

SF1625 - 1A - Light Rail Projects Responsible Authority

Chief Author: **Scott Dibble**  
 Committee: **Transportation**  
 Date Completed: **4/20/2023 3:18:28 PM**  
 Lead Agency: **Transportation Dept**  
 Other Agencies:  
 Metropolitan Council

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

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

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Transportation Dept</b>					
<b>General Fund</b>	9,375	28,125	37,500	63,649	98,785
<b>State Total</b>					
<b>General Fund</b>	9,375	28,125	37,500	63,649	98,785
<b>Total</b>	<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>
<b>Biennial Total</b>			<b>65,625</b>		<b>162,434</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Transportation Dept</b>					
General Fund	-	-	-	28	120
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>120</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko    **Date:** 4/20/2023 3:18:28 PM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.mn.gov

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
<b>Transportation Dept</b>						
General Fund		9,375	28,125	37,500	63,649	98,785
<b>Total</b>		<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>
<b>Biennial Total</b>				<b>65,625</b>		<b>162,434</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Transportation Dept						
General Fund		9,375	28,125	37,500	63,649	98,785
<b>Total</b>		<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>
<b>Biennial Total</b>				<b>65,625</b>		<b>162,434</b>
<b>2 - Revenues, Transfers In*</b>						
Transportation Dept						
General Fund		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>-</b>		<b>-</b>

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

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State Cost (Savings)	Biennium			Biennium		
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<b>Total</b>		<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>
<b>Biennial Total</b>				<b>65,625</b>		<b>162,434</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	-	28	120
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>120</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko      **Date:** 4/20/2023 3:17:33 PM  
**Phone:** 651-284-6543      **Email:** laura.cecko@lbo.mn.gov

**State Cost (Savings) Calculation Details**

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<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	9,375	28,125	37,500	63,649	98,785	
<b>Total</b>	<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>	
			<b>65,625</b>		<b>162,434</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	9,375	28,125	37,500	63,649	98,785	
<b>Total</b>	<b>9,375</b>	<b>28,125</b>	<b>37,500</b>	<b>63,649</b>	<b>98,785</b>	
			<b>65,625</b>		<b>162,434</b>	
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
			<b>-</b>		<b>-</b>	

**Bill Description**

This bill requires MnDOT to construct bus rapid transit facilities and associated infrastructure if the bus rapid transit line operates substantially within separated right-of-way or has total estimated construction costs over \$100 million. MnDOT must ensure any project is constructed in compliance with plans and designs adopted by the Metropolitan Council. MnDOT will be the designated authority for planning, designing, acquiring, constructing, and equipping the facility of light rail transit facilities. MnDOT may enter into one or more cooperative agreements with the Metropolitan Council with respect to the planning, designing, or equipping of light rail transit facilities, but not for acquiring or constructing. Section 1 is effective the day following final exactment and applies to all bus rapid transit projects excluding the Gold Line project.

**Assumptions**

MnDOT assumes this bill will apply to projects that enter into full funding grant agreement on or after the final enactment of the bill. This will apply to Blue Line Light Rail Transit (LRT) Extension and Purple Line Bus Rapid Transit (BRT) in addition to any subsequent projects. MnDOT assumes this bill will not apply to projects that already have full funding grant agreements, including the Green Line Extension and the Gold Line BRT.

To administer the Blue Line Extension LRT, Purple Line BRT, and Riverview Modern Streetcar projects MnDOT estimates that 296 new full-time employees are needed over the next ten years with salaries totaling approximately \$224 million. An additional \$300 million will be needed for consultant fees to provide design work and support for these projects during the coming decade. MnDOT assumes the Met Council will manage these design consultants via a cooperative agreement. MnDOT will need many new inspectors to deliver these projects. To pay competitive rates for attracting and retaining inspectors, MnDOT will need to adjust the internal salaries for 2,143 inspectors starting in FY 2026 at a cost of \$150 million over ten years. This represents an annual adjustment of \$10,000 per inspector. These positions are critical to administering LRT and BRT projects.

Construction is expected to occur over four years for LRT projects and over three years for BRT projects. Staff are needed from multiple areas of the agency to support projects through their various phases. This will be a combination of MnDOT and consultant staff in planning, engineering, design, construction, project management, technology, public outreach, environmental management, safety, land surveillance, grant management, and more. Changing staffing estimates for each project over the coming decade reflect that the combination of staff needed for these projects is complex and need will shift over the lifecycle of the projects. MnDOT estimates an average hourly rate of \$69.11 plus 50% to account for related overhead costs including fringe benefits.

Costs for the Blue Line Extension LRT will begin in FY 2023 and work on this project will extend through FY 2031. Design consultants are needed to complete approximately 30 percent of the design work for this project at a cost of \$9.4 million in

FY 2023, \$28.1 million in FY 2024, \$37.5 million in FY 2025, \$28.1 million in FY 2026, \$14 million in FY 2027, \$9.4 million in FY 2028 through FY 2030, and \$4.7 million in FY 2031. MnDOT estimates that to delivery this project 28 FTEs will be needed starting in FY 2026, 84 FTEs in FY 2027, 112 FTEs will be needed in FY 2028 and FY 2029, 84 FTEs in FY 2030, and 28 FTEs in FY 2031. MnDOT estimates for staffing that \$6 million is needed in FY 2026, \$18.2 million in FY 2027, \$24.2 million in FY 2028 and FY 2029, \$18.1 million in FY 2030, and \$6 million in FY 2031.

Costs for the Riverview Modern Streetcar will begin in FY 2026. Design consultants are needed to complete approximately 30 percent of the design work for this project at a cost of \$18.7 million in FY 2026, \$37.5 million in FY 2027 and 2028, \$23.4 million in FY 2029, and \$9.4 million in FY 2030 through FY 2033. MnDOT estimates that 56 FTEs will be needed to deliver this project starting in FY 2029, 112 FTEs from FY 2030 through FY 2032, and 56 FTEs in FY 2033. MnDOT estimates that for staff \$12.1 million is needed in FY 2029, \$24.2 million in FY 2030 through FY 2032, and \$12.1 million in FY 2033.

Costs for the Purple Line BRT will begin in 2027. MnDOT estimates that to deliver this project 36 FTE are needed in FY 2027, 72 FTE in FY 2028, and 36 FTE in FY 2029. MnDOT estimates \$7.6 million in needed in FY 2027, \$15.2 million in FY 2028, and \$7.6 million in FY 2029 for staff.

**Expenditure and/or Revenue Formula**

Blue Line LRT Ext.	2023	2024	2025	2026	2027
Design Consultant Cost	\$9,375,000	\$28,125,000	\$37,500,000	\$28,125,000	\$14,062,500
FTE Cost				\$6,058,983	\$18,176,948
FTE Count				28	84
<b>Total Costs</b>	<b>\$9,375,000</b>	<b>\$28,125,000</b>	<b>\$37,500,000</b>	<b>\$34,183,983</b>	<b>\$32,239,448</b>
Riverview Modern Streetcar	2023	2024	2025	2026	2027
Design Consultant Cost				\$18,750,000	\$37,500,000
FTE Cost					
FTE Count					
<b>Total Costs</b>				<b>\$18,750,000</b>	<b>\$37,500,000</b>
Purple Line BRT	2023	2024	2025	2026	2027
FTE Cost					\$7,615,143
FTE Count					36
<b>Total Costs</b>					<b>\$7,615,143</b>
Inspector Costs	2023	2024	2025	2026	2027
Salary Adjustments				\$10,715,000	\$21,430,000
	2023	2024	2025	2026	2027
Blue Line LRT Ext.	\$9,375,000	\$28,125,000	\$37,500,000	\$34,183,983	\$32,239,448
Riverview Modern Streetcar				\$18,750,000	\$37,500,000
Purple Line BRT					\$7,615,143
Salary Adjustment				\$10,715,000	\$21,430,000
FTE Count				28	120

Total Costs	\$9,375,000	\$28,125,000	\$37,500,000	\$63,648,983	\$98,784,591
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**Long-Term Fiscal Considerations**

Costs to administer the Blue Line Extension LRT, Purple Line LRT, and Riverview Modern Streetcar projects extend through 2033.

**Local Fiscal Impact**

None

**References/Sources**

MnDOT Metro District

**Agency Contact:** Sam Brown

**Agency Fiscal Note Coordinator Signature:** Samuel Brown

**Phone:** 651-346-8525

**Date:** 4/20/2023 1:08:54 PM

**Email:** samuel.brown@state.mn.us

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Chief Author: **Scott Dibble**  
 Committee: **Transportation**  
 Date Completed: **4/20/2023 3:18:28 PM**  
 Agency: **Metropolitan Council**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko    **Date:** 4/12/2023 9:42:06 PM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.mn.gov

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<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

Section 1. CONSTRUCTION OF NONARTERIAL BUS RAPID TRANSIT FACILITIES.

The commissioner must construct bus rapid transit facilities and infrastructure in the metropolitan area if a bus rapid transit line will either operate substantially within separated rights-of-way or has a total estimated construction cost of more than \$100,000,000.

The commissioner must ensure any construction project subject to this section is constructed in compliance with applicable plans and designs adopted by the Metropolitan Council

Subd. 1a. Designation of responsible authority. For each proposed light rail transit facility in the metropolitan area, the governor must designate the state of Minnesota acting through the commissioner of transportation as the entity responsible for planning, designing, acquiring, constructing, and equipping the facility.

The commissioner may enter into one or more cooperative agreements with the Metropolitan Council with respect to the planning, designing, or equipping of a particular light rail transit facility that provide for the parties to exercise their respective authorities in support of the project in a manner that best serves the project and the public.

Effective Date:

For Section 1 where the commissioner must construct bus rapid transit facilities and infrastructure in the metropolitan area if a bus rapid transit line will either operate substantially within separated rights-of-way or has a total estimated construction cost of more than \$100,000,000, the effective date follows final enactment and applies to all bus rapid transit projects excluding the Gold Line BRT.

For all other Light Rail projects, the effective date is the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

**Assumptions**

This bill would transfer construction of the Blue Line Extension, Purple Line, and H Line ABRT to MnDOT during the construction phase of the projects.

It is unclear what happens to projects that are in construction (METRO Green Line Extension). It appears the METRO Gold line has been excluded.

FTA would require a transition plan from the Metropolitan Council and MnDOT before they would allow a change in lead agency.

There are a variety of legal issues that would be created with right of way that would need to be investigated.

As written, the Metropolitan Council would become the owner of the facilities after construction is complete and movement into revenue operations.

The Metropolitan Council would have approval of the plans before construction.

The bill would not have an impact on the OPERATING budget of the Metropolitan Council. It would reduce the Council's CAPITAL budget, as an equal amount of revenues (primarily federal and local) and expenses would instead go to the Department of Transportation for these construction projects.

**Expenditure and/or Revenue Formula**

NA

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:** Ed Petrie MT Finance Director 612 349 7624

**Agency Fiscal Note Coordinator Signature:** Stewart McMullan

**Phone:** 651-602-1374

**Date:** 4/12/2023 4:19:59 PM

**Email:** [stewart.mcmullan@metc.state.mn.us](mailto:stewart.mcmullan@metc.state.mn.us)