



Pawlenty Administration 2005 Northstar Proposal \$37.5 Million in State Bonding Needed in Entirety

- The entire amount of the governor's proposal - \$37.5 million – is needed to secure federal approval to move to Final Design. Federal Transit Administration (FTA) requires that 50% of a proposed project's non-federal funding be committed to secure federal approval for the Final Design phase. Approval of the governor's bonding proposal is needed to meet federal criteria.
- However, not all of the state's \$37.5 million commitment will be spent in the Final Design stage. The governor's proposal will limit actual state expenditures for Final Design activity to \$10 million, plus initial property acquisitions.

❖ **Current Northstar capital cost estimate = \$265 Million**

*Federal Share (50%)
\$132.5 million*

*Non-Federal Share (50%)
\$132.5 million*

❖ **Non-federal commitment required for Final Design approval:**

50% of Non-Federal Share \$132.5 million x .50 = \$66.25 million

❖ **Governor has proposed combined total of \$75 million, which meets minimum federal criteria and improves Northstar's position in competition for federal funding.**

*State Bonding
\$37.5 million*

*Local Government Commitment
\$37.5 million*

❖ **Actual expenditures for Final Design will be less than up-front financial commitment required under federal criteria. Final Design cost estimate = \$20-24 million.**

*Federal Share (50%)
\$10-12 million*

*State Share (33.3%)
\$6.6 - 8 million*

*Local Share (16.7%)
\$3.4 - 4 million*

❖ **Governor proposing \$10 million cap on state expenditures for Final Design. Does not include expenditures for initial property acquisition.**

❖ **Following Final Design phase (est. 18 months), Northstar project will need to continue to meet FTA Cost Effectiveness Index (CEI) criteria to receive federal approval for construction. Project cannot move to construction phase without federal approval.**



Pawlenty Administration 2005 Bonding Proposal

- Governor proposes \$37.5 million in state bonding for Northstar capital investment, contingent on a matching \$37.5 million in local funding commitment. Same proposal as 2004.
- Approval of governor's proposal will secure federal funding and authorization for the Final Design stage of project development.
- The entire amount of the governor's proposal - \$37.5 million - is needed to secure federal approval to move to Final Design. State action needed quickly to keep project moving forward, keep all partners engaged, and stay competitive for federal funds.
- Not all of state's \$37.5 million commitment will be spent in the Final Design stage. The governor's proposal limits actual state expenditures for Final Design activity to \$10 million, plus property acquisitions.
- Key elements of the governor's \$37.5 million proposal:
 1. Final Design is the next phase. Project must continue to meet federal Cost Effectiveness (CEI) criteria and receive federal approval for future construction.
 2. Federal government will pay 50% of capital costs. State will pay 33.3%; locals will pay 16.7%.
 3. Annual operating costs not covered by fares or annual federal funds will be split 50% state, 50% local. Estimated annual state costs < \$5 million.
- Current cost estimate = \$265 million.
- Federal Cost Effectiveness Index (CEI) = \$24.72/hr. Meets Federal Transit Administration (FTA) criteria for federal support.
- Annual estimated operating costs = \$10-12 million.
- Governor's total 2005 transportation bonding package = \$159 million



Northstar Commuter Rail

Senate Capital Investment Committee
January 10, 2005

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Presentation Agenda

- Administration recommendation – The critical need for the state’s funding commitment.
- Progress since end of 2004 session

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Pawlenty Administration

2005 Proposal

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"We need to move forward with efforts to relieve traffic congestion. Our efforts to build roads and bridges are a big part of the plan, but we also must pursue effective transit options along priority commuter corridors. The Northstar commuter rail line fits the bill."

Governor Tim Pawlenty
8/3/04

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Governor's Analysis

- Governor: Open to further project analysis; August 2002
- Called for objective review and update of project data - skeptical of earlier analysis
- Would rely heavily on unbiased, rigorous and critical FTA review
- Personal involvement in FTA discussions

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Federal Analysis

- FTA "New Start" analysis is unique, ridged highly competitive and applied uniformly across the nation.
- Following rigorous scrutiny, Northstar project is found worthy of further consideration
- New CEI of \$24.72 meets federal criteria

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Federal Funding Requirements

- FTA requirement: Commit at least 50% of non-federal share of total cost to move to final design
- Current cost estimate = \$265 million; non-Federal share = \$132.5 million
- Minimum non-federal commitment for final design = approx. \$66.25 million

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Administration Proposal

- Governor Pawlenty offers support and proposes funding structure and package
- Total project cost responsibility: 50% federal (\$132.5 million), 33.3% state (\$88.3 mil.), 16.7% local (\$44.2 mil.)

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Administration Proposal

- Operating cost responsibility: Costs not covered by fares or federal \$\$ split 50% state, 50% local
- Provide sufficient non-federal financial commitment to secure FTA approval to move to "Final Design"

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Administration Proposal

- \$37.5 million in state GO bonding proposed in 2004; proposed again in 2005
- Contingent upon \$37.5 million commitment in local govt. funding
- Combined state and local commitment meets FTA criteria to move to final design

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Administration Proposal

- \$37.5 million initial state funding commitment is necessary to secure federal approval and financial partnership
- Local commitment has been secured

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Administration Proposal

- \$75 million sufficient non-federal funding for final design approval
- Only portion of \$75 million spent in final design
- Final design cost estimate = approx. \$20-24 million: 50% federal, 50% non-federal

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Administration Proposal

- Early action on \$37.5 million is critical
- Nationwide competition for federal transit "new start" dollars becoming stiffer every year
- State commitment needed to maintain involvement/momentum with partner BNSF
- FTA urging Minnesota to decide

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Administration Proposal

- Final design will solidify estimates
- Project further analyzed after final design - can be found cost-prohibitive
- Current operation cost estimates: State share in range of \$3-5 million/yr.

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Administration Proposal

- Under current estimates, the NEW Northstar Commuter Rail proposal meets Governor Pawlenty's criteria for cost-efficient and effective transportation service
- As in 2004, Governor believes project should move forward to the next phase of analysis and consideration

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Progress in 2004

- August 2004: Governor unveils plan to make available \$22.5 million for time-critical Northstar activities
- \$2.5 million Met Council funds, \$10 million NCDA local funds, \$10 million federal funds

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Progress in 2004

- \$22.5 million allows certain engineering and design activities to move forward to keep project on schedule for 2008 opening
- Maintaining schedule will save \$11-13 million annually in inflation
- State was at risk to lose federal funds
- State bonding commitment still needed

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Progress in 2004

- October 2004: Mn/DOT & NCDA execute new MOU guiding partnership in Northstar "Advanced and Final Design" activities.
- Partners - Mn/DOT, NCDA, Met Council and FTA - moving project development forward under new organizational structure
- Partnership is cooperative and strong

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PROJECT INFORMATION

Northstar Commuter Rail - Key Facts

- **40-mile service from Big Lake to Minneapolis**
 - *6 stations: Big Lake, Elk River, Anoka, Coon Rapids, Fridley and Minneapolis*
- **43 minutes travel time from Big Lake to Minneapolis**
- **5,600 trips per day**
- **Approximately 1.6 million trips per year**
- **Hours of operation: between 5:45 a.m. and 7:30 p.m.**
- **Base service: 8 morning and evening trains, 1 mid-day round trip. Additional service on weekends and for special events**
- **Cost per ride: current estimate \$4-\$6 for a one-way ticket from Elk River to Minneapolis**
- **Connects to feeder buses and the Hiawatha line**
- **Travel time savings: will save commuters nearly 900,000 hours in travel time each year**

Train amenities

- 5 train sets
- 600 seated per train
- A/C and heat
- Restrooms
- ADA accessible
- On-time in any weather
- Work tables/computer hook-ups
- Space for bicycles

Commuter Rail — The Best Alternative for the Northstar Corridor

Northstar Commuter Rail has consistently been shown to be the most viable and immediate transportation alternative for the Northstar Corridor.

- **Northstar is a key component to a balanced transportation system for our region.** In order to meet the needs of a growing economy, we need a transportation system that uses highways, buses, light rail, and commuter rail where it makes sense and is cost-effective.
- **Northstar will add capacity faster, cheaper and smarter than any other alternative.** The Northstar Corridor needs transportation capacity to deal with the rapid increase in population. Northstar Commuter Rail will add capacity equivalent to 1½ lanes of highway traffic at peak travel times.
- **Northstar Commuter Rail is cost-effective.** Independent, objective analysis of the project shows that it meets the rigorous cost-effectiveness test used by the Federal Transit Administration (FTA) to evaluate transit projects. Northstar is substantially less expensive than highway upgrades or a dedicated busway.
- **Northstar will save commuters significant travel time.** According to analysis prepared for the FTA, Northstar will save commuters nearly 900,000 hours in travel time every year compared to the next best transit alternative. At a time when the average commuter is wasting 42 hours per year in traffic, Northstar offers a way for commuters to spend more time at home with their families.

Northstar Capital Cost Estimate

Minneapolis to Big Lake

Allocation of costs based on Governor's proposal.

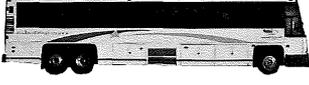
Component	Federal	State	Local	Total
Commuter Rail	\$116.3	\$77.5	\$38.8	\$232.6
Hiawatha Connection	\$16.2	\$10.8	\$5.4	\$32.4
Total	\$132.5 (50%)	\$88.3 (33%)	\$44.2* (17%)	\$265.0 (100%)

Estimated cost in million of dollars, Fiscal Year 2008, based on 4-car trains.



TIME SAVINGS FOR COMMUTERS

Elk River to Downtown Minneapolis: 30 miles

<u>ALTERNATIVES</u>	 Car	 Bus	 Northstar
Leave Elk River	Between 6:20 a.m. and 6:40 a.m.	6:35 a.m.	6:55 a.m.
Route	Hwy 10, Hwy 610, Hwy 252, Hwy 94	Hwy 10, Hwy 610, Hwy 252, Hwy 94	BNSF mainline, parallel to Hwy 10/Hwy 47
Traffic Delays	12 traffic signals, 20+ miles of over capacity highway	12 traffic signals, use of shoulder lane where permitted	None
Weather Impact	Longer commute	Longer commute	On-time
Arrive Downtown Minneapolis	7:30 a.m.	7:30 a.m.	7:30 a.m.
Estimated 1-Way Travel Time	50 – 70 minutes/trip	55 minutes/trip	35 minutes/trip

Northstar will save commuters from Elk River:

- ✓ 30 –70 minutes each day compared to car
- ✓ 40 minutes each day compared to bus service

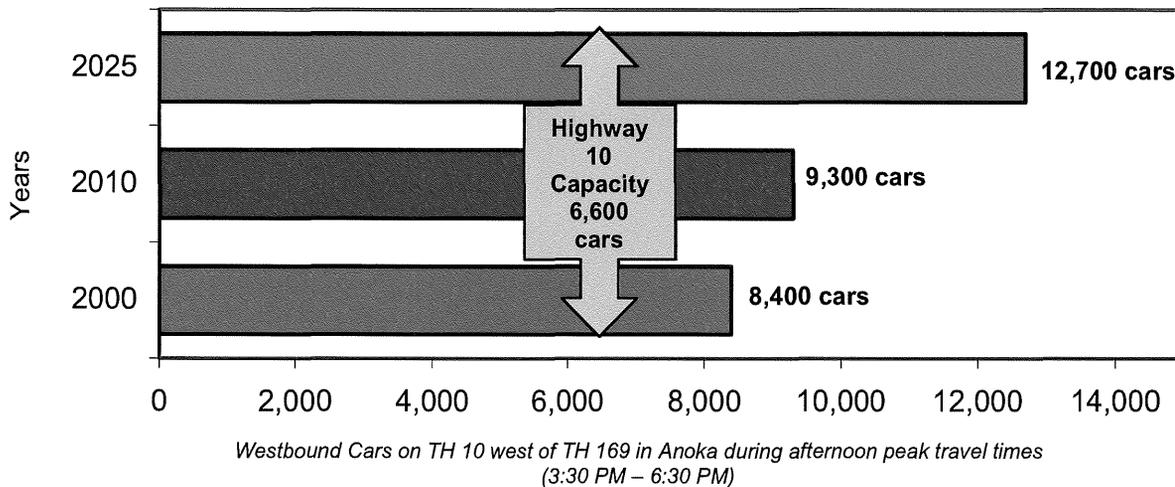
Northstar will save commuters 900,000 hours annually compared to the next best option (dedicated bus).



Traffic Problems Are Growing on Highway 10

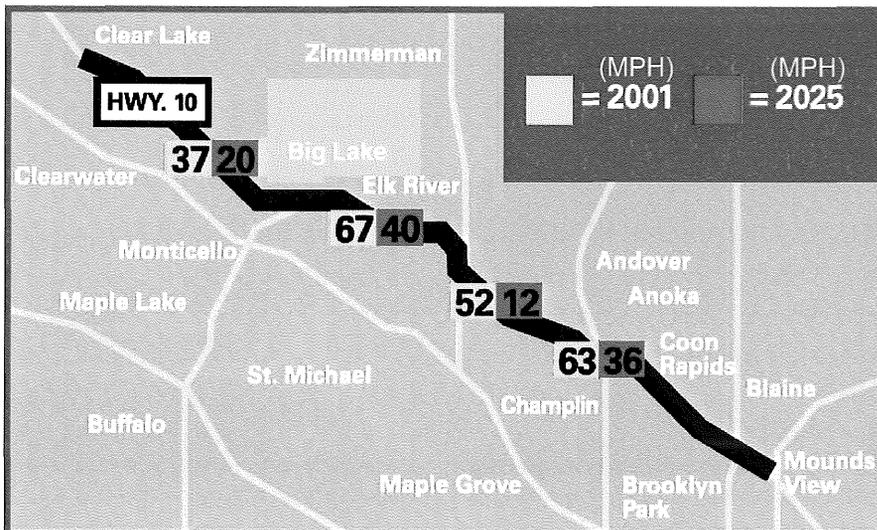
- The Northstar Corridor is not only one of the fastest growing transportation corridors in the state but also in the nation.
- By 2025, more than 850,000 people will be living in the corridor, an increase of 200,000 people.
- There are no major highway upgrades for Highway 10 included in the Minnesota Department of Transportation's 20-year plan.

Northstar Corridor commuters are already spending too much time in traffic, and it's getting worse.



Source: Minnesota Department of Transportation

Average Daily Speeds Along Highway 10



By 2025, commuters will be moving at half of their current speeds on some of the busiest sections of Highway 10.





SUMMARY OF STATEWIDE SURVEY

Minnesotans Strongly Support Northstar Commuter Rail

Results from a statewide scientific public opinion survey conducted in February 2004 show that Minnesotans are concerned about traffic congestion and support a balanced approach to transportation improvements.

Minnesotans believe traffic congestion is becoming a significant problem in their area, and hold the state primarily responsible for solutions.

- 59% believe highway congestion has gotten worse in their area during the past few years. Among residents in the high-growth suburban/exurban areas around the Twin Cities, 70% believe congestion has gotten worse.
- 55% of Minnesotans believe that state government has the primary responsibility for improving their area's transportation vs. Congress or local government.

Minnesotans believe additional investments are needed in our highway and transit system.

- 82% of Minnesotans statewide agree that highway and transit improvements will be necessary over the next ten years to support economic growth. Of the respondents who believe improvements are needed, 73% think that investments in transit need to be part of the transportation solution.
- 58% believe the state needs to raise new revenue to fund improvements in highways and transit.
- Of those who believe the state needs to raise new revenue, the following revenue options scored the highest support:
 - Metropolitan half-cent sales tax (69%), including 63% of metro residents
 - Fast lane fees (65%)
 - Additional bonding backed by state taxes (52%)

Minnesotans strongly support state funding for Northstar Commuter Rail.

- By a statewide margin of 66%-27%, Minnesotans support Governor Pawlenty's request for \$37.5 million to begin construction of the first phase of the Northstar Commuter Rail line.
- Support for the Governor's proposal exceeds 60% among all major demographic, geographic and ideological categories.
- 62% are more likely to support Northstar once they learn that it costs less than half as much per mile to construct as other highway or transit improvements.

Support for Northstar Crosses All Political, Geographic and Ideological Lines

“Do you support Governor Pawlenty’s request for 37.5 million dollars to begin construction on the first phase of the Northstar line from Big Lake to downtown Minneapolis?”

Population Group	Yes	No	DK/Refused
Statewide	66%	27%	7%
Male	67%	29%	4%
Female	66%	25%	9%
< \$35,000 per year	69%	23%	8%
\$35,000 - \$75,000	67%	28%	5%
Over \$75,000	71%	19%	9%
18-34	67%	25%	8%
35-54	68%	25%	7%
55+	63%	30%	7%
Republicans	64%	30%	6%
Democrats	69%	23%	8%
Independent/other affiliation	73%	23%	4%
Liberal	66%	19%	16%
Moderate	72%	24%	4%
Conservative	63%	33%	4%
Core cities	62%	33%	5%
Suburbs	67%	23%	10%
Greater Minnesota	67%	28%	5%
High-growth suburbs	64%	27%	8%
Northstar Corridor	73%	18%	9%
Transportation needs are being adequately served	65%	28%	7%
Not being adequately served	68%	25%	7%

Decision Resources, Ltd., conducted a telephone survey of the attitudes of 600 Minnesota residents between February 19th and 25th, 2004. All respondents interviewed in this study were part of a fully representative sample of N=600 citizens, based on the latest census figures. A sample of this size has a margin of error approximately $\pm 4.1\%$ in 19 out of 20 cases.

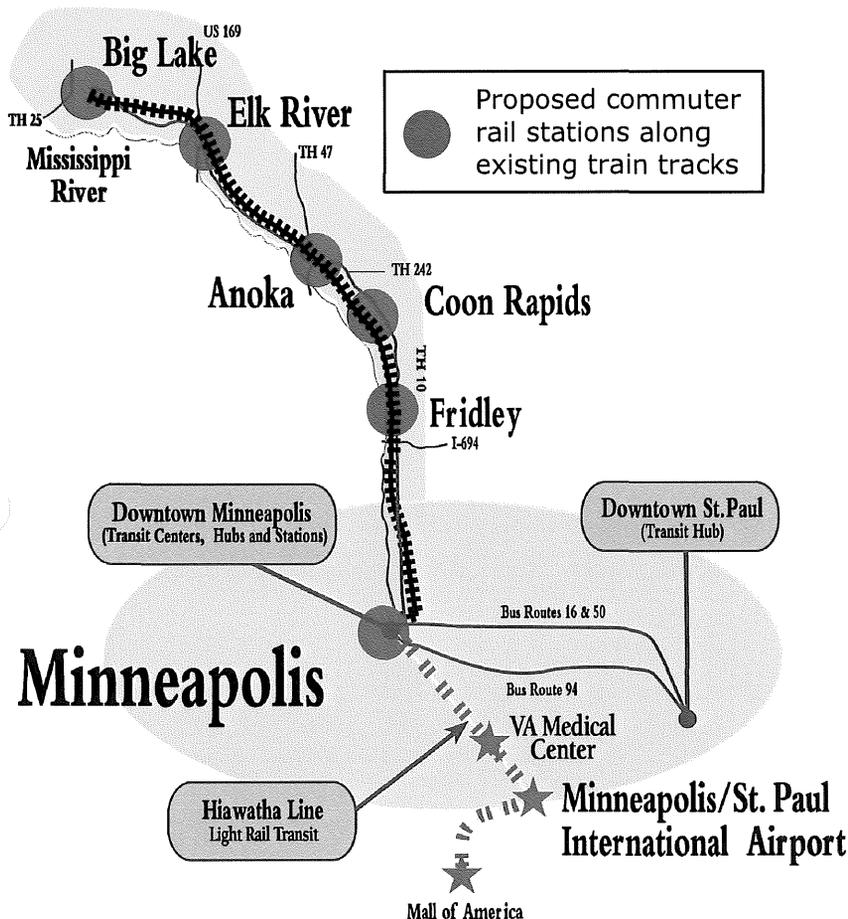
The Northstar Commuter Rail Proposal

2005 Legislative Request

- Authorize \$37.5 million in state bonding.
- Include \$10 million limit on state expenditures until federal financing and federal approval for construction are in place.
- No state expenditures for construction until federal approval and financing are in place.
- Final design will be completed in 2005. In early 2006, the Governor and Legislature will consider funding the balance of the state's commitment to Northstar, estimated at slightly over \$50 million.
- Northstar Corridor Development Authority's local financial commitments, totaling 33% of the non-federal share of the total project, are in place.
- Governor and NCDCA committed to developing an operating subsidy agreement.
- Federal funding would match 50% state/local combined funding commitment.
- For each \$1 in state funding, \$2 in combined local/federal funding is leveraged.

Project Information

- 40-mile service: Big Lake to downtown Minneapolis.
- Uses existing train tracks.
- 5,600 estimated daily trips.
- 35 minutes travel time from Elk River to Minneapolis (compared to a minimum of 55 minutes for Northstar Commuter Bus).
- Meets rigorous criteria for cost-effectiveness of the Federal Transit Administration.
- Saves commuters nearly 900,000 travel hours per year.





**Minnesota
Senate
Capital
Investment
Committee**

January 10, 2005



Northstar Corridor Development Authority

- Joint Powers Board including 30 cities, counties and townships
- *Twin Cities to Central Minnesota*
- Goal is addressing the need for new transportation capacity in a fast-growing corridor
- After years of study, concluded that commuter rail is the best option for this corridor



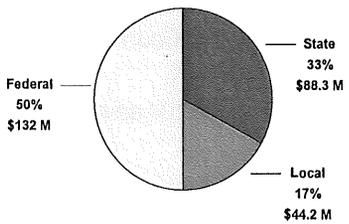
Northstar Project Facts

- 40-mile service from Big Lake to downtown Minneapolis, with stops in:
 - Elk River - Coon Rapids
 - Anoka - Fridley
- Uses existing BNSF tracks
- 5,600 daily trips (2003 FTA estimate)
- Reduces travel time from Big Lake to downtown Minneapolis to 43 minutes
- *Connects with Hiawatha line*



Proposed Funding for Northstar

Governor's Recommendation



Funding Source	Percentage	Amount
Federal	50%	\$132 M
State	33%	\$88.3 M
Local	17%	\$44.2 M

Estimated cost of \$265 million (2008 dollars)



Northstar Meets FTA's Vigorous Standards	
<ul style="list-style-type: none"> ■ Received "Recommended" status three times in New Starts process <ul style="list-style-type: none"> - <i>Removed in 2003 due to lack of state funding agreement</i> ■ FTA adopted a tougher standard in 2003 <ul style="list-style-type: none"> - <i>Based on travel time savings, not new ridership</i> ■ Service to Big Lake meets the FTA's standard 	
	

State Funding Needed for Federal Participation	
<p>Key Steps:</p> <ul style="list-style-type: none"> ■ Strong congressional support <ul style="list-style-type: none"> - <i>President Bush, Minnesota delegation</i> ■ Strong local support ■ Meet FTA requirements ■ <i>State funding agreement</i> 	
	

Project Update	
<ul style="list-style-type: none"> ■ BNSF negotiations continue ■ MnDOT/NCDA/Met Council partnership on project work ■ Contracts awarded for advance design 	
	

Northstar is the Best Transportation Option	
<ul style="list-style-type: none"> ■ Adds capacity—when it's needed ■ Strong public support ■ Most cost-effective alternative ■ Can start operations in late 2008 ■ Saves 900,000 hours in travel time each year vs. next best alternative 	
	



The Business Community Backs Northstar

The business community supports Northstar commuter rail because it's good for business. Traffic congestion has become a major business and competitiveness issue for employers along the Northstar Corridor. Along with making it more difficult to recruit employees, traffic hassles are reducing productivity and making it harder to move products, employees and customers to area companies.

BUSINESS ORGANIZATIONS

Anoka Area Chamber of Commerce
Big Lake Chamber of Commerce
Central Minnesota Transportation Alliance
Elk River Chamber of Commerce
Ham Lake Chamber of Commerce
Little Falls Chamber of Commerce
MetroNorth Chamber of Commerce
Metropolitan Coalition of Chambers

Minneapolis Downtown Council
Minneapolis Regional Chamber of Commerce
North Metro Realtors Association
Rice Area Chamber of Commerce
Saint Cloud Chamber of Commerce
Southern Anoka County Chamber of Commerce
St. Cloud Area Economic Devel. Partnership
Twin Cities North Chamber of Commerce

An dover

Fairbanks Properties, LLC
Gorham Builders
Home and Landscape Design
Red's Custom Detailing
Tastefully Simple

Anoka

A Perfect Choice Carpet Care
Advanced Hearing Care
Alliance Printing
Amish Corner
Amish Corner II
Anoka Meat and Sausage
Atlas Staffing
Babcock, Neilson, Mannella, LaFleur & Klint, PLLP
Baby's Breath Company
Billy's Bar and Grill
Coldwell Banker Vision
Durkins Pub, Inc.
Elfelt & Associates
Erhart & Associates, LLC
Federal Cartridge
Gems & Treasures
Gould's Jewelry
Hoffman Enclosures
Ivy-n-Lace
Knoop's Konsignment and Used Books
Main Floral
Mansetti's Pizza and Pasta
Mikki B's Italian Restaurant
Peterson's Shoes
Podium Sports Marketing
Pure Bliss
Raetz & Swokowski
Ramsey Organic, Inc.
Salon Capani
Serum's Good Time Emporium
Shades of Anoka
Something Different/Pure Bliss
Sterling Trophy
Telestyle Impressions
The Artique
The Countess' Cottage

Anoka

The Mad Hatter Tea Room
Whispering Pines Care Center
Yours Mine & Ours

Becker

Becker Furniture World

Big Lake

Advanced Styling
Audio Communications of Big Lake
Bakken Building
Big Lake Chiropractic
Big Lake Floral & Gift
Creative Shears Salon
Family Prospective Resources, Inc.
Peterson's Amoco
Recovery Mortgage

Blaine

Abetter Inspection Inc.
Alexandra House
Anoka County CAP
Anoka County Work Force Council
Blaine Hardware
Commers Water Co.
Family Chiropractic Health Care
Fast Signs
Golden Eve
Lori Jo's Research Services, Inc.
North Country Barbers & Stylists
TGR Copy Center
Tournament Liquor
Universal Spray and Drywall
Village Bank

Brooklyn Center

MarketComm, Corp.

Brooklyn Park

Fast Track Products, Inc.

Champlin

Bay Salon & Spa
Boss Tanning
Boynton Law Office, PA
Christianson Electric, LLC
Dynaventure Mortgage, LLC
Enjoy China (restaurant)
Northland Liquors
State Farm
Style Nails
Terre-Quatics
Unique Cuts

Circle Pines

Support Systems

Columbia Heights

Crest View Senior Communities
Dealers Real Estate and Land Title
Genesis Business Century, LTD
Liquor Barrel - New Brighton
New HR, LLC
Preempt Technologies

Coon Rapids

Achieve with Hypnosis
Annie's Restaurants, LLC
Anoka-Ramsey Community College
Balloons Galore and More
Bama, Guzy & Steffen, LTD
Bromley Printing
Coldwell Banker Burnet
ECM Publishers, Inc.
Furniture and Things
Heritage Auto Body
Hinton Pool & Spa
Jensen's Family Limited Partnership
Marathon Homes
Marathon Realty
Midwest Forensic Pathology
NFP Mortgage Corp
Outback Steakhouse
Parent Custom Homes
ProSource Technologies, Inc.
Q-P Marketing

Coon Rapids

Ralph Jedda-CPA
Ron's Satellite Systems
Sammy's Pizza & Restaurant
Shamrock Development, Inc.
Steinwall, Inc.
Tyrona Transportation
Walter Bell Agency, Inc.

Durwood

Fiesta, Etc.

East Bethel

Peoples Bank of Commerce

Elk River

Avalon
Breuer Realty
Cascade I
Coldwell Banker Vision
Creative Genius, LLC
Diamond City Bread
E.H. Renner & Sons, Inc.
Elk River Chiropractic
Elk River Eye Clinic
Elk River Ford-Dodge-Jeep
Elk River Travel
Ensminger Automotive, Inc.
Hess Law Office, P.A.
Home Security Abstract & Title Co.
Jeffery Jensen and Associates, PA
Jerry's of Elk River
John C. Wright & Associates, LLP
Kemper Drug
Kennedy Transmission
Kjellberg Carpet One
Marlo's Haberdashery
Mikols River Studio
Mitch Miller's Old Town Tavern and Grill
Motin Law Office, P.A.
Northwoods Custom Homes & Remodeling
NRG Elk River Resource Recovery
Olde Main Eatery
Powell Realty
River City Glass and Mirror, Inc.
River Collection & Recovery Service
Schoell & Madsen, Inc.
Scott Breuer Homes
Sherburne County Abstract & Title
Shoe Menders, Inc.
Solors Optional Axis, Inc.
Tescom Corporation
The Bank of Elk River
The Jungle Family Hair Salon
Waterfall Salon

Fridley

AASI
ASAP to the Rescue, Inc.
Betmar Languages, Inc.
Customgraphix Company
Graystar Company
Kurt Manufacturing
Medtronic
Schaff Floral
Tamarisk Resources, Inc.
United Defense

Ham Lake

Allstate Insurance Co.
Erikson & Associates
W.A. Nelson & Associates, Inc.
Woodland Development

Minneapolis

3 D/International
Beyond These Walls by Kristine
Brother's Bar & Grill
Fleishman Hillard
Higgins Insurance Agency, Inc.
I-kj
HomeCraft Interiors, Inc.
Investment Management, Inc.
J.D. Hoyts
Rosen's Bar & Grill
Skinner Jones

Monticello

Custom Framing/Prairies Edge Gallery
Goeman Realty, Inc.
H B & H Petersen
Magic Moments Photography
Metcalf, Larson, Muth & Fleming, PA
Monticello Mercantile
Monticello Vacuum Center
Platinum Look Salon
The Hairdresser
Walts Pawn and Gun

New Brighton

Eclipse Salon/Spa
McKinley Hill Corporation
New Brighton Liquors

Oak Grove

Gotcha Covered

Osseo

Photography by Design, Inc.

Otsego

Minn-e-golf & Hobby

Plymouth

Membership Corporation of America

Ramsey

Ace Solid Waste
Aero Restoration and Repair Company
Bensen Engineering
Carquest of Ramsey
City Wide Garage Door
Comfort Suites
Connexus Energy
Fastenal
Frederick's Accounting
Granite Designs
Holiday RV
Koenig Brothers Insulation
Lano Equipment, Inc.
Matrix Laser Care, Inc.
Outlook Group
Promo Products

Ramsey

Quizno's Subs
R and E Mortgage Inc
Ramsey Bicycle
Riverview Office Suites
Spectators Grille & Bar
The Links at Northfolk
Wendell's
Wire Specialty Manufacturing
WordMagic Communications

Sartell

Quo Vadiums, LLC

Spring Lake Park

Donahue Distributing
Kugler Financial
Multi Center Physical Therapy
Nelson Cheese Factory and Deli
Rise, Inc.

St. Cloud

American Payment Centers, Inc.
Antiques Gallery
Arts Co-op
Bakers Hometown Hobby
Bankers Systems
Belle Marche
Books Revisited
Clown Glass
Doms Jewelers
Donlin Millwork Co.
Great Times Bistro
Kay's Antiques
Lantz Optical Co.
Paramount Arts District
Schmitt Music
St. Cloud Regional Airport
St. Cloud State University
St. Maximillian Catholic Book and Gift
Tattoo & Body Piercing
Thelen Advertising
Viking Coca Cola Bottling Co.
Village Gift

St. Louis Park

Hope Kennels

St. Michael

Alpine Homes, Inc.

St. Paul

Allison Williams Co.
Atlas Staffing
Buetow and Associates
Efficient Energy Solutions
Kane & Johnson Architects
Kessler & Associates
Springsted, Inc.

Stillwater

Pepin Hugunin & Associates

Waite Park

Election Systems

BUSINESS FORUM

FEEDBACK

► To submit a commentary or a letter to the editor, contact Business Forum Editor John Oslund at 612-673-7206 or e-mail him at btzforum@startribune.com.

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Monday, January 10 • 2005

Don't miss this train

Extending the light-rail system to St. Paul would benefit the entire metro area, connecting people to jobs and fostering economic development.

By Andrew S. Duff and Robert L. Senkler

Without being intentionally cruel, we'd like to ask you to visualize your current rush-hour commute. What words would you use to describe it? Torturous? Dreaded? Or does "you don't want to know" do the trick? And what about when snow hits at 4 p.m.?

Believe us when we say: "We feel your pain."

Now imagine having real choices about your modes of getting to and from work every day—a commute with options. You might not believe that you have a viable alternative to your personal vehicle, but what if light-rail transit (LRT) was added to your menu of practical transportation choices? Would that possibility at least afford you the luxury of choice? And what about recreational activities—dinner, a sporting event, shopping? Think about what such excursions—without parking and congestion hassles—might mean.

Today in the Twin Cities, transportation options are heavily discussed—and implemented. The Hiawatha light-rail line running between downtown Minneapolis and the Mall of America is proving to be an even more popular option for business and recreational commuters than initial-

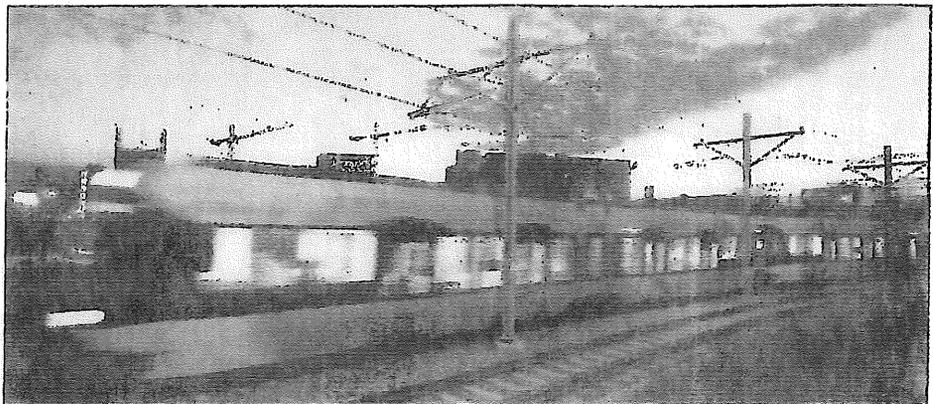
ly anticipated—with impressive ridership numbers.

As co-chairs of the Central Corridor Partnership, we believe the most overdue idea for Twin Cities transportation is an LRT line connecting Minneapolis and St. Paul and their business communities. In addition to being forward-thinking and proactive, we are confident that the Central Corridor connection is the best solution to our region's growing transportation challenges and will benefit Twin Cities commerce, workers and communities—with a positive economic and social ripple effect for the state.

The Central Corridor is a planned 11-mile transit line connecting downtown St. Paul to downtown Minneapolis. The line would begin at the Union Depot—a proposed multi-modal transit hub in downtown St. Paul—link to the Capitol, travel down University Avenue, extend over the Washington Avenue bridge passing through the University of Minnesota, and connect to the Hiawatha LRT line at the Downtown East/Metrodome station. From there, the Hiawatha line continues on to Minneapolis-St. Paul International Airport and the Mall of America.

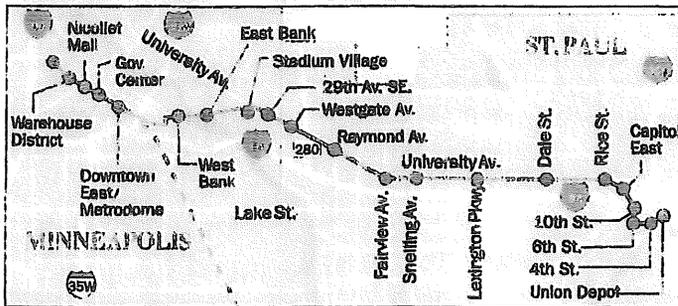
Why improve transit along University Avenue?

► Daily traffic volumes are



Joey Molenaar/Star Tribune file photo (2004)

Proposed Central Corridor light-rail line



Source: Central Corridor Partnership

rising on this thoroughfare, and several parts of Interstate Hwy. 94 and University Avenue already are congested.

► Current studies show that Central Corridor ridership—projected at 38,100 daily riders—would be one of the highest among LRT corridors being planned in the nation.

► The Midway business district is one of the fastest-growing commercial and residential corridors in the Twin Cities.

The Central Corridor is a vital link in a regional and state transportation network that will spur economic development throughout the region and better move people and expand business.

A light-rail option for the Central Corridor is not just about moving people from St. Paul to Minneapolis and vice versa. It's about implementing a fully integrated system and helping connect people to jobs. This will enhance the quality of life, foster economic development for a robust tax base, and connect communities more quickly and easily.

What will it cost?

The Central Corridor transit project would be funded by a combination of federal and local/state money. The federal government sets aside "new starts" dollars for transit projects, which can be used only for transit. It does not reduce federal money for Minnesota highways. But this money can be allotted to various metropolitan areas throughout the United States, thus creating a very competitive process for Minnesota and our state's pro-

posed transit projects.

The Central Corridor line is projected to cost \$840 million for the entire process, from preliminary engineering to final construction. This estimate is based on inflated dollars, assuming an opening in 2008. Any deviation from this timetable will increase the cost of the project because of inflation. Our business-led coalition is committed to keeping this project on time and within budget.

The Central Corridor Partnership is working with Ramsey and Hennepin counties to identify potential funding sources. Options might include state bonding, regional railroad authority funding, or a new funding source for transit/transportation. The Legislature is expected to debate a long-term transportation funding package this session. If approved, this package should include funding for the Central Corridor.

The number of businesses that support the efforts of the Central Corridor Partnership has grown to more than 200 during the past 10 months. To sustain this support and enjoy



About the authors

Andrew S. Duff is chairman and CEO of Piper Jaffray, based in downtown Minneapolis.



Robert L. Senkler is chairman and CEO of Minnesota Life, with headquarters in downtown St. Paul. Duff and Senkler

co-chair the Central Corridor Partnership, a business-led coalition founded in January 2004 to promote an improved transit system along University Avenue. For details, e-mail lagley@saintpaulchamber.com

success in the 2005 legislative session, we must increase the number of businesses behind the Central Corridor concept.

Improved transit in the Central Corridor has significant benefits to the business community, providing greater economic capacity for the region and the state, more commercial interaction between the east and west metro areas, a more mobile work force and a draw for new housing and commercial growth. Our region is growing—largely because of the positive attributes offered by the Twin Cities and greater Minnesota.

As business leaders and citizens of this great community and state, we must ensure that our region's renowned quality of life continues for the next generation—and the generations of Minnesotans to follow.



CENTRAL CORRIDOR FACTS

Benefits of Improved Transit in the Central Corridor

What is the Central Corridor?

- The Central Corridor is an 11-mile transit line connecting downtown Minneapolis, downtown St. Paul, and the University of Minnesota, as well as several vibrant residential neighborhoods in between.
- The transit line will connect with the Hiawatha Light Rail line in the Minneapolis warehouse district and run through downtown past the Metrodome, through the University of Minnesota campus, along University Avenue, past the Capitol, and into downtown St. Paul.

What kind of transit is planned in the Central Corridor?

There are three options:

- Maintain the current bus routes in the area, which have the highest ridership in the state.
- Create a bus rapid transit (BRT) system. Buses would operate in an exclusive busway, on portions of University Avenue and in mixed traffic in downtown St. Paul, downtown Minneapolis, and at the University of Minnesota.
- Create a light rail transit (LRT) system. Short trains of quiet, electric-powered rail cars would operate along exclusive tracks, allowing them to avoid competition with other traffic. **The Central Corridor LRT line would connect with the new LRT line along Hiawatha Avenue from downtown Minneapolis to the airport and the Mall of America.**

How will the Central Corridor benefit Minnesotans?

- Employees working in the vicinity of the Central and Hiawatha corridors would have a reliable way to get to their jobs.
- **LRT would have a projected average weekday ridership of 38,100 and BRT would have a projected average weekday ridership of 31,200.**
- Twin Cities residents and visitors will be able to move around the Central Corridor more easily.
- People who currently drive their own cars will have a comfortable, reliable transportation option.
- Businesses in the Central Corridor will benefit from increased visibility and the additional development that would likely follow transit improvements.

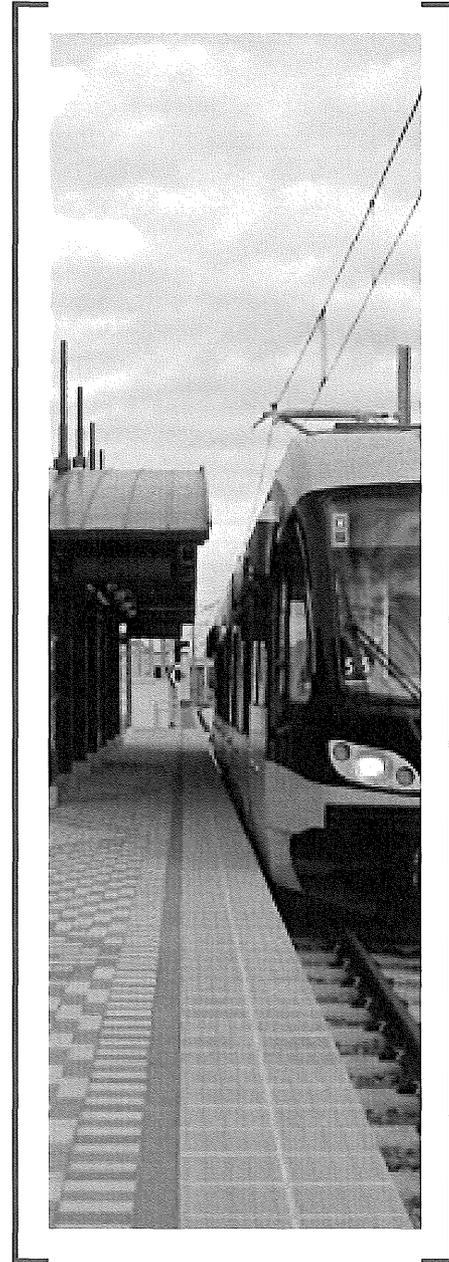


Photo: Kent Barnard

- Coupled with strong city planning, transit stations will focus on business and residential redevelopment while creating a stronger urban environment.
- Non-automobile transit will reduce dangerous emissions and improve air quality.

Why are changes needed in the Central Corridor?

- Between 1990 and 1998, daily traffic volumes rose more than 24% in the Central Corridor. And between 1996 and 2020, traffic volumes are expected to rise 48%, creating major congestion.
- Because I-94 is landlocked and expected to exceed capacity by 2020, increasing its capacity would cost well over \$1 billion, devastate nearby neighborhoods, and only delay inevitable congestion.
- The Midway business district is one of the fastest growing commercial and residential areas in the Twin Cities, and one of the most congested. Improved transit will allow growth to be sustained.
- The University Avenue area has the potential to be one of the best urban redevelopment sites in the Twin Cities if transit issues can be resolved.

What role does the Central Corridor play in a regional transit system?

- Transit works best when it connects key destinations and features predictable service. Along with the Hiawatha Line, the improved Central Corridor will connect all of the largest economic and residential destinations in the Twin Cities and involve comfortable and predictable transportation around neighborhoods.

What will the Central Corridor cost?

- Projected capital costs for LRT in the Central Corridor is \$840 million (2008 dollars).
 - Projected annual operating cost in 2020 for all transit in the Central Corridor (bus and LRT) is \$61 million (2008 dollars).
- Projected capital cost for BRT in the Central Corridor is \$241 million (2008 dollars).
 - Projected annual operating cost in 2020 for a BRT based system in the Central Corridor (regular bus service and BRT) is \$59 million (2008 dollars).
 - Projections show that BRT will not meet ridership demand in 2020.

Legislative Request: \$5.25 million (to match federal funds already committed)

Scope of Request: The request and matching funds will be used for preliminary engineering for transit development between downtown Saint Paul and the Metrodome station of the Hiawatha line. At completion of this phase, the line will be 30 percent designed and ready to go into final design and construction.

Projected Total Capital Costs – Light Rail Transit: \$840 million (2008 dollars)

Projected Weekday Ridership – Light Rail Transit: 38,100

For more information, please contact:

Steve Morris, Central Corridor Project Manager

Ramsey County Regional Railroad Authority
Suite 665, Ramsey County Government Center West
50 West Kellogg Blvd.
St. Paul, MN 55102

651-266-2784

Steve.Morris@co.ramsey.mn.us



www.centralcorridor.org

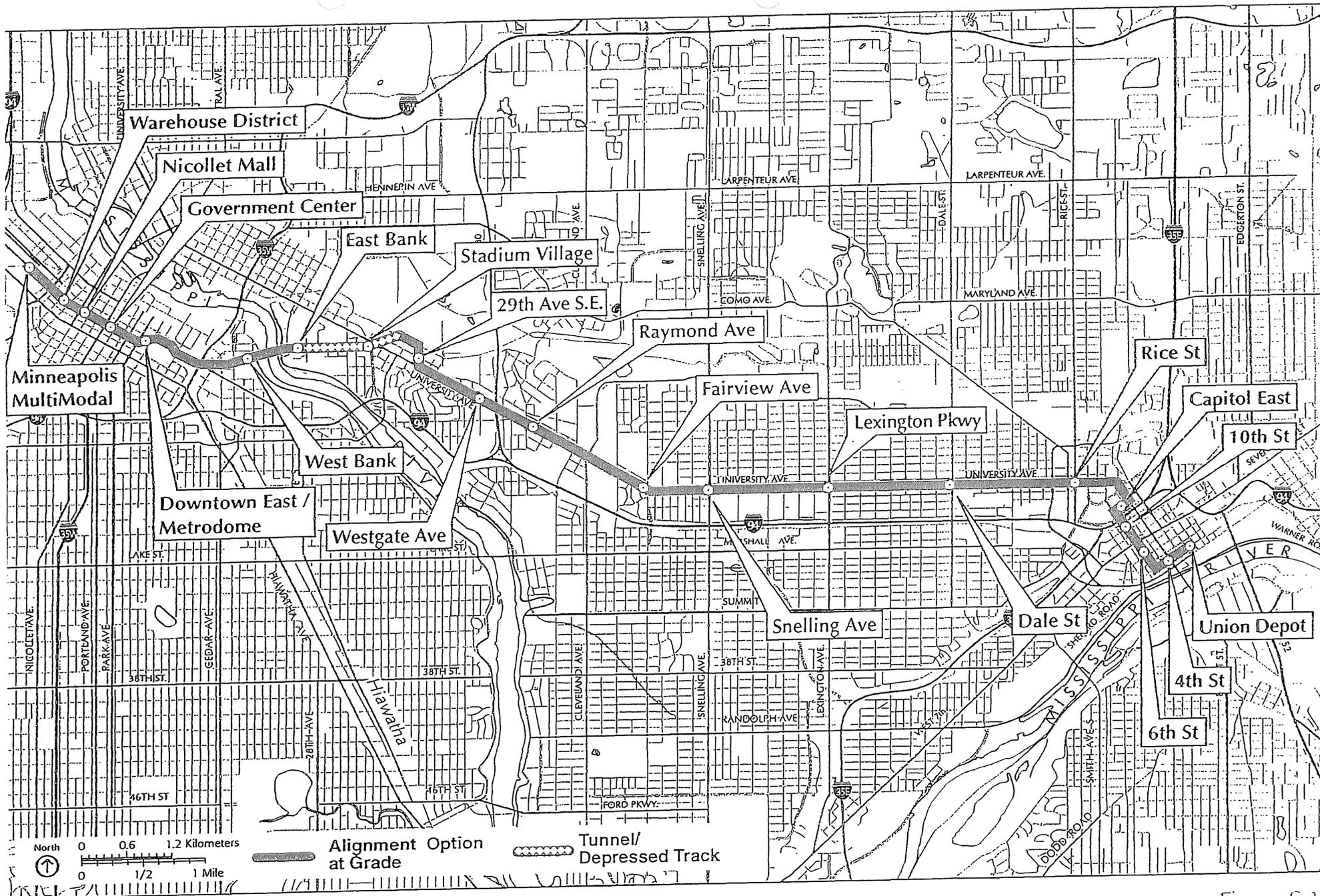
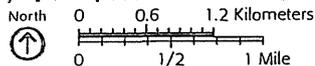
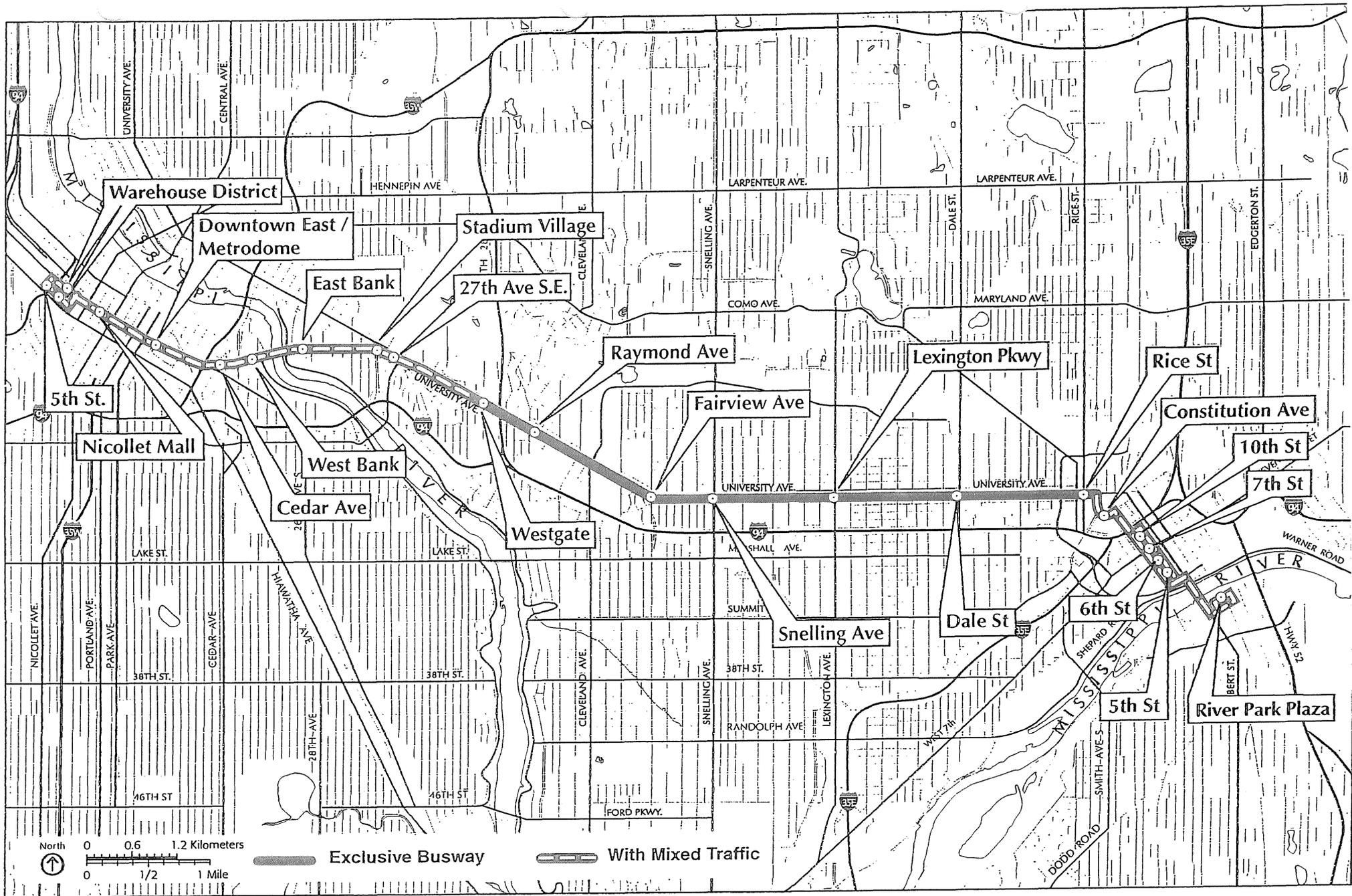


Figure S.1-



 Exclusive Busway  With Mixed Traffic

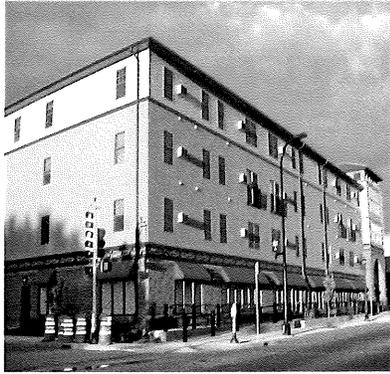
The Central Corridor



Hiawatha Corridor LRT has begun operations



Transit development has spurred economic development in the Hiawatha Corridor

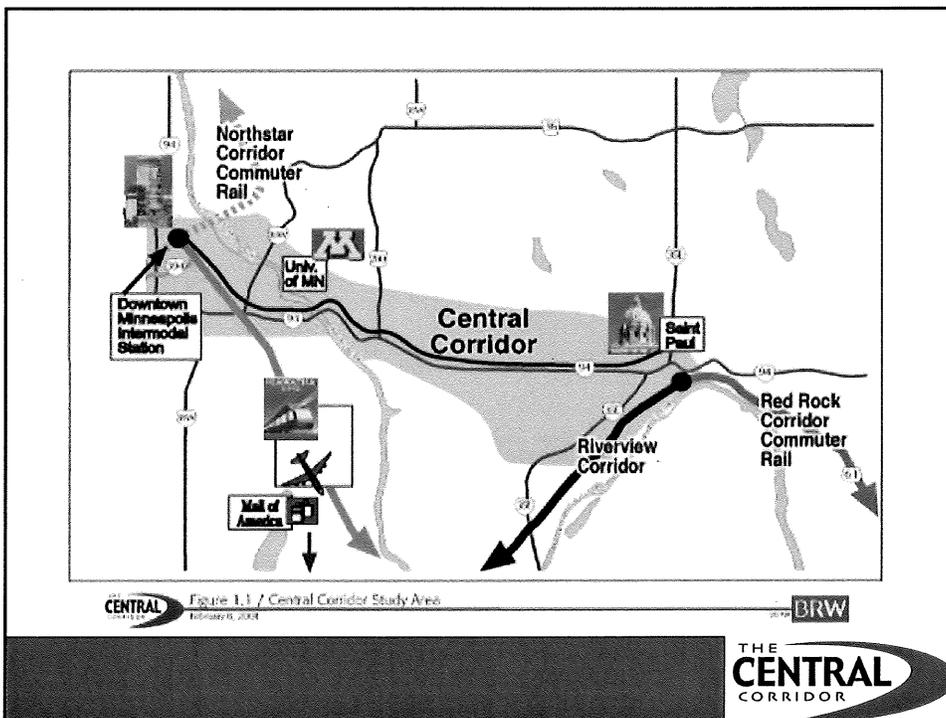
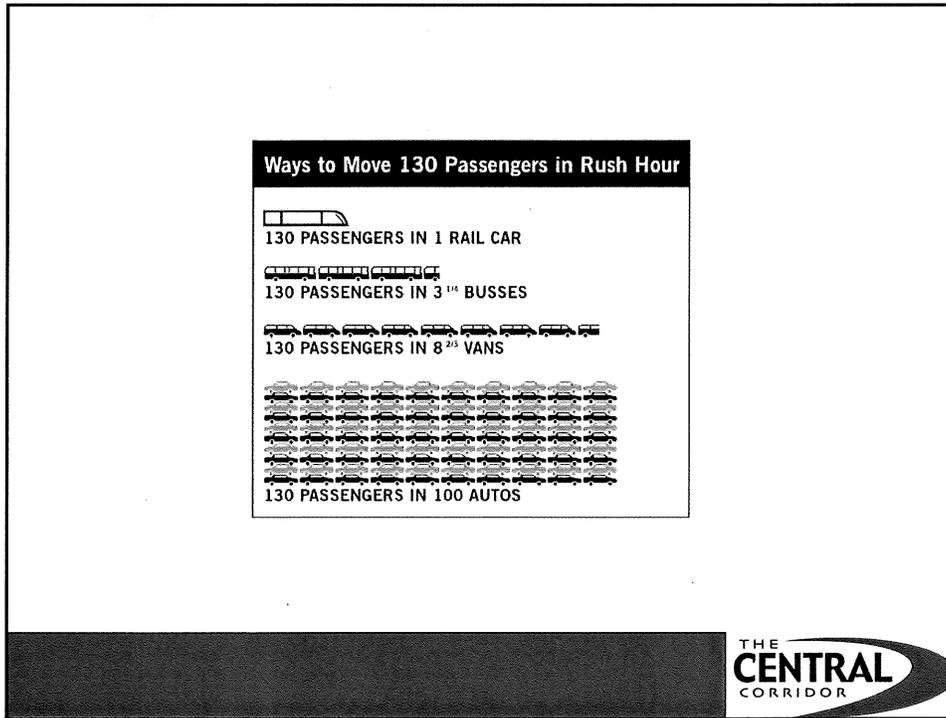


THE
CENTRAL
CORRIDOR

Projected ridership on the Central Corridor

38,100 riders per day

THE
CENTRAL
CORRIDOR

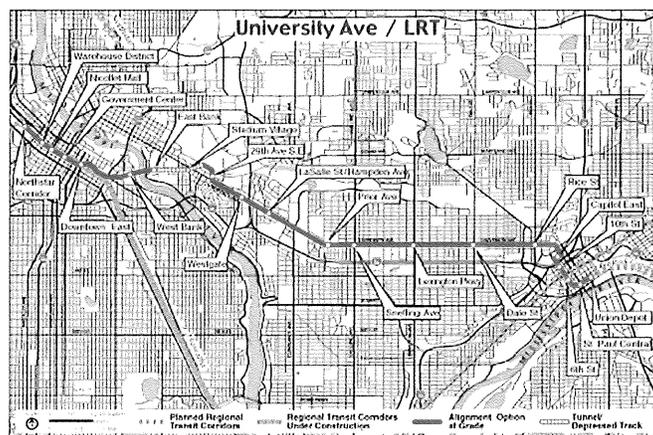


Current recommendation

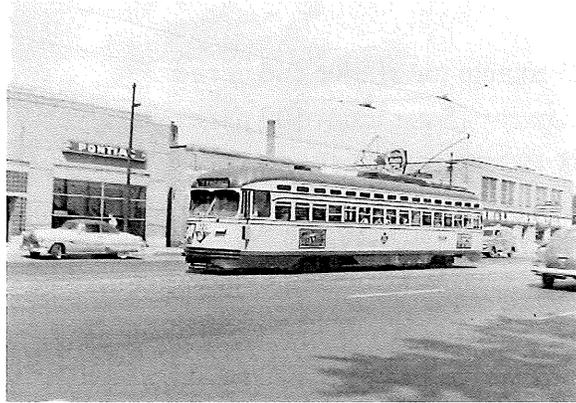
- Light Rail Transit (LRT)
- University Avenue alignment



LRT in the Central Corridor

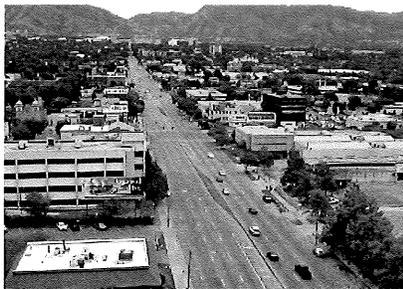


Transit on University Avenue



THE
CENTRAL
CORRIDOR

The University Line in Salt Lake City



THE
CENTRAL
CORRIDOR

Central Corridor facts and figures

- 43-minute travel time end to end
- Capacity (3-car train) 500 passengers
- 38,100 projected daily riders
- Will share yard and shop with Hiawatha Line



Competitive federal funding process

- Communities across the country competing for this federal funding
- Central Corridor's ridership projections among the highest in the country
- Reliability of state and local funding will be a factor in the competition for federal funding



Estimated Costs

- **Capital:**
 - \$840 million
 - (in 2008 Dollars)
- **Annual Operating:**
 - \$61 million
 - (in 2008 Dollars)



Central Corridor Legislative Request

- \$5.25 million in bonding
- Match \$5.25 million in federal funding already secured
- This will fund preliminary engineering



**Community leaders agree that the
Central Corridor is a necessary
investment**



**Why move on the
Central Corridor now?**

By acting now:

- We can address gridlock
- We can save millions of dollars in inflation costs
- We can plan for our future



Rush Line Corridor

What is the Rush Line Corridor?

The Rush Line Corridor begins in downtown St. Paul and generally follows Highway 61 and I-35E/I-35 north for 80 miles to Hinckley. The corridor communities range from the urbanized St. Paul to the more rural communities in Chisago and Pine Counties.

About the Corridor

Congestion is on the rise in the Corridor. Traffic forecasts show that traffic on I-35E/I-35 will increase by 25 percent south of I-694, by 65 percent between White Bear Lake and Hugo, and by 50 percent north of Hugo. The reconstruction of the I-35E/I-694 interchange in 2005-2007 will increase that congestion. Metro Transit and private bus providers offer commuter and daily bus service in the corridor, with some service as far north as Lino Lakes. County-based transit systems in Washington and Chisago/Isanti Counties provide limited local service in their respective counties. A limited-service freight railroad operates in two sections of the corridor—between White Bear Lake and Hugo, and then north of North Branch. Other sections of railroad right-of-way have been abandoned and acquired by Ramsey, Chisago, and Washington Counties, and have been made into interim-use recreational trails. These sections include downtown St. Paul to Maplewood and from Hugo to North Branch.

Transit Study

A transit study was completed in September 2001 for the Rush Line Corridor. The study goal was to identify and recommend both short-term and long-term transit improvements for north-south travel in the corridor. The study examined current and future travel considerations in the corridor. Short-term improvements were recommended to improve mobility in the corridor. Longer-

term improvements, including commuter rail and a busway, were also analyzed and recommended for implementation at a later time.

Task Force

A joint powers organization was created in 1999 for the corridor. The 15 member task force includes the county regional railroad authorities of Chisago, Ramsey, and Washington; Pine County; the cities of Forest Lake, Harris, Hugo, Little Canada, Maplewood, North Branch, Rush City, White Bear Lake, and Wyoming; and the Townships of White Bear and Wyoming. Ramsey County Commissioner Victoria Reinhardt is the Task Force Chair.

What Happens Now?

The Rush Line Corridor has received \$1,000,000 in federal funds to implement study recommendations. The Task Force has recommended the following projects:

1. Pine County, Hwy 70 and 361 park and pool, \$97,000
2. Chisago County, CSAH 17 & I-35 park and pool, \$188,000
3. Forest Lake Transit Center, \$489,458
4. Two vanpool vans, \$37,542
5. Maplewood Mall park and ride \$188,000 (completed)

State Request

A request is being made of \$1 million in state funds for bus improvements and park and ride facilities.

Contact

Kathy DeSpiegelaere, Director
Ramsey County Regional Railroad Authority
651.266.2762 (telephone)
www.rushlinecorridor.com



Legislative Districts Rush Line Transportation Corridor

MINNESOTA SENATE

- | | | | |
|----|------------------|----|----------------|
| 8 | BECKY LOUREY | 55 | CHARLES WIGER |
| 17 | SEAN NIENOW | 65 | SANDRA PAPPAS |
| 52 | MICHELE BACHMANN | 66 | ELLEN ANDERSON |
| 53 | MADY REITER | 67 | MEE MOUA |
| 54 | JOHN MARTY | | |

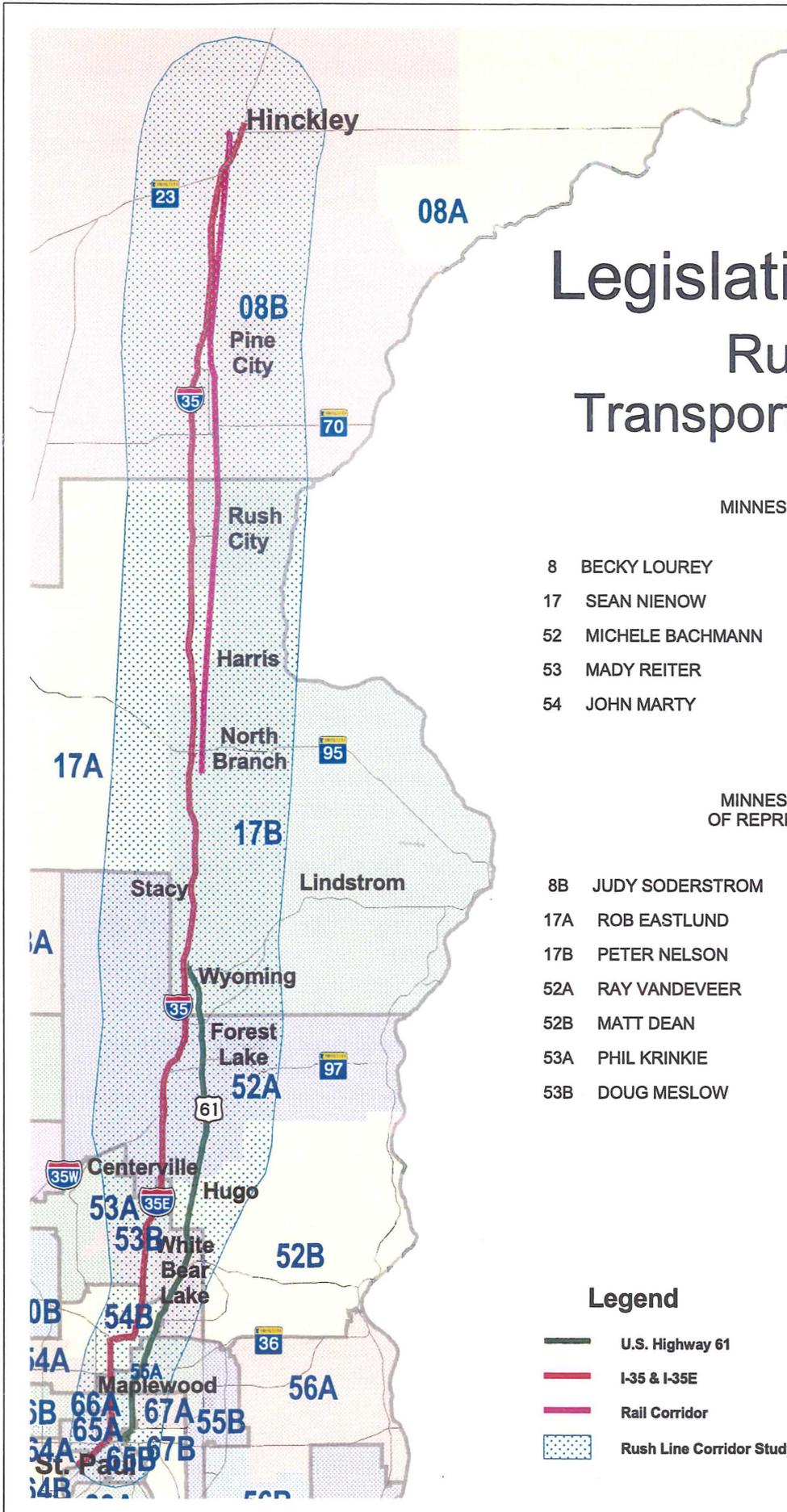
MINNESOTA HOUSE OF REPRESENTATIVES

- | | | | |
|-----|-----------------|-----|-----------------|
| 8B | JUDY SODERSTROM | 54A | BEV SCALZE |
| 17A | ROB EASTLUND | 54B | CARL JACOBSON |
| 17B | PETER NELSON | 55A | LEON LILLIE |
| 52A | RAY VANDEVEER | 55B | NORA SLAWIK |
| 52B | MATT DEAN | 65A | CY THAO |
| 53A | PHIL KRINKIE | 65B | CARLOS MARIANI |
| 53B | DOUG MESLOW | 66A | JOHN LESCH |
| | | 67B | SHELDON JOHNSON |

Legend

-  U.S. Highway 61
-  I-35 & I-35E
-  Rail Corridor
-  Rush Line Corridor Study Area

The information on this map is a compilation of Ramsey County Records. THE COUNTY DOES NOT WARRANT OR GUARANTEE THE ACCURACY OF THIS DATA. The County disclaims any liability for any injuries, time delays, or expenses you may suffer if you rely in any manner on the accuracy of this data. Other data sources: INDOT, SEH, LMIC 12/23/2004 d:\corp\maps\plancomp_plan.apr

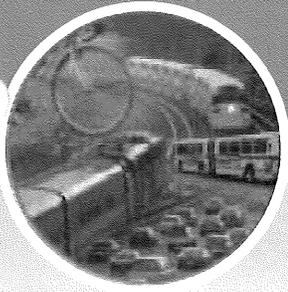


BUILDING MOMENTUM

RED ROCK

www.redrockcorridor.com

C O R R I D O R



RRCC MEMBERS INCLUDE:

Dakota County Regional
Railroad Authority
Washington County Regional
Railroad Authority
Ramsey County Regional
Railroad Authority
Hennepin County Regional
Railroad Authority
City of Hastings
Denmark Township
City of Cottage Grove
City of St. Paul Park
City of Newport

State Request:

\$1 million, for completion of environmental analysis, station area master planning, and matching future federal appropriations.

The Red Rock Corridor is a 30-mile transportation corridor traveling from Hastings through St. Paul and onto downtown Minneapolis. Commuter rail was previously studied, however the Federal Transit Administration (FTA) requires the completion of an Alternatives Analysis if federal funds will be requested for construction.

Alternatives Analysis

The Alternatives Analysis (AA) will define specific alignments and transportation alternatives that address future mobility needs of the corridor while providing information to the public on the benefits, costs, and impacts of each alternative. Specific alternatives that are to be included are:

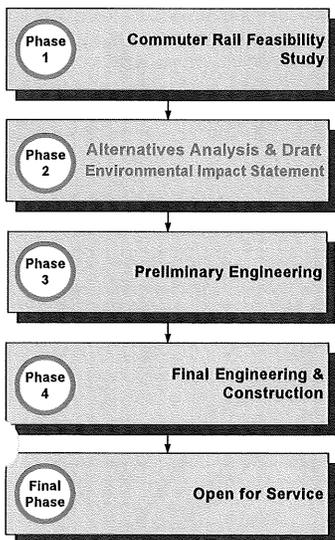
- No-Build (no improvements beyond what is currently planned)
- Transportation System Management (lower cost capital improvements)
- Build Alternatives (commuter rail, bus rapid transit, etc)

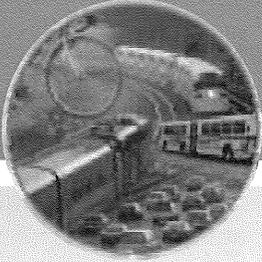
This study will not result in the selection of a single preferred alternative for the corridor. Instead, it will provide the Red Rock Corridor Commission, comprised of county regional railroad authorities and communities along the corridor, with the information necessary to select those alternatives that should progress into more detailed study in the Draft Environmental Impact Statement. The AA study is underway, and is expected to be completed in 2005.

Draft Environmental Impact Statement

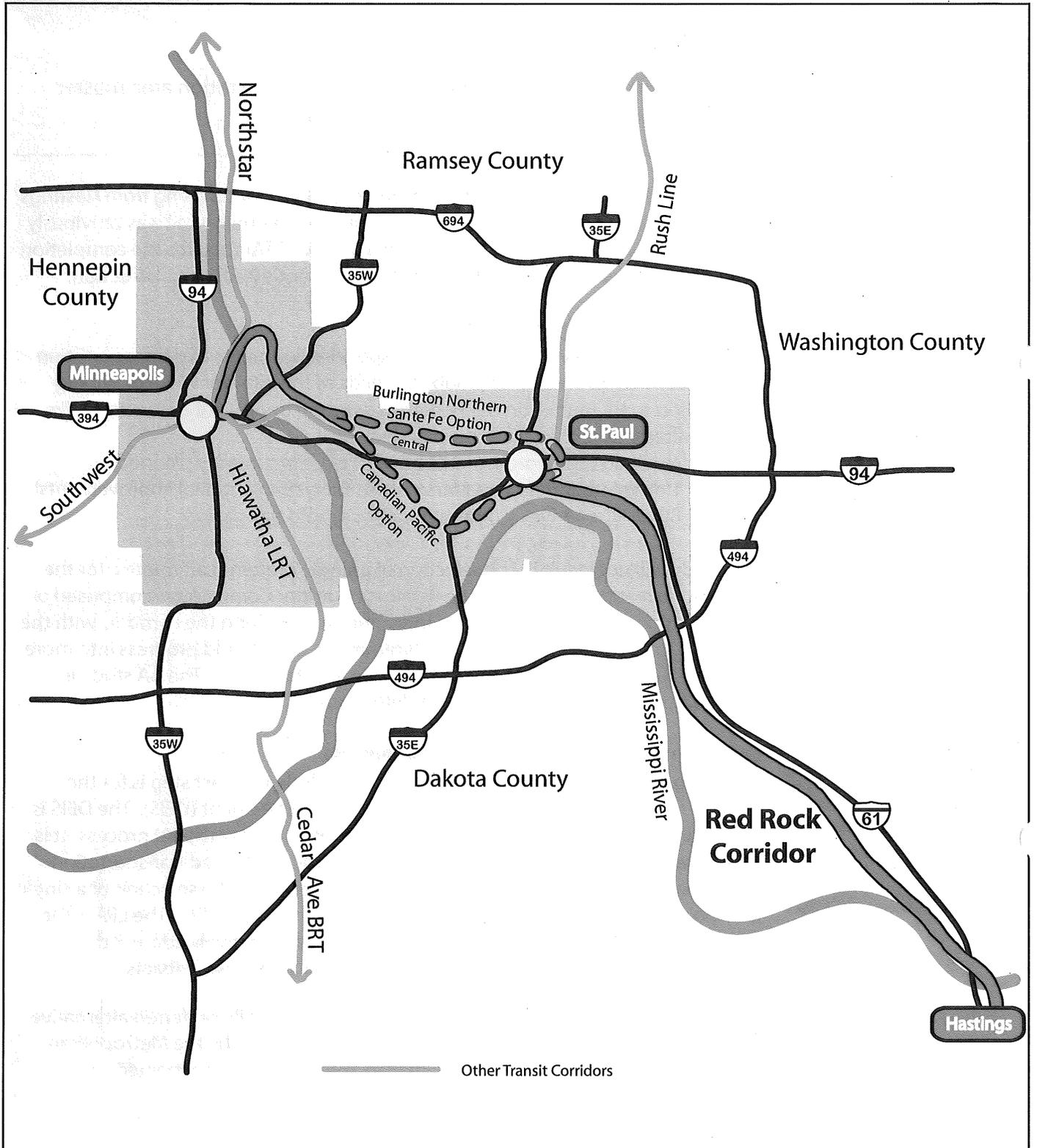
Following the completion of the Alternatives Analysis, the next step is for the corridor to complete a Draft Environmental Impact Statement (DEIS). The DEIS is the beginning of the National Environmental Protection Act (NEPA) process. It is where the environmental evaluation of the corridor's proposed transportation improvements is done. Once complete, the DEIS results in the selection of a single transportation alternative, the Locally Preferred Alternative (LPA). The LPA is the alternative that the region has determined will most effectively address the mobility needs within a given corridor with the least negative impacts.

The AA/DEIS process is considered complete when a locally preferred alternative (LPA) is selected by regional decision makers and adopted by the Metropolitan Council into the Transportation System Plan, the financially constrained metropolitan transportation plan.





www.redrockcorridor.com





LOCAL BRIDGE FACTS

- \$100 MILLION IN BOND FUNDS IS NEEDED IN 2005-2006 TO MEET THE REQUESTS – PASSED BY RESOLUTION – FROM LOCAL GOVERNMENTS FOR THE LOCAL BRIDGE PROGRAM.
- CURRENTLY, MNDOT HAS A WAITING LIST OF \$39.9 MILLION FOR LOCAL BRIDGES. THIS INCLUDES THE SAUK RAPIDS BRIDGE (\$15 MILLION), THE DOLLARS NEEDED TO MATCH FEDERAL FUNDS AND 60 BRIDGES WITH PLANS APPROVED, READY FOR 2005 CONSTRUCTION LETTING.
- THE LEGISLATURE APPROPRIATED \$45M DURING THE 2002 LEGISLATIVE SESSION FOR THE LOCAL BRIDGE REPLACEMENT PROGRAM.
- IN 2003-2004, 91 COUNTIES AND CITIES RECEIVED BRIDGE REPLACEMENT FUNDS.
- CONTINUOUS CONTRACT LETTING INCREASES THE COST-EFFECTIVENESS OF THIS PROGRAM. Mn/DOT, LOCAL AGENCIES, AND THE CONSTRUCTION INDUSTRY CAN ATTEST TO THE EFFECTIVENESS OF A CONTINUOUS YEAR-ROUND PROGRAM.
- APPROXIMATELY 1860 LOCAL ROADWAY BRIDGES (12%) ARE CLASSIFIED AS DEFICIENT.
- THE QUICK SPEND-DOWN OF PROGRAM DOLLARS DEMONSTRATES THAT CONTRACTORS, ENGINEERS AND LOCAL GOVERNMENTS ARE CAPABLE OF COMPLETING PROJECTS IN A TIMELY AND COST EFFECTIVE MANNER.
- STATE BOND FUNDS LEVERAGE SUBSTANTIAL LOCAL AND FEDERAL DOLLARS – *OVER ONE DOLLAR FOR EACH STATE DOLLAR.*
- SINCE 1977 OVER 6,500 BRIDGES HAVE BEEN REPLACED AND APPROXIMATELY 1500 BRIDGES HAVE BEEN REMOVED FROM THE SYSTEM.
- THE TOWN BRIDGE ACCOUNT WILL PROVIDE APPROXIMATELY \$20 MILLION FOR PROJECTS PLANNED FOR 2004-2005.
- CONTINUATION OF THE LOCAL BRIDGE PROGRAM IS CRITICAL IN ORDER TO ADDRESS THE LARGE NUMBER OF BRIDGES BUILT AFTER 1950 THAT ARE REACHING THE END OF THEIR USEFUL LIFE.

11/23/04

Since 1893

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Email: alliance@transportationalliance.com • www.transportationalliance.com



Alliance Bonding Recommendations

Project	Fund	Alliance Rec.	Gov. Rec. 2004	Gov. Rec. 2005	Senate	House
Local bridges	GO	\$60M	\$28M	\$28M	\$40M	\$31.118M
Local Roads - Routes of regional significance	GO	\$50M	\$10M	\$10M	\$ 5M	\$15M
Rural Road Safety Account	GO	\$50M	0		\$ 5M	0
Corridor Account	GO		0		0	\$ 8.090M
Port Development	GO	\$ 4M	0		\$ 3.7M	\$ 4M
Northstar Commuter Rail	GO	\$37.5M	\$37.5M	\$37.5M	\$ 2M	0
Cedar Avenue Busway	GO	\$10M	\$10M	\$10M	0	\$10M
Central Corridor	GO	\$ 5.25M	0		\$ 5.25M	0
Red Rock Corridor	GO	\$ 1M	0		\$ 1M	0
Rush Line	GO	\$ 1M	0		\$ 1M	\$ 1M
St. Paul Union Depot	GO	\$ 2M			\$ 2M	
Rail Service Improvement	GO	\$ 6M	0		\$ 3M	0
Forest Highway 11	GO		0		\$590,000	0
Duluth Aerial Lift Bridge	GO		0		\$ 1M	0
St. Paul Holman Field flood protection	GO		0	\$2M	\$100,000	0
Personal Rapid Transit	GO		0		0	\$ 4M
Small Capital Projects	THF		\$ 3.8M	\$ 4.12M THB	\$ 4.4M	\$ 3.8M
Analog to Digital Conversion	THF		\$ 3M		\$ 3M	0
Mankato Headquarters	THB		\$15.3M	\$16.62M	\$15.3M	\$15M
Exterior Repair of MnDOT building	THB		\$ 3.383M	\$ 9.342M	\$ 3.383M	0
Road wetland replacement	GO	\$ 4M	\$ 4.362M	\$ 4.362M	\$ 3M	\$ 3M
Forest Roads and Bridges	GO	\$ 1M	\$ 1M	\$ 1M	\$ 1M	0
Phalen Blvd.	GO	\$ 4M	0	\$ 1.5M	\$ 4M	\$ 2M
Lowry Ave. Corridor	GO	\$ 5M	0		\$ 1.5M	\$ 1.2M