

COUNTIES *Transit* Improvement BOARD

Annual Report to the Legislature
2014 Results

Submitted: January 30, 2015

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1.0 LETTER FROM BOARD CHAIR

On behalf of the Counties Transit Improvement Board (“CTIB”), I respectfully submit this 2014 Report to the Legislature, as required by Minn. Statute Section 297A.92. This annual legislative report details the revenues received since the enactment of the transit sales tax, as well as the grants awarded by the Board since 2008. In addition, this report provides background information on CTIB’s membership and organizational structure; policies and practices for its grant-making and oversight activities; and the funding commitments approved for regional transitways in the federal pipeline.

CTIB invests in transitways that will increase access to jobs, catalyze economic development, serve transit dependent populations, and improve regional mobility. Since the creation of the Joint Powers Board in 2008, CTIB has successfully fulfilled the statutory requirements for the investment of the transit sales tax by providing **\$648 million in grants** to fund the development, construction and operations of major transit system improvements across the metropolitan region. These grants have provided a reliable source of early funding and significant cash flow capacity needed for developing transitways that has been essential in leveraging additional federal, local and private funding. As provided by statute, all grants have been consistent with the Transportation Policy Plan of the Metropolitan Council.

In 2014, CTIB approved its first Program of Projects Investment Strategy, a financial plan that builds on new federal policy directions and best practices from peer regions across the country. CTIB has followed text-book financial management practices and developed its Investment Strategy. CTIB’s financial planning reflects the cash flow needs of major construction projects as well as ongoing operating costs of transitways (half of which CTIB provides). Moreover, the Board exercises active oversight of the use of grant funds to ensure accountability and fulfill its fiduciary responsibility.

Since the 1990’s, \$1.5 billion in federal funds have been invested in the Twin Cities to bolster our transportation system. These funds have made Minnesota’s transportation pie bigger. Most of these funds are dedicated by the federal government to transit investments. These projects compete not with road and bridge construction here in Minnesota, but with transit investments across the nation, often in regions with which we compete vigorously for economic growth. Just like the federal highway system expanded opportunities for interstate travel and commerce, high-capacity light rail, commuter rail and bus rapid transit lines support regional economies by increasing access to jobs and reducing congestion. If we don’t compete for federal New Starts and Small Starts transit funding, then Minnesota will continue to lose out as a donor state. The performance of both the Hiawatha (now the Blue Line) and the Central Corridor (now the Green Line) LRT projects has borne out the value of these investments, with ridership far exceeding projections and private sector investment proceeding robustly. Our goal is to continue this record of successful investment.

In 2015, CTIB will continue its efforts to accelerate transitway development while exercising prudent fiscal oversight of transit sales tax revenues. Our Board welcomes the opportunity to discuss our work and accomplishments with you and your staff. Please do not hesitate to contact me or any member of our Board members if you have any questions or would like to schedule a meeting.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Peter McLaughlin".

Commissioner Peter McLaughlin, Chair

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2.0 EXECUTIVE SUMMARY

The Counties Transit Improvement Board (“CTIB”) respectfully submits its Annual Report to the Legislature summarizing significant accomplishments during 2014. As required by Minn. Statutes Section 297A.992, Subd. 11, this Report will address the revenues received from the quarter-cent sales and use tax and the \$20 motor vehicle excise tax (“transit sales tax”), as well as the grants managed by the Board in 2014.

LEGISLATIVE DIRECTIVES TO THE COUNTIES TRANSIT IMPROVEMENT BOARD

In 2008, the Minnesota Legislature enacted legislation that authorized metropolitan area counties to impose a transit sales tax for the purpose of funding transitway improvements.

The legislative direction to the counties imposing the tax was four-fold:

- Form a joint powers board to distribute tax proceeds through grants for transitways;
- Seek the advice of local governments through the formation of the Grant Evaluation and Ranking System (GEARS) Committee;
- Maximize the use and availability of federal funding; and
- Accomplish these purposes with minimal administrative expenditures (no more than three-fourths of one percent of the tax proceeds).

Additional goals for distribution of the transit sales tax were articulated as: bring additional federal transit funding to the region, reduce the state’s capital contribution to transitways, remove operating costs for transitways from local property taxpayers, and produce tangible results by focusing tax proceeds on construction.

CTIB SUPPORTED TRANSITWAY PROJECTS - \$648.3 MILLION INVESTMENT

CTIB’s goal is to accelerate transit development and catalyze economic development in the five counties of Anoka, Dakota, Hennepin, Ramsey and Washington by funding construction and operations for transitway corridors identified in CTIB’s Transitway Vision Map (Map 1). Through grants awarded in 2008 - 2014, CTIB has provided almost two-thirds of a billion dollars to ten transitway corridors:

- Bottineau LRT: Hennepin
- Cedar Avenue BRT: Dakota
- Central Corridor LRT: Hennepin and Ramsey
- Gateway Corridor: Ramsey and Washington
- I-35W South BRT: Dakota and Hennepin
- Hiawatha LRT: Hennepin
- Northstar Commuter Rail: Anoka and Hennepin
- Red Rock Corridor: Ramsey and Washington
- Rush Line Corridor: Ramsey and Washington
- Southwest Corridor LRT: Hennepin

Capital: \$475.20 million

Operating: \$161.33 million

Washington: \$11.77 million

2014 RESULTS

In 2014, CTIB provided \$39.9 million in grants to transitway projects in each of the five CTIB member counties. These grants have resulted in tangible improvements to the transit system across the five-county area.

Building on the success of 2014 grants, CTIB awarded an additional \$140.6 million in grants for 2015 capital and operating needs. The transitway corridors where CTIB has invested capital or operating grant funds are identified in Map 3.

Transitway projects across the region achieved tangible results in 2014, with significant financial support from CTIB's capital and operating grants.

- January: CTIB commits \$27.6 million to the Bottineau LRT (Blue Line Extension) project for up to 60% of the costs of the Project Development phase of work.
- June: The METRO Green Line opened for service on June 14, 2014.
- July: Anoka County held a Grand Opening for the new pedestrian overpass at the Northstar Commuter Rail Anoka Station on July 25, 2014.
- August: CTIB commits \$496 million to the Southwest LRT (Green Line Extension) project for the up to 30% of the full capital costs of the project.
- August: Bottineau LRT (METRO Blue Line Extension) received federal approval to enter project development and begin designing the line.
- September: CTIB commits \$6 million to the Orange Line BRT project for up to 60% of the costs of the project development phase of work.
- October: The Gateway Corridor Commission, and all member counties and cities, approve the locally approved alternative for the Gold Line BRT project. The locally preferred alternative is included in the Metropolitan Council's 2040 Transportation Policy Plan.
- October: Anoka County wins a \$10 million TIGER grant for safety improvements to the Highway 10 and Northstar Commuter Rail/BNSF freight rail corridors.
- December: The Newport Transit Station, on the Red Rock Corridor, opens for service.
- December: CTIB approves \$140.6 million in grants for 2015 transitway operations and capital projects.

PROGRAM OF PROJECTS INVESTMENT STRATEGY

CTIB enlisted national expertise in 2014 to develop a Program of Projects Investment Strategy ("POP Investment Strategy"). The POP Investment Strategy is guided by the Board's long-term vision network of interconnected transitways that acts as a catalyst for economic development, increased system-wide transit ridership and further transit expansion.

CTIB developed the POP Investment Strategy because it is committed to:

- Building a regionally-balanced, catalytic transitway system;
- Accelerating the development of multiple transitways at once;
- Minimizing the cost of delays;
- Achieving system benefits more quickly; and
- Maximizing federal funding through the strategic use of sales tax revenues.

Based on a combination of project technical readiness, regional balance, and analysis of available resources, CTIB identified a set of Phase 1 projects that are eligible for grant funding from existing sales tax resources. The POP Investment Strategy presents a funding plan that includes aggressive pursuit of federal dollars and the strategic application of the Board's current sales tax to maximize the impact of its investments. Phase 1 projects are described in more detail in Section 7 and identified in Map 2.

TOTAL INVESTMENT LEVERAGED BY CTIB GRANTS - \$1.43 BILLION

Since 2008, CTIB grants have generated a total investment of \$1.43 billion from federal, state, regional and local funding sources. CTIB grants require that projects be supported by matching funds, increasing the impact of the transit sales tax. This amount does not include the substantial investments made by local governments during preliminary planning phases, before a project is eligible for grants from CTIB.

LOCAL PROPERTY TAX RELIEF - \$115.46 MILLION

In 2008, CTIB assumed the responsibility of the county regional railroad authorities to provide the 50 percent local share of transitway operating costs. Prior to the formation of CTIB, these costs had been paid with property tax dollars. Through operating grants awarded 2008 – 2015, CTIB has provided \$115.46 million in property tax relief.

CTIB FUNDING COMMITMENTS SECURE FEDERAL FUNDING

In 2014, CTIB committed \$529,600,000 to three regional transitways. CTIB approved a full funding commitment for 30 percent of total capital costs of the Southwest LRT project (METRO Green Line Extension), in an amount not-to-exceed \$496,000,000. In addition, the Bottineau LRT and Orange Line BRT projects received funding commitments for 60 percent of the cost of project development (PD). The Bottineau PD funding commitment is for an amount up to \$27.6 million, while the Orange Line PD funding commitment is for an amount up to \$6 million. These funding commitments approved in 2014 add to the \$301.6 million in funding commitments previously provided to the METRO Green Line (Central Corridor LRT) and METRO Red Line (Cedar Avenue BRT) projects.

Under new federal legislation passed in 2012, *Moving Ahead for Progress in the 21st Century (MAP-21)*, local sponsors of New Starts projects are required to provide funding commitments for each phase of work, before the federal government commits to its share of funding. This new federal requirement raises the bar for local financial support of projects in the early design and engineering phases. Non-federal funding partners take on a greater level of risk for early project development without certainty the project will receive a 50 percent federal match.

CTIB's funding commitments demonstrate to the Federal Transit Administration (FTA) that the region is capable of meeting local matching funding requirements. As a result of strong financial plans, transitway projects seeking federal New Starts or Small Starts funding earn higher evaluation scores and project ratings.

3.0 INTRODUCTION

CTIB's authorizing legislation, Minn. Stat. Section 297A.882, requires the Board to report annually by February 1 to the House of Representatives and Senate committees having jurisdiction over transportation policy and finance concerning the revenues received and grants awarded by CTIB. This report provides the information required by statute along with additional information about CTIB and its policies to provide background and context for legislators.

This report begins with a review of CTIB's authorizing legislation and organizational structure (Sections 5 and 6). A description of CTIB's fiscal and investment policies follows, showing how CTIB manages the revenue received from the transit sales tax. The Transit Investment Framework identifies specific policies governing the use of sales tax proceeds (Section 7), while the PoP Investment Strategy serves as a sophisticated financial plan for a 10-year build-out of specific transitway projects (Section 8). CTIB fulfills its role in securing federal funding by providing funding commitments to projects that demonstrate viability and need (Section 9).

The report closes with an explanation of sales tax revenue received (Section 10) and the grants that have been awarded since 2008 (Section 11). Additional detail for recent and upcoming grant projects is provided, along with summary factsheets for each transitway included in Phase 1 of the PoP (Sections 12-13).

Map 1

CTIB Transitway Vision Map



OPERATIONAL TRANSITWAYS

BLUE LINE LRT

GREEN LINE LRT

RED LINE BRT

NORTHSTAR COMMUTER RAIL

PLANNED EXPANSION

BOTTINEAU LRT
Blue Line Extension

GATEWAY BRT
Gold Line

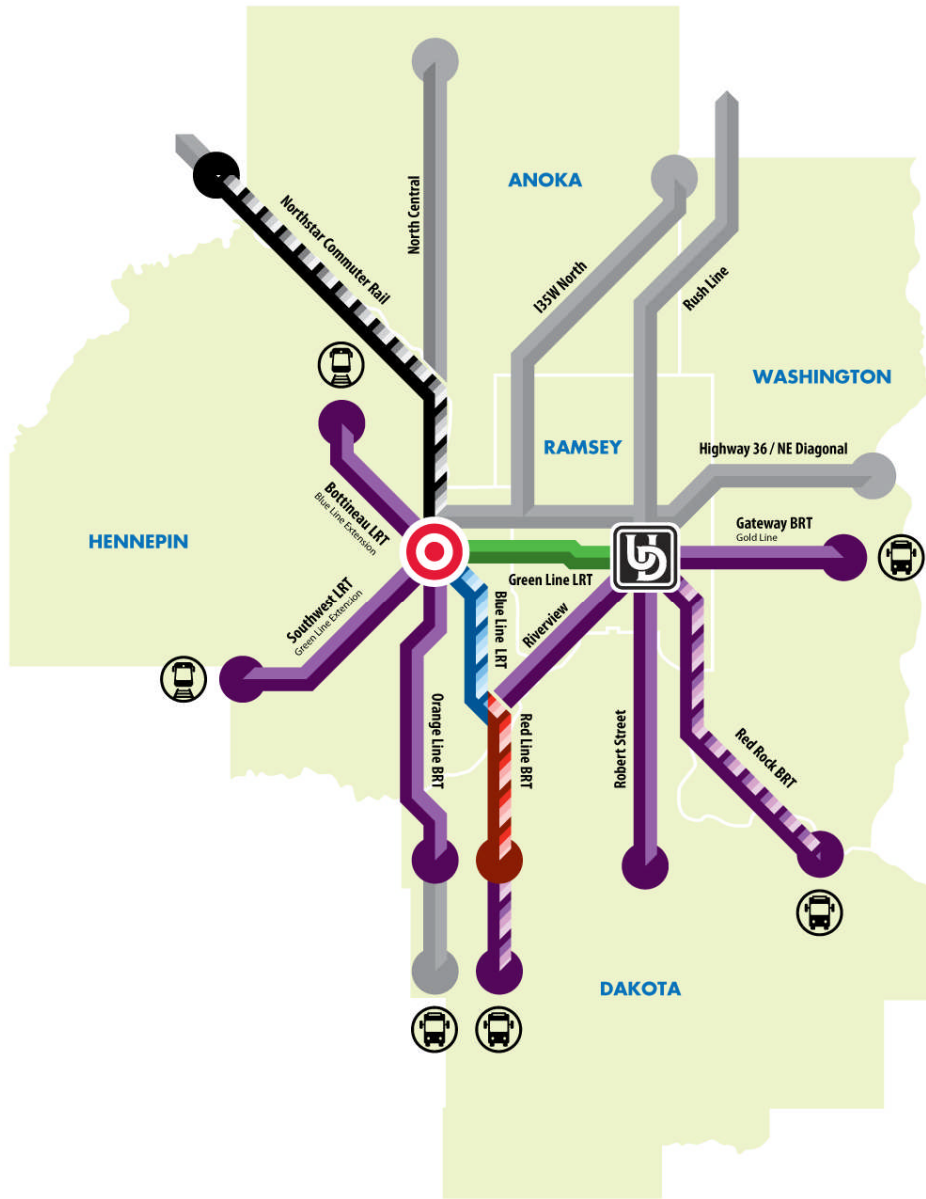
SOUTHWEST LRT
Green Line Extension

ORANGE LINE BRT

RED LINE BRT





FUTURE TRANSITWAYS

FUTURE TRANSITWAY






COUNTIES *Transit Improvement* BOARD
 Program of Projects: Phase 1

EXISTING TRANSITWAYS

- BLUE LINE LRT 
- GREEN LINE LRT 
- RED LINE BRT 
- NORTHSTAR COMMUTER RAIL 

PHASE ONE PROJECTS

- TRANSITWAY EXPANSION 
- IMPROVEMENT  

FUTURE PHASES

- FUTURE PROJECTS 

Map 3



4.0 DEFINITIONS

Transitway: CTIB uses a definition of transitway that is aligned with federal funding requirements for capital expansion projects. CTIB's definition of transitway includes:

1. Operation within a dedicated right-of-way for the majority of the line, with online and inline stations, to assure fast, reliable, attractive and efficient service; or
2. A project design resulting from a county-led alternatives analysis that is consistent with CTIB's vision and policies.

Modes meeting this definition include, but are not limited to: light rail transit (LRT), bus rapid transit (BRT), and commuter rail transit.¹

CTIB Transitway: In order to further its vision and target its investments towards those projects demonstrating regional significance, CTIB will only invest in transitways that meet all of the following requirements:²

1. The transitway is sponsored by a member county or specifically named in the Joint Powers Agreement as an eligible project;
2. The transitway corridor is identified on CTIB's Transitway Vision Map (Map 1); and
3. The transitway meets CTIB's definition of a Transitway.

Transitways meeting these requirements are referred to as "CTIB Transitways."

Transitway Improvement Project: While CTIB's top priority is the construction and operation of new transitways³, CTIB developed a definition for Transitway Improvement Projects to acknowledge its commitment to the successful operations of existing transitways.

A Transitway Improvement Project is a capital improvement to an existing CTIB Transitway that increases the ridership, safety, efficiency or capacity of the Transitway.⁴

CTIB Program of Projects (PoP): Through its member counties, CTIB identified key corridors that comprise its regional transitway vision. Collectively, it refers to these corridors as its PoP. These corridors are viewed not only as key components to a regional transit system, but also as investments that can be catalytic to economic development through visibility, permanence, functionality and significance of investment. The PoP corridors are identified on CTIB Transitway Vision Map (Map 1).⁵

Program of Projects (PoP) Investment Strategy: The purpose of CTIB's PoP Investment Strategy is to assist CTIB in identifying the specific CTIB Transitways and Transitway Improvement Projects which will

¹ Transit Investment Framework, Part 2

² Framework, Part 2

³ Framework, Part 5

⁴ Framework, Part 6

⁵ Program of Projects Investment Strategy, adopted July 16, 2014

be eligible for CTIB funding from existing sales tax resources. The POP Investment Strategy serves as a five-year financial plan that programs CTIB's financial resources for specific purposes.⁶

Program of Projects (PoP) Phase 1: A sub-set of CTIB's PoP, identified through an assessment of a variety of factors, including: technical readiness, regional balance, and availability of current sales tax resources.⁷

Funding Commitment: A formal commitment of CTIB funding to a specific transitway project, approved through a Board resolution identifying a maximum funding amount, a specific funding share percentage, and any conditions upon the commitment. Funding commitment resolutions are included in applications for federal funding as a demonstration of required local matching funds.

CTIB's financial management practices place first priority upon repayment of debt obligations, second priority upon fulfillment of funding commitments, and third priority upon approval of discretionary annual grants.

Risk Assessment and Mitigation Plan: The purpose of the Risk Assessment and Mitigation Plan is to assess the reliability of the project scope, cost estimate, and schedule over the course of the project life. CTIB's independent technical advisor reviews the Risk Assessment and Mitigation Plan and provides recommendations to CTIB on additional mitigation measures to consider.⁸

Technical Readiness Review: CTIB's funding is made available to projects that demonstrate technical readiness, including: project feasibility, project design, a reliable schedule and cost estimate, and a financial plan to build and operate the project. Funding will be available only after the selection of a locally preferred alternative, adoption in the current Transportation Policy Plan, and Federal Transit Administration (FTA) approval to commence project development (PD), if applicable.⁹

⁶ Framework, Part 8

⁷ POP Investment Strategy, Part 6

⁸ Framework, Part 6

⁹ Framework, Part 5

5.0 AUTHORITY: LEGISLATION AND JOINT POWERS AGREEMENT

CTIB was formed on April 1, 2008. On or before April 1, 2008, the counties of Anoka, Dakota, Hennepin, Ramsey and Washington approved the imposition of the quarter-cent sales tax and \$20 motor vehicle excise tax and approved the statutorily required joint powers agreement establishing a new board—CTIB. CTIB was established pursuant to Minn. Statutes Section 297A.992 and Minn. Statutes Section 471.59, by joint powers agreement. The geographic area of the five counties is referred to as the Metropolitan Transportation Area (MTA). The counties of Carver and Scott have not imposed the taxes, but at the invitation of CTIB have joined as ex officio, non-voting members. The Chair of the Metropolitan Council serves on CTIB as a voting member.

The purpose of the joint powers agreement is to enable the parties to:

- Impose the transportation sales and use taxes and a motor vehicle excise tax, effective July 1, 2008;
- Fund major transit improvements, including debt service on obligations issued to finance such improvements; and
- Establish a joint powers board to receive and distribute funding for transit improvements in the metropolitan area in accordance with Minn. Statutes Section 297A.992.

CTIB's joint powers agreement also sets forth the process for joining and withdrawing from CTIB, the weighted voting requirements, CTIB's powers, the requirements for grants management (including grant eligibility criteria), and the rules governing issuance of debt.

6.0 ORGANIZATIONAL STRUCTURE: BOARD AND COMMITTEES

6.1 ROLE OF THE BOARD¹⁰

While the role of the Board as defined by statute is to invest the transit sales tax revenues in transitways and related improvements, CTIB plays a much larger role in transitway development in the region. Because CTIB and its member counties contribute nearly all of the non-federal funding for transitways in the region, CTIB and its members play a significant role in setting priorities for investment in collaboration with the Metropolitan Council. The intent of CTIB is to make its investments in a manner that will transform the region. Because CTIB's revenues are not sufficient to achieve its vision, however, it also acts as an advocate for additional transit funding from local, state and federal governmental entities and for related transit policy initiatives.

As a major funding partner and grant-making entity, the Board provides fiscal oversight for the use of transit sales tax proceeds and seeks to promote fiscal discipline in the use of its funds. The role of CTIB is not to develop, own or operate transitway projects. Given the known complexity of transitway development, CTIB will not duplicate the efforts of others.

6.2 COUNTIES TRANSIT IMPROVEMENT BOARD MEMBERSHIP

Each member county appoints two Commissioners as representatives and one Commissioner as an alternate to CTIB. On January 15, 2014, CTIB held its organizational meeting and elected its 2014 officers: Hennepin County Commissioner Peter McLaughlin, Chair; Dakota County Commissioner Paul Krause, Vice Chair; and Ramsey County Commissioner Jim McDonough, Secretary.

A representative of the Grant Evaluation and Ranking System (GEARS) Committee serves as an ex officio, non-voting member to CTIB to assist in developing strategies for leveraging transit funding, to provide support at the Legislature on transit initiatives, and to assist CTIB in reaching the transit vision set forth in the Transit Investment Framework. In 2014, the ex-officio GEARS representative to CTIB was Councilmember Ady Wickstrom from the City of Shoreview.

The 2014 members of the Board are listed in Table 1. Note that the number of votes allocated to each county is apportioned by the Joint Powers Agreement formula based equally on sales tax revenues and county population.

¹⁰ Transit Investment Framework, Part 3, Role of the Board

Table 1: 2014 Counties Transit Improvement Board Members

Member Organization	Members	Alternate	Number of Votes
Anoka County	Commissioner Matt Look Commissioner Scott Schulte	Commissioner Carol LeDoux	10
Dakota County	Commissioner Paul Krause Commissioner Nancy Schouweiler	Commissioner Thomas A. Egan	13
Hennepin County	Commissioner Peter McLaughlin Commissioner Mike Opat	Commissioner Marion Greene	47
Ramsey County	Commissioner Jim McDonough Commissioner Rafael Ortega	Commissioner Victoria Reinhardt	16
Washington County	Commissioner Fran Miron Commissioner Gary Kriesel	Commissioner Autumn Lehrke	7
Metropolitan Council	Chair Susan Haigh	Councilmember Adam Duinick	5
Carver County (Ex officio)	Commissioner Randy Maluchnik		0
Scott County (Ex officio)	Commissioner Jon Ulrich	Commissioner Tom Wolf	0
GEARS Committee (Ex officio)	Council Member Ady Wickstrom City of Shoreview		0

6.3 GRANT EVALUATION AND RANKING SYSTEM (GEARS) COMMITTEE

Pursuant to the requirements of Minn. Statutes Section 297A.992, subd. 5, CTIB established a Grant Evaluation and Ranking System (GEARS) Committee. Following objective criteria established by CTIB, the GEARS Committee is responsible for evaluating grant applications and providing CTIB with a selected list of transportation projects that includes a priority ranking.

The 2014 GEARS Committee elected Saint Paul Councilmember Russ Stark as Chair and Washington County Commissioner Autumn Lehrke as Vice Chair. The selection of city representatives to the GEARS Committee was coordinated by the Association of Metropolitan Municipalities, as required by CTIB's authorizing legislation. Each member county appointed a Commissioner as well. The 2014 GEARS Committee members are listed in Table 2.

Table 2: 2014 GEARS Committee Members

GEARS Members, Allocated by Member Organization	County Representative	County Alternate	City Representatives
Anoka County	Commissioner Matt Look	Commissioner Scott Schulte	Mayor Scott Lund City of Fridley
Dakota County	Commissioner Thomas A. Egan		Councilmember Ruth Grendahl City of Apple Valley
Hennepin County	Commissioner Marion Greene	Commissioner Jan Callison	Mayor Jim Hovland City of Edina Councilmember George Selman City of Robbinsdale Councilmember Kevin Reich City of Minneapolis
Ramsey County	Commissioner Toni Carter	Commissioner Janice Rettman	Councilmember Ady Wickstrom City of Shoreview Councilmember Russ Stark City of St. Paul
Washington County	Commissioner Autumn Lehrke	Commissioner Ted Bearth	Mayor Mary Giuliani Stephens City of Woodbury
Metropolitan Council	Councilmember Adam Duinick	Councilmember Lona Schreiber	

7.0 TRANSIT INVESTMENT FRAMEWORK: VISION AND POLICIES

The Transit Investment Framework (“Framework”) sets out CTIB’s vision for regional transitway development and establishes a core set of priorities, requirements, and financial principles for CTIB’s grant-making activities.¹¹

In April 2014, CTIB adopted a substantially revised Framework to acknowledge the progress achieved since 2008, to reflect findings from the 2011-2013 PoP Investment Study, and to incorporate new federal requirements established through the 2012 legislation *Moving Ahead for Progress in the 21st Century* (MAP-21).

7.1 VISION

CTIB’s vision for the five-county MTA is a network of connected transitways that acts as a catalyst for economic development, increased system-wide transit ridership and further transit expansion. CTIB’s investments will increase access to jobs, serve transit dependent populations, improve regional mobility and enhance transit service throughout the MTA. CTIB is committed to accelerating the development of multiple transitways simultaneously to the extent feasible.

CTIB recognizes that transitways supported by CTIB will require substantial capital investment and infrastructure improvements, as well as a long-term commitment to operations, in order to build community trust in the permanence of the transitway. The intent of CTIB is to invest in projects of regional significance.

7.2 POLICIES ESTABLISHING THE BOARD’S PARTICIPATION AS A FUNDING PARTNER

The Framework identifies a set of principles, policies and practices to guide CTIB’s participation as a funding partner through the award of capital and operating grants.

Capital

As a general rule, CTIB’s capital funding share for an eligible transitway project is 30 percent or less. Since federal funding typically is not available until the construction phase of work (after execution of the federal full funding grant agreement), CTIB may contribute up to 60 percent of capital costs for the PD and engineering phases of work. In the case of transitway improvement projects, CTIB considers a capital contribution on a case-by-case basis after consideration of available funds.

Under certain circumstances, CTIB may choose to contribute more than 30 percent to an eligible transitway or transitway improvement project if:

- The increased CTIB contribution will either accelerate the development of the transitway project, decrease the total costs of the transitway project, or both;
- CTIB’s increased funding share is consistent with CTIB’s PoP Investment Strategy; and

¹¹ http://www.mnrides.gortonhosting.com/sites/default/files/downloads/tif_adopted_april_16_2014.pdf

- CTIB finds the Risk Assessment and Risk Mitigation Plan prepared by the project sponsor to be acceptable.

Operating

CTIB's contribution to the operations of an eligible transitway will not exceed 50 percent of the net operating costs. Net operating costs are defined as the portion of operating costs remaining after certain operating revenues are accounted for, including: passenger fares, designated federal funds, advertising revenue, interest income, and other miscellaneous operating revenues.¹²

To be eligible for an operating grant, CTIB must first approve a long-term operating funding commitment. See Section 8 for details on CTIB's funding commitment policies and practices.

7.3 POLICIES ESTABLISHING PROCESS FOR SOLICITATION, EVALUATION AND AWARD OF GRANTS

Pursuant to Minn. Statutes Section 297A.992¹³, the Framework identifies a timeline, procedures and eligibility criteria for an annual grant solicitation. State law also requires that CTIB's grant application require certain information, including estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded. Further, applicants for capital grant funding must identify the source of money necessary to operate the transitway.

The eligibility criteria identified in the Framework are used by the GEARS Committee to evaluate grant applications and to make recommendations to CTIB, and by the Board to select and award grants. In summary, the grant eligibility criteria require project applicants to demonstrate that the proposed grant project is:

- Consistent with the most recent version of the Metropolitan Council's Transportation Policy Plan;
- Consistent with CTIB's POP Investment Strategy;
- Consistent with state requirements that grant awards maximize the availability and use of federal funds;
- Supported by other funding partners, as demonstrated through the availability of local matching funds and resolutions of support from each county in which the transit project is located; and
- Consistent with state and CTIB requirements that grant funds may only be used for certain eligible uses.

CTIB retains the right to establish additional criteria on an annual basis to supplement the criteria specified in the Framework in order to set priorities, address funding short-falls, and/or maximize

¹² Master Operations Funding Agreement for Transitway Service

¹³ Minn. Stat. Section 297A.99, Subd. 5

funding availability. The grant eligibility criteria used for the 2014 annual grant solicitation are detailed in Exhibit A.

7.4 POLICIES ESTABLISHING BOARD OVERSIGHT OF THE USE OF GRANT FUNDS

CTIB and its member counties contribute 80 percent of the non-federal funding for transitways in the region. As a major funding partner and grant-making entity, CTIB provides fiscal oversight for the use of transit sales tax proceeds and seeks to promote fiscal discipline in the use of its funds.

Financial Principles

CTIB adopted a set of financial principles to establish performance thresholds necessary to ensure good stewardship of Board resources, including the following key principles:

- CTIB will manage its financial business so that funding commitments to grantees can be met in the amounts and timing consistent with those commitments.
- Unless approved by CTIB in response to a project's unique circumstances, grants will not be paid out in a way that significantly distorts the balance of contributions to, or distribution of risk of, a project from its array of funding sources.
- CTIB will anticipate its revenues and funding needs to develop an investment strategy that uses cash receipts and the prudent use and timing of debt issuance to meet obligations to grantees and plan for prospective grant activities.
- CTIB will strive to be realistic regarding anticipated revenues and to maintain reserves determined prudent to meet the Board's financial commitments and financial management objectives.

The full set of financial principles is articulated in further detail in the Framework.¹⁴

Technical Readiness Review

CTIB's funding is made available to projects that demonstrate technical readiness, including project feasibility, project design, a reliable schedule and cost estimate, and a financial plan to build and operate the project. Funding will be available only after the selection of a locally preferred alternative (LPA), adoption in the current Transportation Policy Plan, and FTA approval to commence PD, if applicable. Funding is not available for studies, including alternatives analyses, except for studies sponsored by Washington County using its guaranteed grant funds.

As part of its annual update to the POP Investment Strategy, CTIB conducts a technical readiness review of each proposed transitway and transitway improvement project with an independent technical advisor. In addition, technical readiness is further evaluated during the annual grant solicitation.

¹⁴ Transit Investment Framework, Attachment C

Risk Assessment and Mitigation Plan

All applicants for a capital funding commitment or for a capital funding share greater than 30 percent are required to complete an acceptable Risk Assessment and Mitigation Plan. The Risk Assessment and Mitigation Plan is updated on an annual basis for as long as CTOB funding is requested.

The purpose of the Risk Assessment and Mitigation Plan is to assess the reliability of the project scope, cost estimate, and schedule over the course of the project life. CTIB's independent technical advisor reviews the Risk Assessment and Mitigation Plan and provides recommendations to CTIB on additional mitigation measures to consider.

The Risk Assessment and Mitigation Plan must include information on:

- The scope, schedule, cost and financial plan of the project;
- Uncertainties associated with implementation of the project, and the implication of those uncertainties on the project scope, schedule and cost;
- Measures and responsibilities for mitigating the significant risks;
- Community and political support; and
- Any additional information required by CTIB as needed to support its consideration of the applicant's request.

Program of Projects (PoP) Investment Strategy

The POP Investment Strategy is five-year financial plan that balances anticipated resources and expected grant awards. The POP Investment Strategy informs CTIB's decisions related to funding commitments and the annual grant solicitation, including the identification of CTIB Transitways and Transitway Improvement Projects eligible to apply for grants. The POP Investment Strategy is described in more detail in Section 8 of this report.

Periodic Financial Reports and Monitoring of Grant Disbursements

Once the CTIB awards a grant and executes a grant agreement, the project sponsor is then responsible for providing CTIB with periodic financial reports that provide information on actual expenditures to-date and projections for the remaining term of the grant agreement. CTIB may adjust its grant disbursement schedule to reduce grant payments as needed in the event that actual expenditures are less than anticipated, or if there is a short-fall in required matching funds from other project funding partners.

8.0 PROGRAM OF PROJECTS INVESTMENT STRATEGY

The purpose of CTIB's PoP Investment Strategy ("POP Investment Strategy") is to assist CTIB in identifying specific CTIB Transitways which will be eligible for grant funding from existing sales tax resources.

CTIB developed the POP Investment Strategy because it is committed to:

- Building a regionally-balanced, catalytic transitway system;
- Accelerating the development of multiple transitways at once;
- Minimizing the cost of delays;
- Achieving system benefits more quickly; and
- Maximizing federal funding through the strategic use of sales tax revenues.

Revenue from CTIB's sales, use and excise tax place this region in a relatively unique position in the national competition for federal funding by providing a dedicated funding source for transitway capital and operating needs. Federal officials from the U.S. Department of Transportation and the FTA have indicated FTA's willingness to fund more than one full funding grant agreement (FFGA) in a region simultaneously. Further, they have stated that FTA welcomes the addition of good projects to the FTA New Starts/Small Starts program.

8.1 PURPOSE OF THE POP INVESTMENT STRATEGY

The purpose of CTIB's POP Investment Strategy is to assist CTIB in identifying the specific CTIB Transitways and Transitway Improvement Projects which will be eligible for CTIB funding from existing sales tax resources. The POP Investment Strategy serves as a five-year financial plan that programs CTIB's financial resources for specific purposes. Due to limited resources, existing sales tax revenue is dedicated to the set of projects identified as CTIB's Phase 1 Program of Projects. In summary, the POP Investment Strategy is used for the following purposes:

- Serves as a 5-year financial plan;
- Informs CTIB in its decisions related to funding commitments and the annual grant solicitation;
- Assists CTIB in identifying specific CTIB Transitways and Transitway Improvement Projects eligible for funding from existing sales tax resources;
- Examines opportunities for acceleration; and
- Tracks the future demand and unmet needs of CTIB Transitways and Transitway Improvement Projects not currently eligible for funding.

8.2 PHASE 1 PROJECTS

Based on a combination of project technical readiness, regional balance, and analysis of available resources, CTIB identified a set of Phase 1 projects that are eligible for grant funding from existing sales tax resources. The POP Investment Strategy presents a funding plan that includes aggressive pursuit of federal dollars and the strategic application of CTIB's current sales tax to maximize the impact of its investments.

Through the POP Investment Strategy, the following projects have been identified as CTIB's Phase 1 PoP:

PHASE 1 CTIB TRANSITWAYS AND FUNDING SHARES

- Southwest LRT (METRO Green Line Extension) – 30%
- Bottineau LRT (METRO Blue Line Extension) – 31%
- Orange Line BRT – 30%
- Gateway BRT (Gold Line) – 35%
- Robert Street Arterial BRT (if selected as the LPA) – 80%
- Riverview LRT (if selected as the LPA) – 80%

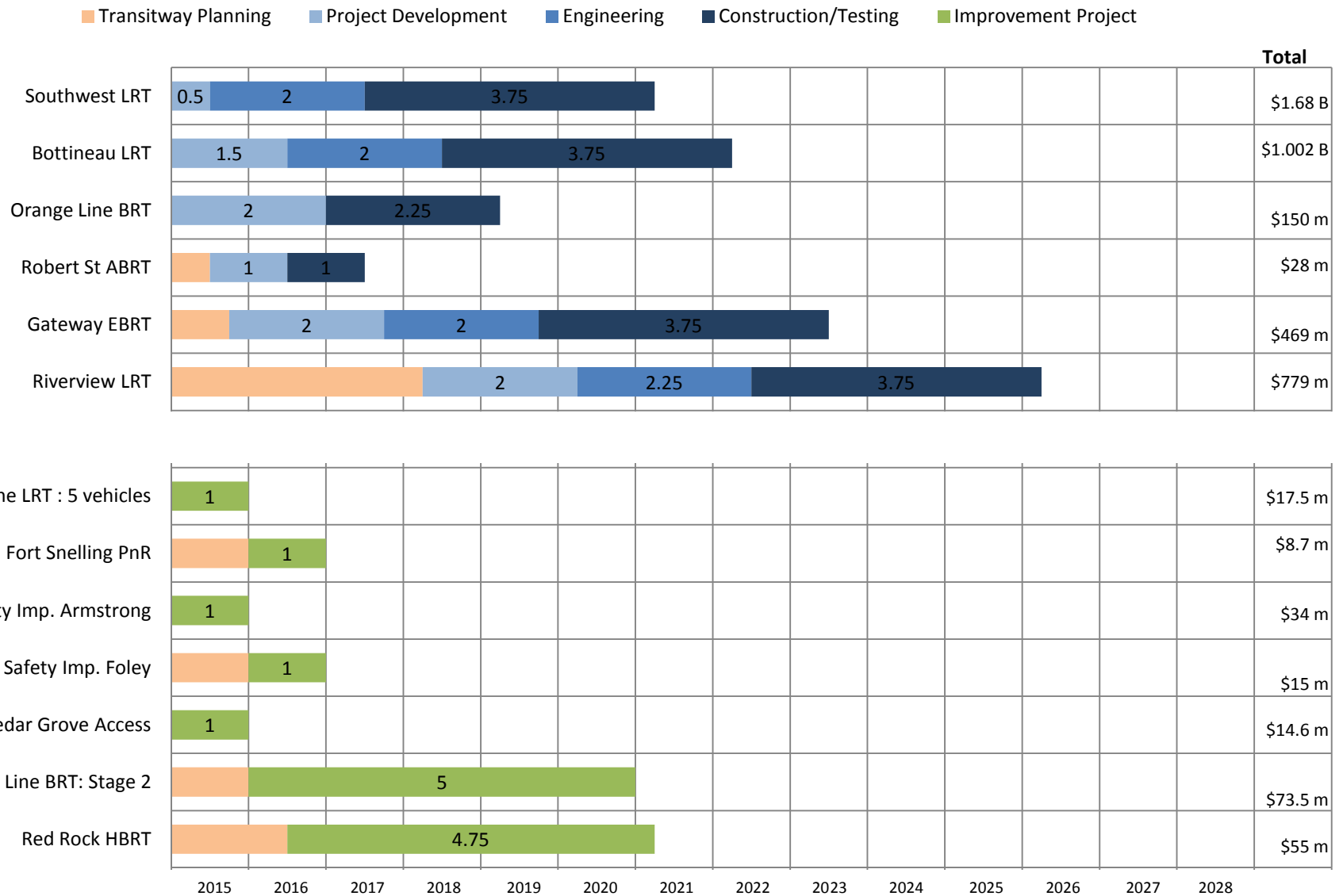
PHASE 1 TRANSITWAY IMPROVEMENT PROJECTS

- METRO Blue Line vehicles
- METRO Blue Line Fort Snelling park and ride
- Northstar Safety Improvements – Armstrong Boulevard
- Northstar Safety Improvements – Foley Boulevard
- METRO Red Line Cedar Grove Access
- METRO Red Line Stage 2 Improvements
- Red Rock Highway BRT

The anticipated schedules for all Phase 1 transitway and transitway improvement projects are described in Figure 3 on the following page. A map of Phase 1 projects is also provided in the introduction to this report (Map 2).

Figure 3

Standardized Project Readiness Schedules, as of May 2014



8.3 FUNDING SOURCES FOR PHASE 1 PROJECTS

Each Phase 1 Project is supported by several funding sources, including federal, state, CTIB, local and private. The anticipated capital funding sources and amounts for Phase 1 Projects are summarized in Table 3 below.

CTIB uses a sophisticated financial model to project financial capacity for future grant funding needs. This model is updated on an annual basis with updated project cost estimates and anticipated funding sources. CTIB recognizes that project data will change over time as technical work advances and as decisions about project scope and budget are made. Table 3 represents the best information available to CTIB in July 2014.

8.4 POP INVESTMENT STRATEGY SUMMARY

The analysis performed for the PoP Investment Strategy Summary reveals that CTIB's existing quarter-cent transit sales tax allows CTIB to fund its share of Phase 1 Projects. Each project will require additional funding from other sources, as noted in Table 3.

The POP Investment Strategy programs CTIB's funding for specific projects in five-year increments, but the POP Investment Strategy relies on a 30-year cash flow model that incorporates debt and inflation assumptions.

Any increases in project budgets due to scope expansions or schedule delays would result in a funding shortfall. Additionally, any reduction in CTIB's available revenue due to unanticipated diversion of funds or economic factors would result in a funding shortfall. In either situation, CTIB would be required to consider removing a project from Phase 1.

Table 3: POP Phase 1 Capital Costs by Funding Partner

	Federal	CTIB	State	Local/ Other	Met Council	Other	Total
Southwest LRT (50/30/10/10 remaining)	826.5	495.9	165.3	165.3	-	-	1,653.0
Bottineau LRT (49/31/10/10)	491.1	310.7	100.2	100.2	-	-	1,002.3
Orange Line (I35W S) (50/30/10/10)	74.7	45.1	14.7	15.6	-	-	150.0
Robert Street ABRT (0/80/10/10)	-	22.1	2.8	2.8	-	-	27.6
Gateway - EBRT (45/35/10/10)	211.4	164.1	46.8	46.8	-	-	469.0
Riverview LRT (0/80/10/10)	-	623.2	77.9	77.9	-	-	779.0
Phase 1 Transitways	\$1,603.7	\$1,661.1	\$407.6	\$408.5	\$0.0	\$0.0	\$4,081.0
METRO Blue Line - 5 vehicles	9.8	5.3	-	-	2.5	-	17.5
METRO Blue Line - Fort Snelling Park and Ride	4.9	2.6	-	-	1.2	-	8.7
Northstar - Safety Imp. Armstrong	-	10.2	17.0	3.4	-	3.4	34.0
Northstar - Safety Imp. Foley	-	4.5	7.5	1.5	-	1.5	15.0
METRO Red Line BR - Cedar Grove	7.0	4.4	1.8	1.5	-	-	14.6
METRO Red Line BRT Stage 2 (30/30/30/10)	22.1	22.1	22.1	7.4	-	-	73.5
Red Rock HBRT (50/30/10/10)	27.5	16.5	5.5	5.5	-	-	55.0
Transitway Improvement Projects	\$71.2	\$65.5	\$53.8	\$19.2	\$3.7	\$4.9	\$218.3
Total Capital Investment	\$1,675.0	\$1,726.6	\$461.4	\$427.7	\$3.7	\$4.9	\$4,299.3

9.0 FUNDING COMMITMENTS

CTIB's authorizing legislation requires CTIB to maximize the use and availability of federal funding. In order to meet these expectations, CTIB has made several key commitments to provide funding for operating costs and for the local match for federally-funded capital projects (e.g., the Southwest LRT Project). This section summarizes current and past funding commitments approved by CTIB.

9.1 PURPOSE OF FUNDING COMMITMENTS

Funding commitments help secure federal funding for projects. The federal New Starts and Small Starts funding programs generally require a local commitment of at least 50 percent of the total capital costs in order to be competitive against other applications across the country. Since federal funding is not available until the project starts construction, local partners are responsible for making projects ready for construction by funding all environmental reviews, design, engineering and route analyses.

Funding commitments made by CTIB are included in applications for federal funding and influence the project rating. Under federal law, project financial plans and funding sources are evaluated for reliability. Because CTIB has a dedicated source of funding for its commitments (the transit sales tax), projects earn higher project ratings and federal officials show increased confidence in the region's ability to meet local funding requirements.

Capital funding commitments pay for early construction and help minimize delays. In addition to committing to pay at least 30 percent of total capital costs, CTIB assumes the early risk in project development by providing up to 60 percent of early costs for the PD and engineering phases of work. This funding allows projects to stay on schedule and minimizes the logistical and financial impacts from the uncertain timing of federal funding.

Operating funding commitments provide property tax relief. Prior to the formation of CTIB, county regional railroad authorities provided the 50 percent local share of net operating costs using property tax dollars. By committing to use transit sales tax revenue for these operating costs, CTIB has provided approximately \$115.46 million in local property tax relief.

9.2 BOARD REQUIREMENTS FOR FUNDING COMMITMENTS

A funding commitment must comply with all applicable terms and conditions of CTIB's joint powers agreement. In addition, a project sponsor must meet the following criteria set forth in the Framework:

CAPITAL FUNDING COMMITMENT REQUIREMENTS

1. The transitway project is consistent with CTIB's PoP Investment Strategy;
2. Prior to CTIB's commitment, all other local (non-state and non-federal) funding partners must have made their commitments;
3. CTIB's funding commitment is necessary to secure third party (non-county) funding commitments;

4. A request for a funding commitment includes a resolution of support from each county in which the transitway is located. A request for a funding commitment for a Transitway Improvement Project includes a resolution of support from the county in which the Transitway Improvement Project is located;
5. The project sponsor has submitted an acceptable Risk Assessment and Mitigation Plan; and
6. The terms and conditions of the funding commitment shall be fulfilled through the annual grant agreement.

OPERATING FUNDING COMMITMENT REQUIREMENTS

1. A commitment to fund operations is independent of a commitment to fund the capital costs of a project. CTIB's commitment to fund net operating costs of any transitway is not guaranteed and will be determined on a case-by-case basis;
2. A funding commitment of CTIB will not exceed 50 percent of the net operating costs of a CTIB Transitway; and
3. The terms and conditions of the funding commitment shall be fulfilled through the annual grant agreement.

9.3 APPROVED FUNDING COMMITMENTS

CAPITAL FUNDING COMMITMENTS

Since 2008, CTIB has made capital funding commitments to five transitway projects:

- **METRO Green Line LRT (Central Corridor):** CTIB committed funding for 30 percent of the capital costs of the transitway and 10 percent of the three in-fill stations in St. Paul, up to a maximum of \$300 million. In total, CTIB provided grants in the amount of \$283,950,000 for the project. CTIB completed this funding commitment in 2012, and the line opened for passenger service in mid-2014 as the METRO Green Line. **Status: Completed**
- **METRO Red Line BRT (Cedar Avenue):** CTIB committed funding for 30.9 percent of construction costs of the Phase 1 bus shoulder lanes, up to a maximum of \$17.7 million. CTIB completed this funding commitment in 2011, and the line opened for passenger service in June 2013 as the METRO Red Line. **Status: Completed**
- **Southwest LRT (METRO Green Line Extension):** In 2012, CTIB committed funding for 60 percent of the total costs of the project development phase, up to a maximum amount of \$55.8 million. In 2014, CTIB committed funding for 60 percent of the total costs of the engineering phase, up to a maximum amount of \$115.2 million, as well as a full funding commitment for 30 percent of the total costs of the transitway, up to a maximum of \$496 million. The full funding commitment sets an overall maximum limit on the Board's contribution to the project. To date, a total of \$97.7 million in grant funding has been awarded to the project.

- **Bottineau LRT (METRO Blue Line Extension):** In 2014, CTIB committed funding for 60 percent of the total costs of the PD phase, up to a maximum of \$27.6 million. To date, a total of \$18.3 million in grant funding has been awarded to the project.
- **Orange Line BRT (I-35W South):** In 2014, CTIB committed funding for 60 percent of the total costs of the PD phase, up to a maximum of \$6 million. To date, a total of \$3 million in grant funding has been awarded to the project.

Table 4: Status of Capital Funding Commitments, in thousands

Corridor	PD	Eng.	Full	Total Funding Committed	Grants to Date	Remaining
METRO Green Line LRT			\$300,000	\$283,950	\$283,950	\$0
METRO Red Line BRT			\$17,700	\$17,700	\$17,700	\$0
Southwest LRT	\$55,800	\$115,200	\$496,000	\$496,000	\$97,700	\$398,300
Bottineau LRT	\$27,600			\$27,600	\$18,300	\$9,300
Orange Line BRT	\$6,000			\$6,000	\$3,000	\$3,000
Total				\$831,250	\$420,650	\$410,600

OPERATING FUNDING COMMITMENTS

To date, CTIB has adopted resolutions committing to fund the 50 percent local share of net operating costs for six transitways:

- Hiawatha LRT¹⁵
- Northstar Commuter Rail^{16,18}
- New and expanded Cedar Avenue BRT¹⁸
- New and expanded I-35W South BRT¹⁸
- Central Corridor LRT¹⁸
- Southwest LRT¹⁷

¹⁵ Board resolution adopted August 20, 2008

¹⁶ For the Northstar Commuter Rail, CTIB's share of net operating costs is 41.95%

¹⁷ Board resolution adopted August 20, 2014

WASHINGTON COUNTY GUARANTEED GRANTS

In accordance with the Joint Powers Agreement, each county was eligible for annual grants of at least one percent of the estimated total sales tax proceeds for the calendar years 2009, 2010 and 2011, if a transitway project within the county did not receive a capital or operating grant in that year. In 2008, Washington County was awarded a one percent guaranteed grant in the amount of \$950,000.

In 2009, CTIB agreed that Washington County would be eligible for grants of at least three percent of the estimated total annual sales tax for the years 2010-2013. Such grants receive priority funding and may be used for studies and planning. The intended outcome of these special guaranteed grants was to accelerate the early stages of transitway development in Washington County. The fourth and final three percent guaranteed grant was awarded in 2012 (payable in 2013).

Since 2008, the total amount of funding awarded to Washington County projects through the one percent and three percent guaranteed grants is \$11.77 million. The projects supported by these grants varies from year to year and include the Gateway Corridor (\$2.75 million), the Red Rock Corridor and the Newport Transit Center (together \$2.88 million), and the Rush Line Corridor (\$1 million). The remainder of the guaranteed grant awards is being held in reserve for future use on Washington County priority projects.

10.0 TRANSIT SALES TAX REVENUES RECEIVED

Minn. Statutes Section 297A.992 requires that CTIB's Annual Report to the Legislature specifically address the transit tax revenue received by CTIB since the enactment of the tax. Table 5 summarizes the transit tax receipts from 2008 through 2014.

Table 5: Transit Tax Receipts, 2008 - 2014

	Total Department of Revenue Receipts	Department of Revenue Collection Costs	Net Transferred to Board
2008 (September – December Only)	\$29,109,595	(\$411,131)	\$28,689,464
2009	\$89,822,249	(\$1,109,030)	\$88,713,218
2010	\$92,339,888	(\$1,011,534)	\$91,328,355
2011	\$98,269,154	(\$1,022,688)	\$97,246,466
2012	\$102,960,969	(\$1,035,176)	\$101,925,793
2013	\$109,371,246	(\$1,043,990)	\$108,336,256
2014	\$114,629,041	(\$1,000,207)	\$113,628,834

10.1 BONDS

In December 2010, CTIB issued a \$102,810,000 note to fund capital grants that exceed cash sales tax collections. The note was purchased at a premium (a price above 100 percent), which resulted in \$110,000,000 becoming available for capital grants. The borrowing was sized so that, together with cash-on-hand and 2011 and 2012 sales tax collections, it would meet CTIB's funding commitments through 2012. Projected grant needs are formally reviewed twice annually, once in the spring to inform CTIB's Annual Financial Review and Capacity Estimate, and again in the fall as part of the annual grant solicitation process. Bond proceeds were used to fulfill CTIB's funding commitment to the Central Corridor LRT Project and were fully expended in 2012.

CTIB's note was issued to Hennepin County and funded by a general obligation bond issue sold by Hennepin County as authorized under Minn. Statutes, Section 297A.992. CTIB's note is the first issue of an expected series of parity obligations (obligations having an equal claim on pledged revenues) to be sold to fund future CTIB capital grants. Parity obligations of CTIB will be supported by CTIB's sales tax

collections. Under the terms of the indenture of trust, 99.25 percent of the sales taxes collected and remitted by the state to CTIB, after administrative and collection fees retained by the state are pledged first to the payment of parity obligations. The remainder of the sales tax collections, 0.75 percent, represents the amount permitted under statute for administrative expenses. CTIB will pay its operating grants from sales tax remaining after the monthly parity obligation has been satisfied.

The note was issued at fixed interest rates, averaging 4.68 percent. After adjusting to recognize the premium received, the note was issued at a true interest rate of 3.90 percent. Principal on the note will mature from 2012 to 2030. It is estimated that the assistance of Hennepin County through the use of its general obligation pledge provided nearly \$3 million of present value savings over a revenue based transaction by reducing CTIB's borrowing rate.

10.2 GRANT AND BOARD ADMINISTRATION

Minn. Statutes Section 297A.992 Subd. 4 (b) states that CTIB may utilize not more than three-fourths of one percent of the proceeds of the taxes for ordinary administration expenses incurred in carrying out the provisions of this section.

The portion of CTIB's 2014 Administrative Budget funded by sales tax receipts included sales tax revenues in the maximum amount of \$891,600, based on budgeted sales tax receipts of \$105,000,000. The sales-tax funded portion of the 2014 administrative budget was used for grant and Board administration, financial advisory and management services, the annual audit, bond counsel services, communications and outreach, and insurance.

11.0 HISTORY OF GRANT AWARDS, 2008 - 2015

CTIB awards its annual grants in November and enters into grant agreements in December of each year. Funds awarded are typically disbursed in the following calendar year, though some capital grants are disbursed over multi-year periods. The tables below summarize the capital and operating grants awarded by CTIB since 2008, totaling \$648.3 million.

Table 5: CTIB Capital Grants

CTIB Capital Grants

(in millions, by year of disbursement)

	2009	2010	2011	2012	2013	2014	2015	Total
Transitway								
Bottineau LRT	-	-	-	-	-	\$2.40	\$15.90	\$18.30
Gateway BRT	-	-	-	-	-	-	\$0.60	\$0.60
Green Line LRT	\$13.36	\$66.03	\$106.68	\$97.88	-	-	-	\$283.95
Orange Line BRT	-	-	-	-	-	-	\$3.00	\$3.00
METRO Red Line BRT	\$5.10	\$3.22	\$12.92	\$8.10	-	-	-	\$29.34
Southwest LRT	-	-	\$1.20	\$4.61	\$13.65	\$14.63	\$63.60	\$97.70
Transitway Improvements								
METRO Blue Line LRT.	-	-	-	-	-	-	\$6.00	\$6.00
Northstar Commuter Rail.	\$9.90	-	\$1.00	\$2.00	\$2.00	-	\$10.20	\$25.10
METRO Red Line BRT.	-	-	-	-	-	-	\$10.40	\$10.40
Guaranteed Grants								
Washington County	\$0.95	\$2.55	\$2.66	\$2.70	\$2.91	-	-	\$11.77
Misc. Other								
I-35W Express Bus	-	-	-	-	\$0.81	-	-	\$0.81
Total Capital	\$29.31	\$71.79	\$124.46	\$115.29	\$19.37	\$17.03	\$109.70	\$486.97

Table 6: CTIB Operating Grants

CTIB Operating Grants

(in millions, by year of disbursement)

	2009	2010	2011	2012	2013	2014	2015	Total
Transitway Operations								
METRO Blue Line LRT	\$ 6.60	\$ 7.19	\$ 6.95	\$ 6.68	\$ 8.00	\$ 9.21	<i>n/a</i>	\$ 44.63
METRO Green Line LRT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.53	<i>n/a</i>	\$ 7.53
LRT Operations*	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	\$ 22.52	\$ 22.52
Northstar Commuter Rail	\$ 3.01	\$ 5.34	\$ 6.02	\$ 4.96	\$ 2.40	\$ 6.56	\$ 6.30	\$ 34.58
METRO Red Line BRT	\$ -	\$ -	\$ -	\$ -	\$ 0.61	\$ 1.45	\$ 1.45	\$ 3.51
Cedar Avenue Express	\$ 0.02	\$ 0.16	\$ 0.27	\$ 0.44	\$ 0.29	\$ 0.39	\$ 0.45	\$ 2.04
I-35W South Express	\$ 0.06	\$ 0.07	\$ 0.03	\$ 0.07	\$ 0.12	\$ 0.13	\$ 0.18	\$ 0.66
Legislatively Mandated Subsidies								
Metropolitan Council [^]	\$ 30.78	\$ -	\$ -	\$ 10.90	\$ 4.18	\$ -	\$ -	\$ 45.87
Total Operating	\$ 40.48	\$ 12.76	\$ 13.27	\$ 23.05	\$ 15.60	\$ 25.27	\$ 30.90	\$ 161.33

*Beginning in 2015, CTIB awarded Metro Transit an operating grant for a single LRT operations budget that combines operating costs for the METRO Blue and METRO Green Lines.

[^]The 2009 Metropolitan Council operating grant of \$30,783,000 was legislatively mandated by 297A.992, subd.5h. The 2012 and 2013 Metropolitan Council operating grants total \$15,086,387 and reflect the additional 25% net operating subsidy mandated by the 2011 Special Legislative Session, Chapter 3, Article 2, Section 1. The 2012 grant award of \$10.9M applies to 2011 and 2012 transitway operations, while the 2013 grant of \$4.2M supported 2013 transitway operations.

12.0 RESULTS FROM 2014 GRANT PROJECTS

At the close of 2013, CTIB awarded by unanimous vote one capital grant and six operating grants (payable in 2014). Additionally, three other capital projects continued PD and construction activities using grant funds awarded in previous years. The results from these ten grant-funded projects are detailed on the following pages.

Six capital projects supported by CTIB funding advanced in 2014: Bottineau LRT (METRO Blue Line Extension), METRO Red Line Cedar Grove Station enhancements, METRO Green Line (Central Corridor LRT), Northstar Commuter Rail Anoka Station enhancements, Orange Line BRT, and Southwest LRT (METRO Green Line Extension).

Transit service in five transitway corridors received assistance from CTIB in 2014: METRO Blue Line (Hiawatha LRT), METRO Green Line (Central Corridor LRT), METRO Red Line (Cedar Avenue BRT), Northstar Commuter Rail, Cedar Avenue Express Service, and I-35W South Express Service.

Finally, Washington County used a portion of its guaranteed grant funds in 2014 to support advanced planning activities for the Gateway BRT (Gold Line) and Red Rock corridors.

CENTRAL CORRIDOR LIGHT RAIL TRANSIT (METRO GREEN LINE)

The METRO Green Line (Central Corridor LRT) Project opened for service in 2014. This new light rail line provides a fast, safe, new transportation choice in one of the region's most heavily traveled corridors. The 11-mile Green Line links downtown St. Paul and downtown Minneapolis via Washington and University Avenues. CTIB provided \$284 million in grant funding from 2009 through 2012, fully satisfying a commitment of \$300 million for up to 30% of the total capital costs of the project and up to 10% of the costs of three in-fill stations in St. Paul.

The METRO Green Line means improved access to five major centers of economic activity - the two downtowns, the University of Minnesota, the Midway district, the State Capitol complex and many neighborhoods in between. Employment along the METRO Green Line is projected to grow by more than 90,000 jobs by 2030, bringing total employment in the area to nearly 375,000 workers.



Figure 4: Green Line Grand Opening, June 14, 2014

SOUTHWEST LIGHT RAIL TRANSIT (METRO GREEN LINE EXTENSION) 2014 CAPITAL GRANT: \$14,631,050

The Southwest Light Rail Transit Project (METRO Green Line Extension) will serve one of the region's most heavily traveled corridors, linking downtown Minneapolis with the southwestern communities of Eden Prairie, Minnetonka, Hopkins, Edina and St. Louis Park. The line will connect major activity centers in the region including downtown Minneapolis, the Minneapolis Chain of Lakes, Methodist Hospital, the Opus/Golden Triangle employment area, and the Eden Prairie Town Center area.

In 2012, CTIB committed to providing funding for the PD phase. In August of 2014, CTIB approved a total commitment for the METRO Green Line Extension of \$496 million. To date, CTIB has awarded \$97.7 million in grant funding to the project.

The Southwest LRT Project will provide a new transportation option for 199,000 people who currently work in the corridor as well as 83,000 new jobs forecast to be created by 2030. Work on the Southwest LRT Project has created 189 design, engineering and management jobs and is estimated to create 3,500 construction jobs resulting in \$330 million in payroll. The operation and maintenance of the Southwest LRT line will create an additional 175 permanent jobs.

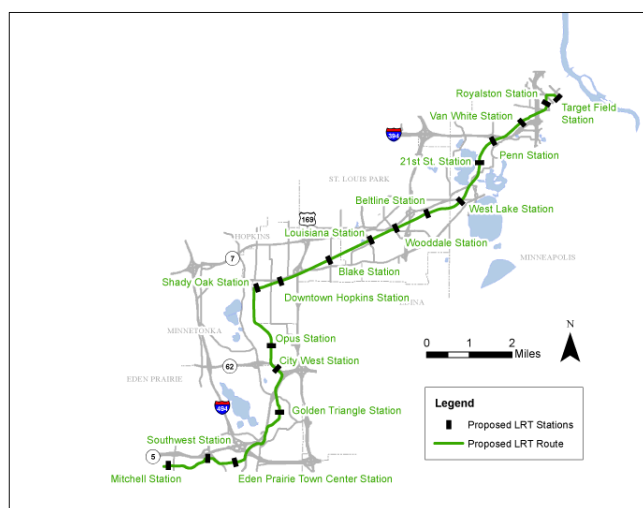


Figure 4: SWLRT route

Key accomplishments in 2014 include:

- In April, the Metropolitan Council approved the scope and budget for the Southwest LRT Project, which includes the westernmost station at Mitchell Road in Eden Prairie and an operations and maintenance facility in Hopkins.
- All five cities along the Southwest LRT alignment and Hennepin County gave municipal consent for the Southwest LRT Project this past summer. The municipalities approved the LRT's route through each city and the locations of station stops.
- This past summer, CTIB committed to funding \$496 million (30 percent) of the Southwest LRT Project and the Hennepin County Regional Railroad Authority committed to funding \$165 million (10 percent) of the Southwest LRT Project. The Project now has 85 percent of its local funding commitment, which is more than the 70 percent required by the FTA before projects can be approved for entry into the engineering phase.
- In December, the Metropolitan Council authorized a contract with AECOM to serve as the Advanced Design Consultant on the Southwest LRT Project. AECOM will lead a team of engineering firms to take the Project from 30 percent design detail to 100 percent.

BOTTINEAU LIGHT RAIL TRANSIT (METRO BLUE LINE EXTENSION)

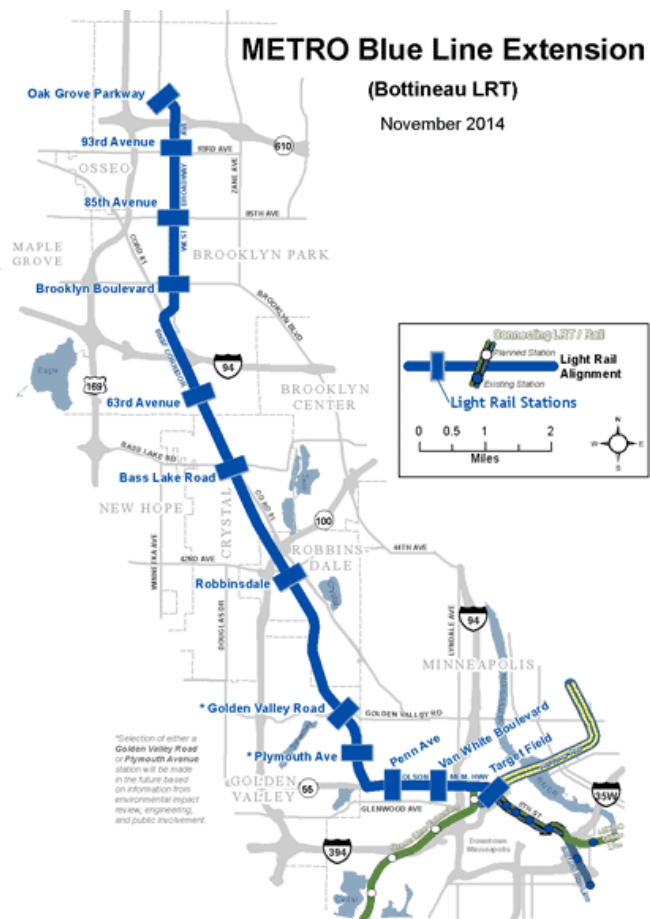
2014 CAPITAL GRANT AMOUNT: \$2,400,000

The METRO Blue Line Extension will operate on a 13-mile route between downtown Minneapolis and the northwest suburbs, serving Golden Valley, Robbinsdale, Crystal and Brooklyn Park. As currently planned, the line would serve 10 or 11 new stations and Target Field Station. Planners expect the primarily at-grade double-tracked line will have 27,000 average weekday riders by 2030. The line would begin revenue service in 2021.

When complete, the Blue Line Extension would offer a single-seat ride from the Target North Campus in Brooklyn Park to the Mall of America.

Key accomplishments in 2014 include:

- In January, CTIB approved \$27.6 million toward PD, representing 60 percent of the local commitment to this phase. In the fall of 2013, the Hennepin County Regional Railroad Authority committed the other 40 percent of funding for this phase of work (\$17.4 million).
- In March, the Draft Environmental Impact Statement (DEIS) for the METRO Blue Line Extension was published.
- In April, the Metropolitan Council and Hennepin County held several public hearings on the DEIS in cities along the alignment. Public comments were gathered at the meetings as well as electronically.
- In August, the METRO Blue Line Extension received federal approval to enter PD and begin designing the line, which will be the region's fourth LRT project.
- The Metropolitan Council will lead engineering work, while Hennepin County plans for areas near the LRT stations through its Community Works program.
- In November, the project's Corridor Management Committee, which advises the Metropolitan Council on all issues related to the project's design and construction, held its first meeting.



NORTHSTAR COMMUTER RAIL – ANOKA STATION PEDESTRIAN OVERPASS

2014 CAPITAL GRANT AMOUNT: \$2,000,000

The 2013 capital grant of \$2,000,000 was for planned Phase II enhancements at the Northstar Commuter Rail Anoka Station. This project involves the construction of a structured parking facility to replace a surface parking lot, and a pedestrian overpass between the parking facility and the outbound platform. These station enhancements will provide a safer pedestrian connection between the two platforms.

The parking facility will serve as a multi-modal transit hub providing bus, vehicle, bicycle and pedestrian access to the station platform. Construction of the parking facility and overpass will provide an anchor to Anoka's planned Commuter Rail Transit Village (CRTV) to be developed in the area on the north side of the railroad tracks that currently serves as a park-and-ride facility for the Anoka Station.

Construction began in May 2013 and was substantially complete by the end of the 2014. The grand opening was held on July 25, 2014.



Figure 5: Anoka Station Pedestrian Ramp Grand Opening, July 25, 2014

WASHINGTON COUNTY GUARANTEED GRANT: GATEWAY CORRIDOR DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS)
GUARANTEED GRANT AMOUNT: \$2,125,000

The Gateway Corridor is a planned, approximately 12-mile, dedicated Bus Rapid Transit (BRT) line located in Ramsey and Washington Counties. The corridor runs generally parallel to I-94 connecting downtown Saint Paul with its East Side neighborhoods and the suburbs of Maplewood, Landfall, Oakdale, Lake Elmo, and Woodbury. The transitway will connect the eastern parts of the Twin Cities Metropolitan Area to the broader regional transit system through Union Depot in downtown Saint Paul.

Washington County received a \$2,125,000 grant from CTIB for the Draft Environmental Impact Statement (DEIS) for the Gateway Corridor. The Ramsey County Regional Railroad Authority has contributed another \$875,000 for a total cost of \$3,000,000 for this phase. The purpose of the DEIS is to conduct a full and open evaluation of environmental issues and alternatives, and to inform decision-makers and the public of reasonable alternatives that could avoid or minimize adverse impacts and enhance the quality of the environment. The study is now underway and is expected to be completed in the fall of 2015.

Key accomplishments in 2014 include:

- The Gateway Corridor was one of 11 projects selected by the President to receive expedited review and permitting as part of the Federal Infrastructure Projects Permitting Dashboard. The inclusion of the Gateway Corridor in the dashboard is anticipated to streamline the interagency coordination process.
- Preparation of a DEIS began in March 2014 with scoping, which is when the project solicits comments from partner agencies, corridor cities and counties, and members of the community regarding alternatives and topics to be studied in the DEIS.
- The Gateway Corridor communities selected BRT as the mode and a conceptual route generally parallel to I-94 as the LPA to be refined through further engineering. The selection of a LPA allowed the corridor to be included in the Metropolitan Council's 2040 Transportation Policy Plan (TPP), the region's long-range transportation plan. At the request of the Commission, the Metropolitan Council changed references in the TPP maps and corridor to list the Gateway Corridor as the Gold Line, similar to the treatment of METRO Green, Blue, Orange, and Red Lines.
- The Gateway Corridor received a \$100,000 grant to complete a health impact assessment (HIA) as a part of the DEIS project. The Gateway Corridor HIA focuses on land use around each of the proposed Gateway Corridor stations. The HIA will use input from targeted community engagement to decide on several "health indicators" that are important to the Corridor and will help to inform station area planning efforts, local land use controls, and comprehensive plan updates. The grant is from the Health Impact Project, a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts, with funding from the Blue Cross and Blue Shield of Minnesota Foundation.

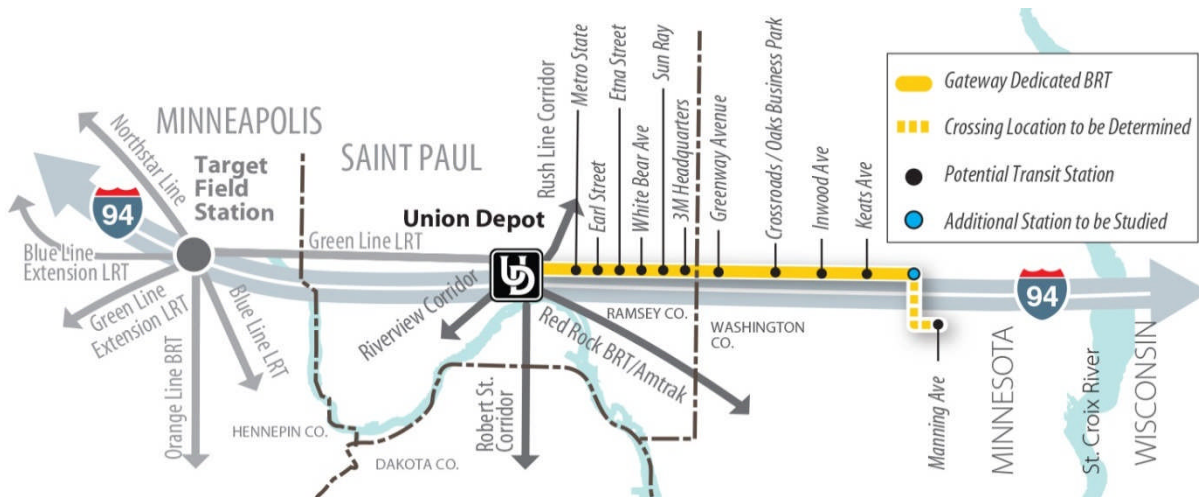


Figure 5: Gateway Dedicated BRT Corridor Map

WASHINGTON COUNTY GUARANTEED GRANT: NEWPORT TRANSIT STATION GUARANTEED GRANT AMOUNT: \$630,000

The Newport Transit Station is a critical stop along the Red Rock Corridor that will increase transportation options and mobility, and build the ridership base within the corridor. The Red Rock Corridor is a proposed 30-mile transitway, connecting the Twin Cities' southeastern suburbs to Saint Paul and Minneapolis.

A 2010 grant from CTIB in the amount of \$2,225,000 was used for land acquisition. In 2011, a CTIB grant in the amount of \$225,000 supported the completion of necessary environmental assessment, preliminary and final engineering, and site preparation work for the Newport Transit Station. An additional \$405,000 was granted in 2013 for construction. The project was funded by a combination of federal, state, CTIB and local funds from the Washington County Regional Railroad Authority.

Key accomplishments in 2014 include:

- Construction on the project started in late November 2013 and wrapped up in the fall of 2014. A grand opening ceremony will be held in the spring of 2015.
- Express bus service started on December 1, 2014. The service runs between the Newport Transit Station and downtown Saint Paul. The station, located in the southwest corner of I-494 and Highway 61, features a climate-controlled waiting area and 150 free parking spaces for commuters. Metro Transit Route 364 provides three express trips to downtown Saint Paul each weekday morning and afternoon peak period. Commuters can avoid congestion on Highway 61 and travel between the station and downtown in approximately 24 minutes.



Figure 6: Newport Station

METRO BLUE LINE (HIAWATHA LIGHT RAILTRANSIT)

2014 OPERATING GRANT AMOUNT: \$9,211,152

CTIB awarded an operating grant in the amount of \$9,211,152 for service in 2014. Legislation passed during the 2011 Special Session temporarily increased CTIB's share of operating subsidies to 75 percent for the 2012-2013 biennium. For the period of January 1, 2013 to June 30, 2013, this additional legislatively mandated CTIB operating subsidy for the Blue Line (Hiawatha Light Rail Transit) was \$2.3 million. On July 1, 2013, CTIB's share of transitway operating subsidies returned to 50 percent with the contribution continuing at 50 percent in 2014.



Figure 7: METRO Blue Line connects downtown Minneapolis with the Airport and Mall of America

Grant Results - The METRO Blue Line (Hiawatha Light Rail Transit) completed its tenth year of service in 2014. The average weekday ridership in 2014 exceeded projected ridership for 2020, with a projected yearly total of nearly 9.5 million rides.



Figure 8: Fans arriving at a Minnesota Twins Game

In 2014, the METRO Blue Line recovered approximately 32 percent of its operating cost from fares, compared to a national peer system average of 30 percent. Ridership on the METRO Blue Line represents approximately 11 percent of all Metro Transit rides. The new Target Field, and the METRO Blue Line's Target Field Station adjacent to the Minnesota Twin's ballpark, provided convenient and easy access for baseball game attendees in 2014.

From April 2014 through September 2014, seven percent of baseball game attendees took the METRO Blue Line to and from the games.

High ridership on the METRO Blue Line and other cost saving measures taken by the Metropolitan Council resulted in reduced operating costs in 2013. In 2014, the Metropolitan Council presented CTIB with a \$1,181,506 operating grant refund for 2013 operations.

METRO GREEN LINE (CENTRAL CORRIDOR LIGHT RAILTRANSIT)

2014 OPERATING GRANT AMOUNT: \$7,530,671

CTIB awarded an operating grant in the amount of \$7,530,671 for METRO Green Line pre-revenue operations, early startup operations and revenue service in 2014. CTIB's share of transitway operating subsidies were 50 percent in 2014.

Grant Results - The METRO Green Line (Central Corridor Light Rail Transit) began revenue service on June 14, 2014 with service between downtown Saint Paul and downtown Minneapolis via University Avenue and the University of Minnesota. The average weekday ridership in 2014 exceeded 34,200 with projected first year average weekday ridership of 27,500, with a projected partial year total of over 6.5 million rides in 2014. Ridership for the Vikings games at TCF Bank Stadium have been very strong with approximately 21% of Minnesota Vikings games attendees taking the METRO Green Line to and from the games.



Figure 9: The METRO Green Line connects downtown St Paul, the University of Minnesota and downtown Minneapolis



High ridership on the METRO Green Line and other cost saving measures taken by the Metropolitan Council are forecasting an operating surplus for 2014 operations.

o TCF Bank Stadium

NORTHSTAR COMMUTER RAIL

2014 OPERATING GRANT AMOUNT: \$6,557,567

CTIB awarded an operating grant in the amount of \$6,557,567 for Northstar Commuter Rail service in 2014. Legislation passed during the 2011 Special Session temporarily increased CTIB's share of operating subsidies to 75 percent for the 2012-2013 biennium. For the period of January 1, 2013 to June 30, 2013, this additional legislatively mandated CTIB operating subsidy for the Northstar Commuter Rail line was \$1.57 million. On July 1, 2013, CTIB's share of transitway operating subsidies returned to 50 percent with the contribution continuing at 50 percent in 2014.



Figure 11: Northstar Train

Grant Results – Northstar Commuter Rail completed its fifth year of service in 2014. Northstar offers five morning trips from Big Lake to downtown Minneapolis and five return trips in the afternoon with stops at Fridley, Coon Rapids, Anoka, Ramsey, Elk River and Big Lake. One reverse commute roundtrip is available on weekdays, and three weekend roundtrips are available on Saturday and Sunday. In 2014, the Northstar Commuter Rail line provided over 721,000 rides.

Cost saving measures taken by the Metropolitan Council and an operating refund from BNSF Railroad resulted in reduced operating costs in 2013. In 2014, the Metropolitan Council presented CTIB with a \$1,725,831 operating grant refund for 2013 operations.

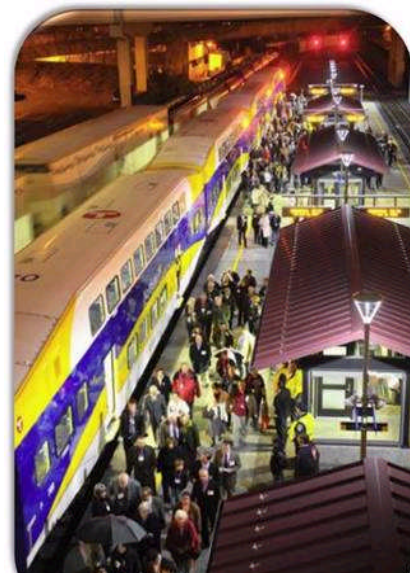


Figure 12: Northstar Riders Off Boarding at Night

METRO RED LINE (CEDAR AVENUE STATION-TO-STATION SERVICE)

2014 OPERATING GRANT AMOUNT: \$1,450,376

The METRO Red Line is the station-to-station service component of the Cedar Avenue BRT Corridor, which also has express service to downtown Minneapolis and the University of Minnesota.

CTIB awarded an operating grant in the amount of \$1,450,376 for METRO Red Line revenue service in 2014. CTIB's share of transitway operating subsidies were 50 percent in 2014.

Grant Results – The METRO Red Line began revenue service on June 22, 2013 with BRT service between Apple Valley and Mall of America. The METRO Red Line is the first transitway service in Dakota County to provide all-day service, at 15 to 30 minute frequency, seven days a week. Riders can connect to the larger regional transit network by transferring to the METRO Blue Line and several bus routes at the Mall of America Station. The METRO Red Line serves six stations and runs 128 bus trips per weekday.



Figure 13: The METRO Red Line connects Apple Valley with the Mall of America where riders can connect to the larger regional transit network by transferring to the METRO Blue Line and other bus routes.

Projected 2014 annual ridership totals 266,522. METRO Red Line continues to promote new development and redevelopment, such as the 400,000 square Twin Cities' Premium Outlets Center which opened on August 14, 2014. The project generated approximately 400 construction jobs and now provides more than 1,600 permanent and part-time retail jobs.



Figure 14: Map of Twin Cities Premium Outlets showing Cedar Grove Transit Station and Cedar Grove Parkway. The Cedar Grove Transit Station stop is located just west of the outlets.

Ground was broken on October 24, 2014 for the first building in a planned five-phase, 12.5 acre development known as Parkside Village. When completed, Parkside Village will include more than 500 apartment units and 20,000 square feet of retail. The transit-oriented development will be adjacent to the Apple Valley Transit Station and is located within ¼ mile of other major retailers, employers, and hotels. The first phase, a 196-unit property known as Gabella on Parkside, will be complete in February 2016.

CEDAR AVENUE BUS RAPID TRANSIT – EXPRESS SERVICE

2014 OPERATING GRANT AMOUNT: \$391,866

CTIB awarded an operating grant in the amount of \$391,866 for Cedar Avenue BRT Express revenue service in 2014. CTIB's share of transitway operating subsidies were 50 percent in 2014.

Grant Results

- In addition to the METRO Red line, CTIB supports expanded weekday express bus service in the Cedar Avenue Corridor.
- In September 2009, some Route 477 trips serving the Apple Valley Transit Station were extended to the Lakeville Cedar Park-and-Ride providing expanded Cedar Avenue BRT Express service.
- In 2014, four morning and four evening rush hour trips to the Lakeville Cedar Park-and-Ride were provided.
- In March 2010, the Cedar Grove Transit Station opened and Route 475 started in September 2010 to provide new express service to downtown Minneapolis and the University of Minnesota.
- In 2014, these expanded express bus services provided nearly 19,000 rides. These new rides are in addition to the nearly 660,000 rides from other express bus services that operate within the Cedar Avenue Corridor.



Figure 15: Cedar Avenue Express Service supports overall transitway ridership with direct service to downtown Minneapolis and the University of MN.

I-35W SOUTH BUS RAPID TRANSIT EXPRESS SERVICE

2014 OPERATING GRANT AMOUNT: \$132,275

CTIB awarded an operating grant in the amount of \$132,275 for the I-35W South BRT Express Service in 2014.

Grant Results – Route 467, the I-35W South BRT Express service between the Kenrick Avenue park-and-ride in Lakeville and downtown Minneapolis, started operation in September 2009. This weekday service is operated by Metro Transit using coach buses. Ridership continue to grow, increasing from approximately 800 daily rides in late 2011 to more than 1,050 daily rides in late 2014. Total 2014 ridership is projected at 266,153. During 2014, this service recovered 69 percent of its operating cost from fares.



Figure 16: Kenrick Avenue Park and Ride is located just east of I-35 in Lakeville and was built in 2009 to help relieve congestion on I-35



Figure 17: Route 467 Bus provides BRT Express Service between Lakeville and Minneapolis via MnPASS on I-35W South

13.0 UPCOMING 2015 GRANT PROJECTS

In June 2014, CTIB passed a resolution as required by Minn. Statutes Section 297A.992, subd. 5, to authorize the 2014 Grant Solicitation Process for Grants Payable in 2015, to establish the amount of funding available for 2015 grants, to adopt supplemental grant eligibility criteria, and to establish the schedule for the evaluation and award of grants. The Payable 2015 Grant Eligibility Criteria are attached as Exhibit A.

Applications were submitted on September 5, 2014, reviewed by staff for completeness, and then re-submitted for final review on September 19, 2014. All of the projects were deemed consistent with the Metropolitan Council's 2030 Transportation Policy Plan, by resolution of the Metropolitan Council on October 22, 2014. The GEARS Committee completed its review and made funding recommendations to CTIB on November 3, 2014. CTIB accepted the recommendations from the GEARS Committee and awarded, by unanimous vote, seven capital and five operating grants for projects in 2015.

PAYABLE 2015 CAPITAL GRANTS – \$109.7 MILLION

The capital grants awarded for 2015 project activities reflects CTIB's efforts to target its investments towards tangible regional priorities. Because of the funding provided by CTIB, several first generation transitways are now operational. Capital grants are now being used to advance the second generation of transitway projects.

Transitways

Bottineau Light Rail Transit – 2015 Grant Amount \$15,900,000

The Bottineau Light Rail Transit Project (METRO Blue Line Extension) received an award of \$15.9 million in 2015 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes.

Gateway Bus Rapid Transit – 2015 Grant Amount \$600,000

The Gateway Bus Rapid Transit Project (Gold Line) received an award of \$600,000 in 2015 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes. Gateway is anticipated to receive FTA approval for entry into PD during 2015.

Orange Line Bus Rapid Transit – 2015 Grant Amount \$3,000,000

The Gateway Bus Rapid Transit Project (Gold Line) received an award of \$600,000 in 2015 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes.

Southwest Light Rail Transit – 2015 Grant Amount \$63,604,736

The Southwest Light Rail Transit Project received an award of \$63.6 million in 2015 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes. Grant funds will also support the Engineering phase of work.

Transitway Improvement Projects

Blue Line Light Rail Vehicles – 2015 Grant Amount \$6,000,000

The Metropolitan Council received an award of \$6 million in 2015 grant funds to purchase 5 additional light rail vehicles for the METRO Blue Line. This transitway improvement project will bring the existing fleet to proper spare ratio, improve system efficiency, and maintain reliability of revenue service to improve future system ridership.

METRO Red Line Cedar Grove Station Access Improvements – 2015 Grant Amount \$10,400,000

The Metropolitan Council received an award of \$10.4 million in 2015 grant funds for enhancements to the METRO Red Line Cedar Grove Station. The purpose of the project is to improve the overall efficiency, operation and reliability of the METRO Red Line by creating a new transit connection for transit riders at the METRO Red Line – Cedar Grove Transit Station.

Northstar Commuter Rail Safety Improvements – 2015 Grant Amount \$10,200,000

Anoka County received an award of \$10.2 million in 2015 grant funds to separate commuter rail (Northstar) and freight rail traffic on the BNSF Railroad tracks from automobile traffic at Armstrong Boulevard (CSAH 83) in the City of Ramsey. This project would eliminate train/vehicle conflicts at this intersection and improve the efficiency of the freight/commuter rail network.

PAYABLE 2015 OPERATING GRANTS – \$30.89 MILLION

LRT Operations (METRO Blue and Green Lines) – 2015 Grant Amount \$22,517,644

The Metropolitan Council received an award of \$22.5 million in 2015 grant funds to provide a 50 percent share of 2015 net operating costs for the METRO Blue and Green Lines. The METRO Blue Line began operating in 2004, and the METRO Green Line began operating in 2014.

Northstar Commuter Rail – 2015 Grant Amount \$6,297,289

The Metropolitan Council received an award of \$6.3 million in 2015 grant funds to provide a 41.95 percent share of 2015 net operating costs for the Northstar Commuter Rail line. Northstar began operating in 2009.

METRO Red Line (Cedar Avenue Bus Rapid Transit) – 2015 Grant Amount \$1,450,514

The Metropolitan Council received an award of \$1.45 million in 2015 grant funds to provide a 50 percent share of the 2015 net operating costs for the METRO Red Line. The METRO Red Line began operating in 2013.

Cedar Avenue Express Service – 2015 Grant Amount \$454,583

The Metropolitan Council received an award of \$454,583 in 2015 grant funds to provide a 50 percent share of the 2015 net operating costs of eligible express bus service on the Cedar Avenue transitway corridor.

I-35W South Express Service – 2015 Grant Amount \$177,216

The Metropolitan Council received an award of \$177,216 in 2015 grant funds to provide a 50 percent share of the 2015 net operating costs of eligible express bus service on the Orange Line transitway corridor.

TRANSITWAY BRIEFS

A Transitway Brief summarizing each of the transitway corridors included in Phase 1 of the PoP can be found in Exhibit B. Transitway Briefs are included for: Bottineau LRT (METRO Blue Line Extension), Gateway BRT (Gold Line), Orange Line BRT (I-35W South Corridor), Red Rock Corridor, Riverview Corridor, Robert Street Corridor, and Southwest LRT (METRO Green Line Extension).

EXHIBIT A:
PAYABLE 2015 GRANT
ELIGIBILITY CRITERIA

PAYABLE 2015 GRANT ELIGIBILITY CRITERIA

Eligibility Criteria from the Transit Investment Framework, Part 9.C

The following grant eligibility criteria will be used by the GEARS Committee to evaluate grant applications and by the Board to select and award grants. The Board will award grants only to state and political subdivisions, as prescribed by Minn. Statute Section §297A.992, subdivision 5(b). CTIB retains the right to establish additional criteria on an annual basis to supplement the following criteria in order to set priorities, address funding short-falls, and/or maximize funding availability. Grant eligibility criteria are as follows:

1. Grant awards shall be consistent with the most recent version of the Transportation Policy Plan, adopted by the Metropolitan Council.
2. Grant awards shall be consistent with CTIB's PoP Investment Strategy.
3. Grant awards shall maximize the availability and use of federal funds.
4. No grant award made to the Metropolitan Council may supplant operating or capital funding provided to the Metropolitan Council by the state.
5. No grant award made to the Metropolitan Council may supplant the 50 percent state share of the non-federal operating subsidy for light rail and commuter rail operations.
6. No grant award shall be made for operating costs of a transitway (except for the Hiawatha Light Rail Project, the Northstar Commuter Rail Project, Cedar Avenue Bus Rapid Transit Project, and the I-35W Bus Rapid Transit Project from downtown Minneapolis south) unless CTIB has previously awarded a grant for the capital costs of the transitway project.
7. Any grant awards made to an eligible county that joins CTIB after July 1, 2008, shall be made only for purposes of paying that eligible county's obligation set forth in Article II.4 of the Joint Powers Agreement, until such time as said obligation has been satisfied.
8. All grants for capital dollars require a local match of at least 10 percent of the total cost of the project for which grant funding is requested. The match must be a capital contribution and may include project-related real property. If the applicant is a county, county regional railroad authority, or city, the match shall not include funds provided by Metropolitan Council, the State of Minnesota or the federal government. If the applicant is the Metropolitan Council, the match shall not include funds provided by the federal government, but may include funds provided by local government subject to the approval of the local funding partner for the purpose of providing temporary financing of the Project. Note, however, that the local share of the total capital costs of transitways may not exceed 10%, as provided in Minn. Statutes Section 398A.10.

9. Documented local expenditures relating to a proposed grant project made in the year of grant application may count as a local match if:
 - a. the expenditure would otherwise qualify as a local match pursuant to Part 9 of the Transit Investment Framework; and
 - b. the expenditure is needed to avoid delaying the grant project or jeopardizing other funding sources; and
 - c. CTIB approves the expenditure as a qualified local match by resolution; and
 - d. approval of the expenditure as a qualified local match does not obligate CTIB to award a grant.
10. If an applicant intends to use federal funding for a grant project, the applicant's expenditures that qualify as a local match for Board funding should also meet federal requirements for local matching funds, if feasible.
11. Grant funding will be available for CTIB Transitways and Transitway Improvements Projects. Eligible costs include project development, engineering, right-of-way acquisition, rolling stock, equipment and construction of transitways.
12. No grant will be awarded for studies, including alternative analyses. CTIB Transitways undertaking project development, engineering, or construction will be eligible for a grant, provided the project has demonstrated technical readiness.
13. Resolutions of project support from each county or county regional railroad authority in which the transitway is located must accompany capital grant applications. A grant application for a Transitway Improvement Project must include a resolution of support from the county in which the Transitway Improvement Project is located.
14. A CTIB transitway project for which CTIB has made a funding commitment pursuant to Part 6 will be eligible for a multi-year grant agreement. Recognizing that there is significant uncertainty regarding the potential expenditures, the monthly disbursement schedule will be reviewed quarterly. If CTIB or its designee finds that forecasted expenditures for the upcoming quarter are likely to be significantly less than the approved schedule, CTIB or its designee may decrease the monthly disbursements. A Transitway Improvement Project will also be eligible for a multi-year grant agreement, as needed to complete the project.

Supplemental Eligibility Criteria Adopted on June 18, 2014 in Resolution #32-CTIB-2014,
“Resolution Establishing the 2014 Grant Solicitation Process for Grants Payable in 2015.”

1. The following transitways will be eligible for a grant for operations:
 - a. Cedar Avenue Bus Rapid Transit
 - b. Central Corridor Light Rail Transit
 - c. Hiawatha Light Rail Transit
 - d. I-35W South Bus Rapid Transit
 - e. Northstar Commuter Rail

A grant award for operating costs may be up to and no more than 50% of the net operating subsidy. Only new and expanded BRT transitway operations will be eligible for a 50% operating grant.

2. The following transitways will be eligible for a capital grant:
 - a. Bottineau Light Rail Transit
 - b. Cedar Avenue Bus Rapid Transit (METRO Red Line)
 - c. Gateway Corridor
 - d. Hiawatha Light Rail Transit (METRO Blue Line)
 - e. I-35W South Bus Rapid Transit (METRO Orange Line)
 - f. Northstar Commuter Rail
 - g. Robert Street Corridor
 - h. Southwest Light Rail Transit

EXHIBIT B:
TRANSITWAY BRIEFS



Blue Line Extension (Bottineau LRT)

Metropolitan Council – Metro Transit

METRO Blue Line Extension supports reverse commute and access to jobs

- The METRO Blue Line Extension (Bottineau LRT) will operate northwest from downtown Minneapolis through north Minneapolis, Golden Valley, Robbinsdale, Crystal and Brooklyn Park, drawing riders northwest of Brooklyn Park.
- The extension will interline with the METRO Blue Line and connect Minneapolis and the region's northwest suburbs with existing LRT on the METRO Green Line, future LRT on the METRO Green Line Extension, bus rapid transit on the METRO Red Line, the Northstar commuter rail line and local and express bus routes.
- The line will connect major activity centers, including the Target North campus, North Hennepin Community College, downtown Robbinsdale, Courage Kenny Rehabilitation Institute and downtown Minneapolis as well as provide a one-seat ride to the VA Medical Center, Minneapolis-St. Paul International Airport and Mall of America.
- A notable reverse commute pattern exists from Minneapolis and the southern corridor communities to developing areas such as Brooklyn Park, Maple Grove and Rogers. Ridership in 2030 is projected at 27,000 weekday passengers.

Project Makes Progress in 2014

- March, 2014: The Draft Environmental Impact Statement (DEIS) was published.
- April, 2014: The Metropolitan Council and Hennepin County held several public hearings on the DEIS in cities along the alignment.
- August, 2014: The METRO Blue Line Extension received federal approval to enter Project Development and begin designing the line, which will be the region's fourth light rail transit project.
- November, 2014: The project's Corridor Management Committee, which advises the Metropolitan Council on all issues related to the project's design and construction, held its first meeting.

Map of corridor on next page.

Project at a glance

Current status: Approved by FTA for Entry into Project Development

Preferred mode: Light rail transit

New Starts or Non-New Starts: New Starts

Cities served: Brooklyn Park, Crystal, Golden Valley, Maple Grove, Minneapolis, New Hope, Osseo, and Robbinsdale

Length of transitway: Approximately 12.6 miles

Number of stations served: 11

Anticipated annual ridership: 8,500,000

Total estimated cost: \$1,000,000,000

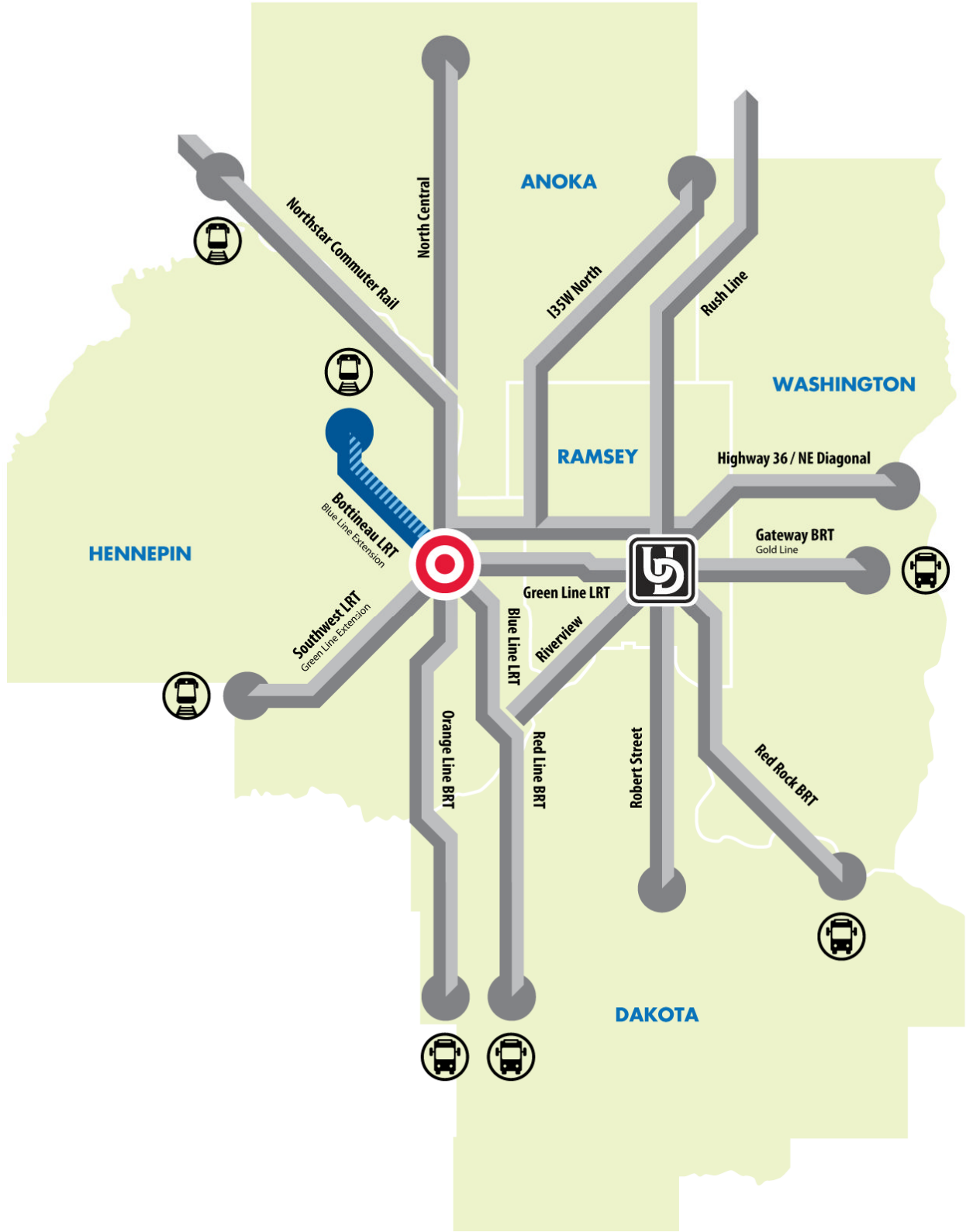
Timeline/Phases

2014-2016: Project Development

2016-2018: Engineering

2018-2020: Construction

2021: Revenue Service





Gateway Corridor

Washington County

Project at a glance

Current status:

Draft Environmental Impact Statement

Preferred mode:

Dedicated BRT

New Starts or Non-New Starts:

New Starts

Cities served: Saint Paul,

Maplewood, Oakdale, Landfall, Lake Elmo, Woodbury

Length of transitway:

12 miles

Number of stations served:

12

Annual number of rides:

2,288,000 – 3,458,000 annual weekday riders

Total estimated transitway project cost:

\$485,000 estimate

Timeline/Phases

2010-2012: Alternatives Analysis

2013 -2015: Environmental Impact Statement

2015- 2017: Project Development

2017-2019: Engineering

2019-2022: Construction

2022: Start of Operations

Overview

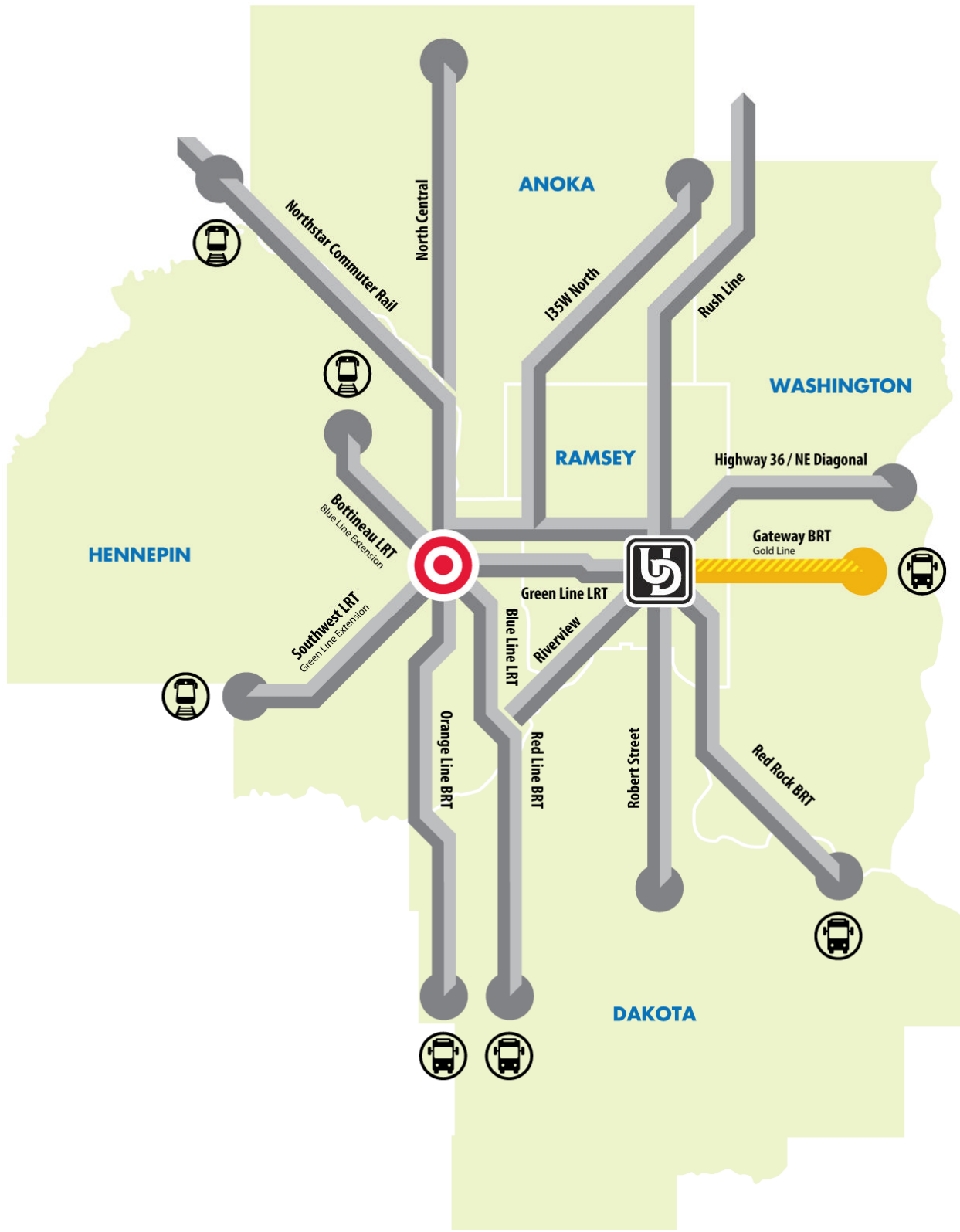
- The Gateway Corridor is located in Ramsey and Washington Counties, Minnesota, extending approximately 12 miles, and connecting downtown Saint Paul with its East Side neighborhoods and the suburbs of Maplewood, Landfall, Oakdale, Lake Elmo, and Woodbury.
- The purpose of the project is to provide transit service to meet the existing and long-term regional mobility and local accessibility needs for businesses and the traveling public within the project area by providing all day bi-directional station-to-station service that compliments existing and planned express bus service in the corridor

Preferred Alternative

- A Bus Rapid Transit (BRT) line within a Dedicated Guideway on the Hudson Road – Hudson Boulevard alignment that crosses to the south side of I-94 at approximately Lake Elmo Avenue to Manning Avenue (A-B-C-D2-E2) has been identified as the Locally Preferred Alternative (LPA)
- Proposed station stops will provide connections to key destinations throughout the Corridor including downtown St Paul, Metro State University, Sun Ray Shopping Center, 3M and multiple commercial and job centers in the eastern suburbs.

A good investment

- Nearly 90,000 vehicles cross the I-94 River Bridge into the Gateway Corridor each day. By the time one reaches downtown St. Paul, the number of vehicles increases to 150,000.
- Approximately 64,600 people live within an approximate one mile radius of the Gateway Corridor. By 2030, that population is expected to increase by nearly 40 percent, or 25,000 people.
- Employment within one mile of the Gateway Corridor is also projected to grow significantly, increasing from approximately 87,500 in 2010 to 149,000 in 2030, a growth rate of 70 percent. This population and employment growth will in turn increase access needs and travel demand, particularly in the I-94 corridor
- The Gateway Corridor adds regional balance and greater connectivity to the Twin Cities transitway system



METRO Orange Line Bus Rapid Transit

Metropolitan Council

Project at a glance

Current Status:

Project Development for Phase I (Minneapolis to Burnsville Transit Station)

Preferred mode:

Bus Rapid Transit

New Starts or Non-New

Starts: Small Starts

Cities served: Bloomington,

Burnsville, Minneapolis, Richfield

Length of transitway: 16 miles

Number of stations served: 7

(Not including downtown Minneapolis)

Anticipated annual ridership:

3,400,000

Total estimated cost:

\$150 Million (Phase I)

Timeline/Phases

2014-2015: Small Starts Project Development, NEPA

2015-2016: Engineering

2016-2019: Construction

2019: Orange Line in service

Future: Possible Orange Line extension to Lakeville

[METRO Orange Line BRT](#) will utilize roadway improvements, upgraded transit stations, and improved bus service to provide fast, frequent, and reliable all-day transit service along I-35W south of downtown Minneapolis. The 16-mile corridor has been the most heavily traveled express bus corridor since the 1970s, with about 14,000 daily rides.

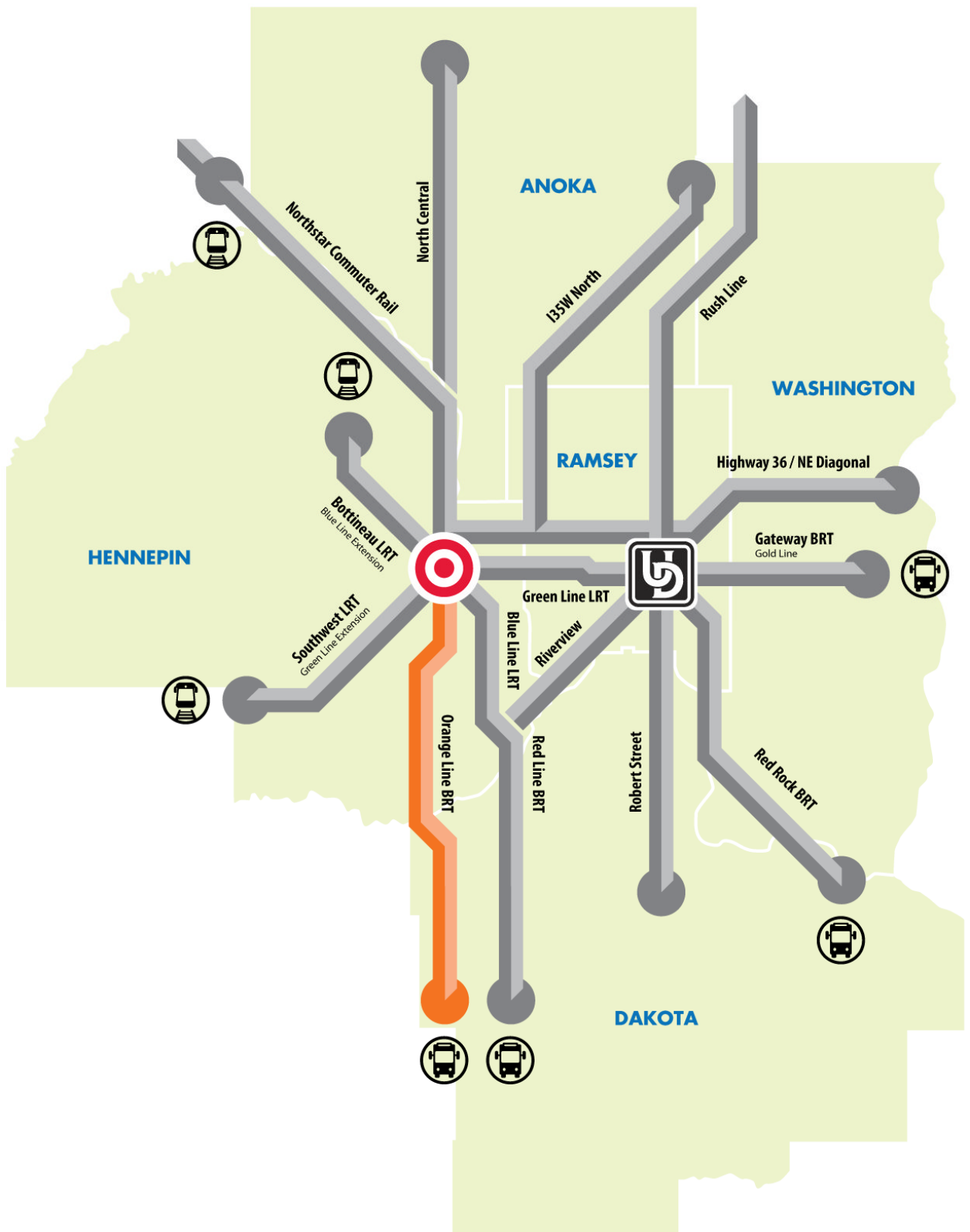
Buses will travel on Marquette and 2nd Avenues in downtown Minneapolis, utilizing congestion-free, transit-only lanes. South of downtown, the Orange Line will provide frequent, limited-stop service to upgraded stations at Lake Street, 46th Street, 66th Street, 76th Street, American Boulevard, 98th Street, and Burnsville Transit Station. The second phase of the project could extend service and improvements from Burnsville to Lakeville.

Major roadway and bridge improvements are planned for the Lake Street and American Boulevard station areas. The design and construction of these improvements is being coordinated through the I-35W Transit/Access Project and MnDOT's I-494/35W Vision Layout Project. All Orange Line stations will have upgrades in platform ticketing, information technology, and passenger amenities.

Numerous investments in the I-35W South corridor have helped to establish strong transit markets for both station-to-station and express BRT, and provided major capital improvements that both benefit existing routes and are critical to opening Orange Line service. These include the construction of an online station at 46th Street as part of the Crosstown Commons project, and the implementation of MnPASS lanes and MARQ2 stations in downtown Minneapolis. A family of corridor transitway services, including Orange Line BRT and BRT Express, will continue to benefit from shared capital improvements and complimentary service planning.

METRO Orange Line Bus Rapid Transit

- A dedicated fleet of articulated, three-door, METRO-branded BRT buses;
- The addition of ticket vending machines and branding downtown and at 46th Street Station, as well as at all new stations;
- Complete build out of Lake Street, 66th Street, 76th Street, American Boulevard, and 98th Street Stations;
- A new park-and-ride facility in the vicinity of American Boulevard;
- Guideway improvements to seamlessly connect I-35W managed lanes into downtown transit-only lanes;
- New transit-only guideway and bridge infrastructure along Knox Avenue between American Boulevard and 76th Street.



January 26, 2015

Riverview Corridor Pre-Project Development Study

What is the Riverview Corridor?

The Riverview Corridor extends from Union Depot to the Minneapolis-Saint Paul International Airport and the Mall of America. It connects neighborhoods, historic districts, businesses, thriving commercial districts and the capital city to each other and to the regional transportation network.

The Riverview Corridor includes:

- Union Depot and Lowertown
- Downtown Saint Paul
- Upper Landing
- West 7th Street/Fort Road Neighborhood
- Highland Park Neighborhood (including the Ford redevelopment site)
- Historic Fort Snelling
- Minneapolis-St. Paul International Airport
- Mall of America
- Bloomington South Loop

Why study transit options in the corridor now?

The Riverview Corridor is designated for future transit development by the Metropolitan Council and the Counties Transit Improvement Board. While this route is served by Metro Transit buses, there is currently no direct transitway connection between downtown Saint Paul, the Minneapolis-St. Paul International Airport and the Mall of America. The Riverview Corridor transitway will connect the East Metro to two of the region's largest travel destinations.

Major investments in public transit create temporary jobs during development and construction, and permanent jobs to operate and maintain the transit investment. Area businesses benefit economically from improved access, station-area development and access to a larger labor market. Area residents benefit from increased mobility options, access to more jobs, education opportunities and decreased congestion.

The number of people who live and work in the corridor is expected to grow making it harder for existing roads and transit service to meet the mobility needs of the corridor. Additional challenges related to air quality and quality of life emerge with increases in population.

What is happening now?

Ramsey County Regional Railroad Authority is leading a Pre-Project Development (PPD) Study to research, analyze and identify opportunities to improve transit within the Riverview Corridor. This study is scheduled for completion in late 2015 and will involve reviewing the viability of transit modes, transit location, engineering issues, community needs, preferences, and estimated costs. Policy makers will use the results of the study to select a locally preferred alternative for the corridor that will advance into more detailed study. The PPD Study will also feature an extensive public involvement and outreach effort to ensure that stakeholders in the Riverview Corridor understand the study and are given ample opportunity to provide input and comment. This effort will help shape the study's vision and inform the project team of issues and concerns during the course of the study.

For more information about the Riverview Corridor Pre-Project Development Study, please contact:

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Riverview Corridor Study Area





Red Rock Corridor

Washington County

Overview

- The Red Rock Corridor is a 30-mile transitway that runs from Hastings to downtown Saint Paul with express bus continuing to Minneapolis and includes Trunk Highway 61 and Interstate 94.
- The Alternatives Analysis (AA) completed in 2007 identified commuter rail as the long-term transit vision for the corridor. Additional technical data and revised conditions in the corridor and region prompted an Alternatives Analysis Update (AAU) in 2013.
- The AAU examined multiple alternatives and indicated that bus rapid transit (BRT) is the option best aligned with the project objectives of providing the mode choice and service plan to meet needs of corridor communities. BRT economically addresses transportation problems, increases opportunities for community and economic development, and improves the quality of natural and built environment.

Newport Transit Station

- Newport Transit Station was completed in late 2014 and is served by Metro Transit Route 364. The transit station will be a key stop along the Red Rock Corridor. The facility will initially be served by express bus with the ability to accommodate all types of enhanced transit as the ridership market grows.

Next Steps

- As part of the AAU, a staged implementation plan is being developed that includes increasing express bus services and promoting transit-oriented development around future stations in the near term. The plan will also further evaluate and begin phased implementation of BRT improvements in the mid-term and implement an all-day BRT service in the long term. Additional transit services, alternative modes, or capital improvements may be evaluated in the future as warranted by demand.

A good investment

- The Corridor has seen recent population growth at a rate more than twice the state's average. In the next 20 years, the southeast sector of the metropolitan area is projected to add more than 100,000 new residents.
- The Corridor connection to other transitways at the Union Depot in Saint Paul and in Minneapolis. For daily commuters to downtown Saint Paul and Minneapolis, the Red Rock Corridor will allow for a more reliable and efficient ride.

Project at a glance

Current Status:

Implementation Plan

Preferred mode:

Highway BRT preference

New Starts or Non-New Starts:

Small Starts

Cities served: Cottage Grove, Denmark Township, Hastings, Minneapolis, Newport, Saint Paul, and St. Paul Park

Length of transitway: 30 miles

Number of stations served: 5

Annual number of rides:

630,000

Total estimated cost:

BRT: \$50,000,000

Timeline/Phases

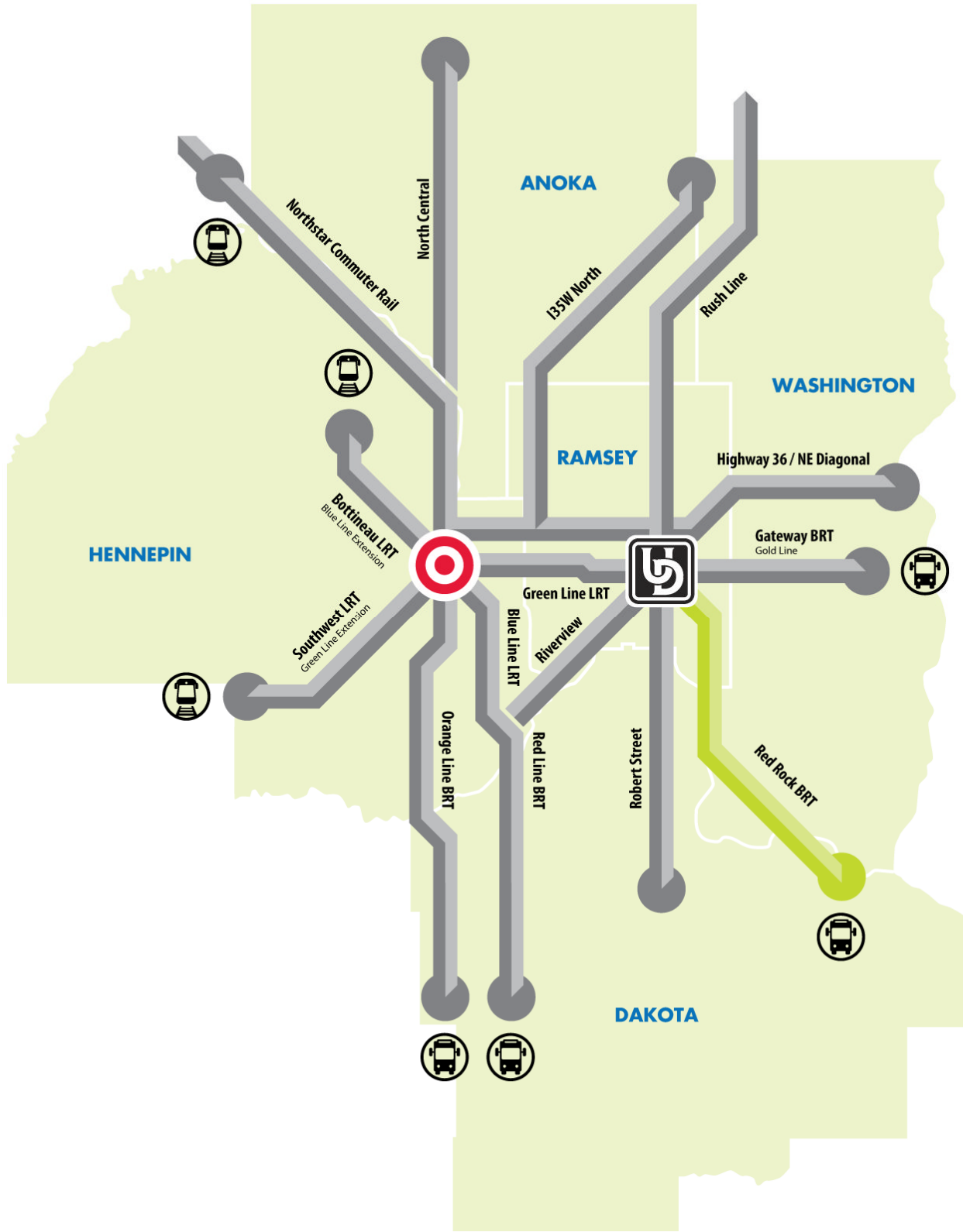
2009 - 2011: Station Area and Site Master Planning

2013: Alternatives Analysis Update

2014: Newport Transit Station Construction

2015 - 2016: Project Development

2017 - 2019: Construction





Robert Street Transitway

Dakota County Regional Railroad Authority

Project at a glance

Current status:

Alternatives Analysis

Preferred mode: Undetermined

New Starts or Non-New Starts:

New Starts

Study area cities: Eagan, Inver Grove Heights, Lilydale, Mendota, Mendota Heights, Rosemount, St. Paul, South St. Paul, Sunfish Lake, West St. Paul

Length of transitway

alternatives: 6 to 11 miles

Number of stations served:

8 to 21

Annual number of rides:

690,000 to 930,000

Total estimated cost:

\$27,300,000 to \$370,000,000

Timeline/Stages

Robert Street

2012-2014: Alternatives Analysis

2015-2016: Project Development, Environmental Documentation

2016-2017: Engineering

2018-2019: Construction

2020: Opening Year

(Robert St. Streetcar)

2012-2014: Alternatives Analysis

2015-2018: EIS, Preliminary Engineering

2019: Final Design and Letter of No Prejudice

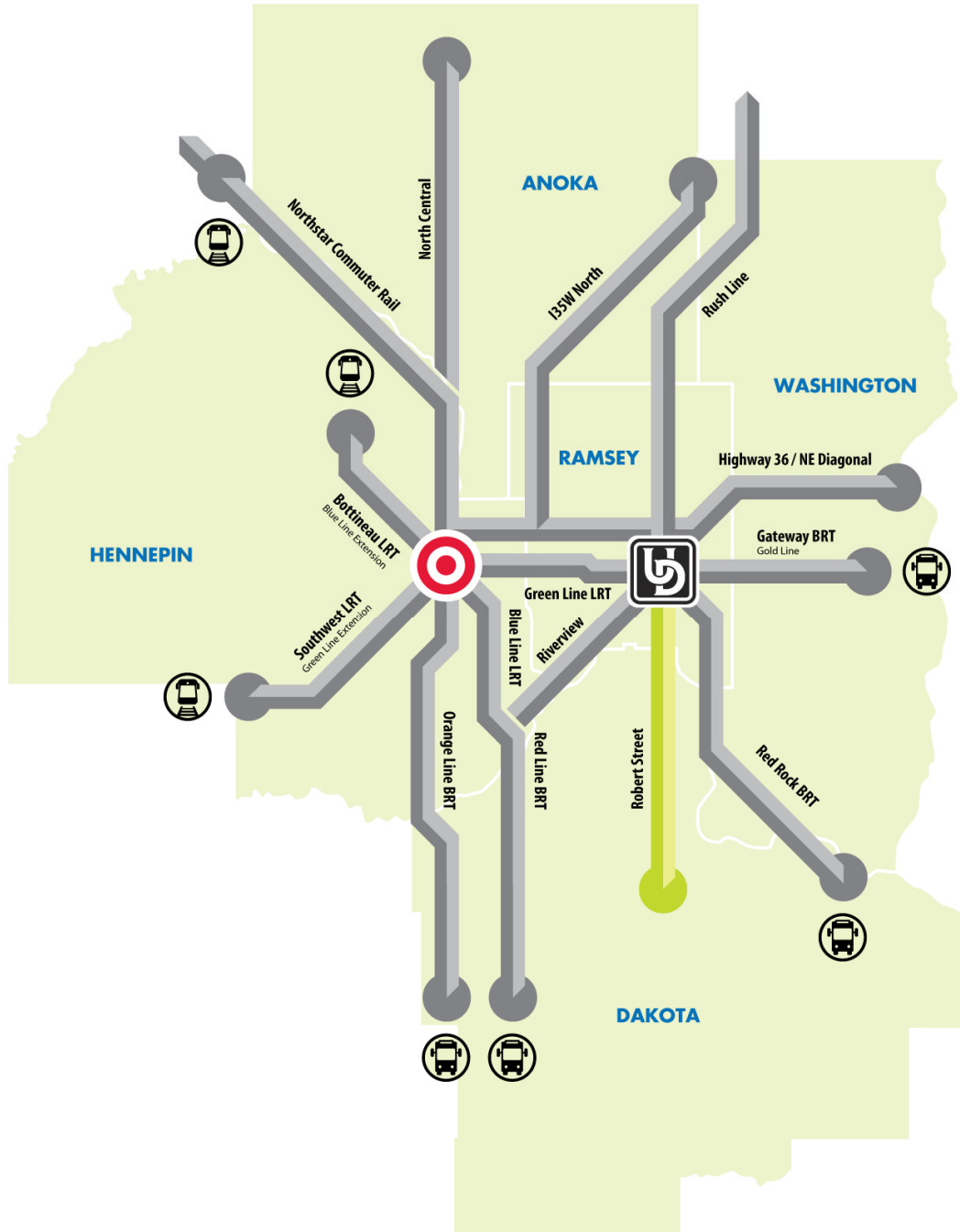
2020-2023: Construction

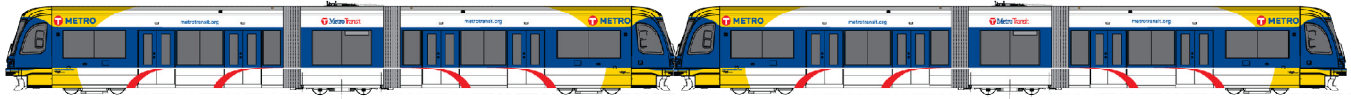
2024: Opening Year

The Robert Street Transitway covers a travelshed extending from the St. Paul Union Depot south to CSAH 42 in Rosemount, approximately 15 miles. Centered on Robert Street, the study corridor extends from Interstate 35E on the west to the Mississippi River on the east. It includes the Cities of Inver Grove Heights, Lilydale, St. Paul, South St. Paul, Sunfish Lake, West St. Paul, and portions of Eagan, Mendota Heights, Rosemount, including the redeveloping UMore Park area.

A feasibility Study was completed by the Dakota County Regional Railroad Authority (DCRRA) in 2008, providing general direction on major transportation issues within the study area, as well as potential transit investments.

A federally compliant Alternatives Analysis is being lead jointly by the DCRRA and the Ramsey County Regional Railroad Authority (RCRRA), and began April 2012. This Alternatives Analysis is funded through the Federal Transit Administration's Section 5339 Alternatives Analysis program, with a joint local match from the DCRRA and RCRRA. The final alternatives under consideration are Bus Rapid Transit (BRT) on Robert Street, streetcar on Robert Street and BRT on TH 52. The Alternatives Analysis of the Robert Street Transitway intends to identify a preferred alternative route and mode to advance into later stages of development and implementation.





Project at a glance

Current status: Project Development

Mode: Light Rail Transit

New Starts or Non-New Starts: New Starts

Cities served:

Minneapolis, St. Louis Park, Hopkins, Minnetonka, Eden Prairie

Length of transitway: 15.8 miles

Number of stations served: 17 new and Target Field Station

Anticipated annual ridership:

11,332,000 (2030)

Total estimated cost:

\$1,653,000,000

Timeline/Phases

2011-2015: Project Development

2015-2016: Engineering

2016-2018: Construction

2019: Begin Passenger Service

Southwest Light Rail Transit (Green Line Extension)

Metropolitan Council

Southwest Light Rail Transit (LRT) supports jobs in the corridor

- The METRO Green Line Extension will connect to the Blue Line (Hiawatha) and Green Line Light Rail Transit lines, the Northstar Commuter Rail line, and high-frequency bus routes in downtown Minneapolis, providing connections to the Minneapolis-St. Paul Airport, Mall of America, University of Minnesota, State Capitol and downtown St. Paul.
- The line will provide a new transportation option for the existing 199,000 employees who work in the corridor as well as 83,000 new jobs that are forecasted by 2030.
- UnitedHealth Group, the largest Fortune 500 company in Minnesota, has built a third campus at the planned City West Station. UnitedHealth's 6,600 employees will be part of the 83,000 new jobs that are forecast by 2030.

A good investment

- Ridership on the line is expected to be approximately 34,000 trips per weekday (2030).
- Local chambers of commerce representing southwest metro area businesses formed a business coalition called the Southwest Transitway Alliance to promote the development of a Southwest LRT line. Led by the TwinWest Chamber of Commerce and the Minneapolis Regional Chamber of Commerce, this coalition provides a unified business voice for the project.
- The line will connect major activity centers in the region including downtown Minneapolis, the Minneapolis Chain of Lakes, Methodist Hospital, the Opus/Golden Triangle employment area (the region's sixth-largest job center), and the Eden Prairie Center Mall.
- Delivery of Southwest LRT will create an estimated 189 design, engineering and management jobs, 3,500 construction jobs and 175 permanent operations and maintenance jobs.

