



Southeast Minnesota Transportation Management Organization (TMO) Funding Request

The SE MN Together Transit Action Team is seeking \$350,000 in funding to develop a comprehensive assessment and financial plan for a Transportation Management Organization (TMO) to be developed through engagement with local business and elected officials. A TMO is a locally controlled, lower-cost approach that can be implemented to better leverage existing transportation resources and develop new resources to meet a region's growing and changing transportation needs. The conclusions from a study conducted in 2018 and 2019 demonstrated the need for a more holistic and comprehensive approach with a region-led coordination of efforts to include and prioritize work force, mobility, access to services and post-secondary education, and quality of life transportation issues.

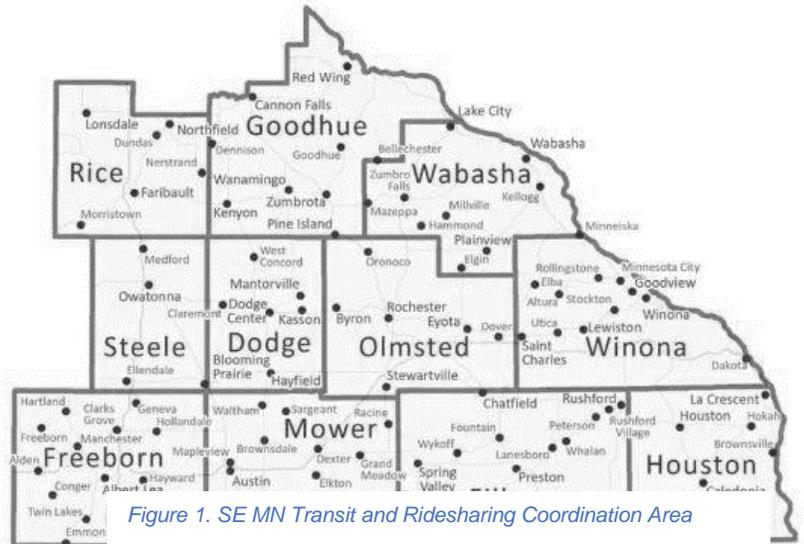


Figure 1. SE MN Transit and Ridesharing Coordination Area

With this financial support, the SE MN Together Transit Action Team will intend to partner with and hire a consultant to build on the MnDOT- and DHS-funded planning work completed in 2018-2019. The goals of this consultant led TMO development effort are to:

- **Build** on and advance the region's successful transit systems, services, and facilities.
- **Modify** the 2018-2019 RTCC implementation plan to reflect a TMO approach.
- **Engage** with leaders throughout the 11-county area to affirm the TMO approach meets regional needs and priorities. Develop a governing body for TMO development and implementation that includes major employers, post-secondary commuter-based education, healthcare insurers and providers, elected officials, and transportation providers.
- **Deliver** a detailed financial plan for a three-year start-up implementation phase, including specific public and private funding sources.

Southeast Minnesota Needs More Affordable Workforce and Mobility Transportation

A tight labor market, increasing scarcity of workers, and the cost of transportation for in-person workers are the most significant barriers to future economic growth in Southeast Minnesota. Southeast Minnesota economy relies heavily on an "in-region" labor force, with 80.5% of those employed in Southeast Minnesota also living in the region.

Transportation costs, the third highest monthly cost families, representing 18% of their total monthly costs, are above average compared to the overall state average – meaning a greater share of Southeast Minnesota family costs of living is going toward transportation expenses.

In addition, Southeast Minnesota has many transit-dependent populations who need access to services. This includes the elderly, persons with disabilities, low income and young riders who depend on transportation services to get to health care appointments, schools, and other essential services.

Southeast Minnesota wants to explore, identify, and accelerate implementation of existing best practices that deliver more cost-effective approaches to workforce transportation throughout the 11-county area.