

**HF1526 - 0 - "Suburban Connections Demonstration Proj"**

Chief Author: **Tony Albright**  
 Committee: **Transportation Policy and Finance**  
 Date Completed: **03/16/2015**  
 Agency: **Metropolitan Council**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
<b>Total</b>	-	-	-	-	-

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore      Date: 3/16/2015 10:34:17 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

This bill appropriates a blank amount in both fiscal years 2016 and 2017 to the Council to provide financial assistance to a Suburban Transit Provider (replacement transit service provider) to implement a demonstration project that provides express service between cities, excluding Minneapolis and St. Paul (suburb-to-suburb service).

Together, the Suburban Transit Providers must identify one or more demonstration projects to the Council for funding. Criteria to be used in selecting the project include scope of service, integration with transit facilities and business, retail centers, extent to which the service complements existing service and density of employment along the route.

**Assumptions**

As long as the funding source is not existing MVST, there would be no operating fiscal cost to the Council for this bill.

Capital fiscal cost is uncertain given the Council does not know the Suburban Transit Providers intent regarding purchase or leasing of buses, nor the number and size of the buses needed to deliver the demonstration service. See long-term fiscal considerations below.

**Expenditure and/or Revenue Formula**

Not applicable

**Long-Term Fiscal Considerations**

The number and size of buses needed to deliver the new service is not known by the Council at this time.

If the buses are leased, that cost will be part of the operating cost. If buses are purchased, there is a direct capital impact to the Council to draw on limited capital funds for fleet that will have a useful life longer than the 2-year period of this demonstration service. This capital cost will depend on the quantity and size of buses. The current cost of purchasing a 40 foot bus is approximately \$465,000 and a coach bus is \$580,000.

Annual lease costs for these buses would likely be on the order of \$50,000 - \$80,000 per bus.

### **Local Fiscal Impact**

This legislation will affect Suburban Transit Providers.

### **References/Sources**

Metropolitan Council-Metropolitan Transportation Services Division

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