

| Project Title | 2012 Agency Priority Ranking | Agency Project Request for State Funds (\$ by Session) | | | | Governor's Recommendations | Governor's Planning Estimate | |
|-------------------------------|------------------------------|--|-----------|----------|-----------|----------------------------|------------------------------|------|
| | | 2012 | 2014 | 2016 | Total | | 2012 | 2014 |
| Southwest Corridor LRT | 1 | \$25,000 | \$95,000 | \$0 | \$120,000 | \$0 | \$0 | \$0 |
| Metropolitan Regional Parks | 2 | 10,500 | 10,500 | 10,500 | 31,500 | 0 | 0 | 0 |
| Transitway Corridor Program | 3 | 25,000 | 25,000 | 25,000 | 75,000 | 0 | 0 | 0 |
| Renewable Energy Initiatives | 4 | 10,000 | 0 | 0 | 10,000 | 0 | 0 | 0 |
| Total Project Requests | | \$70,500 | \$130,500 | \$35,500 | \$236,500 | \$0 | \$0 | \$0 |

Southwest Corridor LRT

2012 STATE APPROPRIATION REQUEST: \$25,000,000

AGENCY PROJECT PRIORITY: 1 of 4

PROJECT LOCATION: Southwest Metropolitan Area

Project At A Glance

The Southwest Light Rail Transit (LRT) Project is a proposed approximately 15 mile extension of the Central Corridor LRT line from downtown Minneapolis through the southwestern suburban cities of St. Louis Park, Hopkins, Minnetonka, and Eden Prairie as identified in the Metropolitan Council's 2030 Transportation Policy Plan. Project activities funded by state bonding may include environmental analysis, preliminary engineering and final design, the acquisition of public land and buildings and the construction of the transitway including support facilities, bridges, tunnels, track, stations, and park-and-rides. The project is expected to generate 4,300 engineering, construction and operations jobs. Every \$1 of state funding will be leveraged with \$9 of federal and local funding.

Note: The Southwest project schedule requires that state and local funding be committed by mid-2013. Therefore, the \$95 million in state bonding shown in the 2014-2015 biennium on the projects summary will need to be requested in the 2013 legislative session.

Project Description

The line will connect major activity centers in the region including downtown Minneapolis, the Opus/Golden Triangle employment area, Methodist Hospital, the Eden Prairie Center Mall, and the Minneapolis Chain of Lakes. The line will be part of an integrated system of transitways converging at the Minneapolis Transportation Interchange where connections using the Target Field Station can be made to the Hiawatha and Central Corridor LRT lines, the Northstar Commuter Rail line, the proposed Bottineau Transitway, and future commuter rail and intercity passenger rail lines.

The Southwest LRT (SWLRT) project will operate primarily at-grade with structures providing grade-separation of LRT crossings and roadways at specified locations. It would be constructed with dual tracks. A total of 17 new stations would be constructed, all at-grade with a center platform configuration. The SWLRT line is proposed to be interlined/through-routed with the Central Corridor LRT line utilizing shared tracks on 5th Street in downtown Minneapolis, and thereby providing a one-seat ride to the University of Minnesota, State Capitol area and downtown St. Paul. A total of 26 additional light rail vehicles would be required to operate the SWLRT line. The SWLRT line would require the construction of an Operations and Maintenance Facility.

With its interlining linkage to Central and Hiawatha LRT, Southwest LRT will provide direct, high quality LRT access to five of the region's eight largest business concentrations --- job centers each with over 40,000 employees. Improving regional access and offering mobility options to these regional centers of employment, business, education, and other services with the high quality of service that LRT provides will help ensure the region's continued economic health and vitality. Within a half-mile walk of the Southwest LRT stations, there are almost 210,000 jobs, 60,000 people in 31,000 households, and over 31,000 college/university students in 2000. By 2030, over 60,000 more jobs, 15,000 more people, and 10,000 more households are expected within a half-mile walk of the Southwest LRT stations.

Impact on Agency Operating Budgets (Facilities Notes)

The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. In the case of light rail transit, current state law, M.S. Sec. 473.4051, subd. 2, states that "after operating and federal money have been used to pay for light rail transit operations, 50 percent of the remaining costs must be paid by the state". The metropolitan sales tax passed by five of the metropolitan counties is being used to fund 50 percent of the net operating costs of the Hiawatha light rail and Northstar commuter rail facilities. It is assumed that operations of future rail lines will also be funded 50 percent by the Counties Transit Improvement Board (CTIB) sales tax. CTIB will also fund 50 percent of the new operating costs for service implemented as part of Cedar Avenue BRT and I-35W South BRT and may participate in the operating costs of other BRT corridors.

Southwest Corridor LRT**Previous Appropriations for this Project**

Previous to this request, the Council allocated \$5 million of the \$21 million in 2009 State General Obligation Bond funds authorized by the State of Minnesota for the Transit Capital Improvement Program. The funds were allocated to the Southwest LRT Project for preparing an environmental impact statement (EIS) and for PE.

Other Considerations

The Council will continue to work with other funding partners, such as CTIB and the Hennepin County Regional Railroad Authority (HCRRA), to assure that state bond funds are leveraged and used to match other funding to the greatest extent possible. To date, CTIB and HCRRA combined have authorized \$25.6 million for the Project.

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Governor's Recommendations (To be completed by MMB at a later date)

Metropolitan Regional Parks

2012 STATE APPROPRIATION REQUEST: \$10,500,000

AGENCY PROJECT PRIORITY: 2 of 4

PROJECT LOCATION: Metropolitan Area

Project At A Glance

The Metropolitan Council requests \$10.5 million in State bonds to match \$7 million of Metropolitan Council bonds to improve and expand the Metropolitan Regional Park System.

Project Description

The Metropolitan Regional Park System consists of 54,633 acres of parks and 231 miles of trails which hosted 40.8 million visits in 2010. The Metropolitan Regional Park System is owned, operated and maintained by ten regional park implementing agencies:

- | | |
|-------------------------------|----------------------------|
| 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 |

This request is based on distributing State and Metropolitan Council bonds as subgrants to regional park implementing agencies for each agency's prioritized list of capital projects in the 2012-13 portion of the 2012-17 Metropolitan Regional Parks Capital Improvement Plan (CIP) as shown in Table 1 at the end of this narrative.

The Metropolitan Council prepares a Metropolitan Regional Parks CIP under direction from M.S. Sec. 473.147. The regional park implementing agency share of the CIP is based on the agency's 2010 population--which was given a weight of 70 percent; and the percentage of non-local visits that park agency's regional park/trail units in 2010--which was given a weight of 30

percent. If less than \$10.5 million of state bonds is appropriated, each park agency will receive its percentage share of the state bond appropriation and Metropolitan Council bond match. For example, 10.4 percent of the combined appropriated state bonds and Metro Council bond match would be granted to Anoka County. Anoka County must spend this appropriation on projects in priority of its prioritized project list.

Over 40.8 million visits occurred in the Metropolitan Regional Park System in 2010. Of this amount, 45.3 percent or 18.5 million visits were from persons living out-of-state, from Greater Minnesota, and from the metropolitan area outside the park implementing agency's local jurisdiction. Every \$3 of state bonds is matched with \$2 of Metropolitan Council bonds. This spreads the cost of the capital improvements between all state 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.

Impact on Agency Operating Budgets (Facilities Notes)

There is no direct impact on state agency operating budgets since the state of Minnesota does not operate Metropolitan Regional Park System units. However, indirectly, the state's capital investment in the Metropolitan Regional Park System reduces visitor pressure on three state parks, one state recreation area and three state trails in the metropolitan region. The reduced visitor pressure on these state park/trail units reduces the costs to operate and maintain those state parks and trails.

Previous Appropriations for this Project

The state has appropriated \$287.8 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks CIP and for earmarked projects outside the CIP from 1974 to 2010. In 2010, \$25.5 million was appropriated including \$10.5 million for the 2010-11 Metropolitan Regional Parks CIP, plus \$15 million for earmarked projects outside the CIP. The Metropolitan Council matched the \$10.5 million appropriated for the CIP with \$7 million of its bonds.

The Legislative Citizen Commission on Minnesota Resources (formerly LCMR) has recommended \$37.99 million of Environment and Natural Resources Trust Fund revenues from 1991 to 2009 for capital improvements

Metropolitan Regional Parks

and land acquisition purposes for the Metropolitan Regional Park System. Appropriations in 2007-2009 totaling \$5.29 million have been matched with \$3.52 million of Metropolitan Council bonds to be granted for land acquisition purposes.

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. Legislation enacted in 2009 appropriated \$27.78 million to the Metropolitan Council for the FY 2010-11 biennium from the Parks and Trails Fund. About ten percent of the appropriation is directed towards land acquisition grants with the remaining 90 percent directed towards grants for capital and non-capital purposes.

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Governor's Recommendations (To be completed by MMB at a later date)

Transitway Corridor Program

2012 STATE APPROPRIATION REQUEST: \$25,000,000

AGENCY PROJECT PRIORITY: 3 of 4

PROJECT LOCATION:

Project At A Glance

The purpose of the Transitway Capital Improvement Program is to build and improve transitways identified in the Metropolitan Council's 2030 Transportation Policy Plan. Transitway activities funded through the Capital Improvement Program may include environmental analysis, preliminary engineering and final design, the acquisition and betterment of public land and buildings and the construction, improvement and maintenance of transitways including stations, park and rides, and lane and shoulder improvements which may include the state trunk highway system.

Project Description

The Council's adopted 2030 Transportation Policy Plan identifies existing transitways and corridors that should be studied and developed over the next 20 years as future transitways. Transitways are defined as a busway corridor, express bus corridor with transit advantages, bus rapid transit corridors, light rail transit and commuter rail. Under the Transitway Capital Improvement Plan, the Council will review eligible transitway projects and make allocations of state bond proceeds among the projects based upon the program standards in state law and the following criteria:

- expansion of the transitway system and use by the public;
- urgency in providing for the transitway;
- necessity in ensuring transportation options;
- consistency with the Council's transportation policy plan; and
- additional criteria for priorities otherwise specified in state law, statute, rule, or regulation applicable to a transit way, including the state law authorizing the state bond fund appropriation for the 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 a period of time.

The Council has identified in excess of \$50 million in transitway projects that would be eligible to receive capital funding over the next two years. A number of these projects are anticipated to receive funding from other sources such as federal funds including congestion mitigation and air quality funds (CMAQ), CTIB sales tax funds, or other funding. The state bond funds will be used to both match other sources of funds and provide funding to projects that have not received other funding. This funding will be used to continue development of specific elements of an overall transitway project. The Southwest Corridor LRT project, which is anticipated to be a federal New Starts project, will be submitted as a separate state bonding request.

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

- Northstar Commuter Rail Ramsey Station construction;
- Rush Line corridor for park and ride facilities;
- Cedar Avenue BRT, to continue design and construction and match federal funds for the transit stations, parks and rides, bus layover facilities and bus lane improvements;
- Gateway (I-94 East) corridor for park and ride facilities;
- Arterial BRT transitways for preliminary engineering/design and construction of stations and roadway improvements;
- Bottineau Boulevard corridor for environmental analysis and preliminary engineering;
- Central Avenue/TH65 corridor for park and ride facilities;
- I-35W South BRT corridor for stations and park and ride facilities;
- I-35W North corridor for environmental analysis;
- I-394 MNPASS corridor for park and ride facilities;
- Union Depot and Interchange multimodal hubs for design and construction;
- Red Rock corridor for park and ride and station facilities;
- Robert Street corridor for a bus layover facility;

Transitway Corridor Program

- Other transitways identified in the Council's 2030 Transportation Policy Plan.

Impact on Agency Operating Budgets (Facilities Notes)

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. In the case of light rail transitways, M.S. Sec. 473.4051, subdivision 2, states that "after operating and federal money have been used to pay for light rail transit operations, 50 percent of the remaining costs must be paid by the state". The metropolitan sales tax passed by five of the metropolitan counties is being used to fund 50 percent of the net operating costs of the Hiawatha light rail and Northstar commuter rail facilities. It is assumed that operations of future rail lines will also be funded 50 percent by the Counties Transit Improvement Board (CTIB) sales tax. CTIB will also fund 50 percent of the new operating costs for service implemented as part of Cedar Avenue BRT and I-35W South BRT and may participate in the operating costs of other BRT corridors.

Previous Appropriations for this Project

The Transitway Capital Improvement Program is a new program that requires legislation establishing the program to be passed during the 2012 session. Previous to this request, the Legislature and Governor have provided funding to specific transitway projects and activities. During the 2009 session, the legislature provided \$21.0 million to the Council to distribute among a number of eligible transitway projects specified in the 2009 legislation, including \$8.5 million for the Central Corridor light rail project. The 2011 Legislature appropriated \$20 million for the program.

Other Considerations

The Council will work with CTIB and other stakeholders to identify capital projects that should be given priority in the region. The Council will also work with other funding partners to assure that state bond funds are leveraged and used to match other funding to the greatest extent possible.

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Governor's Recommendations (To be completed by MMB at a later date)

Renewable Energy Initiatives

2012 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 4 of 4

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests \$10.0 million in state bonds for renewable energy initiatives. As one of Xcel Energy's top ten consumers of energy in Minnesota, the Council is pursuing electric price stability with this project to reduce its needed purchase of energy.

Project Description

The Metropolitan Council seeks innovative ways to integrate renewable energy into our system as part of our overall environmental leadership strategy. Integrating wind and solar energy production with the requirements of the power grid will become even more important as the penetration of both of these renewable resources increases. Energy storage is key to expanding the use of renewable energy. This funding will support solar, wind, geothermal, energy storage and other renewable energy technologies.

Impact on Agency Operating Budgets (Facilities Notes)

This project will not impact the state operating budget. This project will result in a reduction in energy costs resulting in a cost savings to the operating budget of the Metropolitan Council.

Previous Appropriations for this Project

None

Other Considerations

Currently, to qualify for a rebate through Xcel Energy's Solar Rewards Program, a facility must not exceed 40Kw; this is also the limit for qualifying for net metering. The requirement to not exceed 40Kw for these programs is a significant impediment to large scale solar facilities. With the state's financial assistance, the Council's project will demonstrate the economics of a large scale solar facility to other interested entities. The project will identify costs and benefits of vertical integration through distributed power generation and reduced dependence on regulated utilities. The production and integration of information and reports will be made publicly available to private and public entities.

Beyond the benefits to the metropolitan area, this project will also offer benefits to the state as whole. The work will create jobs in Minnesota and would be a model for Minnesota industries and institutions that might want to make their own power, and of course would contribute to energy security and independence for Minnesota and the United States as well as reduce greenhouse gases.

This project will also consider advanced monitoring and metering methods as well as physical and cyber security of the electric grid.

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Governor's Recommendations (To be completed by MMB at a later date)