

COUNTIES *Transit* Improvement BOARD

Annual Report to the Legislature
2015 Results

Submitted: February 1, 2016

it's about time
mnrides.org



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1.0 LETTER FROM BOARD CHAIR

The Counties Transit Improvement Board (CTIB) respectfully submits its 2015 Annual Report to the Legislature, as required by Minn. Statute Section 297A.992. This report highlights what CTIB has accomplished in 2015. Our activities also reflect ongoing efforts with the Metropolitan Council, cities, chambers of commerce, public-private partnerships, and residents, to advance transit in the Minneapolis-Saint Paul metropolitan area.

Accelerating regional transit projects. Last year, nearly \$105 million in CTIB funding supported regional transitways in four major grant categories: transitways; transitway improvement projects; Washington County guaranteed grant projects; and transitway operations. Since 2008, CTIB has provided nearly three-quarters of a billion dollars in grant funding to transitway projects across each of the five member counties.

Building out a regional system. A thriving economic region recognizes the need to connect its workers and employers. There are 17 Fortune 500 companies headquartered in Minnesota, and 16 are in the Twin Cities metropolitan area. Of those 16 corporations, 14 are on an existing or planned regional transitway.

CTIB grants reach all corners of the region by supporting transitway projects in all five member counties. The Green Line (University Avenue and Southwest LRT) and Blue Line (Hiawatha and Bottineau LRT), along with Gateway Corridor (Gold Line BRT), Red Line (Cedar Avenue BRT), Orange Line (35W BRT), Riverview and other projects, will connect our region like never before. These lines work hand-in-hand with Metro Transit's regular route bus system and soon-to-be inaugurated Arterial BRT service.

Meeting demand. In 2015, 24.3 million riders used regional transit services supported by CTIB funding, including the METRO Blue and Green lines (LRT), METRO Red Line (BRT) and Northstar Commuter Rail. These high-capacity, high-volume transit lines are increasing overall transit system usage, as riders are able to depend on reliable, high-frequency service, seven days a week. Specifically, light rail was responsible for carrying more than 26 percent of all Metro Transit's riders last year.

Supporting local choices: buses or trains. CTIB is proud to support locally-determined bus rapid transit, commuter rail, and light rail transit projects that benefit corridor communities as well as the broader region, and believes that cities and counties should decide which transit solution best meets their needs.

Competing for transit-dedicated federal funding. State law requires CTIB to maximize opportunities to bring federal funding into Minnesota for expansion of the transit system. Competition for federal transit funding is fierce, but CTIB has always prioritized receiving as many federal dollars as possible for our projects.

In 2016, 20 BRT, LRT, and commuter rail projects will open for service across the United States, following on the heels of 11 other transitway projects that opened in 2015. If Minnesota does not actively compete for transit-dedicated federal funding, other states will take home Minnesota's tax dollars. To date, regional transit projects have secured \$1.48 billion in federal funding. Another \$2.29 billion would be delivered through the six transitways included in Phase 1 of CTIB's Program of Projects.

Funding early cash-flow to keep projects on schedule. Federal funding is not available until construction begins. CTIB provides much needed cash-flow during the early years of project development, allowing transitway projects to stay on schedule and within budget.

Making progress in 2016. As we launch into 2016, the Board will continue its mission to keep regional transit projects moving forward, and connecting the people of our region and beyond to the jobs and destinations they seek, while maintaining prudent fiscal oversight of transit sales tax revenues.

We welcome more detailed discussions with you or your staff about our work, and encourage you to schedule a meeting with any of our members if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Peter McLaughlin". The signature is written in a cursive, flowing style.

Peter McLaughlin, Chair

Counties Transit Improvement Board and

Hennepin County Commissioner

612-348-7884

Peter.McLaughlin@hennepin.us

www.mnrides.org

2.0 EXECUTIVE SUMMARY

The Counties Transit Improvement Board's authorizing legislation, Minn. Stat. Section 297A.992, requires CTIB to report annually by February 1 to the House of Representatives and Senate committees having jurisdiction over transportation policy and finance concerning the transit sales tax revenues received and grants awarded by CTIB. This report provides the information required by statute along with additional information about the Counties Transit Improvement Board and its policies to provide background and context for legislators, as well as updates on the various projects in which CTIB invests.

ACCOUNTABILITY AND OVERSIGHT PROVIDED BY ELECTED OFFICIALS

This report begins with a review of the Counties Transit Improvement Board's authorizing legislation and organizational structure (Sections 3 and 4). 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 Anoka, Dakota, Hennepin, Ramsey and Washington County Boards voted to approve the transit sales tax and to manage the proceeds of the sales tax through the Counties Transit Improvement Board, a joint powers board created in 2008.

Local elected officials provide direct oversight of transit sales tax proceeds. Two county commissioners from each of the five member counties serve on the Board, in addition to the Chair of the Metropolitan Council and ex-officio members from Carver and Scott Counties. The Board uses a weighted voting system to balance the interests of each member county. Fifty percent weight is given to each county's population, and fifty percent weight is given to the amount of sales tax revenue generated within each county.

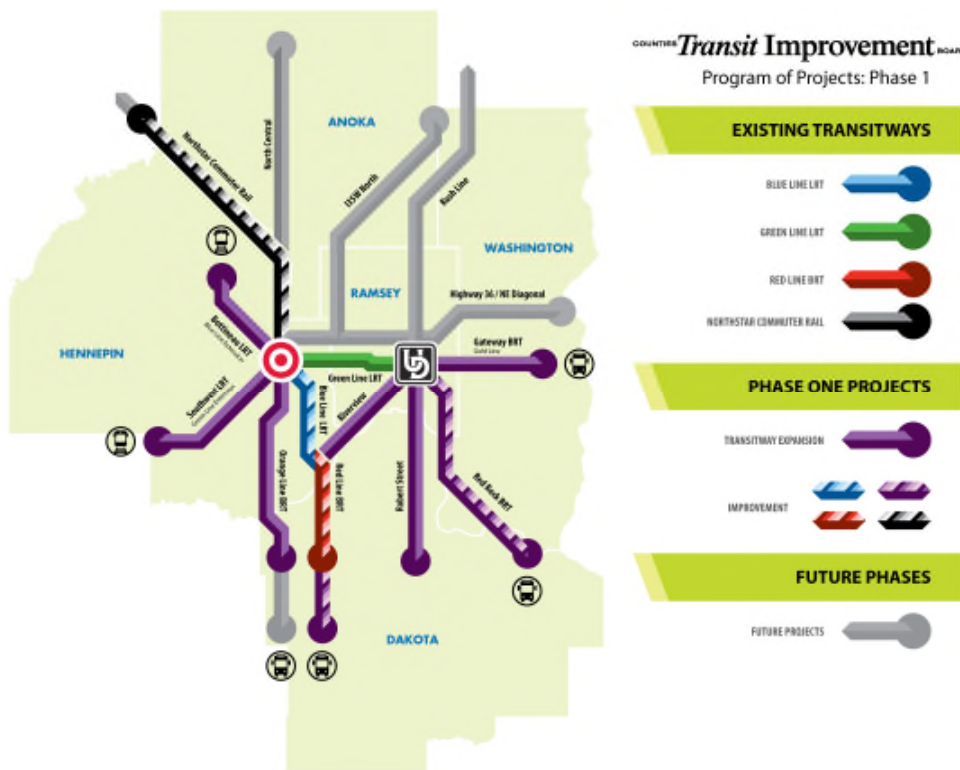
ACHIEVING A SHARED REGIONAL VISION

The Counties Transit Improvement Board and the Metropolitan Council share a vision for a regional transit network that serves the full metropolitan area. CTIB's role is to provide capital and operating grant funding for transitways located within the five-county metropolitan transportation area (as defined by *Minn. Stat. 297A.992*). The five member counties of Anoka, Dakota, Hennepin, Ramsey and Washington Counties represent 90% of metropolitan area residents and 95% of metropolitan area businesses.

The Transit Investment Framework identifies the Counties Transit Improvement Board's vision for regional transitway development, as well as specific policies governing the use of sales tax proceeds (Section 5). CTIB's vision for the five-county metropolitan transportation area 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.

The Counties Transit Improvement Board invests in projects of regional significance. The Counties Transit Improvement Board 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 Program of Projects Investment Strategy serves as a sophisticated financial plan for a 10-year build-out of regional transitway projects (Section 6). The Investment Strategy also identifies a set of Phase 1 projects that are eligible for funding from existing transit sales tax resources, as identified in the map below. Completing Phase 1 transitway projects will generate an additional \$4.6 billion investment in Minnesota’s economy. Significantly, Phase 1 projects will draw in more than \$1.6 billion in transit-dedicated federal funding that will otherwise go to other states.



Map 1

SECURING COMPETITIVE FEDERAL FUNDING

State law requires the Counties Transit Improvement Board to maximize opportunities to secure federal funding for regional transitway projects. CTIB fulfills its role in securing federal funding by providing funding commitments to projects that demonstrate viability and need (Section 7). The Counties Transit Improvement Board also supplies early cash-flow to help projects avoid schedule delays while project sponsors wait for federal funding to arrive.

CTIB funding commitments fast-track transit development by demonstrating to the federal government that the region is capable of meeting local matching fund requirements. Transitway projects with funding commitments from CTIB receive higher financial ratings, which helps Minnesota compete for federal funding. Since 2008, CTIB has committed \$831,250,000 in capital funding to regional transitway projects. Funding commitments to the Green Line LRT (Central Corridor) and Red Line BRT (Cedar Avenue) projects were fulfilled in 2012. Current commitments include \$529,600,000 for three regional transitways under development: Southwest LRT (Green Line Extension), Bottineau LRT (Blue Line Extension), and I-35W South BRT (Orange Line).

2015 RESULTS

Section 10 details the results of recent grant projects. In 2015, the Counties Transit Improvement Board provided \$104.9 million in grants to transitway projects serving each of the five CTIB member counties. These grants have resulted in tangible improvements to the transit system across the five-county area.

Notable 2015 highlights include:

- 24.3 million riders used regional transitways supported by CTIB operating grants, including the Blue Line LRT, Green Line LRT, Northstar Commuter Rail and Red Line BRT services, which operate on 79 miles of guideway and serve 47 stations.
- 26% of all Metro Transit rides provided by just two light rail lines (Blue & Green).
- Continued progress on design and engineering plans for the Southwest LRT (Green Line Extension), Bottineau LRT (Blue Line Extension), and I-35W South BRT (Orange Line) projects.
- Grand opening of the Newport Transit Station, in the Red Rock Corridor in Washington County.
- Construction of safety improvements in the Northstar commuter rail corridor at Armstrong Boulevard in the City of Ramsey to remove conflicts between commuter rail, freight rail, automobile traffic, bicycles and pedestrians.
- Purchase of five additional light rail vehicles for the Blue Line to improve overall service reliability and efficiency of light rail operations.



Image 1: Grand opening celebration for the Newport Transit Station, April 27, 2015

UPCOMING 2016 GRANT PROJECTS

Finally, Section 11 provides a look-ahead to the projects receiving grant support during 2016. Building on of the success of 2015 grants, CTIB awarded an additional \$160.2 million in grants for 2016 capital and operating needs. These grants will support the following activities during the coming year:

- The Gateway Corridor BRT (Gold Line) project's entry into Project Development, a major milestone for the region's first bus rapid transit project in a dedicated guideway.

- Advancement through the Project Development and Engineering phases for work for the Southwest LRT (Green Line Extension), Bottineau LRT (Blue Line Extension), and I-35W South BRT (Orange Line) projects.
- Safety and efficiency improvements to the Mall of America Station, which serves riders using the Blue and Red Lines.
- Safety improvements in the Northstar Commuter Rail corridor at Hanson Boulevard that will remove conflicts between commuter rail, freight rail, and automobile traffic.
- Station area planning and community outreach for the Gateway Corridor BRT (Gold Line) project.
- Ridership modeling and station area planning for the Red Rock Corridor to support the development of an implementation plan for bus rapid transit service in the corridor.

These grants projects contribute towards the completion of the Counties Transit Improvement Board's vision (see map on page 8) for a regional network of transitways that acts as a catalyst for economic development, increased system-wide transit ridership, and further transit expansion.

COUNTIES TRANSIT IMPROVEMENT BOARD VISION FOR REGIONAL TRANSITWAYS



Map 3

3.0 AUTHORITY: LEGISLATION AND JOINT POWERS AGREEMENT

The Counties Transit Improvement Board was formed on April 1, 2008, when 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—the Counties Transit Improvement Board.

The Counties Transit Improvement Board 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 the Board as ex officio, non-voting members. The Chair of the Metropolitan Council serves on CTIB as a voting member. By state law, every CTIB grant must be consistent with the transit portion of the Metropolitan Council’s Transportation Policy Plan.

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.

4.0 ORGANIZATIONAL STRUCTURE: BOARD AND COMMITTEES

4.1 ROLE OF THE BOARD¹

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.

4.2 COUNTIES TRANSIT IMPROVEMENT BOARD MEMBERSHIP

Each member county appoints two Commissioners as representatives and one Commissioner as an alternate to CTIB. On January 16, 2015, CTIB held its organizational meeting and elected its 2015 officers: Hennepin County Commissioner Peter McLaughlin, Chair; Washington County Commissioner Lisa Weik, 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 2015, the ex-officio GEARS representative to CTIB was Mayor Mary Stephens from the City of Woodbury.

The 2015 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.

¹ Transit Investment Framework, Part 3, Role of the Board

Table 1: 2015 Counties Transit Improvement Board Members

Member Organization	Members	Alternate	Number of Votes
Anoka County	Commissioner Matt Look Commissioner Scott Schulte	Commissioner Mike Gamache	10
Dakota County	Commissioner Tom Egan Commissioner Nancy Schouweiler	Commissioner Mary Liz Holberg	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 Karla Bigham Commissioner Lisa Weik	Commissioner Ted Bearth	7
Metropolitan Council	Chair Adam Duininck	Councilmember Lona Schreiber	5
Carver County (Ex officio)	Commissioner Randy Maluchnik		0
Scott County (Ex officio)	Commissioner Jon Ulrich	Commissioner Michael Beard	0
GEARS Committee (Ex officio)	Mayor Mary Stephens City of Woodbury		0

4.3 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 2015 GEARS Committee elected Ramsey County Commissioner Toni Carter as Chair and City of Fridley Mayor Scott Lund 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 2015 GEARS Committee members are listed in Table 2.

Table 2: 2015 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 Mary Liz Holberg		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 Karla Bigham	Commissioner Ted Bearth	Mayor Mary Giuliani Stephens City of Woodbury
Metropolitan Council			Councilmember Lona Schreiber Councilmember Katie Rodriguez

5.0 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.²

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).

5.1 VISION

The Counties Transit Improvement Board’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.

5.2 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. This policy approach allows the Counties Transit Improvement Board to provide needed early cash flow to projects to help avoid schedule delays. 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:

² http://www.mnrides.org/sites/default/files/downloads/tif_adopted_april_16_2014.pdf

- 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
- 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.³

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

5.3 POLICIES ESTABLISHING PROCESS FOR SOLICITATION, EVALUATION & AWARD OF GRANTS

Pursuant to Minn. Statutes Section 297A.992⁴, 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.

³ Master Operations Funding Agreement for Transitway Service

⁴ Minn. Stat. Section 297A.99, Subd. 5

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 funding availability. The grant eligibility criteria used for the 2015 annual grant solicitation are detailed in Exhibit A.

5.4 POLICIES ESTABLISHING BOARD OVERSIGHT OF THE USE OF GRANT FUNDS

The Counties Transit Improvement Board and its member counties contribute 80 percent of the non-federal funding for transitways in the region. The State of Minnesota contributes the remaining 20 percent share. 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.⁵

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.

⁵ 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.

6.0 PROGRAM OF PROJECTS INVESTMENT STRATEGY

The purpose of CTIB's Program of Projects 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.

6.1 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 (cash and bonds) 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;
- Assists CTIB in planning for the issuance of bonds;
- Examines opportunities for acceleration; and
- Tracks the future demand and unmet needs of CTIB Transitways and Transitway Improvement Projects not currently eligible for funding.

6.2 PHASE 1 PROJECTS

Based on a combination of project technical readiness, regional balance, and analysis of available resources, the Counties Transit Improvement Board 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

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

PHASE 1 TRANSITWAY IMPROVEMENT PROJECTS

- Mall of America Station Improvements
- METRO Blue Line vehicles
- METRO Red Line Cedar Grove Access
- METRO Red Line Stage 2 Improvements
- Northstar Safety Improvements – Armstrong Boulevard
- Northstar Safety Improvements – Hanson Boulevard
- Red Rock Highway BRT

The anticipated schedules for all Phase 1 transitway and transitway improvement projects are described in Figure 1 and Figure 2 on the following pages. A map of Phase 1 projects is also provided in the introduction to this report on page 5.

POP Phase 1 Transitway Project Schedules - Submitted and Standardized

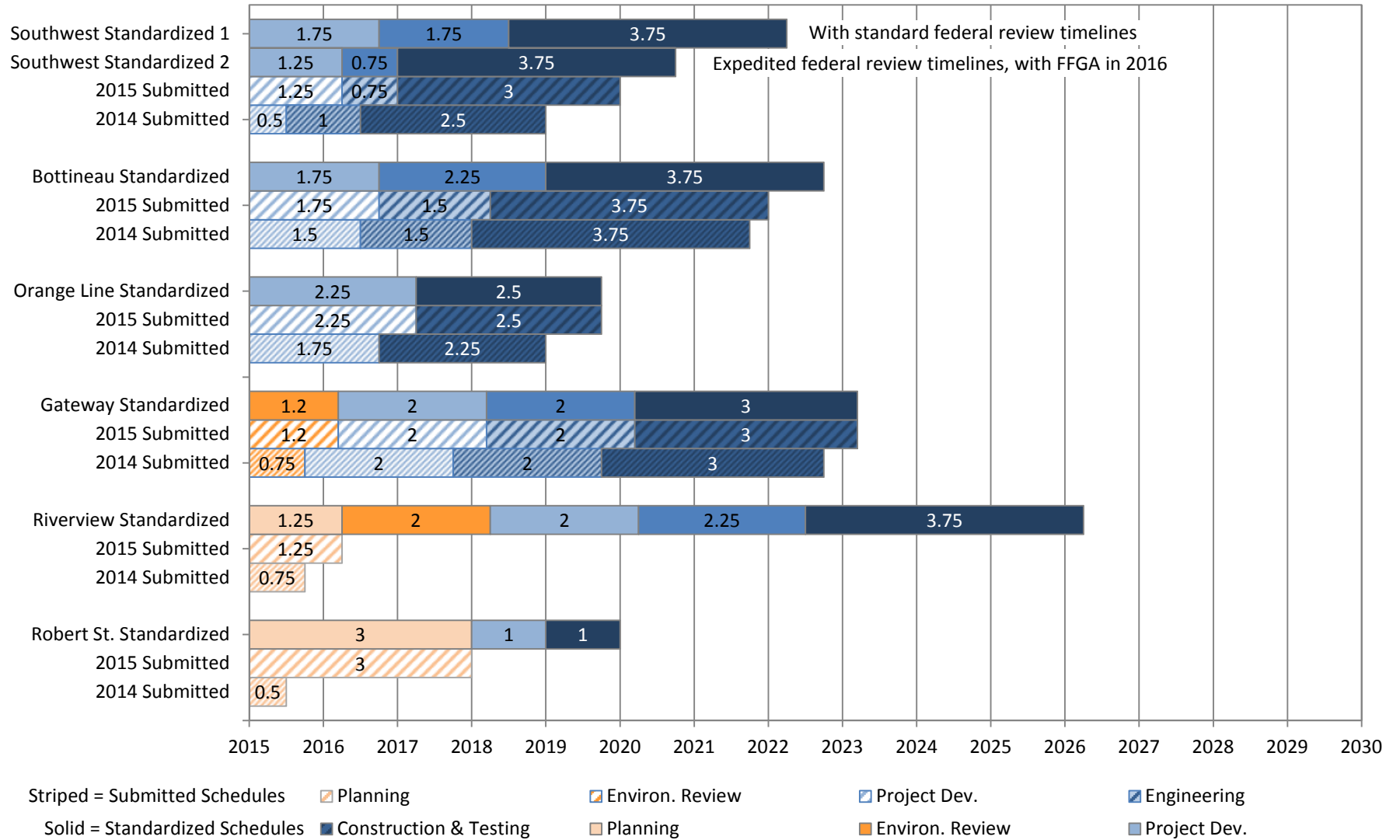


Figure 1

POP Phase 1 Transitway Improvement Projects - Submitted Schedules

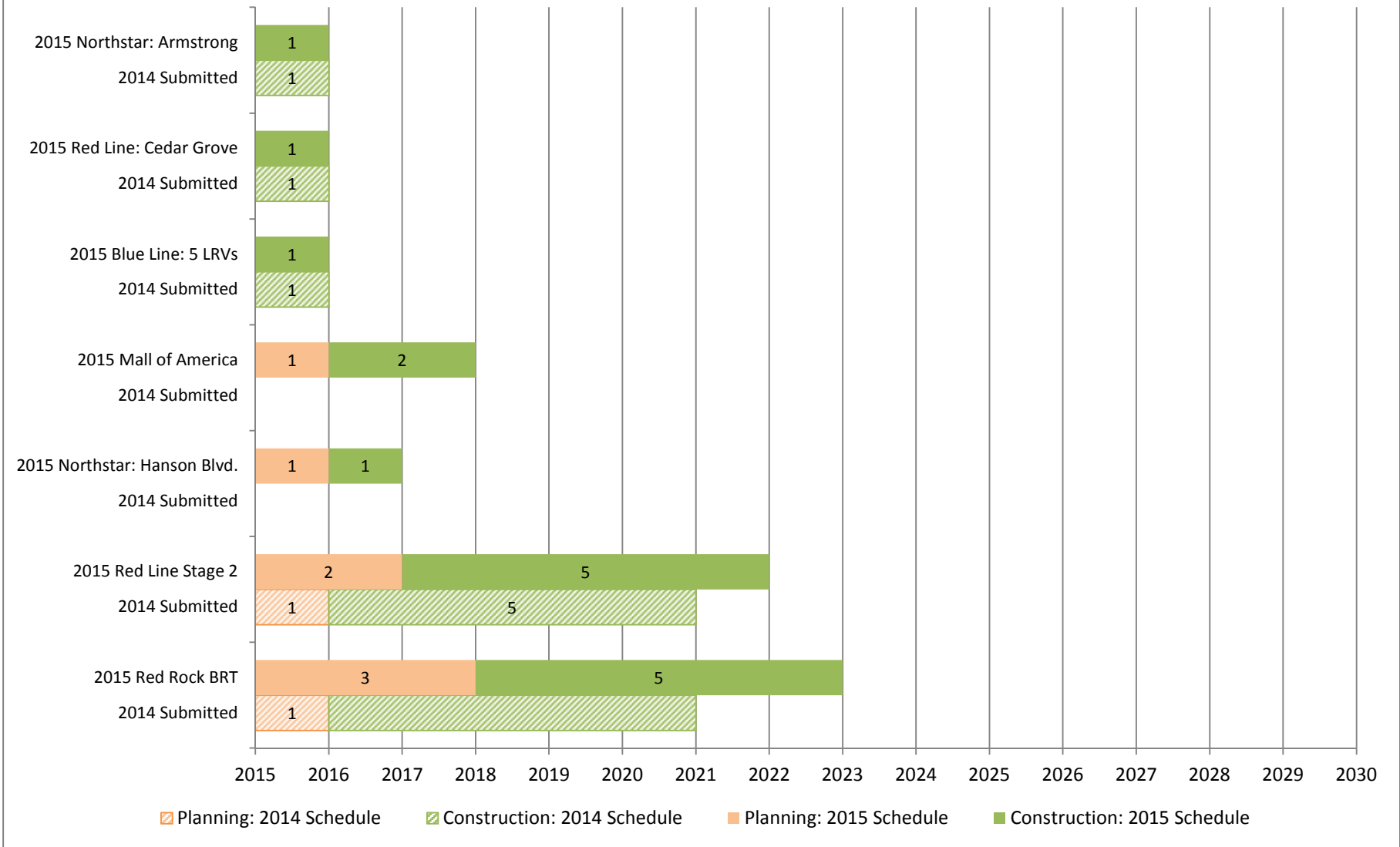


Figure 2

6.3 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.

The Counties Transit Improvement Board uses a sophisticated financial model to project financial capacity for future grant funding needs and to program the use of cash and debt. 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 on the following page represents the best information available to CTIB as of November 2015.

6.4 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, as of November 2015

	Federal	CTIB	State	Local/ Other	Met Council	Other	Project Total
Bottineau LRT	733.0	463.8	149.6	149.6	-	-	1,496.0
Gateway EBRT	218.3	169.8	48.5	48.5	-	-	485.0
Orange Line BRT	75.4	45.2	15.1	14.9	0.2	-	150.7
Riverview LRT (Standard cost est.)	522.5	313.5	104.5	104.5	-	-	1,045.0
Robert Street ABRT	-	22.1	2.8	2.8	-	-	27.6
Southwest LRT	887.1	496.0	149.3	165.3	16.0	60.5	1,774.2
Phase 1 Transitways	2,436.2	1,510.3	469.7	485.5	16.2	60.5	4,978.5
Blue Line - 5 vehicles	-	6.0	-	-	14.0	-	20.0
Northstar - Safety Imp. Armstrong	1.5	10.2	11.6	5.2	-	9.0	37.5
Northstar - Safety Imp. Hanson	-	7.6	12.6	2.5	-	2.5	25.2
Red Line BRT - Cedar Grove	-	10.4	1.3	1.3	-	-	13.0
MOA Station	7.0	2.3	8.8	-	1.9	5.0	25.0
Red Line BRT Stage 2	19.7	19.7	19.7	6.6	-	7.5	73.5
Red Rock HBRT	27.5	16.5	5.5	5.5	-	-	55.0
Transitway Improvement Projects	55.7	72.6	59.4	21.1	15.9	24.0	249.2
Total Capital Indication	2,492.0	1,582.9	528.9	506.3	32.1	85.1	5,227.8

7.0 FUNDING COMMITMENTS

The Counties Transit Improvement Board'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.

7.1 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 Project Development 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 \$142 million in local property tax relief.

7.2 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.

7.3 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 approved 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.

In 2015, the Metropolitan Council requested an increased funding commitment for Project Development to allow for an extended phase of work. The Counties Transit Improvement Board approved an increased Project Development funding commitment amount of \$88.6 million, conditioned upon the Metropolitan Council securing all non-federal funding for the project prior

to July 1, 2016, including but not limited to the state’s 10 percent share of the capital costs of the project. If the Metropolitan Council fails to meet this condition, no further CTIB funding will be made available to the project. To date, a total of \$151.1 million in grant funding has been awarded to the project.

- **Bottineau LRT (METRO Blue Line Extension):** In 2014, the Counties Transit Improvement Board committed funding for 60 percent of the total costs of the PD phase, up to a maximum of \$27.6 million. CTIB will complete this funding commitment in 2016. The Board anticipates receiving future requests for additional funding commitments from the Metropolitan Council. To date, a total of \$36.1 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. CTIB will complete this funding commitment in 2016. The Board anticipates receiving future requests for additional funding commitments from the Metropolitan Council. To date, a total of \$11.5 million in grant funding has been awarded to the project.

Table 4: Status of Capital Funding Commitments, in thousands

Transitway Project	PD	Eng.	Full	Total Funding Committed	Status
METRO Green Line LRT	--	--	\$300,000	\$283,950	Completed
METRO Red Line BRT	--	--	\$17,700	\$17,700	Completed
Southwest LRT	\$88,600	TBD	\$496,000	\$496,000	Ongoing
Bottineau LRT	\$27,600	TBD	TBD	\$27,600	Ongoing
I-35W South BRT	\$6,000	TBD	TBD	\$6,000	Ongoing
Total				\$831,250	

OPERATING FUNDING COMMITMENTS

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

- Hiawatha LRT⁶
- Northstar Commuter Rail^{7,6}
- New and expanded Cedar Avenue BRT⁶
- New and expanded I-35W South BRT⁶
- Central Corridor LRT⁶
- Southwest LRT⁸

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.

⁶ Board resolution adopted August 20, 2008

⁷ For the Northstar Commuter Rail, CTIB's share of net operating costs is 41.95%

⁸ Board resolution adopted August 20, 2014

8.0 TRANSIT SALES TAX REVENUES RECEIVED

Minn. Statutes Section 297A.992 requires that the Counties Transit Improvement Board'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 2015

Table 5: Transit Tax Receipts, 2008 - 2015

	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
2015	\$117,669,580	(\$987,496)	\$116,682,083

8.1 BONDS

In December 2010, the Counties Transit Improvement Board issued a \$102,810,000 note to fund capital grants for the Green Line LRT (Central Corridor) project. 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. Bond proceeds were used to fulfill CTIB's funding commitment to the Green Line LRT (Central Corridor) 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.

8.2 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 2015 Administrative Budget funded by sales tax receipts included sales tax revenues in the maximum amount of \$873,100 based on budgeted sales tax receipts of \$115,000,000. The sales-tax funded portion of the 2015 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.

9.0 HISTORY OF GRANT AWARDS, 2008 - 2016

The Counties Transit Improvement Board 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 table on the following page summarize the capital and operating grants awarded by CTIB since 2008, totaling \$769.8 million.

Table 4

		CTIB Grants						
		(in millions, by year of disbursement)						
		2009-11	2012	2013	2014	2015	2016	Total
Capital	Transitway							
	Bottineau LRT	-	-	-	\$2.40	\$15.90	\$17.76	\$36.06
	Gateway BRT	-	-	-	-	\$0.60	\$5.40	\$6.00
	Green Line LRT	\$186.07	\$97.88	-	-	-	-	\$283.95
	Orange Line BRT	-	-	-	-	\$0.77	\$10.78	\$11.55
	Red Line BRT	\$21.24	\$8.10	-	-	-	-	\$29.34
	Southwest LRT	\$1.20	\$4.61	\$13.65	\$14.63	\$32.69	\$84.29	\$151.08
	Transitway Improvements							
	Blue Line LRT Impr.	-	-	-	-	\$6.00	-	\$6.00
	Mall of America Station Impr.	-	-	-	-	-	\$2.25	\$2.25
	Northstar Commuter Rail Impr.	\$10.90	\$2.00	\$2.00	-	\$10.20	\$7.56	\$32.66
	Red Line BRT Impr.	-	-	-	-	\$10.40	-	\$10.40
	Guaranteed Grants							
	Washington County Guaranteed Grants	\$6.16	\$2.70	\$2.91	-	-	-	\$11.77
	Misc. Other							
I-35W Express Bus	-	-	\$0.81	-	-	-	\$0.81	
Total Capital	\$225.57	\$115.29	\$19.37	\$17.03	\$76.56	\$128.04	\$581.87	
Operating	Transitway Operations							
	Blue Line LRT	\$ 20.74	\$ 6.68	\$ 8.00	\$ 9.21	n/a	n/a	\$ 44.63
	Green Line LRT	-	\$ -	\$ -	\$ 5.61	n/a	n/a	\$ 5.61
	LRT Operations*	n/a	n/a	n/a	n/a	\$ 20.39	\$ 23.19	\$ 43.58
	Northstar Commuter Rail	\$ 14.37	\$ 4.96	\$ 2.40	\$ 5.38	\$ 5.96	\$ 6.76	\$ 39.83
	Red Line BRT	-	\$ -	\$ 0.61	\$ 1.45	\$ 1.45	\$ 1.73	\$ 5.24
	Cedar Avenue Express	\$ 0.46	\$ 0.44	\$ 0.29	\$ 0.39	\$ 0.45	\$ 0.19	\$ 2.23
	I-35W South Express	\$ 0.16	\$ 0.07	\$ 0.12	\$ 0.13	\$ 0.18	\$ 0.29	\$ 0.95
	Legislatively Mandated Subsidies^							
	Metropolitan Council	\$ 30.78	\$ 10.90	\$ 4.18	\$ -	\$ -	-	\$ 45.87
Total Operating	\$ 66.51	\$ 23.05	\$ 15.60	\$ 22.18	\$ 28.43	\$ 32.16	\$ 187.93	
Total Grants	\$ 292.08	\$ 138.35	\$ 34.98	\$ 39.21	\$ 104.99	\$ 160.20	\$ 769.80	

10.0 2015 RESULTS FROM GRANT PROJECTS

At the close of 2014, the Counties Transit Improvement Board awarded seven capital grants, five operating grants, and two Washington County guaranteed grants (payable in 2015). Additionally, one other capital project continued construction activities using grant funds awarded in previous years. The results from these fourteen grant-funded projects are detailed on the following pages.

Seven capital projects supported by CTIB funding advanced in 2015: Bottineau LRT (METRO Blue Line Extension), Gateway Corridor BRT (Gold Line), I-35W South BRT (Orange Line), METRO Blue Line light rail vehicle purchase, METRO Red Line Cedar Grove Station enhancements, Northstar Commuter Rail Safety Improvements at Armstrong Boulevard, and Southwest LRT (METRO Green Line Extension).

Transit service in five transitway corridors received assistance from CTIB in 2015: 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 2015 to support advanced planning activities for the Gateway BRT (Gold Line) and Red Rock corridors.

SOUTHWEST LIGHT RAIL TRANSIT (METRO GREEN LINE EXTENSION)

2015 CAPITAL GRANT: \$63,604,736

The planned 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 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. The line would begin revenue service in 2020 and is expected to have 34,000 average weekday riders by 2035.

In 2012, the Counties Transit Improvement Board 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 \$213.2 million in grant funding to the project. The Southwest LRT Project will provide a new transportation option for 174,000 people who currently work in the corridor as well as 95,000 new jobs forecast to be created by 2035. Work on the Southwest LRT Project has created 189 design, engineering and management jobs and is estimated to create 7,500 construction jobs resulting in \$350 million in payroll. The operation and maintenance of the Southwest LRT line will create an additional 160 permanent jobs.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- February: President Obama's 2016 budget request included \$150 million to start construction, and gave the project a medium-high rating.
- May: The Supplemental Draft Environmental Impact Statement was published on May 22, examining potential impacts on three segments of the route, following earlier adjustments to the route's design. Residents commented on the document at public hearings and through written and electronic submissions.
- July: The Metropolitan Council worked collaboratively with its project partners to revise the scope for the line, leading to support from the Corridor Management Committee and the Metropolitan Council.
- August: The Metropolitan Council submitted an updated New Starts application to the Federal Transit Administration.
- September: Favorable municipal consent votes were received from all five cities along the line and Hennepin County.
- October: The Southwest Project Office submitted a Notice of Intent to apply for entry into engineering to the FTA.
- A mixer and open house for construction contractors interested in the SWLRT project was held in Minnetonka on Oct. 21, drawing a crowd of almost 200, including subcontractors and participants in the state's Disadvantaged Business Enterprise program.
- November: The Southwest Project Office completed 60 percent design plans in October for civil construction, the OMF and systems.

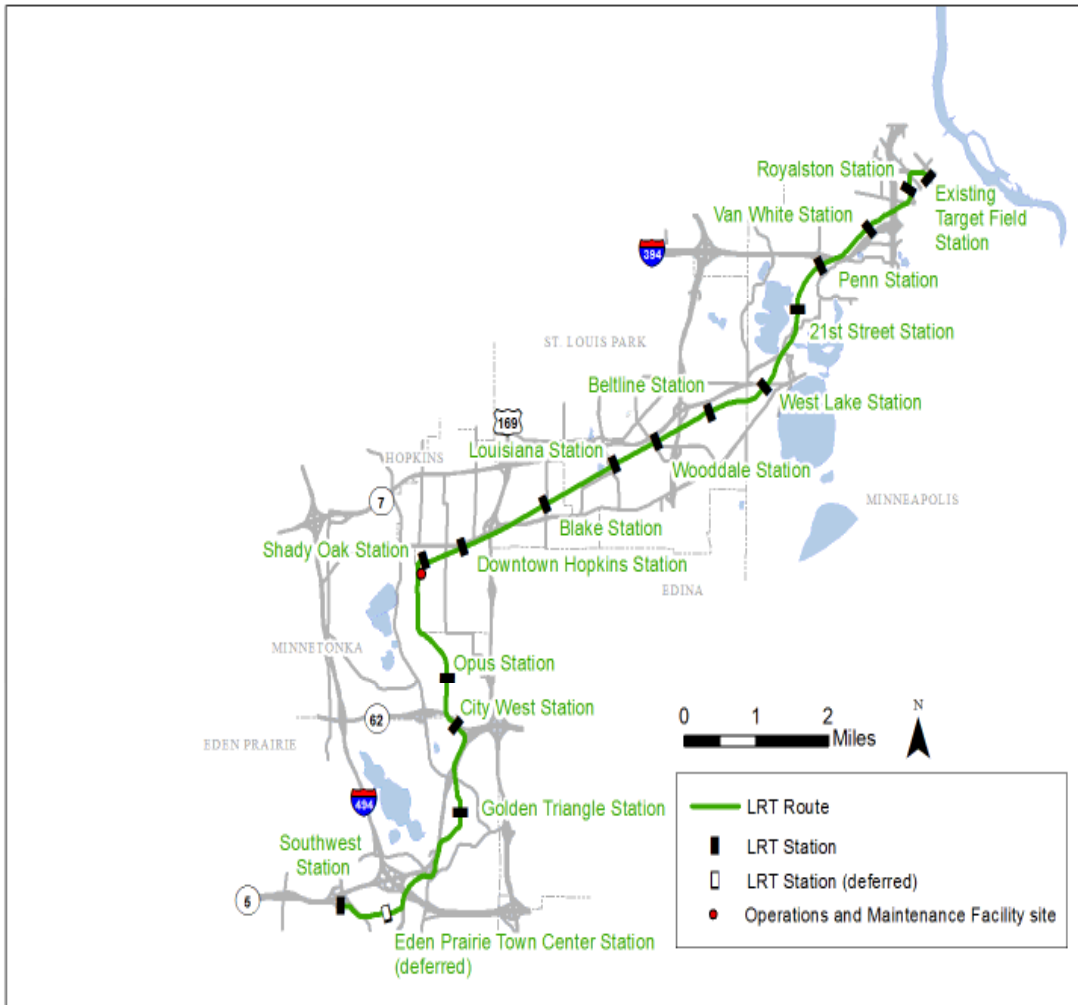


Figure 1: Map of SWLRT Route

BOTTINEAU LIGHT RAIL TRANSIT (METRO BLUE LINE EXTENSION)

2015 CAPITAL GRANT AMOUNT: \$15,900,000

The planned METRO Blue Line Extension will operate on a 13-mile route between downtown Minneapolis the northwest suburbs, serving Golden Valley, Robbinsdale, Crystal and Brooklyn Park. As currently planned, the line will serve 11 new stations. The line would begin revenue service in 2021 and is expected to have 27,000 average weekday riders by 2040.

When complete, the Blue Line Extension would connect to the Blue Line at Target Field Station to provide a single-seat ride from the Target North Campus in Brooklyn Park to the Mall of America in Bloomington. 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.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- In January: The Metropolitan Council opened the Project Office in Crystal and formed Issue Resolution teams made up of staff from the project office, Metro Transit, Hennepin County and the 5 cities along the line. The Project Office started holding regular meetings with project partners to discuss and resolve technical issues.
- The Blue Line Extension project staff and Hennepin County held more than 160 outreach-related meetings with the public, including open houses and community meetings. Some of the meetings drew up to 200 people each. The meetings provided opportunities to learn about the project and provide input.
- The Blue Line Extension Project Office formed advisory committees including the Project Technical Advisory Committee, Business Advisory Committee, Community Advisory Committee and the Communication Steering Committee.
- In late October, project staff presented a more refined scope and cost estimate for the project. The \$1.496 billion cost estimate includes stations at both Golden Valley Road and Plymouth Avenue, and a proposed surface parking lot at the Golden Valley Road site. The revised cost estimate followed extensive engineering work. New scope items include the reconstruction of Hwy. 55 in Minneapolis; a station at Plymouth Avenue; a park-and-ride facility at the Golden Valley Road station and reconstruction of a nearby intersection, and improved trail connections; new LRT bridge structures in Robbinsdale to cross a pond; a park-and-ride facility in downtown Robbinsdale; a park-and-ride lot at the Bass Lake Road station in Crystal; an LRT bridge crossing above Bottineau Boulevard at 73rd Avenue North, and a pedestrian bridge across freight rail at the 63rd Avenue station is planned.
- Initiated the municipal review and consent process in December that will conclude in early March 2016.

(Route map on next page.)

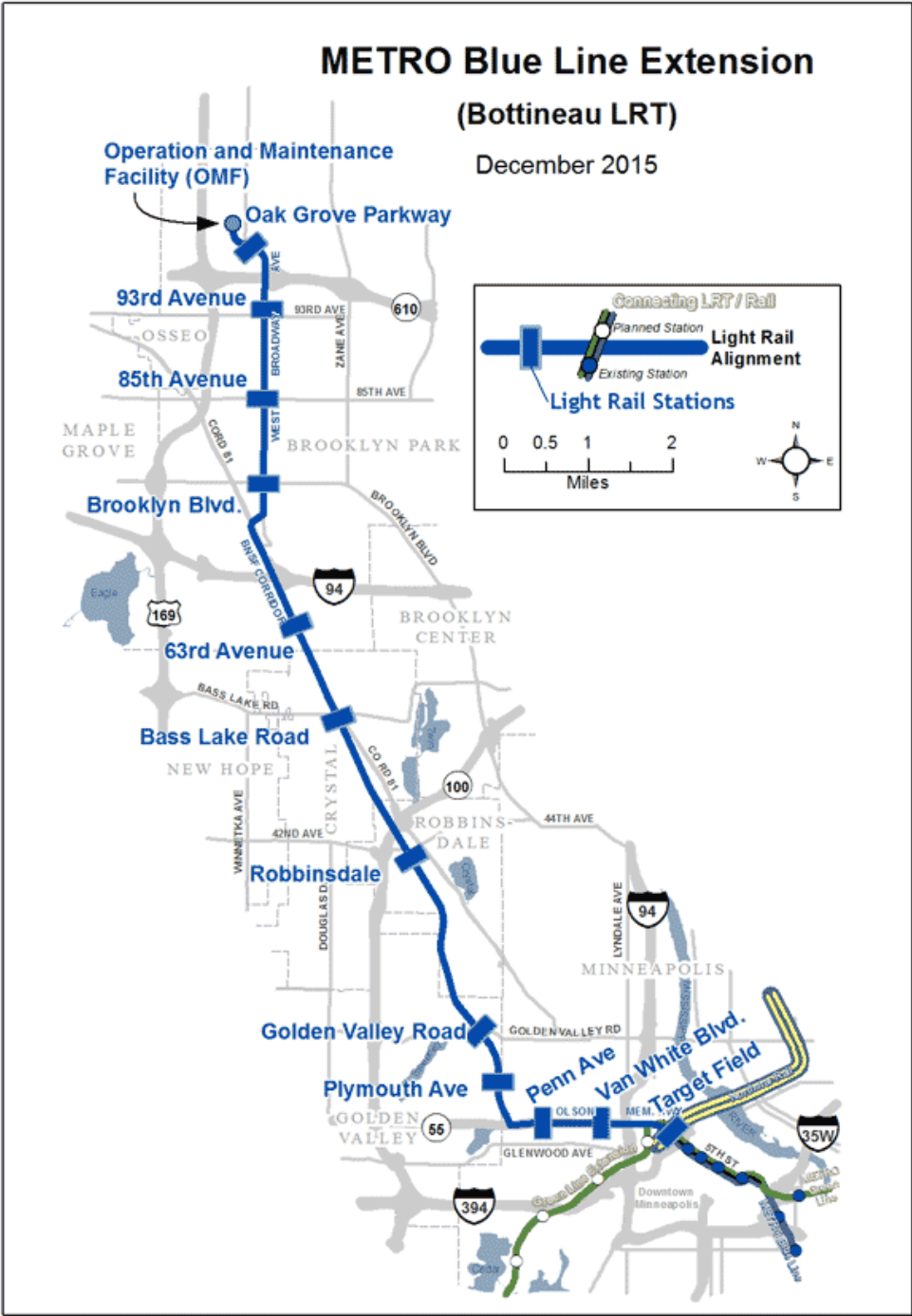


Figure 2: Route map for the METRO Blue Line Extension (Bottineau LRT)

I-35W SOUTH BUS RAPID TRANIST (METRO ORANGE LINE)
2015 CAPITAL GRANT: \$3,000,000

The METRO Orange Line is a 17-mile highway BRT corridor between Minneapolis and Burnsville. 2015 grant funded activities such as: NEPA work, project staffing, guideway development and station development. Ridership is expected to reach 26,500 per day by 2040.

In July, \$12.78M was committed by Hennepin County, which constitutes their entire share for the project. \$10.7M was committed by the Counties Transit Improvement Board in the form of a 2016 capital grant.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- Orange Line was granted entry into FTA Project Development in late 2014, and began the Project Development/Engineering Phase in January 2015.
- In January, FTA recommended that the Orange Line project complete a Documented Categorical Exclusion per Title 23 CFR 771.118(c) 9.
- In partnership with Dakota County, Metro Transit has completed updated Orange Line 2040 ridership forecasts. They estimate 11,400 daily riders on BRT service, with an additional 15,100 express riders benefitting from station and guideway improvements, for a total of 26,500 daily riders in the corridor.
- A \$6.7M Orange Line Engineering contract was authorized for award to HNTB in November.
- Conceptual design completed for the Knox Avenue Transitway, a downtown transit-only ramp, and Burnsville station locations at Nicollet Avenue and Burnsville Parkway.
- Metro Transit provided Orange Line tours to the 35W Solutions Alliance, the Bloomington Chamber of Commerce, and the Richfield Chamber of Commerce (photos on page 2).

Jobs & Economic Development

- 210,000 corridor jobs
- 4,600 corridor businesses
- 26,500 riders projected by 2040
- 150,000 corridor residents
- The project was highlighted in several recent press articles, including Finance and Commerce regarding the Penn American Phase II development in Bloomington.



NORTHSTAR COMMUTER RAIL - ARMSTRONG BOULEVARD SAFETY ENHANCEMENT
2015 CAPITAL GRANT AMOUNT: \$10,200,000

The 2015 capital grant of \$10,200,000 was for the construction an overpass of Armstrong Boulevard (Anoka County CSAH 83) over the Northstar rail line just west of the Ramsey Northstar Commuter Rail Station.

This project addresses the safety, traffic, and multi-modal connectivity challenges that currently exist at this location. In addition to removing the at-grade railroad crossing with a new bridge (Armstrong Boulevard bridge over the railroad), the proposed project includes construction of an interchange at US 10/CSAH 83, improving transitway and traffic operations of both commuter and freight rail traffic on the BNSF Railway tracks and provides bike and pedestrian facilities throughout the project area. This project eliminates train/vehicle conflicts at this intersection and reduces delay ensuring the efficiency of the freight/passenger rail network.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE

- Construction began on the project in April and to date, the construction project is approximately 75% complete. Due to the complex staging and traffic control to minimize the inconvenience to motorists and area businesses, the project is being open to traffic in phases. The south end of the project, including the eastbound entrance and exit ramps from Armstrong Boulevard to US 10, was opened to traffic on October 30, 2015. The north end of the project, including the westbound exit and entrance ramps to US 10 and the bridge over the BNSF/Northstar rail line was opened to traffic December 11, 2015. The last phase, the Armstrong Bridge over US 10, was opened December 31, 2015. The overall project is still set to meet its overall completion date in the spring of 2016.
- To date, approximately \$2.7 million has been expended on engineering costs. With regards to right-of-way acquisition, approximately half of the parcels required for the project have been settled at a cost of approximately \$3.8 million. Eminent domain action was taken prior to the project construction bid letting to ensure we had possession of all of the property required for this project. As mentioned above, approximately 80% of the construction is completed and contract payments totaling approximately \$22.6 million have been made thus far.

Figure 3: The Anoka County CSAH 83 Bridge over the BNSF Railroad tracks used by Northstar was completed in one construction season.



WASHINGTON COUNTY GUARANTEED GRANT:
GATEWAY CORRIDOR DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS)
GUARANTEED GRANT AMOUNT: \$540,000

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.

In 2015, Washington County received a \$540,000 grant from the Counties Transit Improvement Board for the Draft Environmental Impact Statement (DEIS) for the Gateway Corridor. Ramsey and Washington Counties each contributed \$30,000 to the local match. 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 Washington County Regional Railroad Authority (WCRRRA) entered into a contract with Kimley Horn and Associates on May 28, 2013. The study is now underway and is expected to be completed in the summer of 2016.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- Corridor communities worked to refine the preferred alternative:
The Gateway Corridor communities selected bus rapid transit (BRT) as the mode and a conceptual route generally parallel to I-94 as the locally preferred alternative 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. Work has been conducted to refine the eastern end of the route as reflected in the map below. The selection of the final LPA will demonstrate to the Federal Transit Administration (FTA) which alternative local agencies expect to be the most competitive in achieving support at the local, regional, and federal levels and allows the Gateway Corridor to pursue federal funding.
- Awarded \$1 million FTA TOD grant:
The Gateway Corridor was awarded a \$1 million grant from the Federal Transit Administration (FTA) for transit-oriented development (TOD) planning. Including local match, the \$1.3 million grant will ensure cohesive planning throughout the corridor. Grant activities will include support to cities for station area planning to support ridership and drive economic development.

METRO Gold Line BRT

Sept 2015



Figure 4: Gateway Dedicated BRT Corridor Map

WASHINGTON COUNTY GUARANTEED GRANT: RED ROCK CORRIDOR
CAPITAL GRANT AMOUNT: \$360,000

The Red Rock Corridor is a proposed 30-mile transitway, connecting the Twin Cities' southeastern suburbs to St. Paul and Minneapolis. The transitway will originate in Hastings and stop in Cottage Grove, Newport and St. Paul's Battle Creek neighborhood before connecting to the St. Paul Union Depot. Riders can access many destinations from the Depot using other transit service like express buses, local buses, and METRO Green Line.

In 2007, Washington, Dakota, Ramsey, and Hennepin Counties performed an Alternatives Analysis (AA) study on the Red Rock Corridor. Some recommendations from this study included building ridership with expanded bus service in the corridor and helping to promote economic development. Additional work has been completed on station area plans to help achieve that long-term vision.

The Red Rock Corridor recently underwent an Alternatives Analysis Update (AAU) that reviewed the findings from the 2007 AA. While much of the vision and many of the initially-planned steps were confirmed to still be optimal, the update identified a shorter-range implementation strategy that would help improve transit service in the corridor. This alternative, bus rapid transit (BRT), can provide improved accessibility and connectivity for corridor residents and businesses.

The \$360,000 CTIB grant funds an Implementation Plan process that began in early 2015. The Implementation Plan will build off the recommendations from the AAU to create financial, development, and service plans to lead towards the long-term goal of more transit service in the Corridor.



KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- The first public open house for the Red Rock Implementation Plan was held on Monday, April 27th following the grand opening for the Newport Transit Station. The meeting was held in an open house format with no formal presentation, allowing attendees to come and go as they wished. There were approximately 20 attendees participated in open house activities and about 60 attended the Grand Opening. The meeting included four interactive stations at which participants could learn about the plan and provide comments and recommendations. Project and consultant staff was available to guide activities and answer questions.

- **Red Rock Corridor Commission Toured the METRO Red Line:**
Red Rock Corridor Commission, Technical Advisory Committee, Business and Civic Advisory Committee, and interested community members were invited to a tour of the METRO Red Line on September 21, 2015. The METRO Red Line is a bus rapid transit route running along Cedar Avenue between the Mall of America and the City of Apple Valley. Red Line service began in 2013 and is planned to extend to Lakeville in the future.
- The Red Line is currently the only operational bus rapid transit route in the Twin Cities Metro Area. The Red Rock Corridor Commission requested the tour for members and community partners to be able to experience bus rapid transit and how it differs from other transit modes.
- Participants were able to experience how the line operates and talked with city and county staff about the route. Kristine Elwood, Transit Manager with Dakota County, provided an overview of the planning process and current operations. The tour stopped at the Cedar Grove Transit Station and participants heard from a consultant with Kimley Horn regarding plans to improve travel time along the route. The tour concluded with a discussion with Bruce Nordquist from City of Apple Valley regarding the work the city has done to support the transit investment.



Figure 5: Bruce Nordquist, City of Apple Valley Community Development Director, discussed the city's role in supporting development near the transitway

WASHINGTON COUNTY GUARANTEED GRANT: NEWPORT TRANSIT STATION
2010-2014 GRANT FUNDING: \$3,180,000

The Newport Transit Station is at the southwest intersection of Interstate 494 and Highway 61, at 2222 Maxwell Ave. in Newport. It is part of the Red Rock Corridor transitway, and provides a park-and-ride lot, and a heated, enclosed waiting area with restrooms. It is a stop for three express buses to downtown St. Paul each weekday morning and afternoon along the 364 route. The station is a long-term investment in both transportation infrastructure and economic development and has been designed to accommodate greater use over time as more service options are added.

A 2010 grant from the Counties Transit Improvement Board 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, Counties Transit Improvement Board (CTIB) and local funds from the Washington County Regional Railroad Authority.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- Grand Opening- The Newport Transit Station Grand Opening was held on Monday, April 27th in conjunction with an open house for the Implementation Plan. All regional partners were in attendance including City of Hastings, City of Cottage Grove, City of Newport, Ramsey, Dakota, Washington, and Hennepin Counties, Metropolitan Council, and Senator Betty McCollum. Speakers at the event included Washington County Commissioner Karla Biggam, Congresswoman Betty McCollum, Counties Transit Improvement Board (CTIB) Chair Commissioner Peter McLaughlin, Metropolitan Council Chair Adam Duinick, and Newport Mayor Tim Geraghty. There were approximately of 60 attendees for the ceremony.



Figure 6: Newport Station Grand Opening

METRO BLUE LINE LIGHT RAIL VEHICLES
2015 CAPITAL GRANT AMOUNT: \$6,000,000

The Counties Transit Improvement Board awarded a capital grant in the amount of \$6,000,000 for the purchase of 5 Light Rail Vehicles for the METRO Blue Line. These vehicles were purchased from existing options for light rail vehicles from Siemens Industry, Inc. in September 2015. The increase of 5 Light Rail Vehicles allows the light rail fleet spare ratio to increase to the FTA recommended spare ratio and also improves the reliability and service to our customers, by allowing recommended running repair, and overhaul maintenance on the vehicles to occur without reducing the number of vehicles used for revenue service.



Figure 3: METRO Blue Line Vehicles

METRO BLUE LINE AND METRO GREEN LINE (LIGHT RAILTRANSIT)

2015 OPERATING GRANT AMOUNT: \$22,517,287

The Counties Transit Improvement Board awarded an operating grant in the amount of \$22,517,287 for METRO Blue Line and METRO Green Line Light Rail service in 2015. 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 METRO 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 2015.



Figure 8: METRO Blue Line connects downtown Minneapolis with the Airport and Mall of America



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

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- The METRO Blue Line (Hiawatha Light Rail Transit) completed its eleventh year of service in 2015. The average weekday ridership in 2015 exceeded projected ridership for 2020, with a projected yearly total of over 10.6 million rides.
- The METRO Green Line (Central Corridor Light Rail Transit) completed its first full year of service in 2015. The average weekday ridership in 2015 was over 37,500 with 16 weeks exceeding 40,000 average weekday rides with a projected yearly total of nearly 12.4 million rides.
- In 2015, the METRO Blue Line and METRO Green Line recovered approximately 35 percent of its operating cost from fares, compared to a national peer system average of 30 percent. Ridership on the METRO Blue Line and METRO Green Line represents approximately 26 percent of all Metro Transit rides. The new Target Field Station adjacent to the ballpark, provided convenient and easy access for baseball game attendees in 2015. From April 2015 through October 2015, ten percent of baseball

game attendees took the METRO Blue Line and METRO Green Line to and from the games. Ridership for the Vikings games at TCF Bank Stadium have also been very strong with approximately 27 percent of Vikings Games attendees taking the METRO Blue Line and METRO Green Line to and from the games.

- High ridership and other cost saving measures taken by the Metropolitan Council resulted in reduced operating costs in 2014. In 2015, the Metropolitan Council presented CTIB with a \$1,924,058 operating grant refund for 2014 operations.



Figure 10: Vikings fan ride the METRO Green Line to TCF Bank Stadium



Figure 11: Fans arriving at a Minnesota Twins Game

NORTHSTAR COMMUTER RAIL

2015 OPERATING GRANT AMOUNT: \$6,297,289

The Counties Transit Improvement Board awarded an operating grant in the amount of \$6,297,289 for service in 2015. 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 2015.

Figure 12: Northstar Train

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- Northstar Commuter Rail completed its sixth year of service in 2015. 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 2015, the Northstar Commuter Rail line provided over 722,600 rides.
- Cost saving measures taken by the Metropolitan Council and an operating refund from BNSF Railroad resulted in reduced operating costs in 2014. In 2015, the Metropolitan Council presented CTIB with a \$1,172,679 operating grant refund for 2014 operations.



**Figure 13: Northstar Riders
Off Boarding at Night**

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

2015 OPERATING GRANT AMOUNT: \$1,450,514

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.

The Counties Transit Improvement Board awarded an operating grant in the amount of \$1,450,514 for METRO Red Line revenue service in 2015. CTIB's share of transitway operating subsidies were 50% in 2015.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- The METRO Red Line began revenue service on June 22, 2013 with BRT service between Apple Valley and Mall of America. The 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 Red Line serves six stations and runs 128 bus trips per weekday. Projected 2015 annual ridership totals 262,588.
- METRO Red Line continues to promote new development and redevelopment along the corridor. The Twin Cities Premium Outlets and Cedar Grove Parking Garage (City of Eagan) successfully opened in August 2014 and serve as the anchor of the Cedar Grove redevelopment area. In addition, 192 units of market rate apartments, with 11,000 square feet of retail space, opened in the summer of 2015 at the east end of the project area. The project, named Flats at Cedar Grove, will be more than 75% leased by the end of 2015. Additionally, construction began on a 50-unit townhome project, Cedar Grove Townhomes, on the west end of Cedar Grove Parkway near the transit station and another nearby infill development site.
- Concept approval was received for a 173-unit active senior apartment facility adjacent to the parking garage near the transit station. The City of Eagan continues to work with developers to build a 119-room hotel at the second level of the parking garage and will preserve an additional three acres for future development that could include a mix of uses, including another hotel, additional retail, office space or higher density housing – all of which are compatible with the existing development and goals for the area.

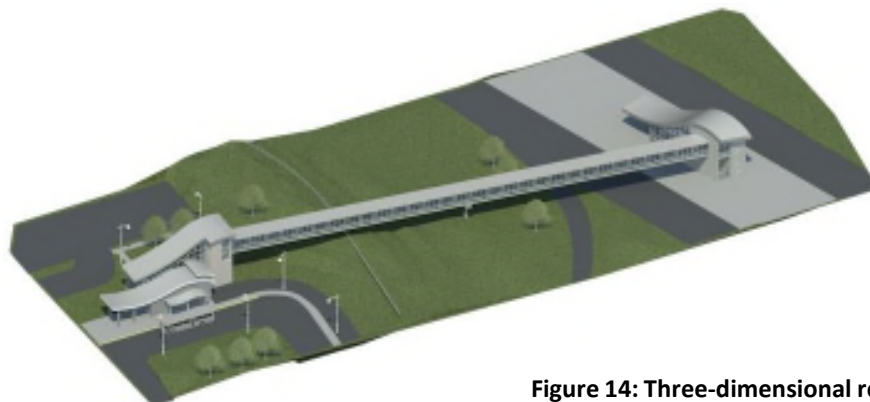


Figure 14: Three-dimensional rendering of the new Cedar Grove Transit Station. The new station is currently under construction and expected to be completed by spring 2017.

CEDAR AVENUE BUS RAPID TRANSIT – EXPRESS SERVICE
2015 OPERATING GRANT AMOUNT: \$454,583

The Counties Transit Improvement Board awarded an operating grant in the amount of \$454,583 for Cedar Avenue BRT Express revenue service in 2015. CTIB's share of transitway operating subsidies were 50 percent in 2015.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- In addition to the Red Line, CTIB supports expanded weekday express bus service in the Cedar Avenue corridor on Routes 477 and 475.
- Select Route 477 trips serving the Apple Valley Transit Station were extended to the Lakeville Cedar Park-and-Ride in September 2009. These trip extensions provide expanded Cedar Avenue BRT Express service and connect City of Lakeville residents to other public transit services in the corridor, particularly the METRO Red Line. In 2015, four morning and four evening rush hour trips to the Lakeville Cedar Park-and-Ride were provided.



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

- The Cedar Grove Transit Station opened in March 2010 and Route 475 started in September 2010. Route 475 provides express service to downtown Minneapolis and the University of Minnesota.
- In 2015, these expanded express bus services provided nearly 19,000 rides. These new rides are in addition to the over 660,000 rides from other express bus services that operate within the Cedar Avenue corridor.

I-35W SOUTH BUS RAPID TRANSIT EXPRESS SERVICE
2015 OPERATING GRANT AMOUNT: \$177,216

The Counties Transit Improvement Board awarded an operating grant in the amount of \$177,216 for the I-35W South BRT Express Service in 2015.



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.

KEY ACCOMPLISHMENTS IN 2015 INCLUDE:

- 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 1,070 daily rides in late 2015. Total 2015 ridership is projected at 268,900. During 2015, this service recovered 71 percent of its operating cost from fares.



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

11.0 UPCOMING 2016 GRANT PROJECT

In June 2015, the Counties Transit Improvement Board passed a resolution as required by Minn. Statutes Section 297A.992, subd. 5, to authorize the 2015 Grant Solicitation Process for Grants Payable in 2016. This resolution established the amount of funding available for 2016 grants, adopted supplemental grant eligibility criteria, and established the schedule for the evaluation and award of grants. The Payable 2016 Grant Eligibility Criteria are attached as Appendix B.

Applications were submitted on September 11, 2015, reviewed by staff for completeness, and then re-submitted for final review on September 25, 2015. All of the projects were deemed consistent with the Metropolitan Council's 2040 Transportation Policy Plan, by resolution of the Metropolitan Council on October 22, 2015. The GEARS Committee completed its review and made funding recommendations to CTIB on November 3, 2015. CTIB accepted the recommendations from the GEARS Committee and awarded, by unanimous vote, six capital, five operating, and two Washington County guaranteed grants for projects in 2016.

PAYABLE 2016 CAPITAL GRANTS – \$160.2 MILLION

The capital grants awarded for 2016 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 – 2016 Grant Amount \$17,760,000

The Bottineau Light Rail Transit Project (METRO Blue Line Extension) received an award of \$17.8 million in 2016 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes.

Gateway Bus Rapid Transit – 2016 Grant Amount \$5,400,000

The Gateway Bus Rapid Transit Project (Gold Line) received an award of \$5.4 million in 2016 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 2016.

Orange Line Bus Rapid Transit – 2016 Grant Amount \$10,738,500

The Orange Line Bus Rapid Transit Project (Orange Line) received an award of \$10.7 million in 2016 grant funds to support PD phase activities, including but not limited to the engineering, design and environmental processes.

Southwest Light Rail Transit – 2016 Grant Amount \$84,290,122

The Southwest Light Rail Transit Project received an award of \$99 million in 2016 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. In response to changes in the 2016 project schedule and budget, the Board later approved a 2016 grant agreement in the amount of \$84.3 million.

TRANSITWAY IMPROVEMENT PROJECTS

Mall of America Station – 2016 Grant Amount \$2,250,000

The Metropolitan Council received an award of \$2.3 million in 2016 grant funds to be used for the construction of the MOA Transit Station improvements. The purpose of this project is to improve the overall operational efficiency and reliability of routes utilizing the MOA Transit Station. The proposed improvements will realign and relocate the station to provide a bus-only entry and street presence from 24th Avenue, and a direct pedestrian connection into the interior of the MOA.

Northstar Commuter Rail Safety Improvements – 2016 Grant Amount \$7,560,000

Anoka County received an award of \$7.6 million in 2016 grant funds to construct safety improvements at Hanson Boulevard. The purpose of this project is to build a grade separated automobile crossing over the Northstar commuter rail and freight rail tracks at Hanson Boulevard. This project will improve safety by removing potential conflicts between commuter rail, freight rail and automobile traffic.

PAYABLE 2016 OPERATING GRANTS – \$32.15 MILLION

LRT Operations (METRO Blue and Green Lines) – 2016 Grant Amount \$23,194,427

The Metropolitan Council received an award of \$23.2 million in 2016 grant funds to provide a 50 percent share of 2016 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 – 2016 Grant Amount \$6,755,400

The Metropolitan Council received an award of \$6.8 million in 2016 grant funds to provide a 41.95 percent share of 2016 net operating costs for the Northstar Commuter Rail line. Northstar began operating in 2009.

METRO Red Line (Cedar Avenue Bus Rapid Transit) – 2016 Grant Amount \$1,725,010

The Metropolitan Council received an award of \$1.7 million in 2016 grant funds to provide a 50 percent share of the 2016 net operating costs for the METRO Red Line. The METRO Red Line began operating in 2013.

Cedar Avenue Express Service – 2016 Grant Amount \$191,344

The Metropolitan Council received an award of \$191,344 in 2016 grant funds to provide a 50 percent share of the 2016 net operating costs of eligible express bus service on the Cedar Avenue transitway corridor.

I-35W South Express Service – 2016 Grant Amount \$286,209

The Metropolitan Council received an award of \$286,209 in 2016 grant funds to provide a 50 percent share of the 2016 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).

APPENDIX A:

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.⁹

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:¹⁰

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 transitways¹¹, 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.¹²

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).¹³

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 be

⁹ Transit Investment Framework, Part 2

¹⁰ Framework, Part 2

¹¹ Framework, Part 5

¹² Framework, Part 6

¹³ Program of Projects Investment Strategy, adopted July 16, 2014

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.¹⁴

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.¹⁵

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.¹⁶

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.¹⁷

¹⁴ Framework, Part 8

¹⁵ POP Investment Strategy, Part 6

¹⁶ Framework, Part 6

¹⁷ Framework, Part 5

APPENDIX B:
PAYABLE 2016 GRANT
ELIGIBILITY CRITERIA

PAYABLE 2016 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 17, 2015 in Resolution #35-CTIB-2015,
“Resolution Establishing the 2015 Grant Solicitation Process for Grants Payable in 2016.”

1. The following corridors will be eligible for a grant for operations:

- a. METRO Blue Line Light Rail Transit (Hiawatha)
- b. METRO Green Line Light Rail Transit (Central)
- c. METRO Red Line/Cedar Avenue Bus Rapid Transit
- d. Northstar Commuter Rail
- e. I-35W South Bus Rapid Transit

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 (METRO Blue Line Extension)
- b. Gateway Corridor (METRO Gold Line)
- c. I-35W South Bus Rapid Transit (METRO Orange Line)
- d. Southwest Light Rail Transit (METRO Green Line Extension)

3. The following transitway improvement projects will be eligible for a capital grant:

- a. Northstar Commuter Rail Safety Improvement (Hanson Boulevard Project)
- b. Mall of America Transitway Station Improvement Project

4. Washington County is eligible to apply for a grant from its guaranteed grant funds.

APPENDIX C:

TRANSITWAY BRIEFS



Southwest Light Rail Transit (METRO Green Line Extension)

Metropolitan Council

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: 14.5 miles

Number of stations served: 16 new and Target Field Station (including deferred station at Eden Prairie Town Center)

Anticipated annual ridership:

11,332,000 (2040)

Total estimated cost:

\$1.79 billion

Timeline/Phases

2011-2016: Project Development

2016-2017: Engineering

2017-2019: Construction

2020: Begin Passenger Service

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 174,000 employees who work in the corridor as well as 95,000 new jobs that are forecasted by 2035.
- UnitedHealth Group, the largest Fortune 500 company in Minnesota, has built a third campus at the planned City West Station for its Optum division. The 6,700 Optum employees will be part of the 95,000 new jobs that are forecast by 2035.

A good investment

- Ridership on the line is expected to be approximately 34,000 trips per weekday (2040).
- Several large employers and Fortune 500 companies are present in the Southwest corridor including UnitedHealth Group, Cargill, SuperValu and Starkey Laboratories.
- The line will connect major activity centers in the region including downtown Minneapolis, the Minneapolis Chain of Lakes, Park Nicollet 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, 7,500 construction jobs and 160 permanent operations and maintenance jobs.

2015 Highlights

February: President Obama's 2016 budget request included \$150 million to start construction, and gave the project a medium-high rating.

May: The SWLRT's Supplemental Draft Environmental Impact Statement was published on May 22, examining potential impacts on three segments of the route and stations in Eden Prairie, the operations and maintenance facility in Hopkins and co-locations of light rail and freight in the Kenilworth Corridor in Minneapolis. Residents commented on the document at public hearings and through written and electronic submissions.

The Metropolitan Council worked collaboratively with its project partners to revise the scope for the line, leading to support from the Corridor Management Committee and the Metropolitan Council. Favorable municipal consent votes were received from all five cities along the line and Hennepin County.

In the May-July period, the project office and Corridor Management Committee worked to trim the project's scope and adjust the cost estimate. This work was accomplished without any change to CTIB's funding commitment of \$496 million.

August: The project office submitted an updated New Starts application to the Federal Transit Administration.

October: A mixer and open house for construction contractors interested in the SWLRT project was held in Minnetonka on Oct. 21, drawing a crowd of almost 200, including subcontractors and participants in the state's Disadvantaged Business Enterprise program.

The project office completed 60 percent design plans in October for civil construction, the OMF and systems. Also, the project office submitted a Notice of Intent to apply for entry into engineering to the FTA.

Board Actions to Date

Grants

- 2009: \$7 million
- 2010: \$12.2 million
- 2011: \$13.56 million
- 2013: \$17.56 million
- 2014: \$63.6 million
- 2015: \$99.3 million

Funding commitments

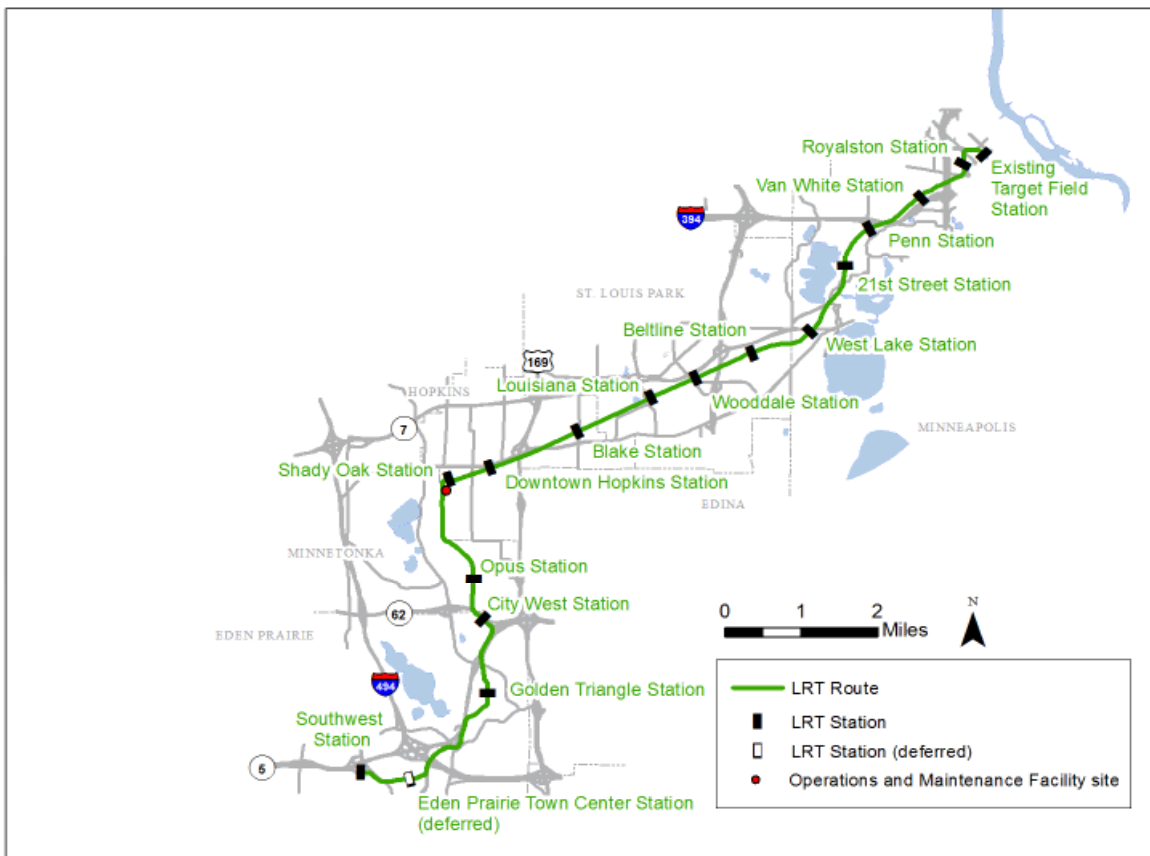
In August 2014, CTIB committed to funding \$496 million (28 percent) of the SWLRT Project.

In August 2014, HCRRRA committed to funding \$165 million (9.3%) of the SWLRT Project.

To date, the state of Minnesota has committed \$30.3 million to the SWLRT Project.

Letters of No Prejudice (LONP) approval

None at this time.





Blue Line Extension Bottineau Light Rail Transit

Metropolitan Council – Metro Transit

Project at a glance

Current status:

Approved by FTA for Entry into Project Development

New Starts or Non-New Starts:

New Starts

Cities served:

Brooklyn Park, Crystal, Robbinsdale, Golden Valley and Minneapolis.

Length of transitway:

Approximately 13 miles

Number of stations served:

11

Anticipated annual ridership:

8,500,000 (2040)

Total estimated cost:

\$1,496,000,000

Timeline/Phases

2014-2016:

Project Development

2016-2018:

Engineering

2018-2020:

Construction

2021: Revenue Service

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 line 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.

• Helps reverse commutes, addresses growing transit needs, serves diverse groups

- The line will help the Metropolitan Council advance its equity goals by connecting racially and ethnically diverse residents throughout the corridor to job concentrations across the region.
 - Languages spoken by the corridor's residents include various African languages, Chinese, French, Hmong, Lao, Spanish and Vietnamese. The corridor is also home to many people from Ethiopia, Kenya, Liberia, Nigeria, and Somalia.
 - The Blue Line Extension is needed because traffic congestion is expected to intensify and current transit service in the project area offers a limited number of travel-time competitive alternatives to personal vehicles.
 - Communities served by the Blue Line Extension are expected to grow by 110,000 people by 2040. Meanwhile, 14 percent of households in the project area do not own a vehicle, according to U.S. Census Bureau figures. In parts of north Minneapolis, more than half of the households lack cars.

- In some project area communities, senior citizens make up a larger share of the population than they do in the overall regional population. With senior populations in the region forecast to grow by 120 percent during the next 20 years, providing fast and reliable transit like the Blue Line Extension is important to help these seniors age in place.

2015 Highlights

- January, 2015: The Project Office opened in Crystal.
- January-October, 2015: The Metropolitan Council formed Issue Resolution teams made up of staff from the project office, Metro Transit, Hennepin County, the 5 cities along the line and park officials started holding regular meetings to discuss and resolve technical issues.
- January-October, 2015: The Blue Line Extension project staff and Hennepin County held more than 160 outreach-related meetings with the public, including open houses and community meetings. Some of the meetings drew up to 200 people each. The meetings provided opportunities to learn about the project and provide input.
- In late October, project staff presented a more precise scope and cost estimate for the project. The \$1.496 billion cost estimate includes stations at both Golden Valley Road and Plymouth Avenue. The revised cost estimate followed extensive engineering work. New scope items include the reconstruction of Hwy. 55 in Minneapolis; a station at Plymouth Avenue; a park-and-ride facility at the Golden Valley Road station and reconstruction of a nearby intersection, and improved trail connections; new LRT bridge structures in Robbinsdale to cross ponds; a park-and-ride lot at the Bass Lake Road station in Crystal; an LRT bridge crossing above Bottineau Boulevard at 73rd Avenue North, and a pedestrian bridge across freight rail at the 63rd Avenue station.
- On November 12, 2015, the CMC passed a resolution to support the revised project scope and cost estimate. On December 9, 2015, the Metropolitan Council approved the revised project scope and cost estimate.
- December, 2015: Initiated the municipal review and consent process that will conclude in early March 2016.

Board actions to date

CTIB Grants

- 2012: \$2.4 million
- 2015: \$15.9 million
- 2016: \$17.6 million (pending)

Funding Commitments

In January of 2014, CTIB committed \$27.6 million for project development costs.

In May of 2014, the State of Minnesota committed \$1 million in general obligation bonds.

In November of 2013, the HCRRA committed \$17.4 million to the project for project development costs.

Total combined commitments: \$46 million

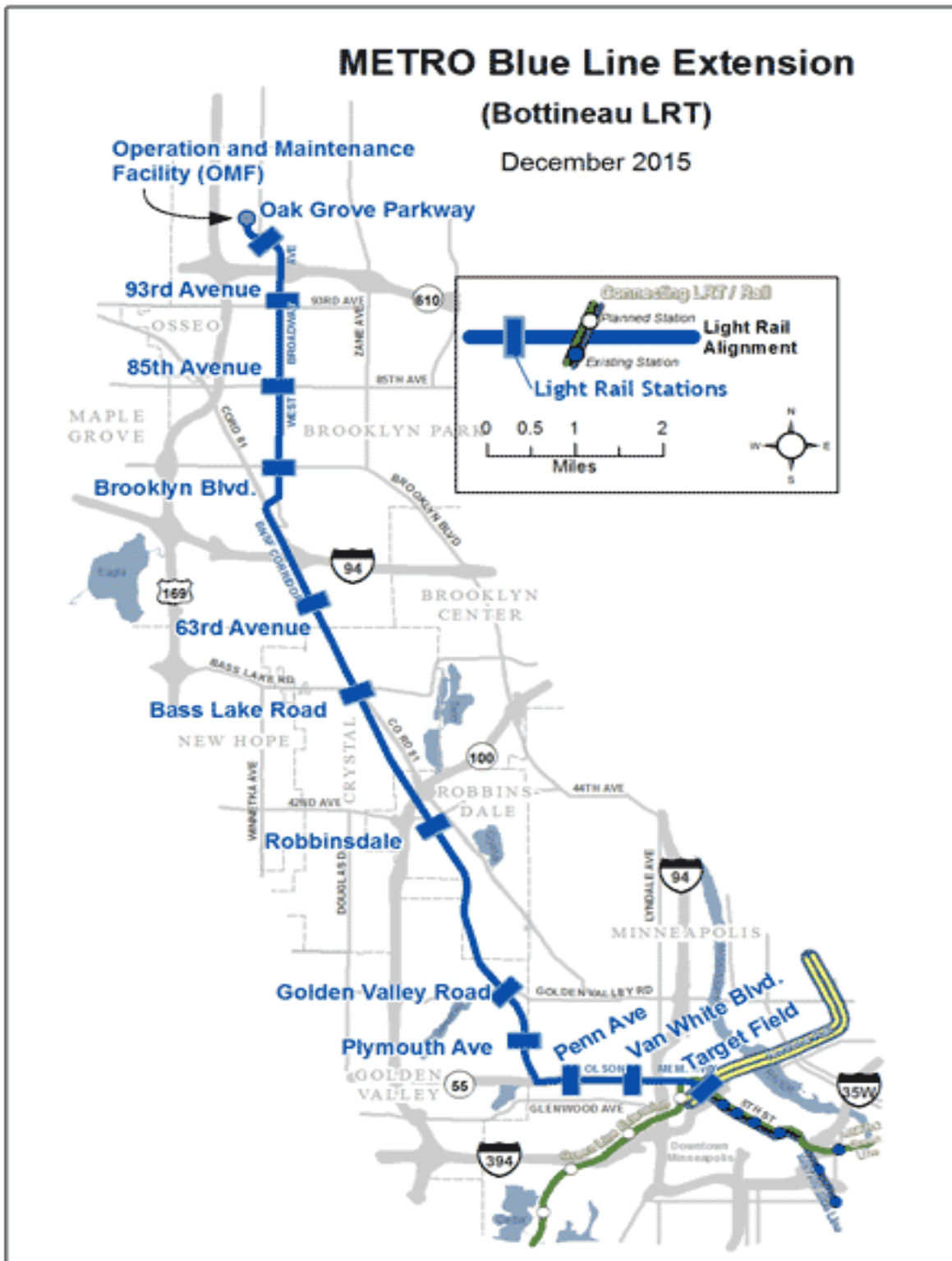
Letters of No Prejudice (LONP)

None to date

METRO Blue Line Extension

(Bottineau LRT)

December 2015



METRO Orange Line Bus Rapid Transit

Metropolitan Council

Project at a glance

Current Status: Project Development.

Preferred mode: Bus Rapid Transit

New Starts or Non-New Starts: New Starts (Small Starts)

Cities served: Bloomington, Burnsville, Minneapolis, Richfield

Length of transitway: 17 miles

Number of stations served: 7 (Not including downtown Minneapolis)

Anticipated annual ridership: 3,400,000

Total estimated cost: \$150.7 Million (Phase I)

Timeline/Phases

2014: Project Plan Update

2015: Small Starts Project Development/Engineering, NEPA

2015-2016: Project Development/Engineering, NEPA

2017-2019: Construction

2019: Orange Line in service

Future: Possible Orange Line extension to Lakeville

The METRO Orange Line Bus Rapid Transit (BRT) project will use roadway improvements, upgraded transit stations, and improved bus service to provide fast, frequent, and reliable all-day transit service along I-35W. All Orange Line stations will have upgrades in platform ticketing, information technology and customer amenities, benefitting both BRT and express bus customers on I-35W. The 17-mile corridor is the most heavily traveled express bus corridor in the region, 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.

As a part of the METRO system, the Orange Line will connect people across the region to job centers, housing options, transit stations, and key destinations in the I-35W corridor. The Orange Line will improve access to 162,000 jobs and 64,000 residents, including 30,000 jobs and 40,000 residents outside of downtown Minneapolis.

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.

2015 Progress

- The Orange Line was approved to enter the federal Small Starts funding program;
- FTA recommended that the Orange Line project complete a Documented Categorical Exclusion per Title 23 CFR 771.118(c)9. This simplified environmental path saved the project schedule and cost over a larger endeavor;
- Work progressed on three major areas of focus: the Knox Avenue transitway, downtown access, and the location of the Burnsville Southern Terminus; and
- \$12.8 million of project funding was secured from Hennepin County Regional Railroad Authority.
- CTIB awarded a \$10.7 million capital grant to the project for 2016.

Future Funding Needs

METRO Orange Line Bus Rapid Transit (2019). The scope of the METRO Orange Line includes:

- A dedicated fleet of eleven articulated, three-door, METRO-branded BRT buses, and related support facilities;
- 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 Burnsville terminus and expansion of Heywood Garage to provide loading, layover, and storage capacity for the Orange Line;
- New park-and-ride capacity potential 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; and
- Transit-signal priority at various locations to provide route reliability and on-time performance.

METRO Orange Line, Phase II (Future). A future METRO Orange Line extension and infill improvements could include the following elements:

- A new station in the area of Burnsville Shopping Center near the I-35W/I-35E split;
- A potential expansion of the Lakeville Kenrick park and ride; and
- Extension of METRO Orange Line service from Highway 13 to Burnsville South and Lakeville.

METRO Orange Line service will continue to be augmented by a variety of express and limited stop services, including existing BRT Express services to Lakeville, Burnsville and Bloomington. Service levels, fleet requirements, and net operating subsidy on these routes are anticipated to increase as ridership grows.

Board actions to date

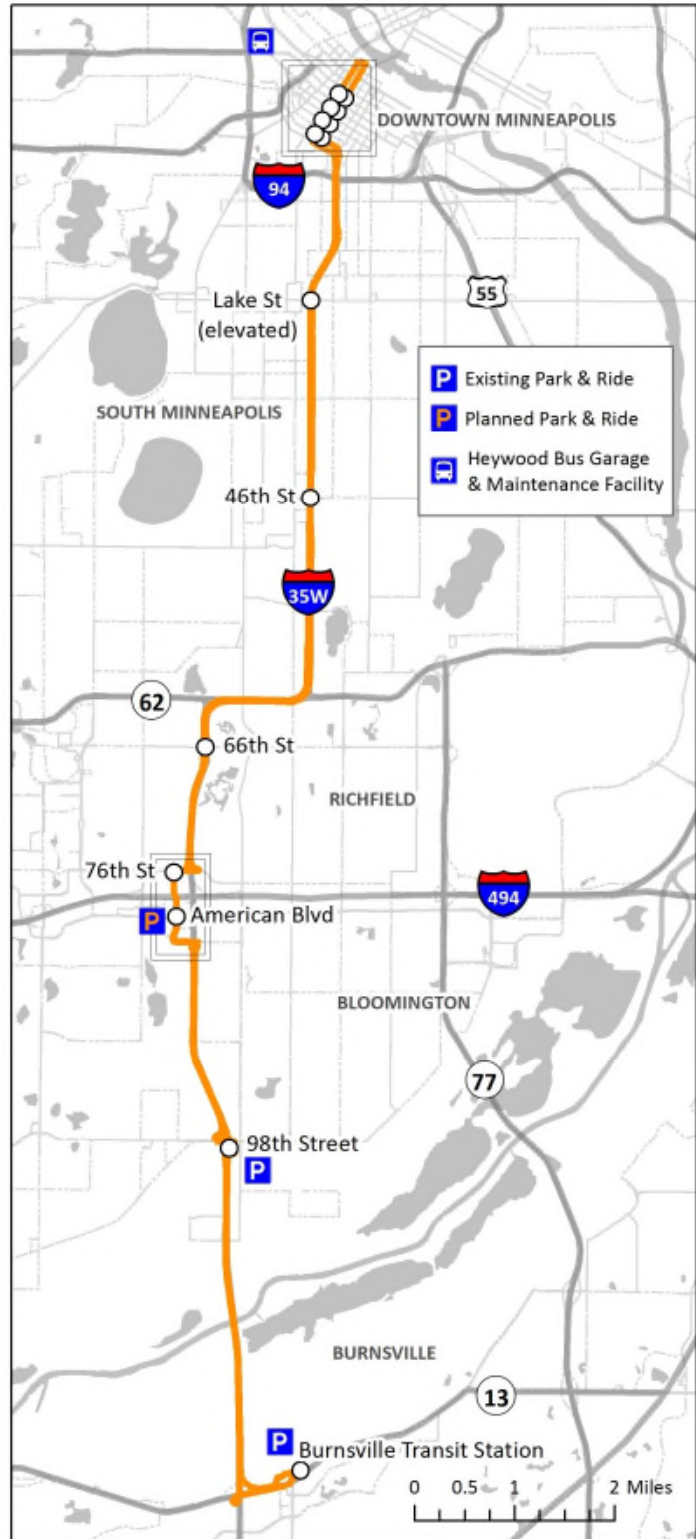
Of the \$1.7 million awarded through a 2011 capital grant, \$933,000 remains for use on future Orange Line infrastructure. In 2014, the Board provided a \$3,000,000 capital grant for 2015 Project Development/Engineering. The I-35W corridor has also received several BRT Express operating grants for this corridor in the past.

Funding commitments

Board Resolution #55-2014, adopted October 15, 2014, commits the Board to \$6,000,000 for Project Development/Engineering.

Board Resolution #18-CTIB-2008, adopted August 20, 2008, commits the Board to an amount equal to 50% of the operating subsidy for I-35W South Bus Rapid Transit.

Map of the Corridor





Northstar Corridor

Anoka, Hennepin and Sherburne Counties

Project at a glance

Current status:

Operational November 2009

Mode: Commuter Rail

New Starts or Non-New Starts:
New Starts

Cities served: Anoka, Big Lake, Coon Rapids, Elk River, Fridley, Minneapolis, Ramsey

Length of transitway: 40 miles

Number of stations served: 7

Anticipated annual ridership:
722,637 annual rides in 2015, weekday average ridership of 2,548.

Total estimated cost: \$320.0M initial construction, \$14.4 M Fridley station, \$13.2 M Ramsey station, and \$41.9 M Armstrong overpass

Service: 12 train trips per weekday and 6 trips per weekend day.

Future Phases

- Anoka Station improvements
- Phase 1 Additional Service

Duane Arens, director, Community and Economic Development, Connexus Energy –

"As someone responsible for economic development for a major employer in the Northstar Corridor, I'm excited about having commuter rail because it gives businesses in the area a competitive edge today and long into the future. It also will help manage congestion, which is only expected to get worse. Much of your electrical service relies on our ability to move trucks and equipment along Highway 10."

Northstar supports jobs in downtown Minneapolis

- About 140,000 people work in downtown Minneapolis; the city has available less than half a parking space per employee.
- Work trips to downtown Minneapolis from Northstar station communities are expected to grow 73% between 2000 and 2025.
- Transit carries 40% of all work trips to downtown Minneapolis during rush hour.
- Northstar connects to the METRO Blue Line (Hiawatha LRT), METRO Green Line LRT, buses, skyways, and bike paths at Target Field, providing links to higher education, medical facilities and more.

Northstar supports jobs in the corridor

- Construction of the Northstar Commuter Rail required 325,000 worker hours, 78 subcontractors and 69 suppliers.
- More than 60,000 jobs exist within ½ mile of boarding points in Anoka, Coon Rapids, Fridley and Minneapolis.
- St. Cloud offers a mix of employment, education and more, including a state college with 17,000 students and 1,450 faculty and staff.
- The new Ramsey Station investment of approximately \$13 million leveraged \$80 million in residential, retail and other investments at The COR in Ramsey.
- The new Armstrong overpass is 80% complete and expected to open spring of 2016. This has resulted in 60,000 labor hours in 2015.

Northstar provides reliable service and saves time

- In 2015, Northstar's on-time performance exceeded 95% - a significant increase from prior years on-time performance.
- Northstar adds the equivalent of 1 ½ lanes of highway at peak travel times.

Property tax relief

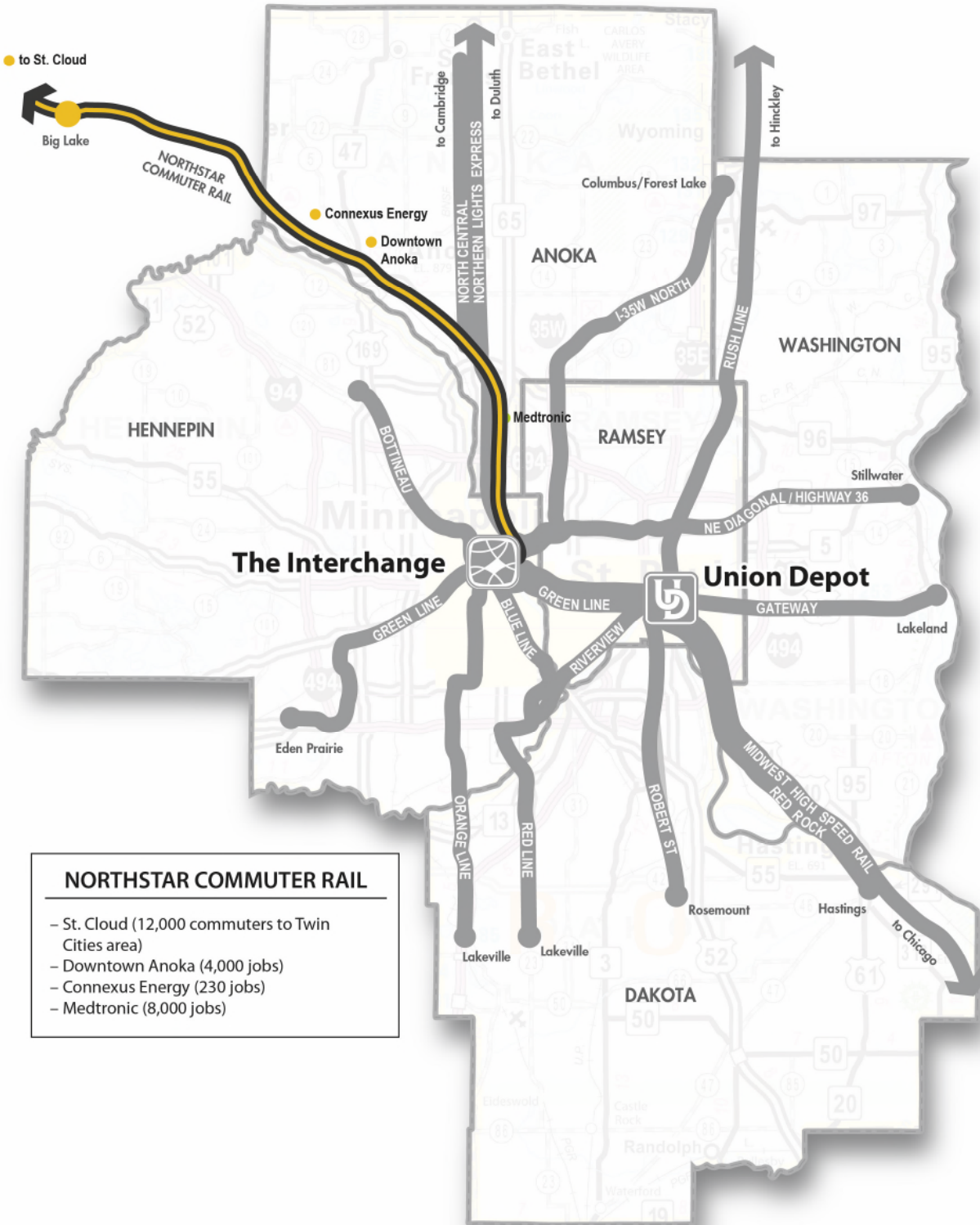
CTIB has provided operating grants totaling more than \$42 million, 2009-2014. CTIB covers 41.95% of annual operating costs for Northstar. Without CTIB, property taxes in Anoka and Hennepin Counties would have been responsible for that amount.

"Highway congestion makes it difficult for St. Cloud companies to conduct business in the Twin Cities metro area. We need the ability to move employees and students into St. Cloud, and freer highways will allow our companies to market their goods and services elsewhere. Finishing Northstar to St. Cloud will provide efficient and reliable transportation that will help the entire region."

Teresa Bohnen, President
St. Cloud Area Chamber of Commerce

Map of corridor on reverse side.

Counties Transit Improvement Board Centers of Activity / Employment





Gateway Gold Line

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:

13

Annual number of rides:

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

Total estimated transitway project cost:

\$485,000,000 estimate

Timeline/Phases

2010-2012: Alternatives Analysis

2013 -2016: Environmental Impact Statement

2016- 2018: Project Development

2018-2020: Engineering

2020-2022: Construction

2022: Start of Operations

Overview

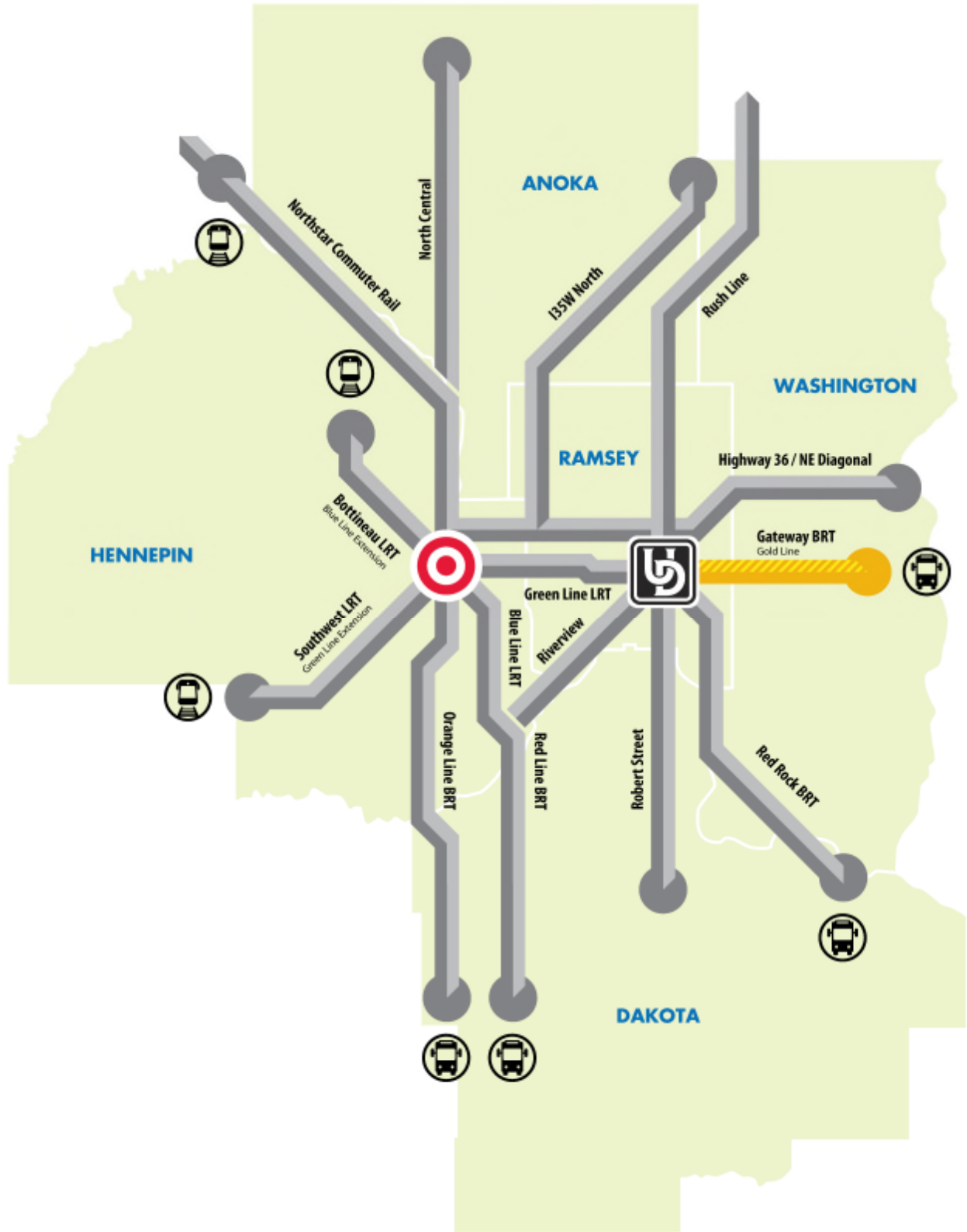
- The Gateway Corridor is located in Ramsey and Washington Counties, Minnesota, extending approximately 12 miles, and connecting downtown Saint Paul with its East Side neighborhoods and the suburbs of Maplewood, Landfall, Oakdale, Lake Elmo, and Woodbury.
- The purpose of the project is to provide transit 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 Lake Elmo Avenue to Manning Avenue has been identified as the Locally Preferred Alternative (LPA).
- Proposed station stops will provide connections to key destinations throughout the Corridor including downtown Saint 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 and there are 150,000 vehicles coming in and out of St. Paul on I-94 every day.
- In 2010, approximately 440,000 people live within Gateway Corridor communities. By 2040, that population is expected to increase by nearly 30 percent, or 100,000 people.
- Employment within Gateway Corridor communities is also projected to grow significantly, increasing from approximately 240,000 in 2010 to 315,500 in 2040, a growth rate of 30 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.





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. 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

- A staged implementation plan is being completed to determine capital and operating costs and to update ridership estimates. The Implementation Plan will identify a local preferred alternative with the goal to 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 will connect with other transitways at the Union Depot in Saint Paul. 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, Newport, Saint Paul, and St. Paul Park

Length of transitway: 30 miles

Number of stations served: 6-12

Annual number of rides:
630,000

Total estimated cost:
BRT: \$55,550,000

Timeline/Phases

2009 - 2011: Station Area and Site Master Planning

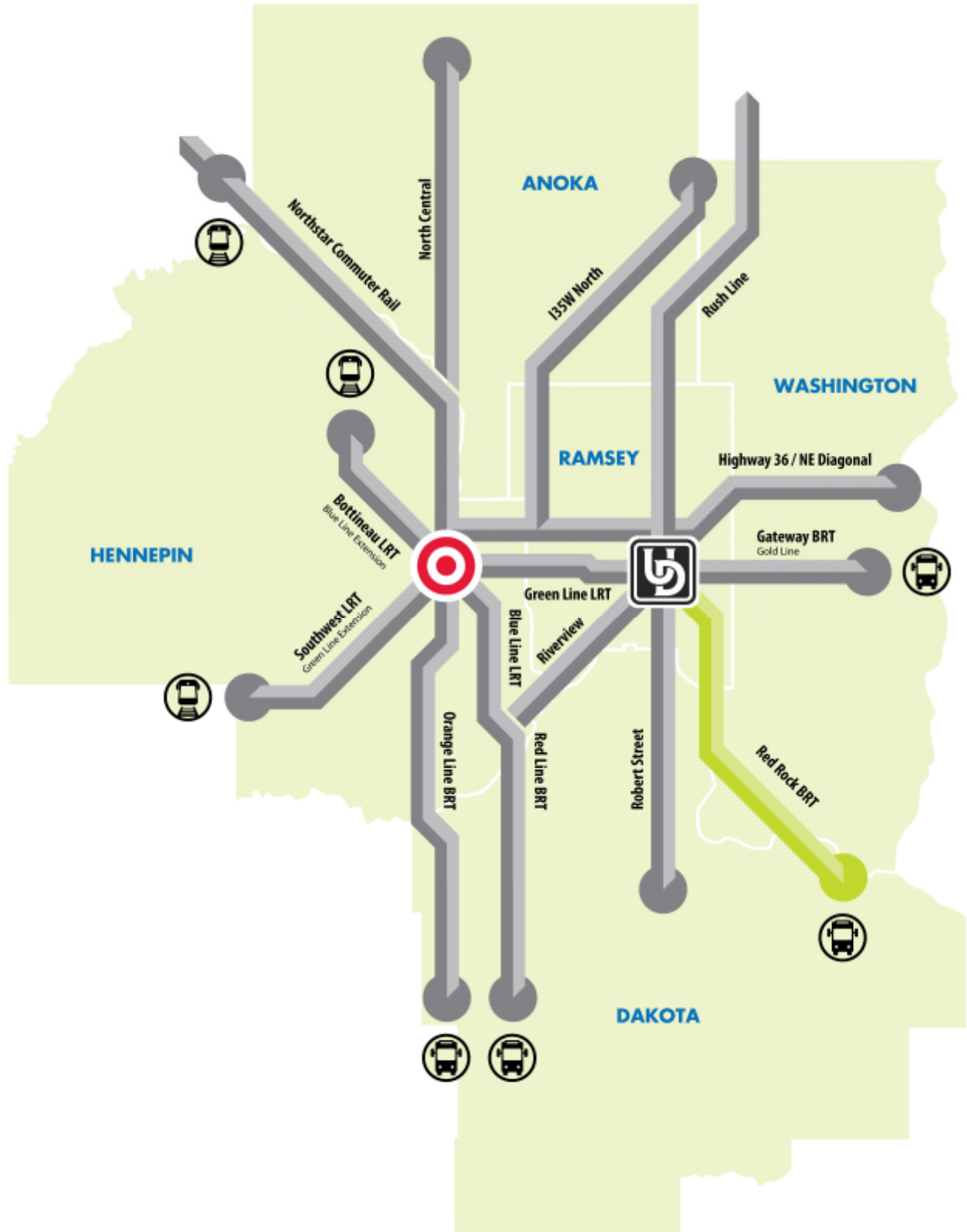
2013: Alternatives Analysis Update

2014: Newport Transit Station Construction

2015 - 2016: Implementation Plan

2017-2018: Project Development

2018 - 2021: Construction and ongoing service implementation





METRO Blue Line (Hiawatha Light Rail Transit)

Serving Hennepin County

Project at a glance

Current status: Operational

Mode: Light Rail Transit

New Starts or Non-New Starts: New Starts

Cities served: Minneapolis, Bloomington

Length of transitway: 12 miles

Number of stations served: 19

Annual ridership: 10,620,000 annual rides in 2015, weekday average ridership of 31,471

Total estimated cost: \$715.3M
New Starts initial construction;
\$100 M subsequent capital cost

Timeline/Phases

1982: Draft Environmental Impact Statement

1982-1985: Final EIS

1998-2000: Preliminary Engineering

2000-2001: Final Design

2001-2004: Construction

June 2004: Start of Operations

METRO Blue Line LRT supports jobs in downtown Minneapolis, Mall of America, Airport

- The METRO Blue Line (Hiawatha LRT) links downtown Minneapolis and the Mall of America via the Minneapolis-St. Paul International Airport.
- Approximately 140,000 people work in downtown Minneapolis; the city has available less than half a parking space per employee.
- Work trips to downtown from METRO Blue Line station communities are expected to grow between 2000 and 2025.
- METRO Blue Line LRT improves single-family home values near the line and access to jobs for low-wage workers, according to the University of Minnesota Transitway Impacts Research Program.
- METRO Blue Line LRT connects to the Northstar commuter rail line and METRO Green Line LRT, buses, skyways, and bike paths at Target Field, providing links to higher education, medical facilities and more.

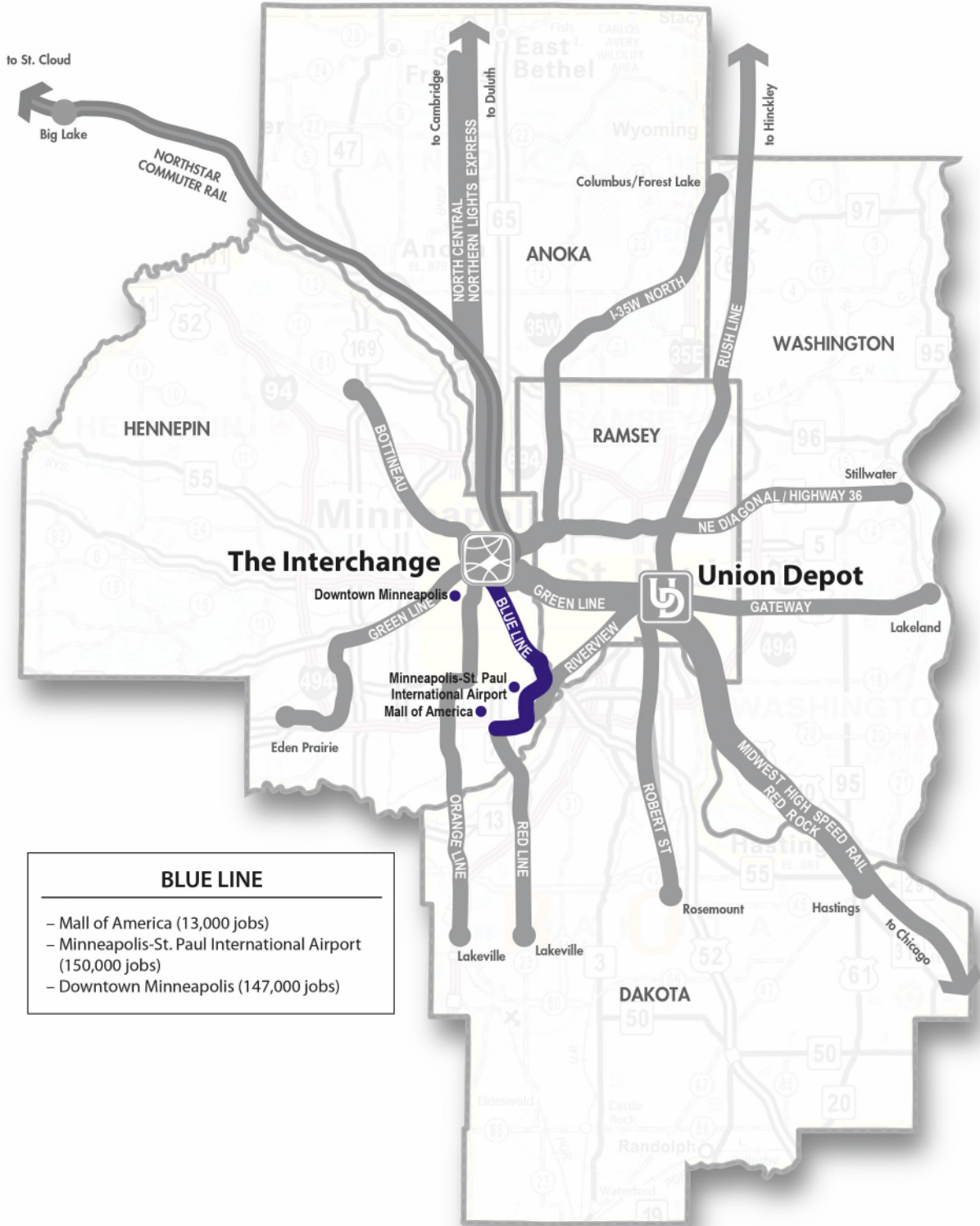
Operations

- The METRO Blue line LRT was completed and has been operational since 2004, prior to the creation of CTIB.
- The METRO Blue line LRT completed its eleventh year of service in 2015. The average weekday ridership in 2015 exceeded projected ridership for 2020, with a yearly total of over 10.6 million rides.
- Ridership on the METRO Blue line LRT represents approximately 12 percent of all Metro Transit rides.
- In 2015, the METRO Blue line LRT recovered approximately 33 percent of its operating cost from fares, compared to a national peer system average of 30 percent.

METRO Blue Line Project Status and Timeline

- The METRO Blue line LRT was completed in 2004.
- The METRO Blue line LRT was extended to Target Field in 2009 to provide service to Target Field and the Northstar commuter rail line. This extension was funded as part of the Northstar project.
- The METRO Blue line LRT cost \$715.3M to construct initially. Due in part to higher-than anticipated demand, over \$100 million in large capital improvements have been made since completion of initial construction. These include:
 - 31st Street Park-and-Ride (Lake Street Station)
 - 28th Avenue Park-and-Ride & American Boulevard Station
 - Operating and Maintenance facility expansion
 - Rail system facility building
 - Three-car train station extensions
 - Three-car train sub-stations at Mall of America and Target Field
 - Three-car train light-rail vehicles purchased

Counties Transit Improvement Board Centers of Activity / Employment



- BLUE LINE**
- Mall of America (13,000 jobs)
 - Minneapolis-St. Paul International Airport (150,000 jobs)
 - Downtown Minneapolis (147,000 jobs)



Cedar Avenue Bus Rapid Transit (METRO Red Line)

Dakota County

Project at a glance

Current status: Stage I construction complete. METRO Red Line service began on June 22, 2013.

Mode: Bus Rapid Transit

New Starts or Non-New Starts: Non-New Starts

Cities served: Apple Valley, Bloomington, Eagan, Lakeville, Minneapolis

Length of transitway: 16 miles

Number of stations served: 13

Annual number of rides: 5,430,000 (2030)

Total estimated cost: \$283,000,000

Timeline/Stages

2009-2013: Stage I

2014-2020: Stage II

2020-2030: Stage III

The METRO Red Line is the station-to-station service component of the Cedar Avenue Transitway, which also provides express service to downtown Minneapolis and the University of Minnesota. Station-to-Station service between the Apple Valley Transit Station and the Mall of America Station began on June 22, 2013. The METRO Red Line is expected to promote new development and redevelopment, such as the 400,000 square foot outlet mall adjacent to the Cedar Grove Transit Station, which opened in August, 2014.

Cedar Avenue Supports Jobs in the Corridor

- Cedar Avenue bus rapid transit services provide employees a reliable connection to jobs in the South Metro at both large and small employers.
- Through transit, employers expand their hiring pool by using transit services to access a larger talent pool.
- By using transit, commuters can lower their household transportation costs especially if their employers provide a transit incentive program like reduced transit passes.

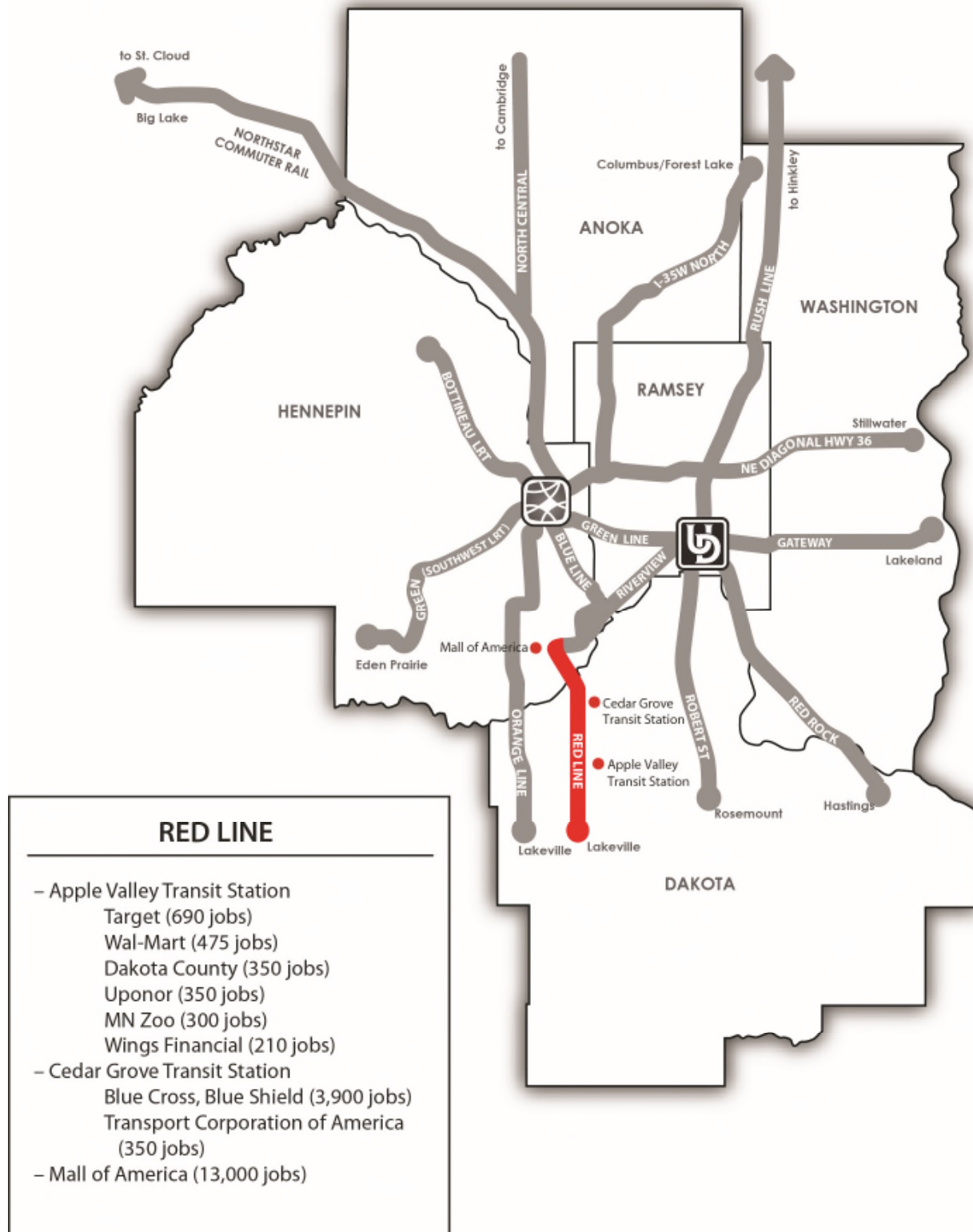
A Good Investment

- Currently, traffic volumes exceed 100,000 vehicles a day at the Minnesota River Bridge with peak-hour congestion extending seven miles south to County Highway 42 in Apple Valley.
- Existing daily traffic volumes at County Road 42 and Cedar Avenue in Apple Valley (70,000 vehicles per day) make it the busiest at-grade intersection in Dakota County and one of the busiest at-grade intersections in the state.
- The average travel speeds along the Apple Valley and Lakeville portions of the corridor range between 19 and 35 mph in 2006. By 2030, average travel speeds would decrease to 12 to 24 mph if no improvements were made in the corridor.

“Dakota County played a key role in the development of the METRO Red Line because we know how important transit is to the economy of our communities. We are already seeing the interest from developers and the promise of jobs. But bus rapid transit is also about simply improving mobility. This station-to-station service gives our residents an important transportation option. It allows them to leave their cars behind, but still have the flexibility to stop off and have dinner, or pick up a few groceries. We’re proud of the collaboration with our local, state, and federal partners that has resulted in a service we know will be providing a return on investment for decades to come.”

-- Nancy Schouweiler, District 4
Dakota County Board of Commissioners

Map of the corridor





METRO Green Line (Central Corridor Light Rail Transit)

Metropolitan Council

Project at a glance

Current status: Operational

Mode: Light Rail Transit

New Starts or Non-New Starts: New Starts

Cities served: Minneapolis, St. Paul

Length of transitway: 10.9 miles

Number of stations served: 23
(5 shared with Hiawatha Light Rail Transit)

Annual number of rides: 13,550,000 (2030)

Annual Ridership: 12.4 million annual rides in 2015, weekday average ridership of 37,500

Total estimated cost: \$956,900,000

Timeline/Phases

Spring 2011: Full Funding Grant Agreement

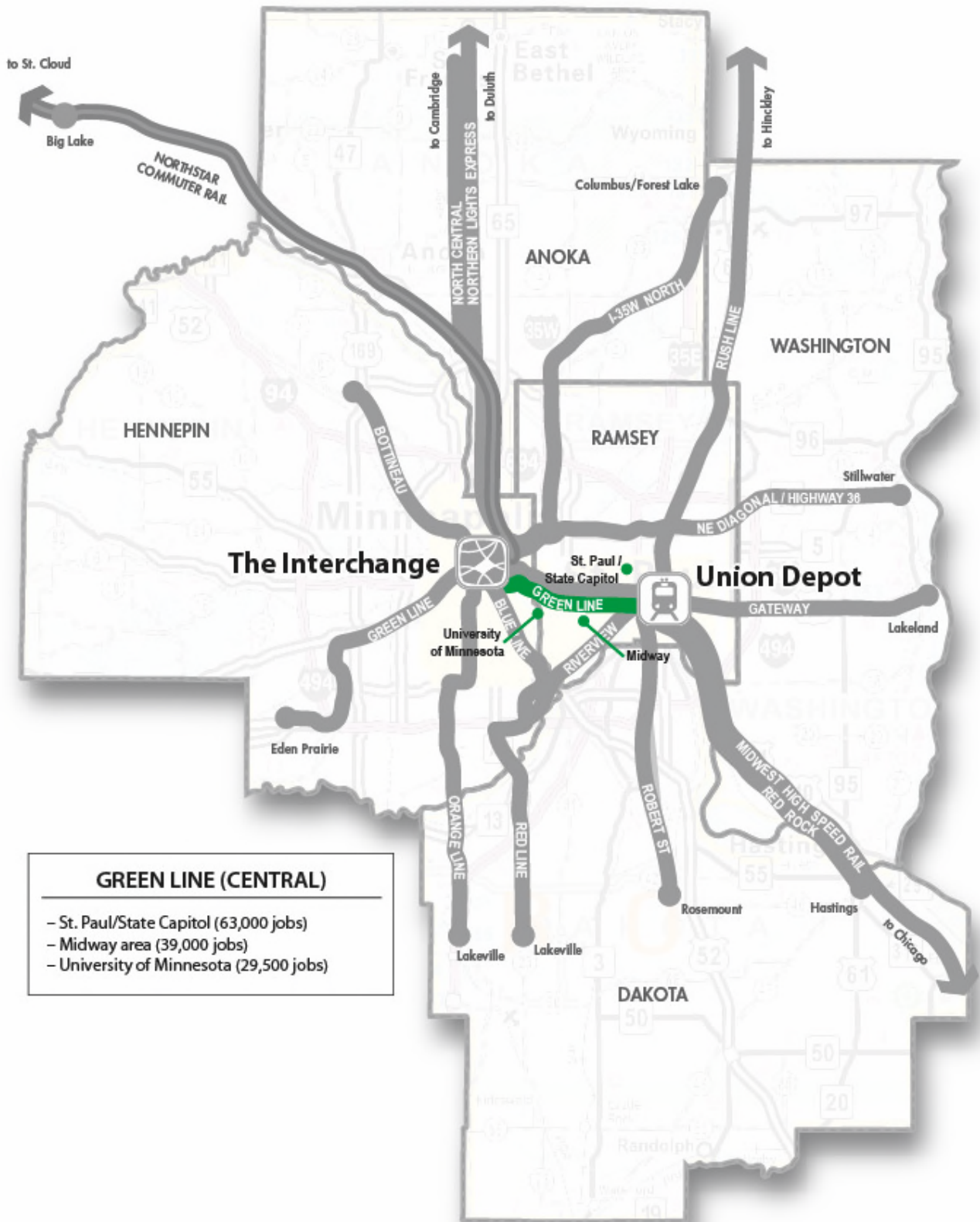
2010-2014: Construction

June 2014: Start of Operations

METRO Green Line Project Status and Timeline

- The METRO Green Line was completed in 2014
- The METRO Green Line 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 METRO Green Line Light Rail Transit line will include:
 - 47 new light rail transit vehicles and an operations and maintenance facility;
 - 18 new stations, plus five stations shared with the Hiawatha Line in downtown Minneapolis; and
 - Service between the Union Depot in St. Paul and Target Field Station in Minneapolis.
 - Creation of over 5,500 design and construction jobs.
- Increased mobility for Twin Cities residents and visitors.
- Better access to jobs, shopping, education, sports and entertainment venues.
- Businesses in the Central Corridor will benefit from increased visibility and the additional development that will follow transit improvements.
- The average weekday ridership in 2015 exceeded 37,500 with 12.4 million annual rides in 2015.
- Ridership for the Vikings games at TCF Bank Stadium have been very strong with approximately 27% of Vikings Games attendees taking the METRO Green Line and METRO Blue Line to and from the games.

Counties Transit Improvement Board Centers of Activity / Employment



GREEN LINE (CENTRAL)

- St. Paul/State Capitol (63,000 jobs)
- Midway area (39,000 jobs)
- University of Minnesota (29,500 jobs)

METRO Red Line: Cedar Grove Transit Station

Project at a glance

Current status: Final Design

Mode: Bus Rapid Transit

Cities served: Apple Valley, Bloomington, Eagan, Lakeville and Minneapolis

Length of transitway: 16 miles

Total estimated cost:
\$13,000,000

Timeline/Stages

2014: Project Development

2015: Design

2016-17: Construction

Action to Date

February 3, 2015: Met Council signs Architectural/Engineering Contract with S.E.H. Inc

May 14, 2015: Preliminary Design Public Open House at Cedar Grove Station

Sept 14, 2015: Final Design Public Open House at Cedar Grove Station

Dec 9, 2015: Met Council authorizes a lease agreement and a cooperative construction agreement with the Minnesota Department of Transportation.

January, 2016: Metropolitan Council advertises project for bids.

The METRO Red Line is the station-to-station service component of the Cedar Avenue Bus Rapid Transit corridor. Station-to-station services between Apple Valley Transit Station and the Mall of America began in June 2013. The METRO Red Line is expected to promote new development and redevelopment, such as the 400,000 square foot outlet mall adjacent to the Cedar Grove Transit Station in Eagan.

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 Cedar Grove Transit Station. The Station is located at the southeast quadrant of TH 77 and State Highway 13. Improving access will reduce travel times by over 10 minutes, which is important for the continued success of the METRO Red Line, and will reduce operating costs by approximately \$300,000 annually.

The project concept includes an on-line station in the center median of TH 77 with an enclosed pedestrian overpass from the station to the park and ride lot. METRO Red Line buses will enter and exit the station from the center of TH 77. The center station is anticipated to function like the 46th Street Station on I-35W in Minneapolis.

2015 Design Activities

Staff from Metro Transit, Dakota County, Minnesota Department of Transportation (MnDOT), Minnesota Valley Transit Authority (MVTA) and the consultant team met weekly to develop station concepts. Six station concepts were analyzed. Two public open houses were held at the Cedar Grove Station to receive input on station use, frequency, and types of trips. The great majority of open house attendees support improvements to the station because of the benefit of saving them travel time.

Schedule

The current construction plans are 100 percent complete. The project is planned to be solicited for bids in January of 2016. Construction is planned to begin in the Spring of 2016 with substantial completion by Spring of 2017.

Budget

All funding has been secured for the project. The budget for the project is \$13,000,000 and the project cost estimate and contingency falls within that budget. Funding is comprised of \$10,400,000 (80 percent) CTIB funds, \$1,300,000 (10 percent) DCRRA funds and \$1,300,000 (10 percent) of State Bond funds.

In addition, MnDOT is providing \$2,000,000 of Trunk Highway Designated Transit Facility Chapter 152 funds for improvements on Trunk Highway 77 in the project area. Temporary lanes are needed during construction to maintain 3 lanes of traffic. These funds will be used to build permanent lanes that can also be used as general purpose lanes and managed lanes in the future. This will maximize the use and benefit of the transit station and minimize future construction when the managed lane is implemented in the future.

Final Design Exhibits

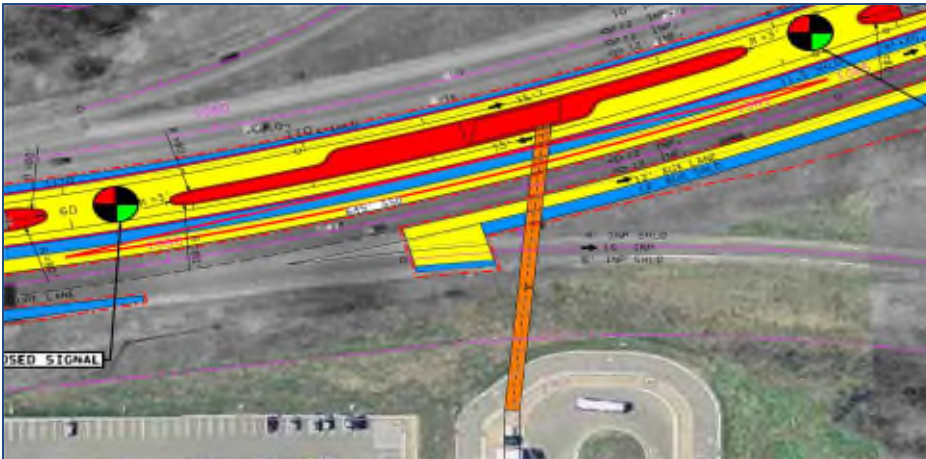


Exhibit 1: Cedar Ave Center Station Layout



Exhibit 2: 3D View of Stations and Skyway

Exhibit 3: 3D Image of West Station



Exhibit 4: 3D Image of East Station



I-35W South Bus Rapid Transit Expansion

Metropolitan Council

Project at a glance

Current Status: Operations and planned expansion

Preferred mode: Bus Rapid Transit

New Starts or Non-New Starts: Non-New Starts

Cities served: Bloomington, Burnsville, Lakeville, Minneapolis, Richfield

Length of transitway: 22 miles

Number of stations served: 5 (Not including downtown Minneapolis)

Anticipated annual ridership: 574,000

Current annual ridership: 268,900 annual rides in 2015, weekday average ridership of 1,070.

Total estimated cost: \$31,000,000

Timeline/Phases

2009: Bus Rapid Transit Express in service

2010 – 2024: Expansion of existing service

Future: Additional service from Lakeville to St. Paul

The I-35W Bus Rapid Transit Express project is a combination of fleet, roadway, and service improvements that will provide fast, frequent and reliable transit service along the 22 miles of I-35W between downtown Minneapolis and Lakeville. A family of corridor transitway services, including BRT Express and METRO Orange Line BRT, continue to benefit from shared capital improvements and complimentary service planning. Key shared elements include:

- A combination of downtown Minneapolis bus lanes, bus-only shoulders, high-occupancy toll (HOT) lanes and priced dynamic shoulder lanes (PDSL) between downtown Minneapolis and Lakeville, providing free-flow travel for corridor buses;
- A series of 8 bus stations and 4 park-and-rides on or near I-35W in Bloomington, Burnsville, Lakeville, Richfield, and South Minneapolis to provide access to BRT express and METRO Orange Line service; and
- A coordinated express service that connects to local and connecting routes, and complements the station-to-station METRO Orange Line service.

BRT Express began service in the corridor in 2009. Ridership is very strong, carrying over 1,070 riders per day in 2015. Planned expansion would add buses to the BRT Express fleet gradually over the next ten years to accommodate steady growth.

Previous capital elements of this project, including the Kenrick Avenue park-and-ride structure and new buses, were funded with Urban Partnership Agreement (UPA) and State capital funds. The operating cost of this service is jointly funded by the Counties Transit Improvement Board and Metropolitan Council.

Future Funding Needs

BRT Express Expansion. Future phases of the I-35W South BRT Express may include the following elements:

- Additional buses to serve growing demand throughout the corridor;
- Service from Lakeville to downtown St. Paul; and
- Reverse, midday, and weekend express service to Burnsville South and Lakeville.

Board actions to date

BRT Express Grants

- 2009 Operating Grant Agreement: \$62,500
- 2010 Operating Grant Agreement: \$106,000
- 2011 Funding Commitment: \$860,000 remaining for capital infrastructure
- 2011 Operating Grant Agreement: \$152,612
- 2012 Operating Grant Agreement: \$169,455
- 2013 Operating Grant Agreement: \$148,936
- 2013 Capital Grant Agreement: \$840,000 for fleet expansion
- 2014 Operating Grant Agreement: \$132,275
- 2015 Operating Grant Agreement: \$177,216

Funding commitments

Board Resolution #18-CTIB-2008, adopted August 20, 2008, commits the Board to an amount equal to 50% of the operating subsidy for the I-35W South Bus Rapid Transit project.

Map of corridor

BRT Express operates in the I-35W South corridor, complementing METRO Orange Line service and sharing roadway and facility improvements.

