

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2018	2020	2022
Heywood II Bus Garage	1	GO	\$ 50,000	\$ 0	\$ 0
Regional Parks and Trails Grant Program	2	GO	\$ 15,000	\$ 15,000	\$ 15,000
Busway, Bus Guideway and Express Bus Development Program	3	GO	\$ 50,000	\$ 50,000	\$ 30,000
Inflow and Infiltration Grant Program	4	GO	\$ 9,500	\$ 9,500	\$ 9,500
Total Project Requests			\$ 124,500	\$ 74,500	\$ 54,500
General Obligation Bonds (GO) Total			\$ 124,500	\$ 74,500	\$ 54,500

Heywood II Bus Garage

AT A GLANCE**2018 Request Amount:** \$50,000**Priority Ranking:** 1**Project Summary:** The Metropolitan Council is requesting \$50 million in state bonding for the construction of a bus maintenance and storage facility to be located in Minneapolis.**Project Description**

This proposal is to construct a bus garage for the current and planned Metro Transit bus fleet. The Metropolitan Council is planning to locate this new transit bus operations and maintenance facility at 830 North 7th Street in Minneapolis on property currently owned by the Metropolitan Council. The capacity of the facility would be optimized based on site constraints with a minimum goal of 185 operating buses.

This new facility would include approximately 360,000 square feet including interior bus storage, maintenance, fueling, washing, cleaning, parts storage, support space, operations space, administrative offices and parking.

The design of the facility will align with the city and neighborhood goals including the streetscape around the site. The facility layout also focuses on connections to the existing Metro Transit facilities to improve operational efficiency.

The total project cost is projected to be \$109.6 million, with funds coming from federal sources, Regional Solicitation federal transportation funding, Metropolitan Council property tax-supported bonds, and this State Appropriations Request. A total of \$50 million in State Appropriations in 2018 is being requested from the state to allow the project to meet bus fleet needs because the Metropolitan Council's available federal grants and state-authorized bond funds are not large enough to fund both the fleet expansion and the necessary support facilities.

Project Rationale

The purpose of new bus garage construction is to provide additional bus storage, operations and support functions, and maintenance space to support Metro Transit's continued growth in ridership demand and upcoming service expansion identified in the 2015-2030 Service Improvement Plan (SIP) including the C Line, D Line, Orange Line, Gold Line, and other routes that improve bus service in the Minneapolis-St. Paul region. Metro Transit cannot add any additional peak (rush) hour bus service in the region without additional bus storage. The 5 operating garages have an extra 86 buses (beyond design capacity) operating out of them. This leads to operating inefficiencies moving buses around the garages that could have been used to maintain the buses.

By 2040, the metropolitan area will add 824,000 new residents, and highway congestion is only forecasted to get worse. As the core of the region's transit network, expanded bus service is essential to minimizing the number of vehicle trips in the region. Increased bus service will connect people to

education and employment opportunities, recreation, shopping and other activities. Providing reliable, timely service is critical to attracting and keeping transit riders. Metro Transit needs adequate operations/service facilities to meet that expectation by having buses pull out each day on time and in good working order.

Under current state and regional revenue scenarios for transportation as a whole, the new reality calls for highway reconstruction, not lane/roadway expansion. Therefore, mass transit, specifically expanded bus service, provides an effective opportunity to limit the increase in single occupancy vehicle trips. Metro Transit 2015-2030 Service Improvement Plan (SIP) calls for adding an additional 150 new peak buses with the ability to add approximately 420,000 new annual service hours by 2030. Sixty improvements would overlap an area of concentrated poverty, accounting for approximately 80 percent of the added service hours and 12.2 million new rides resulting from service improvements by 2030.

Project Timeline

Preliminary and schematic design **completed** January 2016 to October 2016

Environmental documentation **completed** February 26, 2016.

Final land purchase **completed** March 28, 2016

Design Development, December 2016 to August 2017

Existing building demolition **completed** March 2017

Construction Documents (final design), August 2017 to March 2018

Construction bidding, August 2018 to September 2018

Construction contract award October 2018

Construction complete October 2020

Other Considerations

Once the garage operates at full capacity, it will provide 400+ living wage jobs with benefits near an area of concentrated poverty. It will also provide an estimated 300 construction jobs over the 24-month construction period.

Over \$11,000,000 of local funding has been committed and spent for land acquisition and clean up for the project site, with the last land purchase being completed in March 2016 to complete an 11 acre site. Another \$7,000,000 of federal formula funding was committed to proceed into design of the bus garage and site preparation work.

Impact on Agency Operating Budgets

The Metropolitan Council receives funding from State Appropriations and Motor Vehicle Sales Tax Receipts to provide transit services. A portion of the operating costs of the facility would be included in future state funding requests.

Description of Previous Appropriations

None

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Regional Parks and Trails Grant Program

AT A GLANCE

2018 Request Amount: \$15,000

Priority Ranking: 2

Project Summary: The Metropolitan Council requests \$15 million in State bonds to match \$10 million of Metropolitan Council bonds to improve and expand the Metropolitan Regional Parks System.

Project Description

The Metropolitan Regional Park System is owned, operated, and maintained by the 10 Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.341, Subd. 1(a).

Anoka County	Ramsey County
City of Bloomington	City of St. Paul
Carver County	Scott County
Dakota County	Three Rivers Park District
Minneapolis Park & Rec. Board	Washington County

The Metropolitan Regional Parks System hosted 47.3 million visits in 2015 – more than double the combined annual visits that year to Yellowstone, the Grand Canyon, and Lake Mead National Parks. Of those visits, 46% originated outside the Agencies’ jurisdictional area, making the Metropolitan Regional Parks the "state parks" of the metro area. This high level of non-local visits justifies financing capital projects in these parks with State and regional bonds, because nearly half the metropolitan regional parks use is by visitors from across the region, state and beyond. This spreads the cost of the capital improvements among taxpayers based on their use of the park system and what they pay in taxes for debt service on the State bonds and Metropolitan Council bonds. The Metropolitan Council will match every \$3 of state bond proceeds with \$2 of its own bond proceeds. The Council does not retain any state bonding proceeds for administrative costs; 100% of state bond dollars will be distributed as subgrants to the 10 agencies for the Metropolitan Regional Parks Capital Improvement Program (CIP). Because the agencies’ elected boards do not approve their individual Capital Improvement Plans until the end of the calendar year, this request does not include specific, prioritized projects at this time. Before the October 20th MMB deadline, the Metropolitan Council will submit a preliminary list of projects, which will be updated after the boards have acted. The Metropolitan Council prepares a Metropolitan Regional Parks CIP under direction from Minnesota Statutes 473.147 and 473.325. Each agency is allocated a share of the combined state and regional bonds according to a formula set in Council policy: 70% is based on each agency’s jurisdictional population, and 30% is based on the agency’s relative share of non-local visits.

Project Rationale

The purpose of the Metropolitan Regional Parks program is to maintain, expand, and improve the Metropolitan Regional Parks System, which consists of more than 54,000 acres of parks and 360 miles of trails. The program funds regional parks that provide recreational services similar to those provided in state parks in Greater Minnesota.

Project Timeline

The Council would award grants in the second half of 2018 and the park implementing agencies

would complete funded projects in 2019 and 2020.

Other Considerations

The Land and Legacy Amendment to the State Constitution, which established a Parks and Trails Fund dedicated to support parks and trails of state and regional significance, has provided funds to supplement—not replace – traditional funding sources such as State bonds. A total of \$164 million has been appropriated to the Metropolitan Council since the inception of the Parks and Trails Fund. Ten percent of the appropriation is reserved for land acquisition grants, and the Metropolitan Council matches every \$3 of this portion of the Legacy appropriation with \$2 of regional bonds. The remaining 90% finances grants for capital and non-capital purposes.

Impact on Agency Operating Budgets

There is no direct impact on State agency operating budgets since the State of Minnesota does not operate Metropolitan Regional Parks System units.

Description of Previous Appropriations

The State has appropriated \$223.5 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks CIP.

The Legislative Citizen Commission on Minnesota Resources has recommended \$44.4 million of Environment and Natural Resources Trust Fund appropriations from FY 1992 to 2018 for capital improvements and land acquisition purposes for the Metropolitan Regional Park System. The Metropolitan Council matches every \$3 in Trust Fund appropriations with \$2 in regional bonding money as match, while retaining no funds for administrative costs.

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Busway, Bus Guideway and Express Bus Development Program**AT A GLANCE****2018 Request Amount:** \$50,000**Priority Ranking:** 3**Project Summary:** \$50,000,000 of state funds are requested to implement capital projects along regional express bus and busway corridors. Requested funds would be used for design, environmental work, acquisition of right-of-way interests, preliminary engineering, engineering, acquisition, and construction of projects including bus rapid transit (BRT) lines.**Project Description**

In fulfilling its long-range transportation planning responsibilities, the Metropolitan Council has identified a 20-year vision for building a system of transitways and expanding transit in the region. However, funding has not been secured to implement busway capital improvements that do not operate primarily in exclusive lanes.

Requested funds would advance several efforts, focusing primarily on the buildout of the arterial bus rapid transit or "rapid bus" network. Arterial BRT improvements are a proven solution to significant challenges on local bus corridors. Following implementation in June 2016, the Metro Transit A Line BRT project responded to two challenges in the Snelling Avenue corridor, common to other local bus corridors proposed for BRT implementation:

- Slow travel speeds. Up to 50 percent of bus operating funds (tens of millions annually) in these corridors is wasted due to delay from red lights, slow boarding, and traffic delays. Proposed busway improvements have been proven to significantly reduce these delays with off-vehicle fare collection, limited-stop station spacing, and signal prioritization.
- Inadequate passenger facilities and information. Clearly defined and prominent stations make transit more attractive for both everyday and occasional transit riders.

Arterial BRT improvements addressed these issues and grew local ridership over 30 percent in the corridor by implementing a cost-effective bus rapid transit project. The \$27 million A Line project was constructed with \$16 million (60%) of state funds, including \$9 million of state General Obligation (GO) bonds. These funds leveraged federal, local, and MnDOT funds and resulted in a successful project opening. In its first year, the A Line exceeded ridership expectations by 33 percent and has been favorably received by customers and the travelling public. With increased ridership, new fare revenue has been generated to offset the operating cost of GO bond-funded improvements.

Additional lines are under development or planned and the requested funds would advance the development of three additional rapid bus projects in the next two years. The capital program would aid the build-out of the eleven-line system identified in the Council's Transportation Policy Plan before the Plan's 2040 outlook and all the associated population and job growth in the region. This rapid bus network would link nearly 500,000 jobs and residents to improved transit and expand the reach of the METRO network of regional bus and rail projects. Together, this vision will keep the Twin Cities region more economically competitive with peer regions in the nation and world.

In addition to arterial BRT, the Busway Capital Improvement Program will be used to fund busway and express bus projects to continue development, engineering and implementation of other capital projects along corridors covering the metropolitan area. Under the Transitway Capital Improvement Plan the Council will review eligible transitway projects and make allocations of state bond proceeds among projects based upon criteria that will include:

- consistency with the Council's long range transportation policy plan (TPP);
- readiness of the project;
- potential use by the public (ridership) both current and forecast;
- expansion of the busway (non-guideway) system;
- availability of federal or other matching funds;
- coordination with other major projects; and
- Additional criteria for priorities otherwise specified in state law, statute, rule, or regulation applicable to a bus transitway, including the state law authorizing the state bond fund appropriation for the bus transitway.

Eligible expenditures may include land and property acquisition, pre-design, design and engineering, environmental testing and mitigation, utility relocation, traffic mitigation, construction, demolition, furnishing and equipping of facilities. A portion or phase of a transitway project may be accomplished with one or more state appropriations and other funding over time.

The Council has identified more than \$50 million in transitway projects that would be eligible to receive capital funding over the next two years. These funds would supplement at least \$70 million in federal and local funds already secured, with the potential for more in the future. The state bond funds will be used to both match other sources of funds and advance other projects' funding opportunities.

Some of the corridors and projects in need of capital funding include the following:

- Construction and implementation of the 8.5-mile C Line (Penn Avenue N) arterial bus rapid transit project in Minneapolis and Brooklyn Center. Requested funds would construct up to 10 BRT stations. With funding, the line would begin operations in 2019.
- Design, right-of-way acquisition, and construction of the D Line (Chicago-Emerson) arterial bus rapid transit project in Minneapolis, Brooklyn Center, Bloomington, and Richfield. This corridor is Metro Transit's highest ridership bus line, serving over 5 million annual passengers. The 18.5-mile corridor has \$21 million of secured federal funds but requires additional construction resources in 2018 to reach full funding. Requested funds would construct up to 90 BRT stations and position the corridor for beginning operations in 2021.
- Design and right-of-way acquisition of the B Line (Lake Street-Marshall Avenue) arterial bus rapid transit project in Minneapolis and St. Paul. Requested funds would enable 100% design/engineering of the corridor and ready the line for construction in 2020, maximizing the use of \$7 million of awarded federal funds. This corridor is Metro Transit's second highest ridership bus line, serving over 4.5 million customers per year.
- Environmental work and preliminary engineering for additional arterial BRT corridors to enable design readiness and federal funding eligibility by mid-2020.
- Design and construction of express bus corridor improvements, such as the improvement of express bus customer parking facilities in conjunction with build-out of the bus transitways in the METRO system, including Orange Line and Gold Line.

Project Rationale

The project addresses two critical problems faced by local bus transit. In addition to rail implementation in the University Avenue/Green Line corridor, local bus ridership is declining due to slow and unreliable travel times and inadequate passenger facilities and customer information. With requested funds, these issues can be remedied and ridership declining trends can be reversed as evidenced by the cost-effective A Line success story.

While other local bus ridership declined in 2016, A Line corridor ridership grew over 30 percent without significant additional transit service. Comparable projects would be implemented with the requested funds in three high ridership corridors carrying over 35,000 average daily passengers, yielding faster travel times, increased ridership, and enhanced access to other destinations through the metro area, particularly for areas where access to private cars is low and reliable transportation is a barrier to job access.

Project Timeline

Corridor	2018		2019				2020	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
C Line (Penn)	Construction		Operations					
D Line (Chicago-Fremont)	Design				Bidding		Construction (into 2021)	
B Line (Lake-Marshall)	Planning		Env. Review		Design		Bid	
Other eligible projects	Environmental review and design of coordinated improvements and future lines for future construction.							

Other Considerations

Impact on Agency Operating Budgets

The impact on the agency operating budget can vary depending upon which transitway capital projects are funded. The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. The vast majority of required resources for arterial BRT operations comes from replacement of existing local bus service with more attractive, faster arterial BRT. Reduced delays allow faster speed and more efficient use of existing operating resources. Service plans include options with limited expansion of service as well as resource-neutral operating plans.

Description of Previous Appropriations

The 2014 Capital Investment bonding bill appropriated \$15 million state GO bonds to the Transit Capital Improvement program. The Metropolitan Council determined use of these funds in consultation with local partners and designated \$9 million to complete the A Line corridor, \$2 million for Orange Line BRT, \$2 million for the Gateway/Gold Line corridor, \$1 million for Red Line Cedar Grove station, and \$1 million for Bottineau LRT.

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Inflow and Infiltration Grant Program

AT A GLANCE**2018 Request Amount:** \$9,500**Priority Ranking:** 4

Project Summary: The Metropolitan Council requests \$9.5 million in State bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems. In cooperation with Metro Cities, similar requests have been made in 2010, 2012, 2014, 2015, and 2016. The requested amount for 2018 represents a portion of the demonstrated need from communities for work completed under the 2014 grant program.

Project Description

Inflow and Infiltration – or I/I – are terms that describe clear water that enters wastewater systems and consumes capacity that is intended for growth. Each has unique sources, methods of entry, and effects on the wastewater collection system. I/I from both public and private sources causes major challenges in the region, including:

- Public and environmental health concerns. When the combined amount of wastewater and clear water exceed the system capacity, untreated wastewater can discharge to basements or spill to lakes, streams, wetlands, or other areas.
- Higher costs to communities and utility ratepayers. Excessive I/I consumes capacity in the wastewater collection and treatment system intended to accommodate regional growth and increases wastewater treatment costs charged to communities.
- Loss of the region’s valuable water resources. Clear water discharged to the wastewater system is removed from the natural hydrologic cycle, reducing groundwater recharge potential.

Since 2005, the Metropolitan Council has intensified efforts to mitigate excessive I/I through partnership with regional communities. There is evidence of success through flow reduction and reduced system flow response to wet weather; however, the repairs needed to the local public wastewater collection system can be costly, and regional communities have expressed a need for consistent funding for I/I mitigation activities.

In 2010, Metro Cities championed inclusion of a \$3 million grant program in the 2010 bonding bill for providing grants to municipalities for capital improvements to public infrastructure to reduce inflow and infiltration (I/I) into the wastewater collection system. From 2010 through 2015, the total funding received by communities for I/I mitigation was \$10.5 million.

The approved bills have included the following language:

Metropolitan Cities Inflow and Infiltration Grants: "For grants to cities within the metropolitan area, as defined in MN Statutes, Section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council’s metropolitan sanitary sewer disposal system. To be eligible for a grant, a city must be identified by the Metropolitan Council as a contributor of excessive inflow and infiltration. Grants from

this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the Council."

Project Rationale

The purpose of the project is to assist communities served by Metropolitan Council Environmental Services in undertaking public infrastructure projects that reduce I/I into the local and regional wastewater collection systems. The program has been a successful incentive for communities to complete I/I mitigation work.

Project Timeline

Grants will be made under a grants application process, with local units of government performing work funded with the grants.

Other Considerations

This grant program is tied to the Metropolitan Council's stewardship, prosperity, equity, livability, and sustainability outcomes of Thrive MSP 2040 and supports the Metropolitan Council's principles of collaboration and accountability. This grant program will support the I/I mitigation efforts of local communities. This program protects the environment and public health, supports construction jobs, promotes infrastructure investment, and is cost-effective.

MCES proposes to utilize existing program guidelines which have been reviewed by local government partners in the region and have been agreed to by State agencies.

Impact on Agency Operating Budgets

There is no direct impact on State agency operating budgets since the State of Minnesota does not have a similar grant program.

Description of Previous Appropriations

The following appropriations have been made for this program:

2010 - \$3 million

2012 - \$4 million

2014 - \$2 million

2015 - \$1.5 million

2017 - \$3.7 million

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