

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2022	2024	2026	2022	2024	2026
Busway Capital Improvement Program Bus Rapid Transit	1	GO	60,000	60,000	60,000	60,000	0	0
Regional Parks and Trails Grant Program	2	GO	15,000	15,000	15,000	3,000	3,000	3,000
Inflow and Infiltration Grant Program	3	GO	9,500	9,500	9,500	5,000	5,000	5,000
Total Project Requests			84,500	84,500	84,500	68,000	8,000	8,000
General Obligation Bonds (GO) Total			84,500	84,500	84,500	68,000	8,000	8,000

<https://metrocouncil.org/>

AT A GLANCE

- 3,163,000 residents in the seven-county area in 2020 (56% of total state population)
- 38.4 million transit rides provided by Metro Transit in 2020 (40 million rides provided by all transit providers in region, including Metro Transit)
- 1.4 million rides on Metro Mobility in 2020
- 250 million gallons of wastewater treated daily
- 110 communities provided with wastewater treatment service in 2020
- 9 treatment plants and 610 miles of regional sewers
- 63 million regional park visits in 2020
- 63 regional parks, park reserves, and special recreation features, totaling 55,000 acres, plus 400 miles of interconnected trails
- More than 7,000 low- and moderate-income households provided affordable housing by the Metro HRA in 2020
- From 2022 to 2040 the Met Council forecasts the region will grow by:
 - 762,000 more people
 - 500,000 more jobs

PURPOSE

The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region. The Met Council's mission is to foster efficient and economic growth for a prosperous region in partnership with more than 180 communities and seven counties. We provide cost-effective transit and wastewater services, assist households with low and moderate incomes to find affordable housing, and support communities as they plan for anticipated growth.

As our region grows and its demographics change, the Met Council is working in partnership with communities to ensure we are prepared to support the continued growth of our region. As the economic engine of the state, the metro region's health and vitality has a statewide impact. Through our planning activities and the provision of regional services, we contribute to the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services, and information
- A livable and attractive place for people of all races, ethnicities, incomes, and abilities to call home and prosper

STRATEGIES

Our governing body – the 17-member Metropolitan Council – plays a key convening role, bringing together communities to develop policies and a shared vision for the region. To achieve our mission, we carry out planning initiatives and provide essential services to the region.

Regional planning

- Our *Thrive MSP 2040* initiative engaged residents to create a framework for a shared vision for a prosperous, equitable, and livable region.
- Our regional planning initiatives include transportation, parks, water resources, community planning, and housing.

Transportation

- Our Metro Transit bus and rail systems provide millions of rides (about 90% of all transit rides in the region) every year, getting people to work, school and services, and managing road congestion so businesses can move their goods efficiently.
- Our Metro Mobility and Transit Link services transport people who are unable to use regular-route transit service.
- Our transportation planners coordinate with partners and communities to create our vision for roads, airports, and transit, to ensure effective and cost-efficient investments.

Parks

- We partner with 10 park implementing agencies to plan, acquire land, and develop facilities for regional parks and trails, preserving natural resources and providing recreational opportunities throughout the region.

Clean water and wastewater treatment

- We foster a safe and healthy environment through our award-winning and cost-effective wastewater treatment services, water supply planning, and water quality monitoring initiatives.

Community planning and development

- Our Livable Communities grants help fund affordable housing; clean polluted land for redevelopment; and create new models for livable, walkable, connected neighborhoods and transit-oriented developments, stimulating and leveraging private investment, and increasing communities' tax base.
- We coordinate local communities' local comprehensive plans, providing technical assistance and resources, to ensure coordinated, orderly and efficient development in the region.

Housing

- Our Housing Policy Plan identifies regional housing needs and priorities, connects housing to other Council system plans, and provides guidance for local housing planning.
- Our Metro HRA provides housing stability through rent assistance for more than 7,000 low-income and moderate-income residents in nearly 100 communities.

The Metropolitan Council supports the following strategic priorities by:

Children and families

- Assisting families with Housing Choice Vouchers to find housing in areas of opportunity, while providing them with supportive services to help achieve self-sufficiency and success in their new neighborhoods
- Providing, through the Metro Transit bus pass program, students with a convenient and affordable way to get to jobs, internships, classes, and education events before or after school hours

Equity and inclusion

- Implementing a sheltered-market solicitation process, intended to reduce barriers and increase participation of underutilized businesses in our contracting
- Designating a portion of regional parks bonds to regional park implementing agencies to support capital projects that strengthen equitable use of regional parks and trails by all our region's residents – across age, race, ethnicity, income, national origin, and ability
- Providing more than 1.4 million rides to people living with disabilities through the region's Metro Mobility transit service
- Providing summer internships, through the urban scholars program, that enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops

Thriving communities

- Providing cities with grants, totaling \$400 million over the life of the program, that support innovative development and redevelopment that links housing, jobs, and services, and demonstrate efficient and cost-effective use of land and infrastructure
- Providing more than 38 million rides annually through its Metro Transit operations on a combined network of regular-route buses, light rail and commuter rail, thereby supporting the travel needs the region's residents and local economies (Note – this ridership number reflects significantly reduced operations during the COVID-19 pandemic during 2020.)
- Awarding funds and developing an overall plan for the metropolitan area's system of 63 regional parks, park reserves, and special recreation features, totaling 55,000 acres, as well as 400 miles of interconnected trails – all of which attract more than 63 million visits annually
- Collaborating with local government to identify other affordable housing opportunities

Fiscal accountability and measurable results

- Receiving the highest possible ratings from Moody's and Standard and Poor's credit ratings agencies
- Earning the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for 36 consecutive years

Minnesota's environment

- Treating and cleaning an average of 250 million gallons of wastewater from 2.7 million residents daily at rates 40% lower than peer regions across the country, while earning state and national awards for environmental achievements
- Developing a climate vulnerability assessment to help the region plan for a changing environment that consists of a set of data and tools to help plan and manage public infrastructure to increase its life span and reduce costs
- Advancing solar energy through the Met Council's subscriptions to community solar gardens on and off Met Council land, with solar capacity under contract equivalent to the energy needed by 3,000 homes for a year

Creating an inclusive workplace

- Completing a self-evaluation of Met Council facilities to identify barriers to its programs and services for people with disabilities

Minnesota Statutes, Chapter 473 (<https://www.revisor.mn.gov/statutes/?id=473>) provides the legal authority for Metropolitan Council.

AT A GLANCE

The Metropolitan Council provides regional planning and essential services for the Twin Cities seven-county metropolitan area. The Met Council works with local communities to:

- Plan for the regional transportation system, and operate the bus and rail network
- Treat wastewater, plan for the water supply, and monitor water quality
- Fund redevelopment, model transit-oriented development and guide land use
- Plan for and fund regional parks
- Identify housing needs and priorities, and provide affordable housing for low- and moderate-income households

Factors Impacting Facilities or Capital Programs

There are three program areas that have historically received capital funds. For 2022, our transit, regional parks and environmental services areas are requesting funding.

Transit: The Twin Cities transit market is changing. While downtown Minneapolis and St. Paul have seen dramatic increases in density, much of the regional job growth has been in suburban areas that have been more difficult to serve with transit. In a 2020 Bus Service Allocation Study, the Met Council found four major regional values, or priorities, that stand out as guidelines for future service investment:

1. Serving more historically underserved and underrepresented populations should be used to prioritize future, equitable transit investment.
2. Considering access to a variety of job types in regional job centers in expanding the regional transit network.
3. Pursuing investments that align with continued development of planned transitways, as well as evolving land use patterns.
4. Prioritizing high-quality and frequent transit service to both increase ridership and provide people in the region with reliable and sustainable mobility options.

Transit provides a sustainable, efficient, and effective option to improve air quality, mobility options for those who cannot or choose not to drive, and an alternative to driving in congested traffic. In heavily traveled corridors, regional transit has an advantage with bus-only lanes, E-Z Pass lanes, bus-only highway shoulders, ramp meter bypasses, transit signal priority, and park-and-ride lots.

Considerations for the short- and long-term future of transit

- The region lacks ongoing, sustainable, and reliable funding for the transit system's preservation and growth.
 - Transit operating expenses have not noticeably declined as an impact of COVID-19, but ridership and revenues have declined significantly.
 - One-time financial relief through ARP, CARES and CRRSAA acts stabilize transit budgets through CY 2024.
 - After 2024, projections show the regional transit system will face significant, on-going shortfalls.
- COVID-19 has significantly impacted transit ridership and related fare revenues. Ridership has fallen on all transit services with over half of transit commutes replaced by telework.
 - All-day, frequent service best matches all-purpose travel. Transit continues to serve non-office commutes, medical visits, grocery, and pharmacy runs, and other essential trips.
- A planned network of bus rapid transit lines will provide an improved customer experience with frequent service and faster trips in our region's busiest bus corridors.

- Arterial bus rapid transit lines have consistently shown increased ridership when faster, longer-span, frequent service replaces local bus service.

Regional parks: Since 1974, when the Metropolitan Regional Parks System was created, the size of the regional parks system has grown from 31,000 acres to more than 55,000 acres today. Concurrently, use has grown from 5 million visits in 1974 to 63 million visits in 2020. This has increased the need both for rehabilitation of existing parks and for new park land.

As the metropolitan region continues to grow, the demand for outdoor recreation facilities provided in the Metropolitan Regional Parks System will be strong. Visits to regional parks are expected to continue to increase and the need to maintain existing parks and develop new, or expanded, parks will continue.

The state has had a strong commitment to regional parks. The state has appropriated more than \$334 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Program and for earmarked projects outside the Met Council's Capital Program since 1975. The Legislative Citizen Commission on Minnesota Resources recommended over \$44 million in Environmental and Natural Resources Trust Fund appropriations since 1992 for capital improvements and land acquisition for the Regional Parks System. The Land and Legacy Amendment to the Minnesota Constitution established a Parks and Trails Fund dedicated to support parks and trails of state and regional significance. More than \$224 million has been appropriated to the Metropolitan Council from fiscal year 2010 through fiscal year 2021. The state investment has been leveraged with regional bonds issued by the Metropolitan Council.

Environmental services: The region has seen steady recovery from the recession, allowing the Met Council's Environmental Services division to continue rehabilitation of regional infrastructure. Total six-year spending from 2021-2026 is projected at \$1.48 billion. The Met Council continues to enjoy attractive loan financing from the Public Facility Authority (PFA) as well as AAA-rated bonds.

Self-assessment of Agency Facilities and Assets

Transit: Local bus routes are slowed by signal delay, long boarding times and poor stop integration with roadways, and redundant stops, making their travel time less attractive than other options. Arterial bus rapid transit lines are planned in the most heavily used local bus corridors to improve on many of these factors. Improvements like bus-only lanes, transit signal priority, stop consolidation, and faster fare payment systems speed up bus routes and make them more attractive to potential users.

Regional parks: Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns and manages each park. Updates to these plans reflect new demand for recreation facilities and help manage existing facilities and natural resources in the parks. With continued growth in the use of the park system, it is imperative to invest in facility rehabilitation and development. Furthermore, land acquisition for new park units needs to occur at a pace that will allow those units to be developed to meet demand and future population growth.

Environmental services: The nearly \$7 billion metropolitan disposal system is generally in good condition. However, rate pressures are continuously balanced against infrastructure risks of delay. A majority of near-term capital investment is focused on rehabilitation, especially in the interceptor (conveyance) system. Further capital investments will shift somewhat to new and expanded wastewater treatment plant development.

Agency Process for Determining Capital Requests

The Metropolitan Council prepares a six-year capital improvement program (CIP) for each year as part of its annual budget process. This CIP includes funding for capital investment in the transportation, community

development, and environmental services divisions. Transportation includes fleet, support facilities, customer facilities (including transitways and transit stations/park and rides), and equipment and technology improvements. Community development provides for acquisition, development, and redevelopment of the Regional Parks System. Environmental services work includes the preservation, growth, and quality improvement of the wastewater system.

Major Capital Projects Authorized in 2020 and 2021

In 2021, \$57.5 million was appropriated for arterial bus rapid transit projects.

In 2020, the Council was appropriated:

- \$55 million for busway capital improvements for bus rapid transit projects
- \$5 million for inflow/infiltration grants
- \$5 million for regional parks and trails
- \$28.5 million in pass-through grants to local governments for parks and trails

State bonds and the Parks and Trails Fund appropriations dedicated to land acquisition grants are matched with regional bonds on a 60% state/40% regional basis.

Busway Capital Improvement Program Bus Rapid Transit

AT A GLANCE

2022 Request Amount:	\$60,000
Priority Ranking:	1
Project Summary:	\$60 million in state funds is requested for development of busway capital improvement projects. Requested funding would accelerate arterial bus rapid transit (BRT) corridor development including, but not limited to, environmental analysis, engineering, design, right-of-way acquisition, and construction.

Project Description

Busway corridor projects like arterial BRT improve the speed and reliability of bus service along the Twin Cities' busiest transit corridors. Project investments result in high-quality stations that enable faster and more reliable limited-stop transit service to major destinations. Busway corridors typically have stations every half-mile at major intersections. Constructing and integrating these stations into the existing roadway system is the focus of the proposed investment.

Multiple busway lines have been identified for implementation by 2030, and proposed funding would accelerate the development of the F Line, G Line, and H Line corridors. These lines serve the Central Avenue (Minneapolis to Blaine), Rice/Robert (Little Canada to West Saint Paul), and Como/Maryland (Saint Paul to Minneapolis via the University of Minnesota) corridors, respectively. While these lines represent currently identified near-term projects, other busway projects may also become eligible for funding in the next two years, as described below.

If capital investment is proposed through a state bonding recommendation, corridor fleet improvements would be separately funded through other sources, including federal and regional funds.

Project Rationale

Busway projects have increased the attractiveness and usage of the transit system in multiple corridors. The A Line project implemented in 2016 improved travel time by 20 percent and yielded a 30 percent increase in corridor ridership. The C Line project opened in 2019 with similar outcomes.

During the COVID-19 pandemic, BRT has remained the most resilient mode in Metro Transit's system and lost the smallest share of passengers compared to other modes. The Council is pursuing an increasing focus to support all-purpose, all-day trips in busy transit corridors. As traditional downtown office commutes have changed, BRT service aligns to these needs while also supporting peak commutes.

Prior to the pandemic, near-term BRT lines (A through H Line corridors) carried nearly one third of

Metro Transit bus riders. This share increased during the pandemic as these corridors currently carry 40 percent of Metro Transit bus riders. The three corridors proposed for improvements with requested funds carry about 10 percent of Metro Transit’s pre-pandemic bus riders, and this proportion increased slightly during the pandemic.

By concentrating improvements in the region’s most heavily traveled bus corridors, BRT maximizes ongoing operating investment by reducing delay from passenger boarding, traffic signals, and merging in and out of traffic. Reduced stop times also smooths traffic flow and enables construction of robust transit stations without need for significant property acquisition or private property displacement or relocations.

Partial funding is currently available for the F Line from past state appropriations. Additional resources are needed to construct the project. Requested funds would leverage at least \$50 million in identified federal funding for the F Line and G Line corridors. Early funding through this request could also leverage discretionary award through the federal Capital Investment Grant program, potentially leveraging up to \$100 million of additional federal funds to these projects.

Project Timeline

F Line: Environmental Q3 2022-Q2 2023, Engineering /Right of Way Acquisition Q3 2023-Q4 2024, Construction Q1 2025-Q3 2026

G Line: Environmental Q1 2023-Q4 2023, Engineering/Right of Way Acquisition Q1 2024-Q3 2025, Construction Q4 2025-2026

H Line: Environmental Q2 2024- Q1 2025, Engineering/Right of Way Acquisition Q2 2025- 2026

Other Considerations

<https://www.metrotransit.org/brt>

Busway projects are an integral part of the 2040 METRO network of rail and bus lines. When fully implemented, this network will serve 77 percent of residents in Minneapolis and Saint Paul and 46 percent of the region’s BIPOC residents. The completed system will provide significant access to jobs and destinations, linking residents to over 750,000 existing jobs. Improved transit enables workers to reach jobs, including 47 percent of low-income residents, 60 percent of the region’s renter households, and 60 percent of the region’s zero-car households.

Affordable and high-quality public transportation reduces reliance on private automobile ownership and resulting savings can be applied to housing, education, or other personal and family expenses that benefit the state and local economy.

Impact on Agency Operating Budgets

The impact on the agency operating budget can vary depending upon which transitway capital projects are funded. The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. Most required resources for arterial BRT operations comes from replacement of existing local bus service with more attractive, faster arterial BRT. Reduced delays allow faster speed and more efficient use of existing operating resources. Service plans include

options with limited expansion of service as well as resource-neutral operating plans.

Description of Previous Appropriations

State funding has enabled program advancement since 2014. In 2014 the state capital investment bill allocated \$15 million for transitway development, \$9 million of which was used on the A Line BRT corridor. An additional \$1 million state cash appropriation in 2014 completed A Line project funding.

In 2020, the state capital investment bill (October 2020) allocated \$55 million of bonding to complete funding of the D Line and B Line corridors, and (to the extent funds remain) to pre-construction of the E Line corridor.

In 2021, a state General Fund appropriation in the transportation omnibus bill allocated \$57.5 million to the arterial bus rapid transit program. The Council intends to use these funds to complete funding of the E Line corridor and to advance the development of the F Line corridor.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$60 million in general obligation bonds for this request.

(\$ in thousands)

Busway Capital Improvement Program Bus Rapid Transit

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 55,000	\$ 60,000	\$ 60,000	\$ 60,000
General Fund Cash	\$ 57,500	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 112,500	\$ 60,000	\$ 60,000	\$ 60,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 112,500	\$ 60,000	\$ 60,000	\$ 60,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 112,500	\$ 60,000	\$ 60,000	\$ 60,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 60,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2026?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Regional Parks and Trails Grant Program

AT A GLANCE**2022 Request Amount:** \$15,000**Priority Ranking:** 2**Project Summary:** The Metropolitan Council requests \$15 million in state bonds to match \$10 million of Metropolitan Council Regional Bonds to improve and expand the Metropolitan Regional Parks System.**Project Description**

The Metropolitan Regional Parks System is owned, operated, and maintained by the 10 Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.341, Subd. 1(a). The Twin Cities region is home to a system of regional parks and trails that is nationally renowned for its beauty, size, and variety of features. The system provides an abundance of opportunities for recreation, exercise, mental and physical health, and, of course, just plain fun. It also preserves significant green space and wildlife habitat. The regional parks system draws more than 63 million visits every year — more than the Mall of America. Our parks and trails draw visitors from across the region, state, and United States.

The Council proposes to match \$15 million of state bonds with \$10 million in regional bonds for a total Regional Parks System capital investment of \$25 million. 100% of bond funds are allocated to implementing agencies. The Council keeps no state funding for administrative costs. Each agency is allocated a share of the combined state and regional bonds according to a formula set in Council policy: 70% is based on each agency's jurisdictional population, and 30% is based on the agency's relative share of non-local visits.

Project Rationale

The purpose of the Metropolitan Regional Parks program is to maintain, expand, and improve the Metropolitan Regional Parks System, which consists of more than 54,000 acres of parks and over 400 miles of interconnected trails. The program funds regional parks that provide recreational services similar to those provided in state parks that are located largely outside of the 7-county region.

This request invests critical funding directly into the regional park systems to both protect past public investments by extending the useful life of park and trail infrastructure and to expand the system. The Regional Parks System provides close-to-home opportunities for children and families in the 7-county metro area, fostering wellness and building strong communities. It also offers the opportunity for carbon free transportation and recreation, and preserves natural systems that serve as carbon sinks to greenhouse gases, to help manage stormwater, as well as serving to cool the region during extreme heat events. Lastly and importantly, it fosters health and wellness among residents, which has a mutually beneficial overlap with support for natural resource system health.

Project Timeline

The Council would award grants in the second half of 2022 and the agencies would complete funded projects in 2022 through 2024.

Other Considerations

None

Impact on Agency Operating Budgets

There is no direct impact on our operating budgets since the Met Council does not operate Metropolitan Regional Parks System units.

Description of Previous Appropriations

The state has appropriated \$240 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Budget. The Legislative Citizen Commission on Minnesota Resources has recommended \$47.65 million of Environment and Natural Resources Trust Fund appropriations from FY 1992 to 2021 for capital improvements and land acquisition purposes for the Metropolitan Regional Park System. The Metropolitan Council matches every \$3 in Trust Fund appropriations with \$2 in regional bonding money, while retaining no funds for administrative costs.

A total of \$248 million has been appropriated to the Metropolitan Council since the inception of the Parks and Trails Fund.

This is a recurring request. As part of the 2020 capital budget, Metropolitan Council requested \$15 million in GO bonds, the Governor recommended \$10 million, and the enacted capital budget provided \$5 million. The 2020 capital budget also provided \$28.5 million in pass-through grants to local governments for parks and trails projects. Prior to the 2020 capital budget, the amounts recommended by the Governor and appropriated are (\$ recommended/appropriated): 2019/2018: \$15 million / \$10 million; 2017: \$10 million / \$5 million; 2016: \$11 million / \$0; 2015: \$5 million / \$0; 2014: \$5 million / \$4 million; and 2012: \$10.5 million / \$4.6 million. In total, since 2012, the program was recommended \$66.5 million and was provided \$28.6 million.

The program has also historically received \$8.5 million in General Fund cash annually and more than \$18 million annually for their Parks and Trails Legacy Fund program that provides funds to regional park implementing agencies.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$3 million in general obligation bonds for this request. Also included are budget estimates of \$3 million for each planning period for 2024 and 2026.

(\$ in thousands)

Regional Parks and Trails Grant Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000
Funds Already Committed				
Pending Contributions				
Other Local Government Funds	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
TOTAL	\$ 20,000	\$ 25,000	\$ 25,000	\$ 25,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 20,000	\$ 25,000	\$ 25,000	\$ 25,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 20,000	\$ 25,000	\$ 25,000	\$ 25,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 15,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2026?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Inflow and Infiltration Grant Program

AT A GLANCE

2022 Request Amount:	\$9,500
Priority Ranking:	3
Project Summary:	The Metropolitan Council requests \$9.5 million in state bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems.

Project Description

The Metropolitan Council requests \$9.5 million in state bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems. In cooperation with Metro Cities, similar requests have been made in 2010, 2012, 2014, 2015, 2016, 2017, 2018, and 2020. The requested amount for 2022 represents a portion of the demonstrated need from communities for work completed under the previous programs. The program has been a successful incentive for communities to complete I/I mitigation work.

Inflow and Infiltration – or I/I – are terms that describe clear water that enters wastewater systems and consumes capacity that is intended for growth. Each has unique sources, methods of entry, and effects on the wastewater collection system. I/I from both public and private sources causes major challenges in the region.

Since 2005, the Metropolitan Council has intensified efforts to mitigate excessive I/I through partnership with regional communities. There is evidence of success through flow reduction and reduced system flow response to wet weather. However, the repairs needed to the local public wastewater collection system can be costly, and regional communities have expressed a need for consistent funding for I/I mitigation activities.

In 2010, Metro Cities championed inclusion of a \$3 million grant program in the 2010 bonding bill for providing grants to municipalities for capital improvements to public infrastructure to reduce I/I into the wastewater collection system. From 2010 through 2015, the total funding received by communities for I/I mitigation was \$10.5 million.

The approved bills have included the following language:

Metropolitan Cities Inflow and Infiltration Grants: For grants to municipalities within the metropolitan area, as defined in MN Statutes, Section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a municipality must be identified by the Metropolitan Council as a contributor of excessive inflow and infiltration. Grants

from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities and townships that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the Council.

Project Rationale

The purpose of the project is to assist communities served by Metropolitan Council Environmental Services in undertaking public infrastructure projects that reduce I/I into the local and regional wastewater collection systems.

Project Timeline

Grants will be made under a grants application process once funding is secured, with local units of government performing work funded with the grants. Work typically extends into two construction seasons (2-years).

Other Considerations

This grant program is tied to the Metropolitan Council's stewardship, prosperity, equity, livability, and sustainability outcomes of *Thrive MSP 2040* and supports the Metropolitan Council's principles of collaboration and accountability. This grant program will support the I/I mitigation efforts of local communities. This program protects the environment and public health, supports construction jobs, promotes infrastructure investment, and is cost-effective.

Metropolitan Council proposes to utilize existing program guidelines which have been reviewed by local government partners in the region and have been agreed to by state agencies.

Impact on Agency Operating Budgets

There is no direct impact on state agency operating budgets since the State of Minnesota does not have a similar grant program.

Description of Previous Appropriations

This is a recurring request. As part of the 2020 capital budget, Metropolitan Council requested \$9.5 million in GO bonds, the Governor recommended \$5 million, and the enacted capital budget provided \$5 million. Prior to the 2020 capital budget, the amounts recommended by the Governor and appropriated are (\$ recommended/appropriated): 2019: \$5 million / \$0; 2018: \$5 million / \$5 million; 2017: \$5 million / \$3.8 million; 2016: \$5 million / \$0; 2015: \$5 million / \$1.5 million; 2014: \$4 million / \$2 million; and 2013: \$4 million / \$0. In total, since 2013, the program was recommended \$38 million and was provided \$17.3 million through the capital budget.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$5 million in general obligation bonds for this request. Also included are budget estimates of \$5 million for each planning period for 2024 and 2026.

(\$ in thousands)

Inflow and Infiltration Grant Program

PROJECT FUNDING SOURCES				
Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 13,739	\$ 9,500	\$ 9,500	\$ 9,500
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 13,739	\$ 9,500	\$ 9,500	\$ 9,500

TOTAL PROJECT COSTS				
Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 13,739	\$ 9,500	\$ 9,500	\$ 9,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 13,739	\$ 9,500	\$ 9,500	\$ 9,500

IMPACT ON STATE OPERATING COSTS			
Cost Category	FY 2022	FY 2024	FY 2026
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS		
	Amount	Percent of Total
General Fund	\$ 9,500	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2026?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A