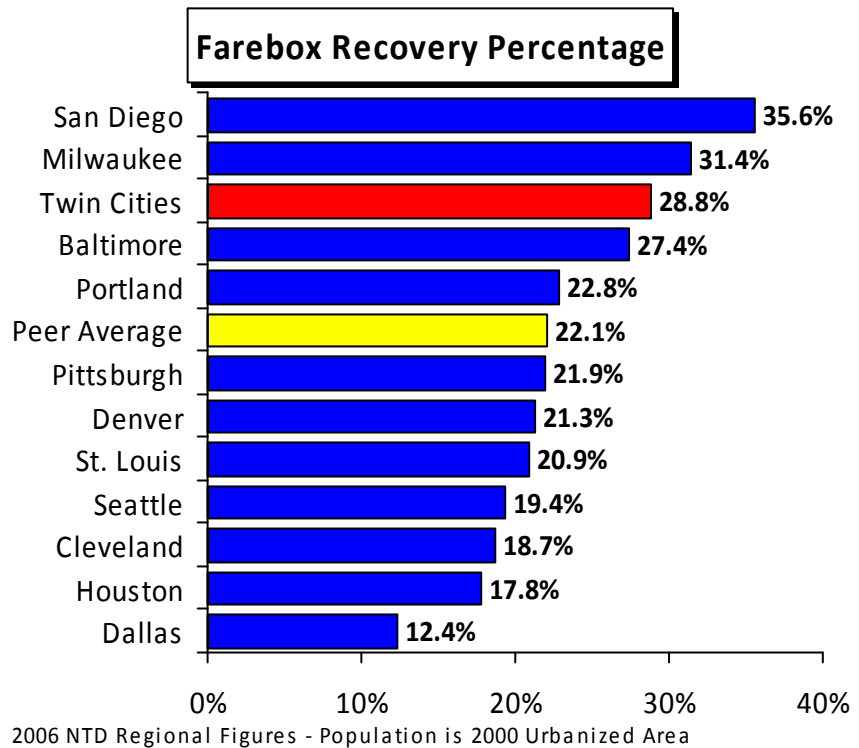
The amount of subsidy provided for transit is below average in the Twin Cities area when compared to the peer regions. The Twin Cities provides a subsidy of \$91 per capita for transit. The peer average is \$107, about 18% more than the amount provided in the Twin Cities. At a subsidy of \$199 per capita, Seattle provides over twice as much per capita.



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

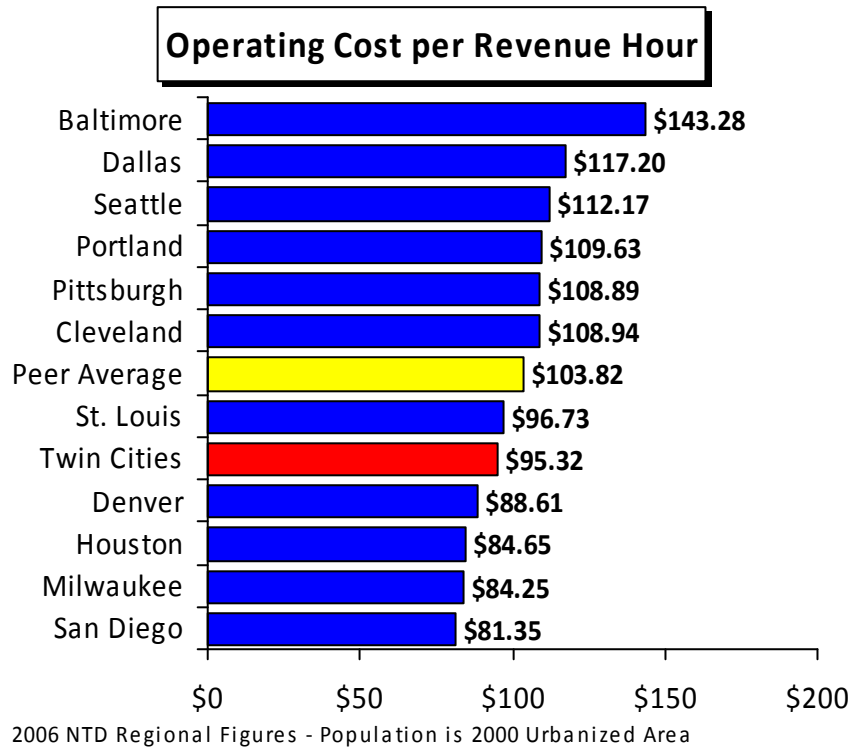
The region ranks third in the peer group in terms of farebox recovery—the percentage of operating costs covered by passenger fares. Fares paid by the region’s transit riders cover 28.8% of transit operating costs compared to only 22.1% at the average region in the peer group.

Farebox recovery rates for the Twin Cities dropped to a low of 23.8% in 2004, partly due to a transit driver strike. The farebox recovery rate recently increased to 26.7% in 2005 and 28.8% in 2006 with the addition of light rail and ridership increases.



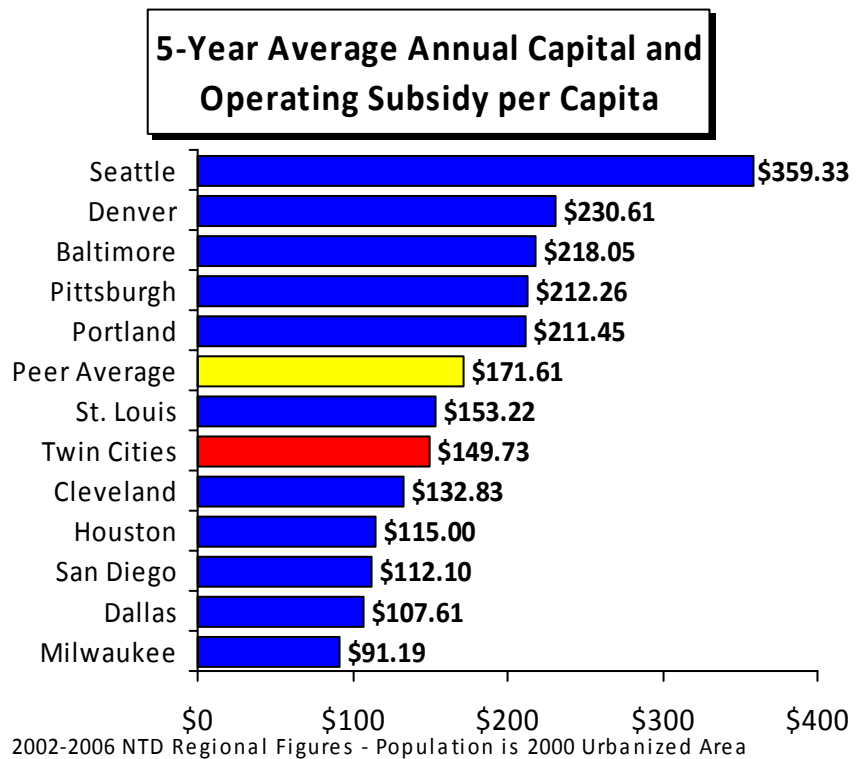
**Twin Cities transit service cost less to provide than the peer region average.**

The cost of providing transit service is less in the Twin Cities than most peer regions. This is due partly to lower labor rates, more efficient service and the variety of services provided. The next chapter will provide some insight on the costs of different service types by region.



**When operating and capital subsidy are combined, the Twin Cities provides less funding than peer regions.**

Peer regions provide more overall funding per capita than the Twin Cities. Over a five-year period, the peer average was 15% higher than the Twin Cities' average, even though this was the period during which Hiawatha LRT was built. Some other regions are building more transit, providing more transit, and creating fewer disincentives through fares.



**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 the state general fund. This is a fairly unusual funding source for transit; only two of the peer regions use MVST as a transit funding source. Seven of the 11 regions have a local sales tax as the primary source of transit funding, the most predominant method of funding transit.

**Table 5-5. Major Sources of Funding for 11 Peer Transit Systems**

Local Sales Tax	7 of 11 systems
Property Tax	1 of 11 systems
Gas Tax	1 of 11 systems
Payroll Tax	1 of 11 systems
General Funds	4 of 11 systems
MVST	3 of 11 systems
Other Funds	1 of 11 systems

**Table 5-6. Funding Source for Each of 11 Peer Transit Systems**

<b>Region</b>	<b>Largest Source of Funding</b>	<b>Second Largest Source</b>
Baltimore	Transportation Trust Fund (Gas Tax/MVST/Vehicle Registration Fees/Corporate Income/Federal Funds)	None
Cleveland	Local Sales Tax – 1% (7.75% total)	Federal Funds
Dallas	Local Sales Tax – 1% (8.3% total)	Federal Funds
Denver	Local Sales Tax – 1% (7.6% total)	Federal Funds
Houston	Local Sales Tax – 1% (8.25% total)	Federal Funds
Milwaukee	State General Fund	Property Tax
<i>Phoenix<sup>13</sup></i>	<i>Transit Fund (Lottery, Sales Tax – 0.4%)</i>	<i>Federal Funds</i>
Pittsburgh	State Transit Fund	State and County General Funds
Portland	Local Payroll Tax - 0.6618%	State and Federal Grants
San Diego	State Sales Tax – 0.25% (7.8% total)	Local Sales Tax - 0.167%
Seattle	Local Sales Tax – 0.8% (8.8% total)	MVST – 0.3%, Rental Car Tax – 0.8%
St Louis	Local Sales Tax – 0.75% (6.1% total)	State General
Twin Cities	State Motor Vehicle Sales Tax (MVST)	State General

<sup>13</sup> Phoenix, AZ is not included in the peer region service analysis because their light rail service is not yet operational. New funding sources have been approved for the service and it will become operation in 2008 or 2009.

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

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

**Table 5-7. Funding Control for Each of 11 Peer Transit Systems**

<b>Region</b>	<b>Funding Control</b>
Baltimore	State
Cleveland	Local
Dallas	Local
Denver	Local
Houston	Local
Milwaukee	State
Pittsburgh	State & Local
Portland	Local
San Diego	Local
Seattle	Local
St. Louis	Local
Twin Cities Area	State