



Metropolitan Council

1997-2001 Capital Improvement Program and 1997 Capital Program and Budget

Adopted December 19, 1996

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Minn. Stat. 473.13 Subd. 1

1994 Minn. Laws Chap. 628 Art. 3
Sec. 40

**METROPOLITAN COUNCIL
PROPOSED 1997 CAPITAL BUDGET AND
1997-2001 CAPITAL IMPROVEMENT PROGRAM**

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R E C E I V E D

MAR 13 1997

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METROPOLITAN COUNCIL

Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101-1634

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RESOLUTION NO. 96-65

**APPROVING THE METROPOLITAN COUNCIL
1997-2001 CAPITAL IMPROVEMENT PROGRAM
AND 1997 CAPITAL BUDGET**

- WHEREAS, Minn. Stat. 473.13, Subd. 1 requires the Council, after public hearing, shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year; and
- WHEREAS, Minn. Stat. 473.13, Subd. 1 requires that the budget shall state in detail the capital expenditures of the Council for the budget year, based on a five-year capital program adopted by the Council; and
- WHEREAS, the Council adopted a proposed unified 1997-2001 capital improvement program and 1997 capital budget for public hearing on October 31 1996.
- WHEREAS, a public hearing on the 1997-2001 capital improvement program and 1997 capital budget was held on December 5, 1996;

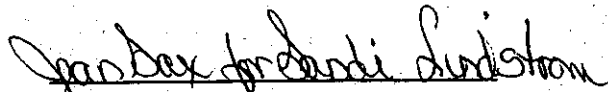
THEREFORE, BE IT RESOLVED,

that the Metropolitan Council approves the 1997-2001 Capital Improvement Program and 1997 Capital Budget as follows:

1. Adopt the 1997-2001 Capital Improvement Program as the five-year capital plan for capital investment and financing.
2. Approve \$82,929,161 in new multi-year capital program authorizations as the 1997 Capital Program, including:
 - \$ 82,835,300 for Environmental Services, and
 - \$ 93,861 for Transit.
3. Approve a 1997 Capital Expenditure Budget of \$108,345,007 for previously approved capital projects and new capital projects authorized in the 1997 Capital Program, including:
 - \$ 59,740,755 for Environmental Services,
 - \$ 25,508,052 for Transit,
 - \$ 20,096,200 for Parks and Open Space, and
 - \$ 3,000,000 for the 800 Megahertz Radio Project.

Adopted this 19th day of December, 1996


Curt Johnson, Chair


Sandi Lindstrom, Recording Secretary

BUDGET MESSAGE

METROPOLITAN COUNCIL
Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101-1634
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DATE: October 31, 1996
TO: Curt Johnson, Chair and Metropolitan Council Members
FROM: Jim Solem, Regional Administrator
SUBJECT: Proposed Metropolitan Council 1997 Capital Budget and
1997-2001 Capital Improvement Program

This is the second year the Council is preparing a unified capital budget and capital improvement program which brings together in one document the capital investment plans for environmental services, transit and parks and open space. The Proposed 1997 Capital Budget and 1997-2001 Capital Improvement Program presents capital budgets and capital improvement programs for each of the divisions of the Council -- Community Development, Environmental Services, and Transportation -- with capital investments related to the provision of regional services. The capital budget does not include office and computer capital equipment budgeted in the unified operating budget.

The budget document presents 1) a unified 1997-2001 capital improvement program which details proposed capital investments and financing; 2) a fiscal impact assessment which considers the proposed 1997-2001 capital investments and financing within the context of the region's ability to pay; and 3) a unified 1997 capital budget with new capital program authorization requests and proposed 1997 capital expenditures.

The objectives of the unified capital budget and capital improvement program are:

- to ensure that regional priorities are reflected in the capital investment plans of functional areas;
- to provide a consolidated financial summary of recommended capital expenditures and financing plans;
- to provide information on the fiscal impacts of capital investment plans;
- to document and systematize capital budget policies and procedures for all Council divisions; and
- to document and systematize a consistent capital program and capital budget approval process for all Council divisions.

FINANCIAL POLICY GUIDANCE

The financial plan takes a prudent approach to the financial management of the Council's resources, with a commitment to maintain the Council's financial strength. The budget reflects constraints in financial resources amid growing concern of residents within this region, and other areas of the country, over the cost of government and accountability.

In developing the capital budget and capital improvement program, the uses of financial resources are restricted to the appropriate entity for which they were raised. This means that Environmental Services Division revenues received through sewer service fees and SAC charges are maintained in a separate and distinct fund and used only for capital investments applicable to the Environmental Services Division. It also means that transit capital investments by the Transportation Division and regional recreation open space capital investments by the Community Development Division in conjunction with the Metropolitan Parks and Open Space Commission are funded based on the Council's ability to raise federal and state capital grants and acquire regional bonding authorizations.

FINANCIAL SUMMARY - CAPITAL IMPROVEMENT PROGRAM

The combined 1997-2001 capital improvement program (CIP) for parks and open space, transit and environmental services propose investing \$687 million in regional facilities over the next five years, an average of \$137 million per year. The proposed capital improvement program will require the issuance of approximately \$533 million in regional bonding, an average of \$107 million per year. This level of regional debt issuance will result in outstanding debt, annual debt service payments and property taxes and user fees supporting annual debt service payments increasing faster than inflation. However, when a comprehensive view of Council operations and debt service is taken, projected increases in property taxes and user fees are only slightly higher than inflation and lower than anticipated increases in regional income and market values.

CAPITAL BUDGET ISSUES

TRANSIT

Transit capital improvement program and capital budget issues include:

- Implementation of transit redesign initiatives,
- Implementation of a regional bus fleet,
- Modernization of the MCTO and non-MCTO bus fleet,
- Replacement of the Snelling Garage,
- Development of park and ride lots, transit hubs and other public facility improvement,
- Obtaining new regional bonding authorizations from the State Legislature,
- Continued improvements in the capital improvement program and capital budget

- development process, and
- Continued improvements in the transit capital project selection process that award regional capital funding on a competitive basis.

ENVIRONMENTAL SERVICES

Environmental Services capital improvement program and capital budget issues include:

- Supporting a zero percent rate increase in 1997, with a goal of zero increase in rates through the year 2000,
- Meeting rate policy objectives including: meeting environmental requirements, keeping the system in good repair, continually improving operations, and providing services which benefit the region,
- Incorporating Blueprint objectives,
- Controlling debt service by shifting capital expenditures for five programs to a pay-as-you-go basis,
- Development of a new Southeast Regional treatment plant, and
- Implementation of solids processing facilities at Blue Lake and Seneca.

PARKS AND OPEN SPACE

Parks and Open Space capital improvement program and capital budget issues include:

- Maintaining legislative support of state funding and regional bonding for the regional recreation open space system.

CONCLUSION

The proposed 1997-2001 Capital Improvement Program and 1997 Capital Budget provides a unified, coordinated capital investment strategy and financial plan that maintains and improves regional parks, transit and environmental services infrastructure and provides for regional growth. It has been developed in the context of regional priorities and financial policies.

**MISSION AND
ORGANIZATION**

**METROPOLITAN COUNCIL
PROPOSED 1997 CAPITAL BUDGET AND
1997-2001 CAPITAL IMPROVEMENT PROGRAM**

MISSION & ORGANIZATION

BACKGROUND

The Minnesota Legislature created the Metropolitan Council in 1967, defining the agency's role in Minnesota Statutes Chapter 473 (MS 473). This proposed budget reflects the new structure of the Council, which resulted from the Metropolitan Reorganization Act of 1994. This legislation dramatically changed regional government by merging four separate regional agencies--the Metropolitan Council, the Regional Transit Board (RTB), Metropolitan Transit Commission (MTC), and the Metropolitan Waste Control Commission (MWCC)--into one new Metropolitan Council. The goal of this legislation was to combine and strengthen regional planning and delivery of services. The new Metropolitan Council now has broader responsibilities than in the past, but must accomplish its goals in an atmosphere of diminishing resources.

The Council now performs the roles previously carried out by four regional agencies: the Council, the RTB, the MTC and the MWCC. The Council's responsibilities include:

- Conduct long-range, comprehensive planning (for airports, economic development, housing, land use, regional finance, parks, water quality and supply, and transportation).
- Working with other local units of government and approving their comprehensive plans to ensure that their planning is consistent with the Council's plans and the plans of their neighbors.
- Operating the regional sewage collection and treatment system.
- Operating the regional transit system.
- Administering the Metro Housing and Redevelopment Authority (HRA) and forming joint powers agreements with other housing redevelopment agencies.

The agency's area of jurisdiction under MS 473, is the Twin Cities area, consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties.

MISSION

The mission of the Metropolitan Council is to provide leadership in the effective planning of regional growth and redevelopment and in the delivery of quality regional services.

EXPECTED RESULTS

The Council's role was broadened as a result of 1994 legislation under which the Council now conducts long-range planning and operates direct services in transit and wastewater collection and treatment. In 1996 the Council drafted statements, based on its mission, that specified the expected results of its operations. They are as follows:

- Leadership in defining and managing the future growth and development of the region.
- Leadership in community cooperation and collaboration.
- High performance, competitive regional services.

TACTICAL GOALS

- The tactical goals that guide the Council's work program and are the basis for assessment of results are proposed as follows:
- Develop and implement regional strategies.
- Use combined "tools" to effectively advance the Council's mission.
- Integrate planning and operations.
- Implement "Livable Communities."
- Implement the agency's diversity philosophy.
- Measure the effectiveness of planning.
- Assure provision of quality services at competitive costs.

GUIDING PRINCIPLES

Four guiding principles have been adopted by the Executive Management Team as the fundamental beliefs of how we agree to work together. These principles are viewed as applying to the entire agency. They are:

- Focus on customer services and stakeholder relationships.
- Commitment to productive, equitable, positive work environment.
- Commitment to financial integrity.
- Commitment to organizational effectiveness.

In 1996 each division has proposed a mission in alignment with the Council's, and has begun to specify expected results and tactical goals. Tactical goals and multi-year work programming will also be developed in the context of identified long-term resources. This work will in turn be used as the basis for implementing performance measurement practices. In 1997 each division will implement performance measurement practices to improve operating efficiencies and management effectiveness.

The Council's strategic planning framework is represented by the figure presented below:

Metropolitan Council Strategic Planning Framework



Regional Blueprint

In September 1994 the Council adopted the *Regional Blueprint*, a planning policy document that serves as both a roadmap for the future and a call for action designed to achieve the following goals:

- Economic growth and job creation through a regional economic strategy.
- Reinvestment in distressed areas of the region.
- Expanded life-cycle housing opportunities and housing choices for lower-income people throughout the region.
- A strengthened sense of community.
- Preservation of the natural environment.
- Sound regional public infrastructure investments supporting business growth and overall regional development

By seeking out partnerships and looking for opportunities to collaborate with other governmental units and the private sector, the Council implements its *Blueprint*. The Council sets policy on the provision of transit and sewer service, and on land use through long-range plans. Other regional agencies must, by law, follow the Council's policies and local governments must prepare comprehensive plans consistent with the Council's plans.

MEMBERSHIP

The Council has 16 members, appointed by the governor from equal-population districts throughout the seven-county metropolitan area. Members serve at the governor's pleasure and must live in the district they represent. The governor also appoints the Council Chair, the 17th member, which is an at-large position that also serves at the governor's pleasure. Current Metropolitan Council members are listed on page 2-8.

Policy-making Structure

Page 2-9 shows a chart of the Council's policy-making structure. The Council accomplishes its goals by working through its standing committees: Transportation, Community Development, Environment and Finance. The Council receives input on policy issues through its advisory committees. In addition, the Council works closely with the Metropolitan Radio Board and other regional commissions, Metropolitan Sports Facilities Commission, Metropolitan Airports Commission and Parks and Open Space Commission.

Metropolitan Council Organization

The Council is organized into three major line divisions: Transportation, Community Development, and Environmental Services; and is supported by Regional Administration with the Chair and Regional Administrator providing the direction and leadership to the organization.

The Community Development Division develops regional growth strategy and policy, and monitors the implementation of the Regional Blueprint. The Transportation and Environmental Services divisions include the Council's operating units: transit operations and wastewater services. The Council's organization is shown in the chart on page 2-10.

CAPITAL BUDGETING PROCESS

The Metropolitan Council's three line divisions develop capital budgets and capital improvement programs. Capital planning for transit occurs within the Transportation Division. Capital planning for wastewater services and related environmental activities occurs within the Environmental Services Division. Capital planning for regional parks and open space occurs within the Community Development Division in conjunction with the Metropolitan Parks and Open Space Commission.

Capital budget requests originate in the agencies that provide environmental, transit and park services. Transit providers include the Council's own Transit Operations and Metro Mobility departments, opt-out communities and rural and small urban transit programs. The Council's Transportation Division develops a long-range capital improvement program for transit and coordinates a process for assessing and prioritizing capital requests from transit providers.

Designated local park implementing agencies -- counties, cities and special districts -- originate capital budget requests for regional parks and open space. The Metropolitan Parks and Open Space Commission, an advisory commission to the Council, develops a capital improvement program in cooperation with park implementing agencies and uses assessment/prioritization procedures from the Council's Recreation Open Space Policy Plan.

Environmental capital projects are proposed by departments and units within Environmental Services -- plant and interceptor operations, regulatory compliance, interceptor inspection and planning units -- and by cities and others. The Environmental Services Division has developed its capital planning procedures based on assessment and prioritization done by division teams.

Draft capital improvement programs and annual capital budgets were presented to the Regional Administrator's Office in September. Council committees have reviewed proposed capital projects and provided direction throughout the fall. This proposed unified capital budget and capital improvement program was developed by the Regional Administrator's Office and presented to the Council in late October. The public hearing on the draft 1997 capital budget and 1997-2001 capital improvement program will be on December 5, 1996 at 6:30 p.m. in the

Council Chambers. Final adoption is scheduled for December 19, 1996.

Additional information on the capital improvement programs and annual capital budgets for parks and environmental services is available in the following documents:

Metropolitan Council, *Regional Recreation Open Space Capital Improvement Program: 1996-2005*, June 1995.

Metropolitan Council, *Revision to the 1996-1997 Portion of Regional Recreation Open Space Capital Improvement Program: 1996-2005*, January 1996.

Metropolitan Council Environmental Services, *Proposed Capital Improvement Plan*, October 1996.

Metropolitan Council Environmental Services, *Proposed 1997 Capital Budget*, September 1996.

Questions on the Recreation Open Space Capital Improvement Program should be directed to Arne Stefferud, Senior Parks Planner, at 291-6360. Questions on the Environmental Services plan and budget should be directed to Bryce Pickart, Operational Planning and Engineering Manager, at 229-2091. Questions on the Transit Capital Improvement Program or on the unified budget should be addressed to Alan Morris, Senior Fiscal Policy Planner, at 291-6446.

CAPITAL PROGRAM AUTHORIZATION

The following definitions are used by the Council for the 1997 Capital Budget and 1997-2001 Capital Improvement Program:

Capital Improvement Program (CIP) - The 1997-2001 Capital Improvement Program represents a five-year plan that describes capital investment strategies, capital investment and financing plans and fiscal impacts of the plan. The CIP provides a basis for new capital program authorizations and the 1997 Capital Budget. The inclusion of a capital project in the CIP does not constitute Council approval to proceed with that project.

Capital Program - The Capital Program includes multi-year capital improvement projects that the Council has previously approved or is approving for 1997. The 1997 Capital Program constitutes authorization to proceed with new capital projects, proceed with the next phase of multi-phase capital projects or to amend previously approved capital projects and provides multi-year expenditure authorizations.

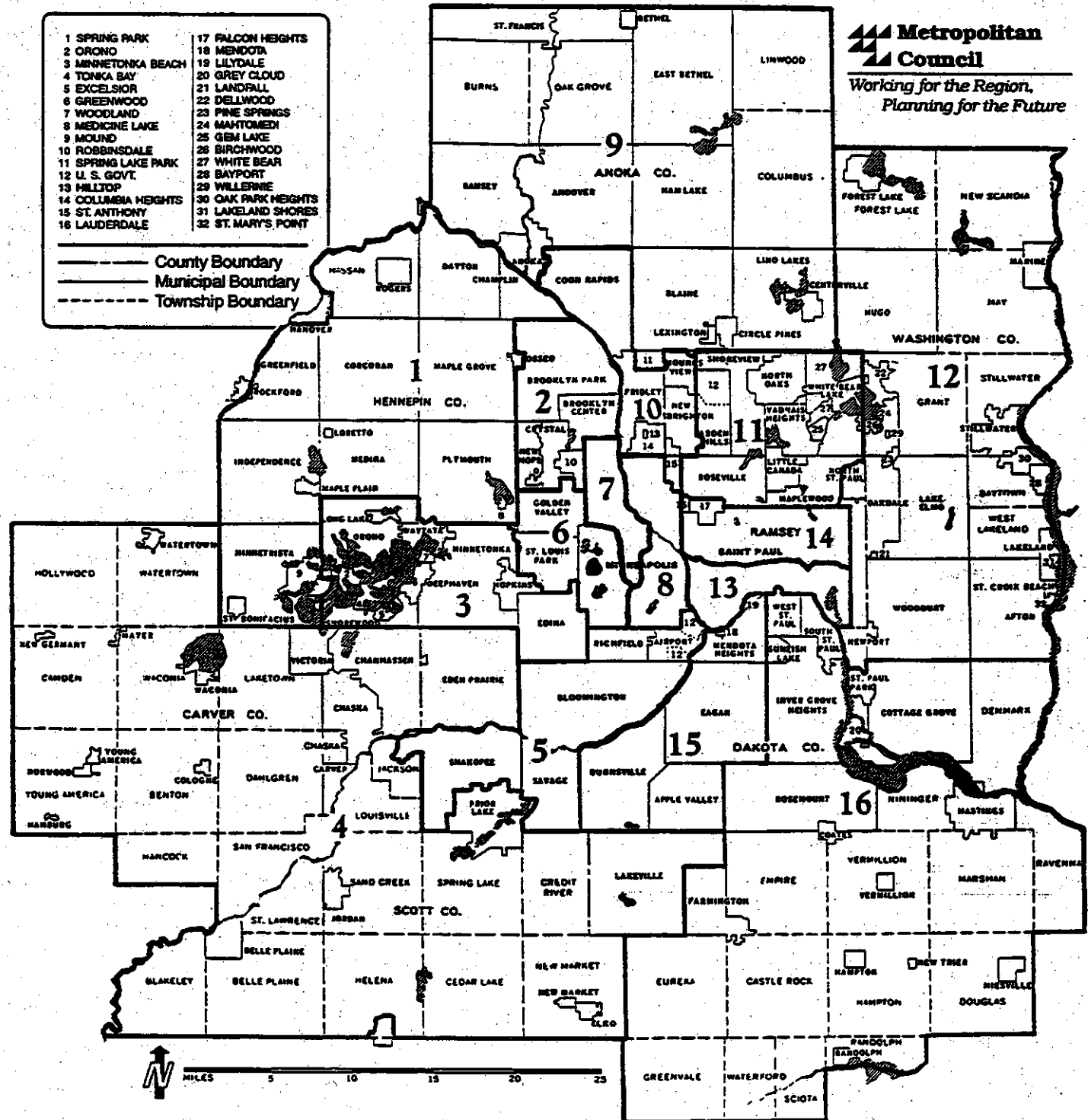
Capital Budget - The Capital Budget appropriates funds for capital expenditures for a specific budget year. The 1997 Capital Budget includes expenditure appropriations for previously authorized projects and for new capital projects authorized in the 1997 Capital Program.

The schedule for approval of capital improvement programs, capital programs and capital budgets varies for each division. Approval of the Environmental Services Capital Budget and Capital Improvement Program corresponds with approval of the unified capital budget. New capital program authorizations for transit and parks and open space, however, are tied to legislative decisions on state funding and regional bonding. The 1996 Capital Program and 1996 Capital Budget for parks and open space was amended in May, 1996 after the 1996 State Legislature appropriated state funds and capital projects re-prioritized by the Metropolitan Parks and Open Space Commission and the Council. The 1996 Capital Program and 1996 Capital Budget for transit are currently being amended to reflect Council decisions in June awarding \$20.5 million in regional bonding authority to specific capital projects..

Metropolitan Council Districts



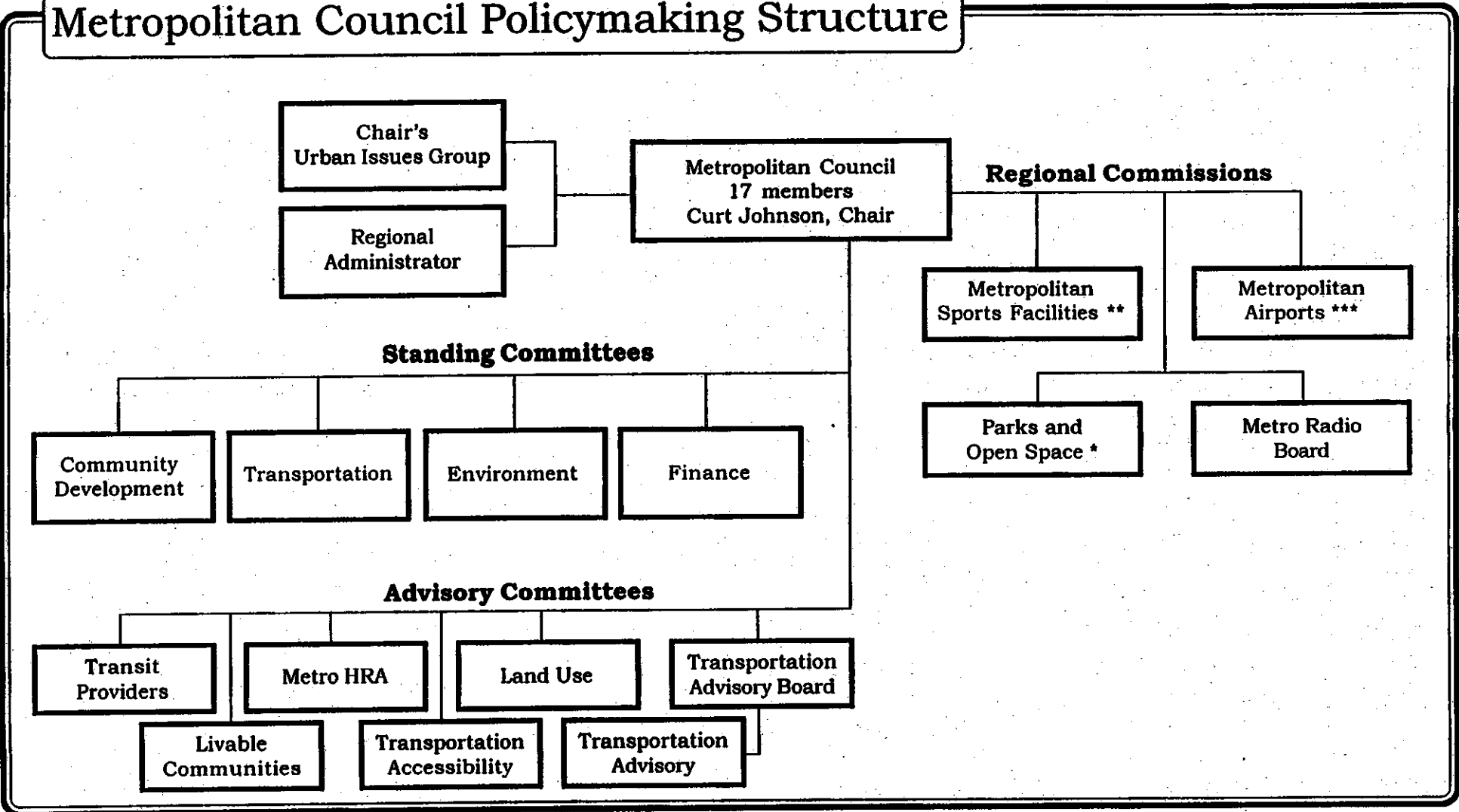
- | | |
|---------------------|---------------------|
| 1 SPRING PARK | 17 FALCON HEIGHTS |
| 2 ORONO | 18 MENDOTA |
| 3 MINNETONKA BEACH | 19 LILYDALE |
| 4 TONKA BAY | 20 GREY CLOUD |
| 5 EXCELSIOR | 21 LANDFALL |
| 6 GREENWOOD | 22 DELLWOOD |
| 7 WOODLAND | 23 PINE SPRINGS |
| 8 MEDICINE LAKE | 24 MAHTOMEDI |
| 9 MOUND | 25 GEM LAKE |
| 10 ROBBINSDALE | 26 BIRCHWOOD |
| 11 SPRING LAKE PARK | 27 WHITE BEAR |
| 12 U. S. GOVT. | 28 BAYPORT |
| 13 HILLTOP | 29 WILLERIE |
| 14 COLUMBIA HEIGHTS | 30 OAK PARK HEIGHTS |
| 15 ST. ANTHONY | 31 LAKELAND SHORES |
| 16 LAUDERDALE | 32 ST. MARY'S POINT |
- - - - - County Boundary
 _____ Municipal Boundary
 - - - - - Township Boundary



The Council members and their districts are as follows: Chair — Curtis Johnson

- | | | | |
|--------------------------------------|--|---|--|
| 1 — Roger Scherer,
Plymouth | 5 — Neil Peterson,
Bloomington | 9 — David Hartley,
Ramsey | 13 — Diane Z. (DeDe) Wolfson,
St. Paul |
| 2 — Bill Schreiber,
Brooklyn Park | 6 — Martha M. Head,
Minneapolis | 10 — Rick Packer,
Coon Rapids | 14 — Stephen B. Wellington, Jr.,
St. Paul |
| 3 — Mary H. Smith,
Wayzata | 7 — Barbara Butts Williams,
Minneapolis | 11 — Esther Newcome,
White Bear Lake | 15 — Kevin Howe,
Mendota Heights |
| 4 — Julius C. Smith,
Chaska | 8 — Carol A. Kumner,
Minneapolis | 12 — Charles Arnason,
Marine | 16 — Terrence F. Flower,
Hastings |

Metropolitan Council Policymaking Structure



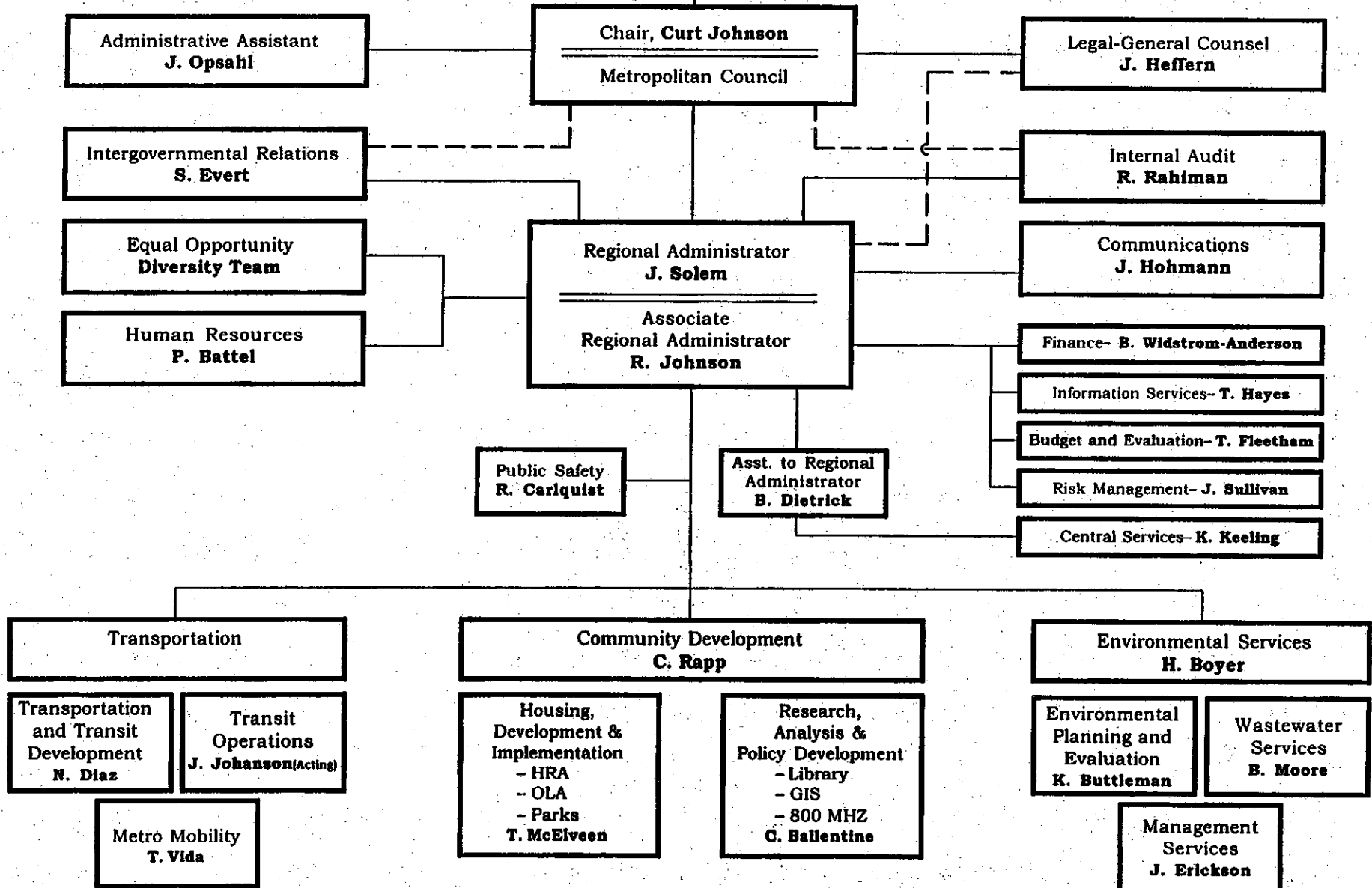
* Staff support provided to Commission by Metropolitan Council.
 ** The Metropolitan Council has budget approval and issues bonds for the commission.
 *** The Metropolitan Council reviews the capital budget and approves certain projects.

Metropolitan Council

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Metropolitan Council Organization

METROPOLITAN COUNCIL



**FINANCIAL SUMMARY/
FISCAL ANALYSIS**

**METROPOLITAN COUNCIL
PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM**

FINANCIAL SUMMARY/FISCAL ANALYSIS

INTRODUCTION

Two objectives of the unified capital planning process addressed in this section are:

- to provide a consolidated five-year summary of recommended capital expenditures and capital financing plans; and
- to provide information on the fiscal impacts of the recommended capital plans.

A consolidated summary of recommended 1997-2001 capital expenditures and capital financing is presented first, followed by an analysis of the fiscal impacts of the recommended capital plans.

Capital improvement programs have been prepared for parks and open space, transit and environmental services by the appropriate operating division of the Council. Information from these individual capital improvement programs has been summarized in this section.

Capital improvement programs are in various stages of development. The Environmental Services Division has a well established capital planning process that develops a long-range 20-year capital improvement plan, a five-year capital improvement program and an annual capital budget. Likewise, the Council and the Metropolitan Parks and Open Space Commission have a well established process for identifying and prioritizing capital projects for the regional recreation open system and biennially prepare a ten-year capital improvement program that provides the basis for state funding requests. The Transportation Division developed a process in 1996 for soliciting and prioritizing transit capital projects and has developed a five-year capital improvement program projecting transit capital expenditures by major category.

Financing capital improvements with regional debt has a direct, although delayed impact on the Council's operating budget and operating revenues, particularly property taxes and sewer service charges. The fiscal impact analysis looks at the impact of the recommended capital expenditures and capital financing on annual debt service requirements and on the property taxes and sewer service charges that need to be raised by the Council. The fiscal analysis also looks at the ability of the region's households to pay for these capital investments using two ability to pay measures.

SUMMARY OF CAPITAL EXPENDITURES AND CAPITAL FINANCING

This section provides a consolidated picture of proposed 1997-2001 capital expenditures and capital financing. The figures provide information on capital expenditures and capital financing back to 1988 so that long-term trends are illustrated.

Proposed Capital Expenditures

The combined 1997-2001 capital improvement programs for parks and open space, transit and environmental services propose investing \$674 million in regional facilities over the next five years. These capital expenditures are summarized in Table 1.

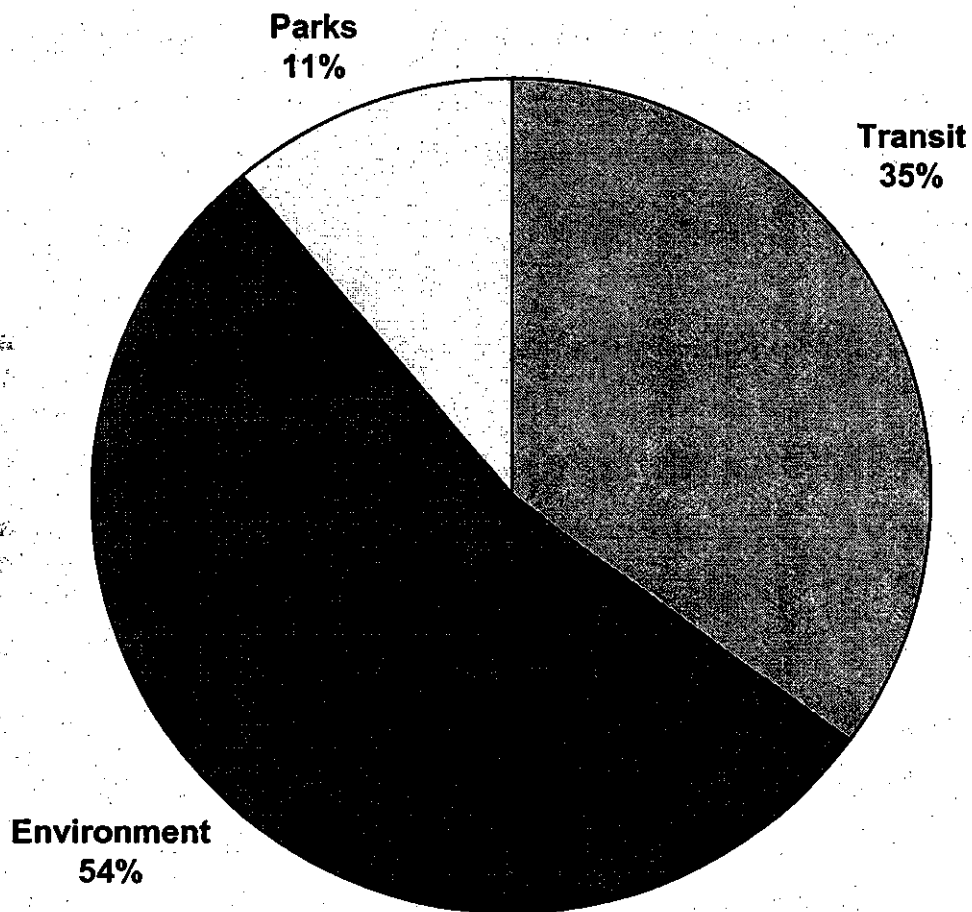
Figure 1 shows the proposed capital expenditures for each functional area. Environmental services capital projects account for 53 percent of the total, transit projects account for 35 percent of the total and parks and open space capital projects account for the remaining 12 percent.

Figure 2 shows the trend in capital expenditures between 1988 and 2001, based on the proposed capital improvement programs. Capital spending tends to fluctuate from year to year, depending on the need for particular capital projects and on construction or procurement schedules. Proposed annual capital expenditures between 1997 and 2001 range between \$111 million and \$169 million, and average \$135 million per year.

The Environmental Services Division is proposing to invest \$363 million in capital facilities in the 1997-2001 period, an average of \$72.5 million per year. Annual capital expenditures range between \$60 million and \$103 million. The highest year of capital expenditures, \$103 million in 1999, occurs due to a large (\$39.5 million) capital investment in solids processing facilities at the Blue Lake and Seneca wastewater treatment plants. Capital expenditures in the other four years average \$50 million per year. Capital investments are made to develop and maintain a system of regional interceptors and treatment works and related facilities. During the 1997-2001 period, approximately 66 percent of the proposed capital spending will be on treatment works projects and 34 percent on interceptor projects. An estimated 38 percent of capital investments during the five year period will be on rehabilitation projects to maintain existing facilities.

The Transportation Division is proposing to invest \$237 million in transit capital equipment and facilities in the 1997-2001 period, an average of \$47 million per year. Annual capital expenditures range between \$37 million and \$79 million. Proposed capital expenditures include \$16 million in 1998-1999 for a replacement facility for the Snelling Garage. The proposed capital expenditures for transit are resource constrained and are based on regional borrowing of \$23.5 million per year between 1998 and 2001. Capital investments are made to replace transit vehicles and to develop and maintain public facilities and support facilities/equipment. Public

Metropolitan Council 1997-2001 Proposed Capital Investments



**Proposed 1997-2001 Capital
Investments: \$674 Million
or \$135 Million per Year**

Metropolitan Council 1988-2001 Capital Spending by Purpose

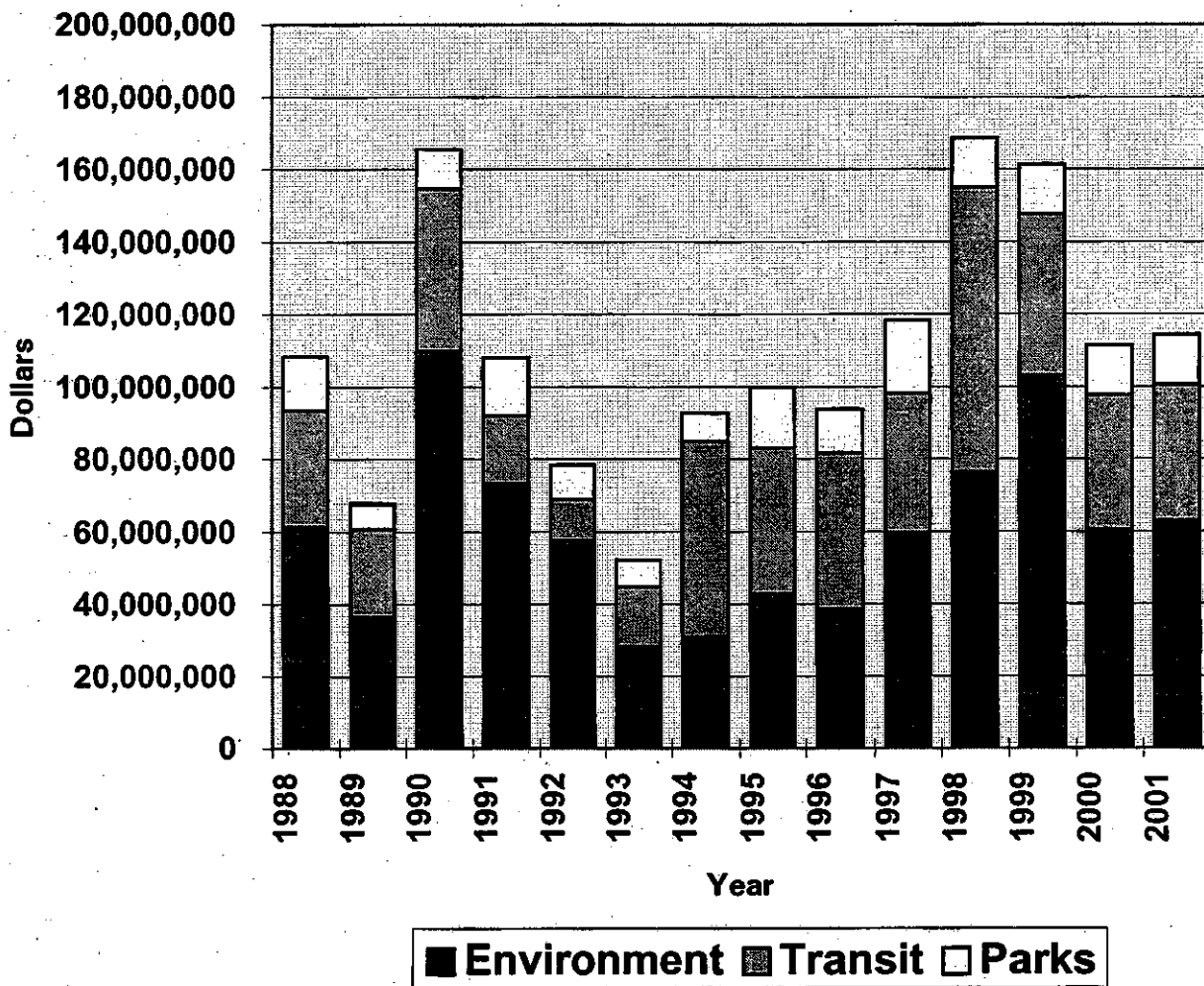


Figure 2

facilities include transit hubs, park and ride lots, shelters, lighting and other facilities aimed toward providing safe and convenient access to transit services and enhancing transfer opportunities. Support facilities and equipment include garage and office facilities, computer and communication equipment and other capital equipment.

The Community Development Division prepared a 1996-2005 Regional Recreation Open Space Capital Improvement Program that was adopted by the Council in mid-1995. The ten-year CIP covers the next 5 legislative bienniums and is resource constrained to reflect anticipated federal and state funding and regional bonding. Based on the first half of the ten-year capital improvement program, the Community Development Division is proposing to invest \$75 million in regional recreation open space capital facilities, an average of \$15 million per year. Capital projects include land acquisition, development of new park facilities and redevelopment of existing regional park facilities. An estimated 22 percent of the capital investment during the five year period will be on redevelopment projects to maintain existing facilities.

Proposed Capital Financing

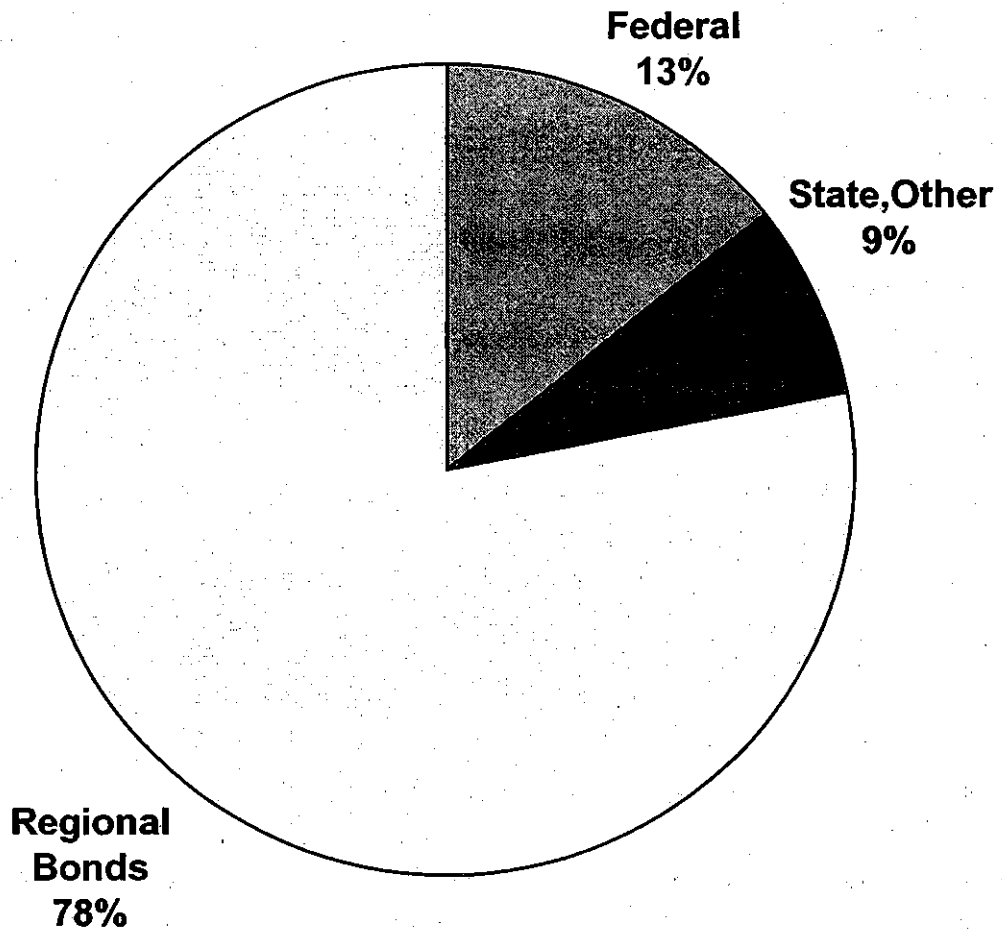
Capital financing for the Council's capital improvement program comes from federal and state capital grants, regional borrowing and other sources. Regional borrowing includes the issuance of long-term general obligation and revenue debt and loans from the state Public Facilities Authority for wastewater services facilities. Table 1 summarizes capital financing by function and in total.

Figure 3 shows the relative importance of each funding source in financing the proposed 1997-2001 capital investments. Federal capital funds provide approximately 13 percent of the necessary capital financing and state capital funds provide another 9 percent, while other miscellaneous sources provide less than 1 percent. Nearly four-fifths of the capital financing for the five-year capital improvement program (78 percent) will need to be raised through regional borrowing.

The Council anticipates receiving approximately \$93 million in federal capital grants to fund transit capital projects and, to a lesser extent, parks and open space projects. The Transportation Division estimates that \$90 million in federal funding will be available to fund transit facilities in the 1997-2001 period. The recreation open space capital improvement program assumes that the Council will receive approximately \$2.7 million in federal transportation funding during the five year period to finance regional park trails.

The combined capital improvement programs include approximately \$50.3 million in state capital funds to finance transit and parks and open space projects. The transit capital improvement program includes \$10 million to help finance a replacement facility for the Snelling Garage and approximately \$500,000 for rural transit services. The recreation open space capital improvement program was developed based on funding partnership between the State and the Metropolitan Council. The combined capital improvement program includes \$39.8 million in state funding from state bonds and from the Environmental Trust Fund.

Metropolitan Council 1997-2001 Capital Financing



**Proposed 1997-2001 Capital
Financing: \$660 Million
or \$132 Million per Year**

Metropolitan Council 1988-2001 Capital Financing by Source

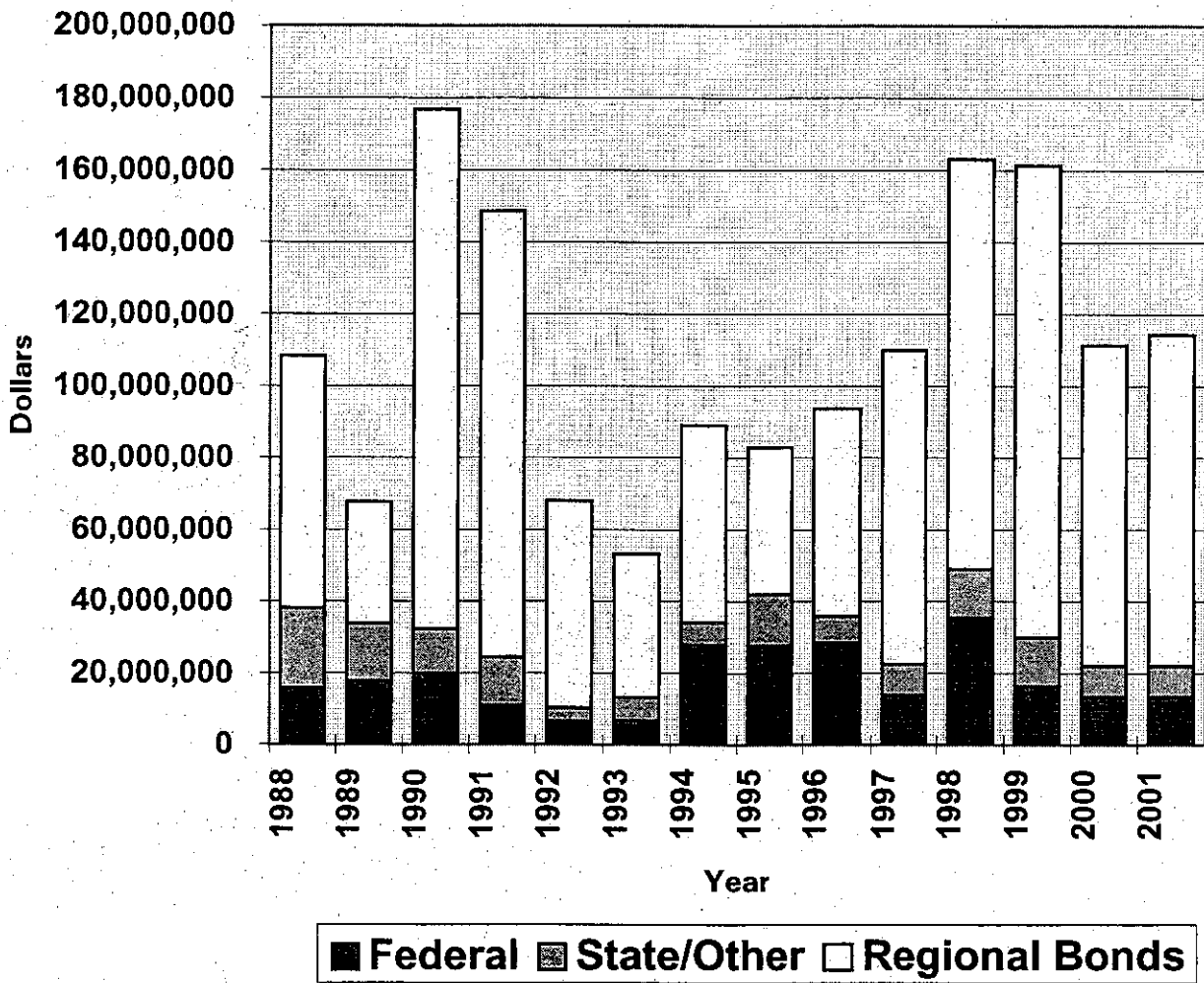


Figure 4

The Environmental Services Division capital improvement program assumes no federal or state funding and is financed entirely through regional borrowing and, to a lesser extent, transfers of positive annual (operating) budget variances.

The Transportation Division capital improvement program assumes approximately \$90 million in federal funding (39 percent), \$10.5 million in state funding including \$10 million for the Snelling Garage replacement (5 percent) and \$2.6 million from other miscellaneous sources (1 percent). The remaining \$125.4 million (55 percent) of capital financing would be provided through regional borrowing.

The Recreation Open Space capital improvement program for the 1997-2001 period assumes approximately \$2.7 million (4 percent) federal funding and \$39.8 million (58 percent) state funding, with the remaining \$26.5 million (38 percent) in capital financing provided by regional borrowing.

Figure 4 shows the trends in capital financing between 1988 and 2001. Federal, state and other funding sources tend to fluctuate somewhat from year to year, but regional borrowing fluctuates the most in response to annual changes in capital spending and investment.

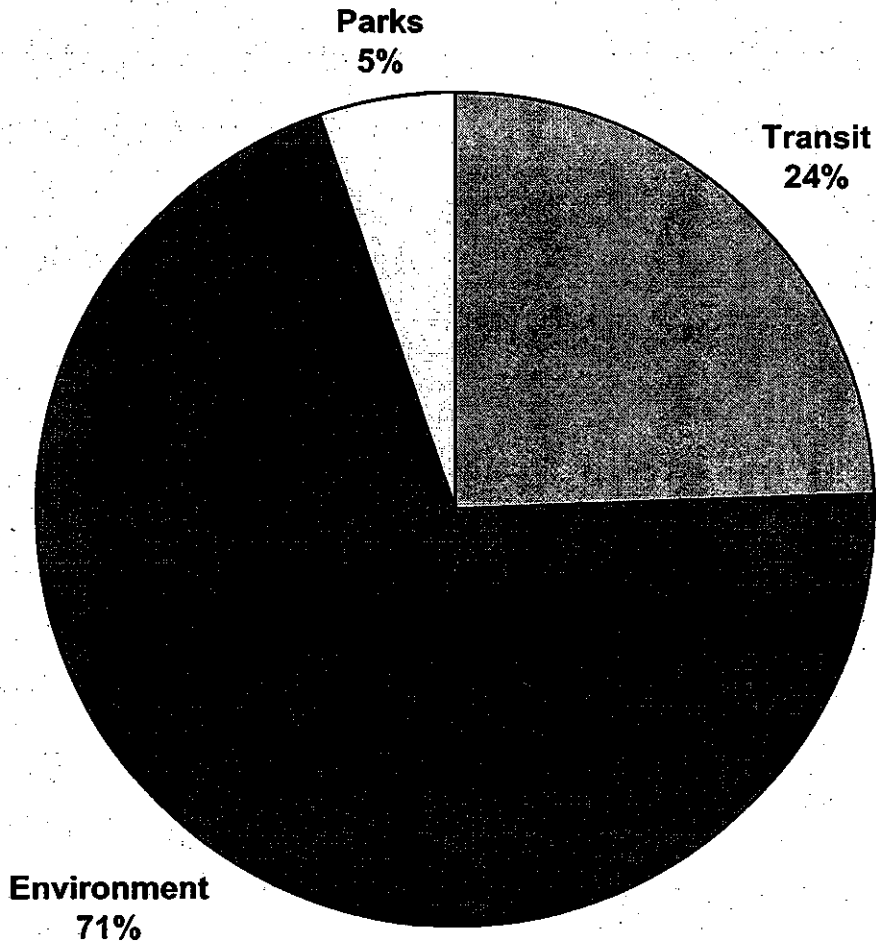
Proposed Regional Borrowing

To the extent that the Council must borrow to finance its capital improvement programs, capital investments in regional facilities affect annual debt service payments as the Council makes principal and interest payments on the bonds and loans. In turn, annual debt service payments affect the Council's operating budget and the amount of property taxes and sewer service fees that need to be collected from the region's households.

A substantial portion (78 percent) of the proposed 1997-2001 capital investments by the Council will need to be financed with regional borrowing. Figure 5 shows the relative share of regional borrowing by each of the areas with capital investments. The combined capital improvement programs proposed regional borrowing between 1997 and 2001 of \$515 million, an average of \$103 million per year. Environmental Services borrowing accounts for 68 percent of the total borrowing, transit borrowing accounts for 26 percent and parks and open space borrowing accounts for the remaining 6 percent. Because the Environmental Services Division capital investments are financing almost entirely through regional borrowing, the Division's share of total regional borrowing is higher than its share of capital expenditures.

Figure 6 shows the trend in regional borrowing between 1988 and 2001. Regional borrowing for environmental services capital projects tends to fluctuate from year to year. While transit and parks borrowing is more consistent during the 1997-2001 period, average annual borrowing for

Metropolitan Council 1997-2001 Proposed Regional Borrowing



**Proposed 1997-2001 Regional
Borrowing: \$515 Million
or \$103 Million per Year**

Metropolitan Council 1988-2001 Proposed Regional Bonding

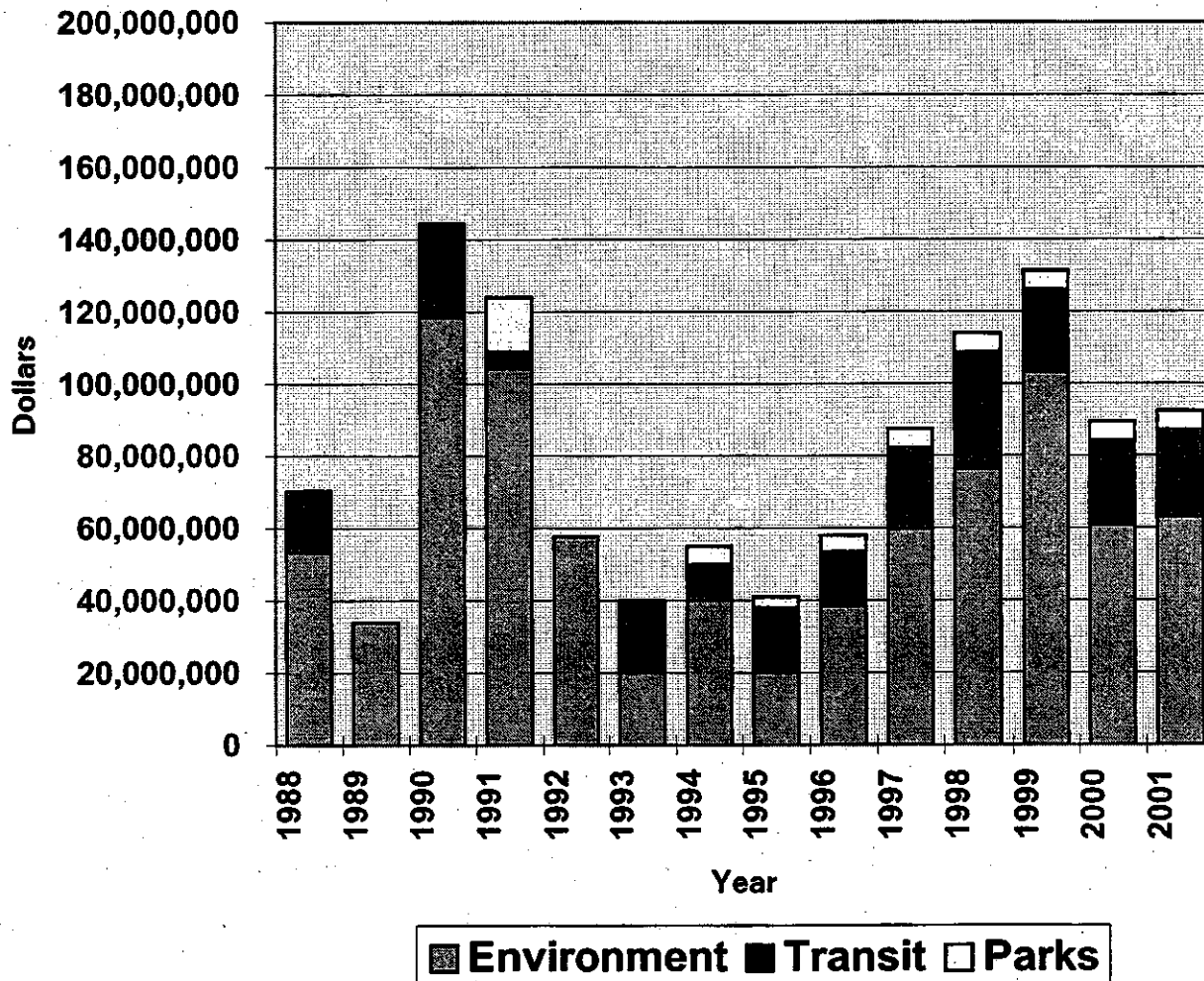


Figure 6

transit and parks is proposed at levels higher than have occurred in the recent past.

The Environmental Services Division capital improvement program requires regional borrowing of approximately \$363 million during the 1997-2001 period, an average of \$73 million per year. The Division utilizes loans from the state Public Facilities Authority (PFA) to the maximum extent possible to take advantage of lower interest rates. During the five year period, an estimated \$250 million in PFA loans will be utilized, providing financing for 69 percent of the capital program. The remaining \$113 million in capital financing will be provided through the issuance of general obligation bonds supported by sewer service revenues. To the extent that Environmental Services generates positive budget variances in its operating budget, funds will be transferred to the capital budget to finance capital expenditures on a pay-as-you-go basis.

The Transportation Division capital improvement program includes \$125.4 million in regional bonding. The total includes \$92.9 million in new regional transit bonding that would need to be authorized by the State Legislature and \$19.5 million in existing regional transit bonding authority. The new regional transit bonding reflects a legislative request over the next two bienniums of approximately \$23.5 million per year. The total also includes \$13 million in regional bonding authorized to finance the Metropolitan Council Transit Operations' share of the backbone elements of the 800 megahertz radio system.

The Recreation Open Space capital improvement program includes \$26.5 million in regional borrowing, an average of \$5.3 million per year. The regional borrowing provides a 40 percent match for state funding for regional parks.

Regional Bonding Authorizations

The Metropolitan Council has a number of statutory bonding authorizations that limit the amount of general obligation bonds it can issue for specific purposes.

Purpose	Current Authorization	Authorized but Unissued Debt as of 12/31/96
Parks and Open Space-GO	\$40,000,000	\$14,930,000
800 Megahertz Radio-GO	3,000,000	3,000,000
800 Megahertz Radio-Revenue	10,000,000	10,000,000
Transit-GO (94 Authorization)	32,500,000	8,700,000
Transit-GO (96 Authorization)	20,500,000	10,800,000
Environmental Services	Unlimited	n.a.

FISCAL IMPACTS OF REGIONAL BORROWING

This section provides a consolidated picture of the fiscal impacts of the proposed 1997-2001 capital improvement program on the Council's operating budget and on taxes and fees paid by the region. When the Council undertakes long-term borrowing, it repays principal and interest over a period of from 3 to 20 years. As a result, the borrowing affects the debt service component of the annual operating budget and the level of property taxes and user fees raised by the Council. Because there tends to be a one-year lag in the impact of a particular issue on debt service payments, this section looks at the impact of the 1997-2001 capital improvement program over the 1997 to 2002 period.

Changes in the Council's annual debt service, property taxes and user fees need to be considered in the context of inflation and regional growth in households, income and market values. The forecasts for these measures for the five-year period from 1997-2002 are:

	1997-2002 Forecast (Annual Average Change)
Households	1.3%
Consumer Price Index	3.0%
Personal Income per Household	3.0%
Total Personal Income	4.3%
Market Values per Household	3.0%
Total Market Value	4.3%

Annual Debt Service Payments

Figures 7 and 8 and Table 2 show the impact of the proposed 1997-2001 capital improvement program on annual debt service payments. Figure 7 shows the impact of existing and new (post-1995) regional borrowing on debt service. Figure 8 shows the impact of each component of the capital improvement program on annual debt service payments.

The Council's annual debt service payments are expected to increase faster than inflation between 1997-2002 as a result of proposed regional borrowing from 1997-2001. Overall, annual debt service payments are expected to increase from \$87.3 million in 1997 to \$109.4 million in 2002, reflecting an annual percentage increase of 4.6 percent. This annual percentage increase is significantly above the projected annual inflation rate over the period of 3 percent but only slightly above the projected growth rate in total regional income.

Metropolitan Council 1988-2002 Annual Debt Service

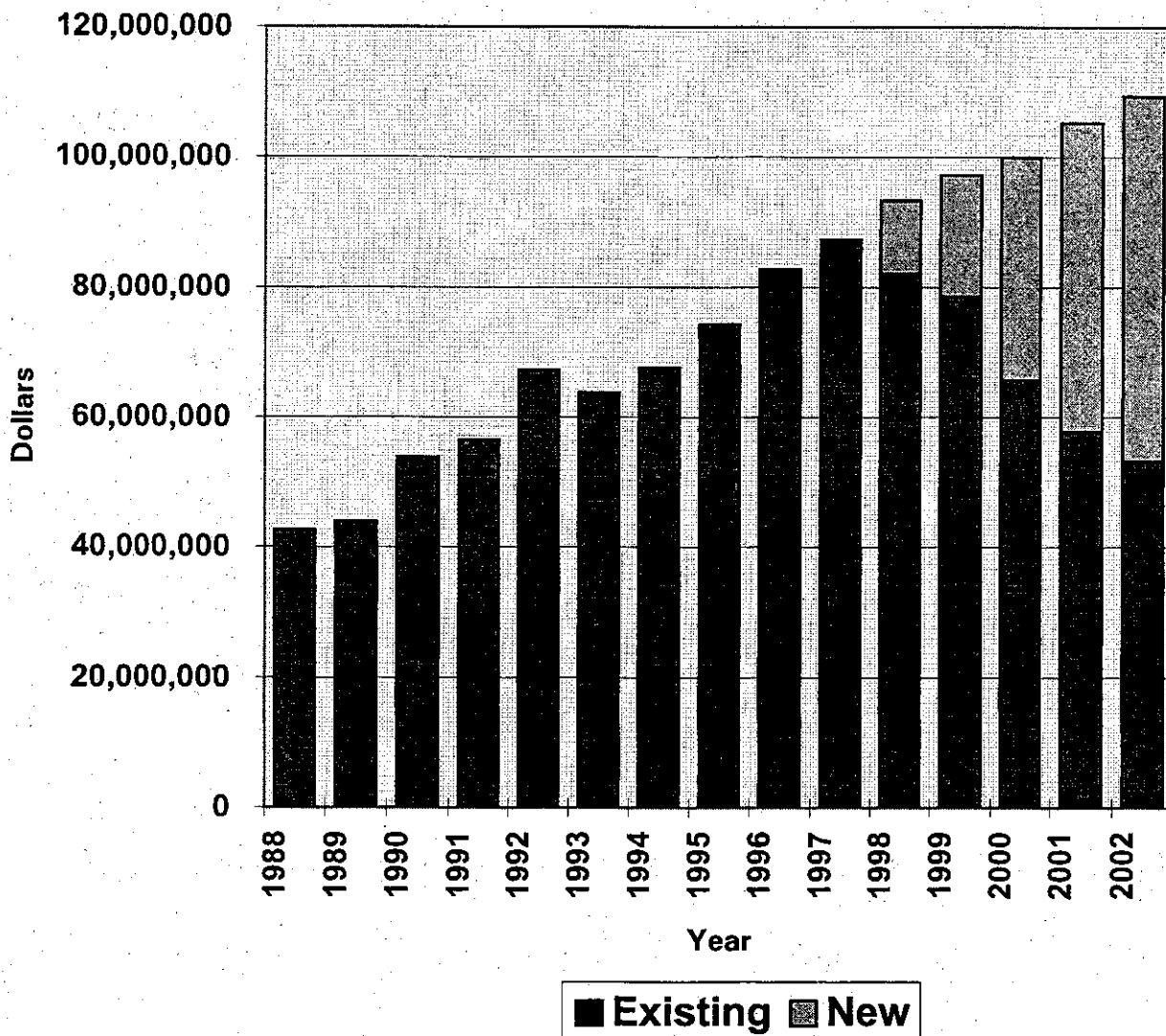


Figure 7

Metropolitan Council 1988-2002 Annual Debt Service

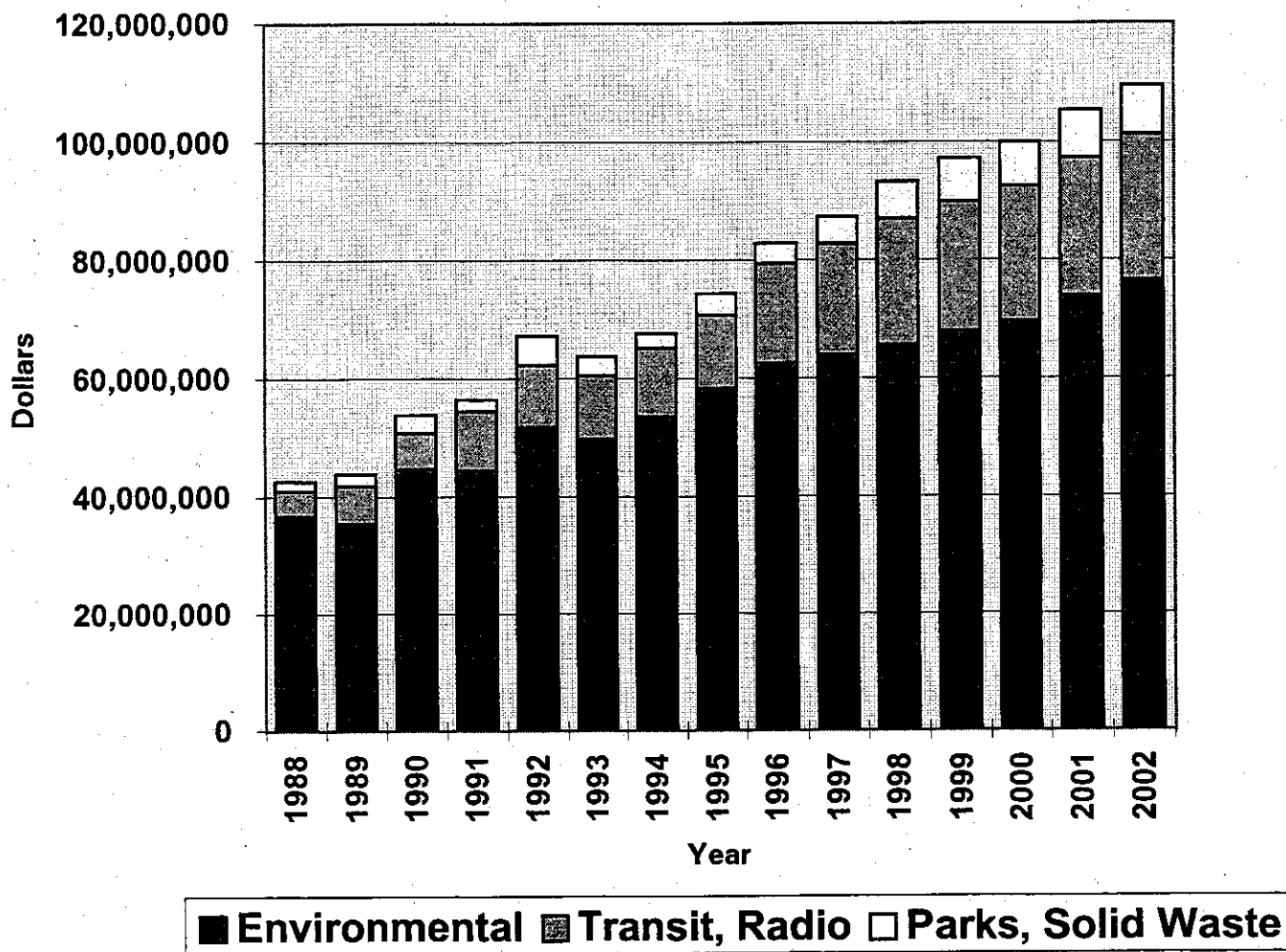


Figure 8

Each of the components of the capital improvement program contribute to this increase in the Council's annual debt service payments, although in differing degrees. Both the transit and parks and open space capital programs proposed regional borrowing at levels higher than in the past, resulting in increased debt service levels.

The parks and open space capital improvement program anticipates that the Council will issue approximately \$5.3 million each year in five-year bonds, creating a revolving borrowing program that provides a 40 percent match to state parks funding and utilizes the Council's existing regional parks bonding authority. Annual debt service resulting from this capital financing program will increase from \$4.5 million in 1997 to \$7.8 million in 2002, an annual percentage increase of 11.5 percent. Annual debt service for regional recreation open space capital investments is expected to stabilize at approximately \$8 million per year once the Council has completed a cycle of bonding with 5 year maturities.

The transit capital improvement program assumes that the Council will receive legislative authority to issue additional transit bonds over the five-year period and will issue 111.4 million of existing and new authorizations during the 1997-2001 period to finance transit capital projects. Annual debt service resulting from this capital financing program will increase from \$18.8 million in 1997 to \$24.0 million in 2002, an annual percentage increase of 5 percent. Transit debt service is expected to stabilize at approximately \$30 million per year if the Council continued to issue \$23.5 million per year into the future.

The environmental services capital improvement program will increase annual debt service payments from \$64 million in 1997 to \$76.5 million in 2002, an annual percentage increase of 3.6 percent.

Annual Property Taxes and User Fees for Operations and Debt Service

Figures 9 and 10 and Table 3 show the impact of the proposed 1997-2001 capital improvement program on Council property taxes and sewer service charges. These are the Council taxes and fees that impact the typical household in the region. To get a complete picture of trends in property taxes and sewer service charges, operations financing is projected to see the combined effect of operations and debt service on taxes and fees. The Environmental Services Division forecasts operating expenses and current sewer service charges as part of its fiscal analysis of the capital improvement program. Property taxes for transit operations and general operations were forecast for the 1997-2002 period to estimate the final component of the tax and user fee picture.

Figure 9 shows the impact of operations and debt service on property taxes and sewer service charges. The combined total of Council property taxes and sewer service fees is forecast to increase faster than inflation but slower than total regional income between 1997-2002 as a result of proposed regional borrowing from 1997-2001. Overall, property taxes and sewer service charges are expected to increase from \$251 million in 1997 to \$292 million in 2002, reflecting an annual percentage increase of 3.1 percent. This is above the projected annual inflation rate but less than the projected annual growth in regional personal income of 4.3 percent.

Metropolitan Council 1988-2002 Taxes and User Fees

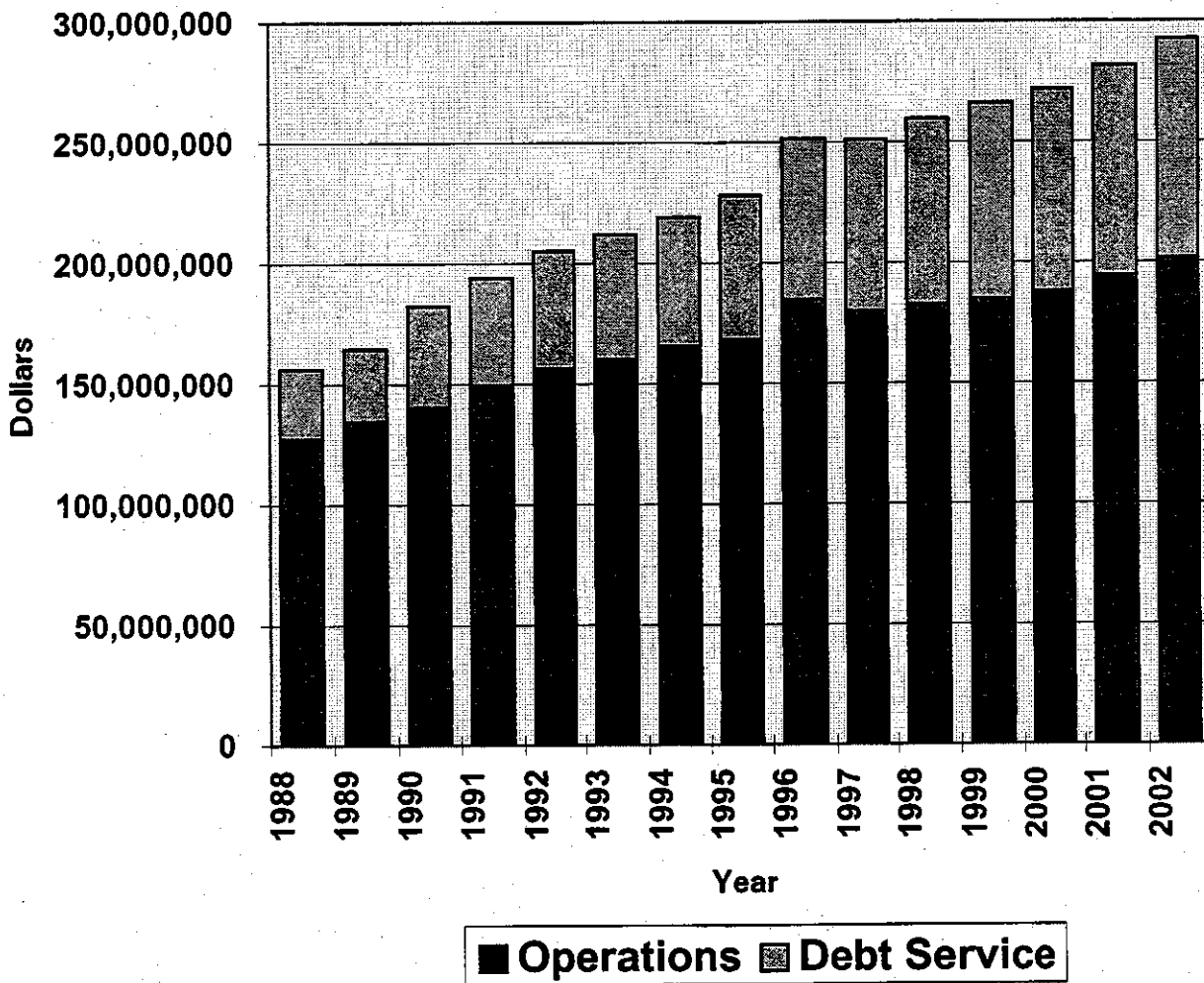


Figure 9

Metropolitan Council 1988-2002 Taxes and User Fees

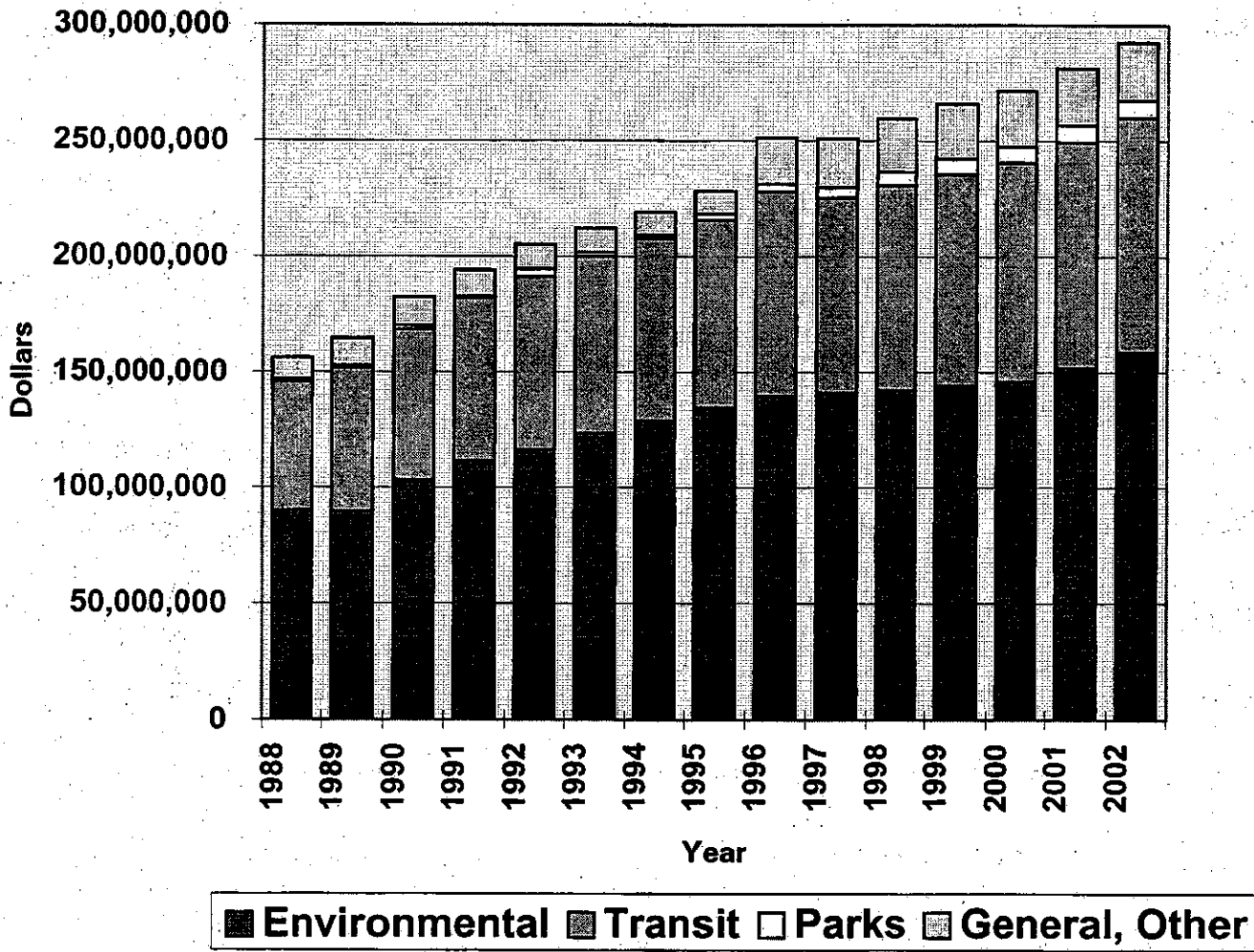


Figure 10

Projected changes in annual debt service payments have a greater percentage impact on property taxes and sewer service charges than projected changes in operations. Property taxes and sewer service charges supporting Council operations are expected to increase at a 2.3 percent annual rate, from \$180 million in 1997 to \$201 million in 2002. Property taxes and sewer service charges supporting Council debt service are expected to increase at a 4.9 percent annual rate, from \$71 million in 1997 to \$90 million in 2002.

Figure 10 shows the impact of each component of the Council where capital improvement program activities affect taxes or user fees. Property taxes for the general operations of the Council are expected to increase from \$21.3 million in 1997 to \$24.8 million in 2002, a 3.1 percent annual rate. General operations property tax levies include the Council's levy for general operations, levies for the Livable Communities program and levies for debt service on outstanding solid waste bonds. Property taxes for parks debt service are projected to increase from \$4.5 million in 1997 to \$7.8 million in 2002, an average annual rate of 11.5 percent. Combining parks debt service levies with Council general levies, the average annual increase between 1997-2002 is projected to be 6.2 percent.

Transit property taxes include separate levies for transit operations and debt service. Overall, transit property tax levies are projected to increase from \$84.3 million in 1997 to \$101.3 million in 2002, a 3.7 percent increase. Debt service property taxes are projected to increase 5 percent annually, from \$18.8 million in 1997 to \$24.0 million in 2002, while the transit operating levy is projected to increase 3.4 percent annually, from \$65.5 million in 1997 to \$77.4 million in 2002. Transit operating levies for 1997-2001 exclude transit operating taxes levied locally by opt-out communities.

Current sewer service charges raised by the Environmental Services Division are projected to increase from \$141 million in 1997 to \$158.8 million in 2002, an average annual increase of 2.4 percent. The increases in sewer service charges comply with the sewer rate policy and reflect a zero percent increase in sewer service charges per 100,000 gallons through the year 2001. Current sewer service charges supporting annual debt service are projected to increase 4 percent annually, while sewer service charges supporting operations are projected to increase at a 1.5 percent annual rate.

Impact on the Region's Ability to Pay

Two indicators were used to measure the region's ability to pay property taxes and sewer service charges resulting from the proposed 1997-2001 capital improvement program. The first forecasts growth in regional personal income and looks at taxes and user fees as a percent of regional income. Personal income is a broad measure of income and represents the regional income base available to pay taxes and user fees. Total regional personal income is projected to grow at an average annual rate of 4.3 percent between 1997 and 2002 as a result of both growth in regional households/employment and inflation. The second indicator estimates the impact of the Council's property taxes and sewer service charges on a typical household in constant 1996 dollars.

Metropolitan Council 1988-2002 Taxes and User Fees as Percent of Regional Personal Income

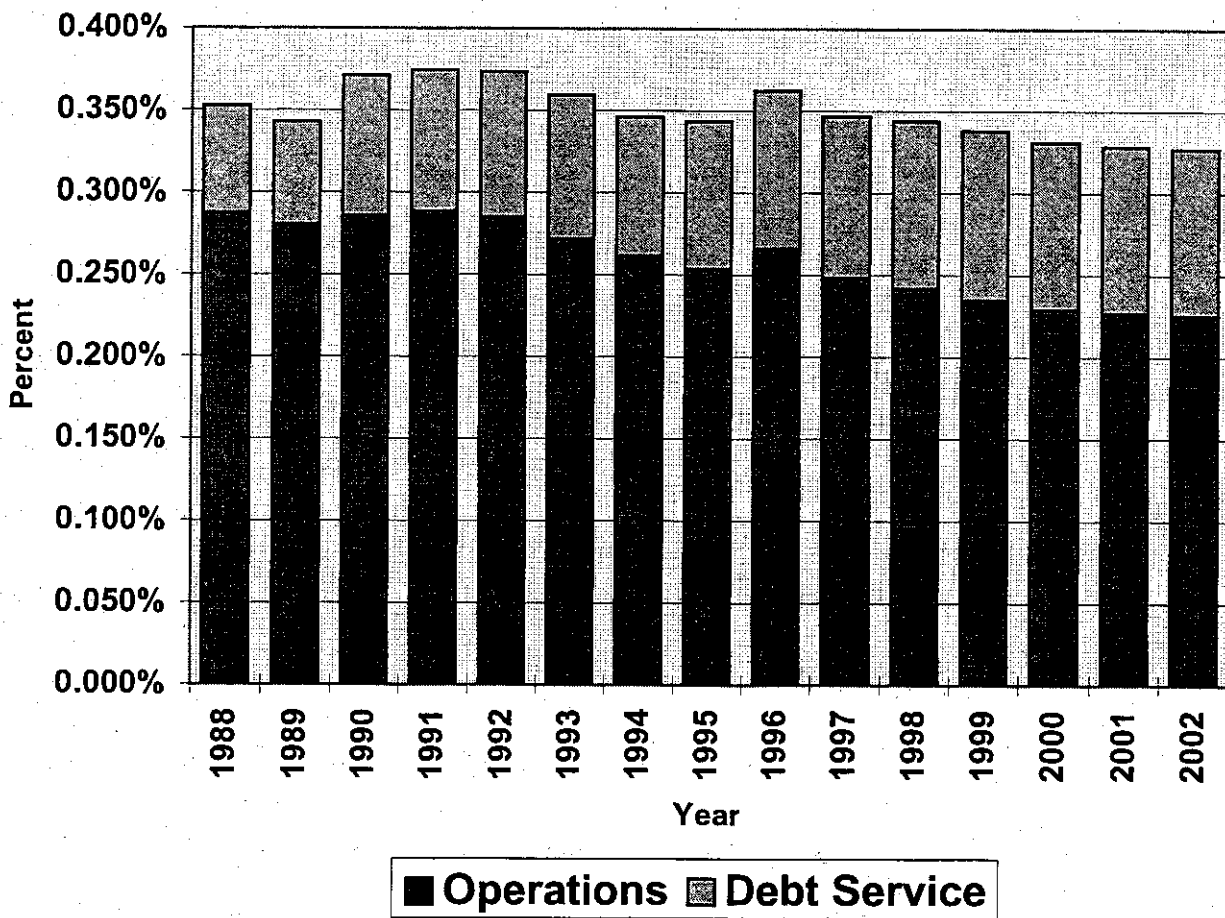


Figure 11

Metropolitan Council 1988-2002 Taxes and User Fees as Percent of Regional Personal Income

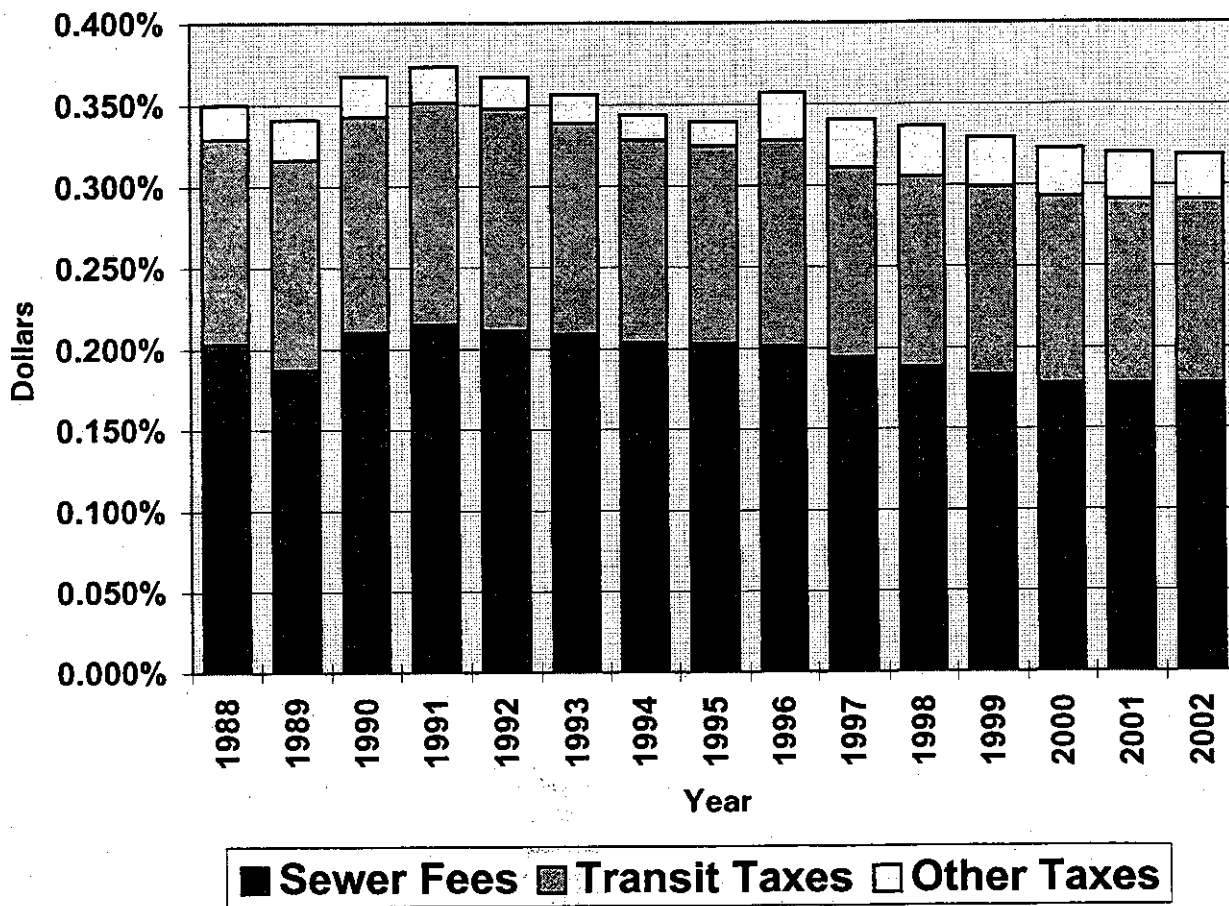


Figure 12

Metropolitan Council 1988-2002 Taxes and User Fees on \$100,000 Residential Homestead

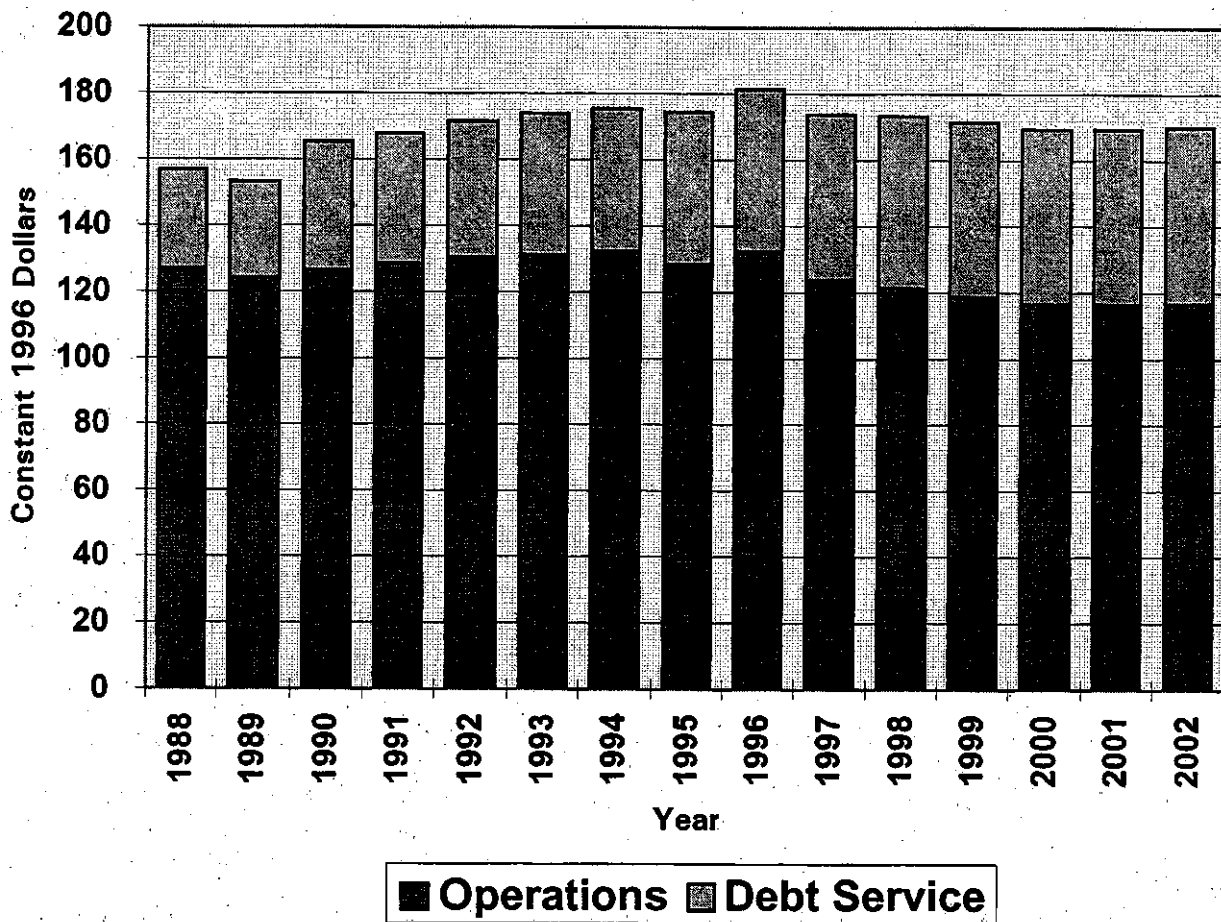


Figure 13

Metropolitan Council 1988-2002 Taxes and User Fees on \$100,000 Residential Homestead

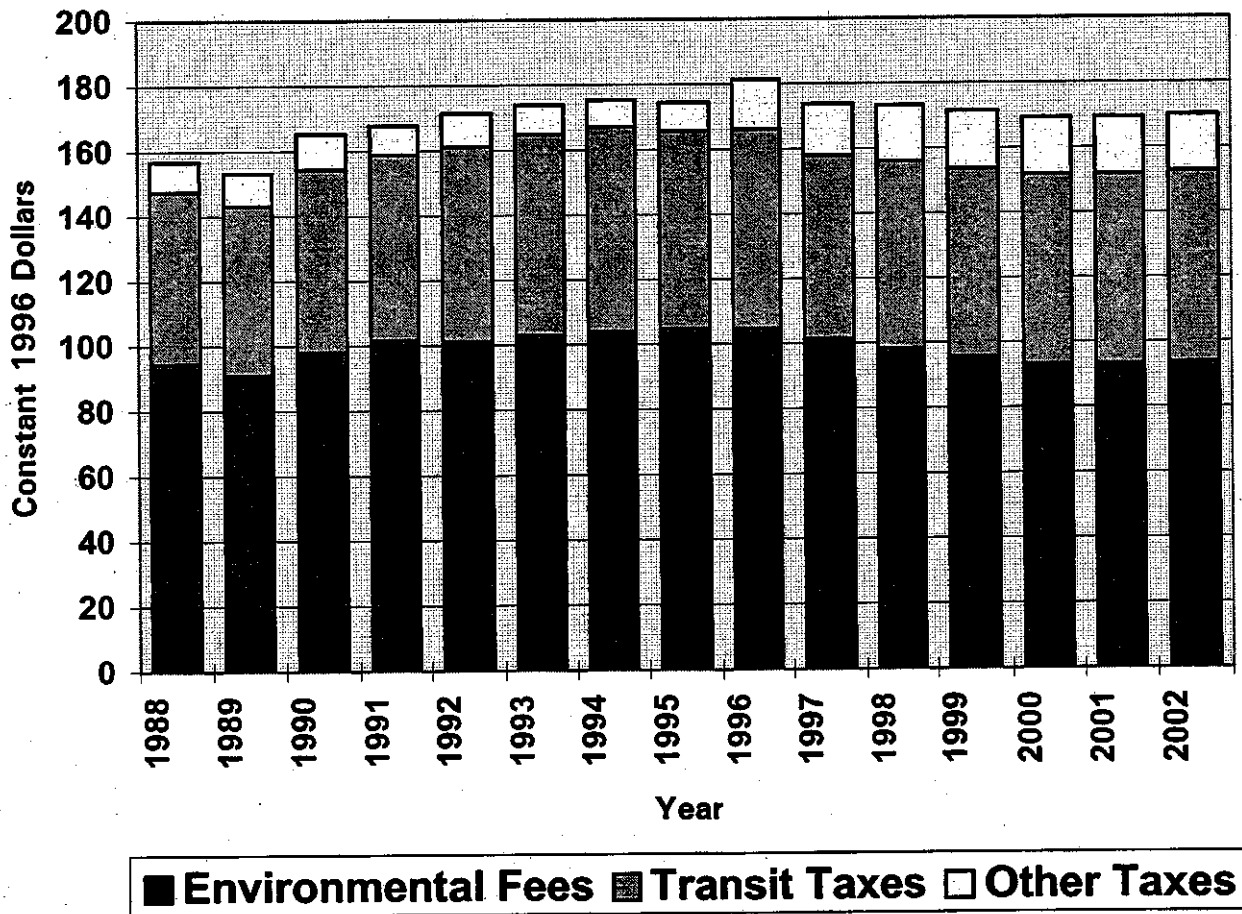


Figure 14

Figures 11 and 12 and Table 4 show Council property taxes and sewer service charges as a percent of regional personal income. The percent has fluctuated around 0.33-0.35 percent (one-third of one percent) since 1988 and is projected to stay at that level through 2002. The percent related to annual debt service has grown slightly over the period, but the overall change has been moderated by a reduction in the percent attributable to operations.

Figures 13 and 14 and Table 5 shows the impact of Council property taxes and sewer service charges on a \$100,000 residential homestead in constant 1996 dollars. This measure shows no change in the annual tax and user fee payments made by this typical household in constant 1996 dollars as a result of the proposed 1997-2001 capital improvement program. Council property taxes and sewer service charges totaled approximately \$174 in 1997 and are projected to decline slightly to approximately \$170 dollars (constant 1996 dollars) in 2002. This reflects increases in annual debt service payments on a constant dollar basis and decreases in taxes and user fees for operations.

Property taxes in 1997-2002 exclude transit property taxes levied locally by nine opt-out communities, while 1996 figures include these taxes as part of the regional transit operating levy. Comparable figures for 1996 would reduce the transit operating levy by approximately \$6, reducing the transit operating levy to \$126 and the overall total of property taxes and user fees to \$175.

Outstanding Debt

Figures 15 and 16 show the impact of the proposed 1997-2001 capital improvement program on the level of outstanding debt for the Council, and Figures 17 and 18 show outstanding debt as a percent of regional market values. Table 6 shows the same information in tabular form.

New debt issuance resulting from the proposed 1997-2001 capital improvement program will increase outstanding debt from \$624 million at year end 1996 to \$822 million at year end 2001, a 6 percent annual increase. The Environmental Services Division accounts for the largest share of the outstanding debt -- 82 percent at year end 1996 and 81 percent at year end 2001. Transit is the next largest component at 13 percent and 15 percent respectively. Environmental Services comprises a large percentage of outstanding debt than of new debt issued because the terms of the bonds are longer (20 years) compared to transit (3-20 years) and parks (5 years).

Figures 17 and 18 show the impact in terms of outstanding debt as a percent of regional market value. This provides an indicator of whether outstanding debt is increasing or decreasing relative to the wealth of the region. At the end of 1996, the Council's outstanding debt will be slightly more than one-half of one percent (0.524%) of regional market values. Outstanding debt is projected to increase slightly to 0.552 percent of regional market values by the end of 2001.

Metropolitan Council Outstanding Debt, Year End

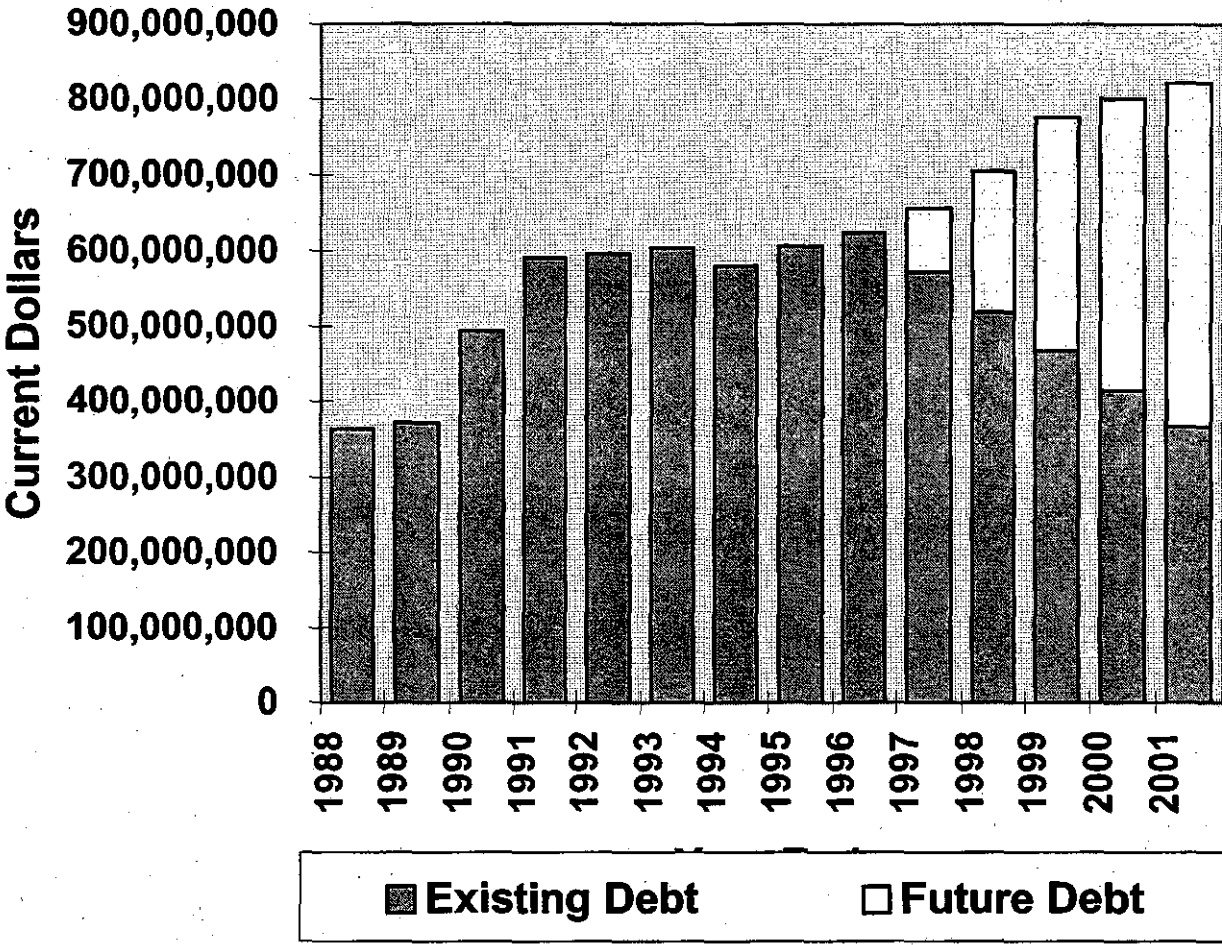


Figure 15

Metropolitan Council Outstanding Debt, Year End

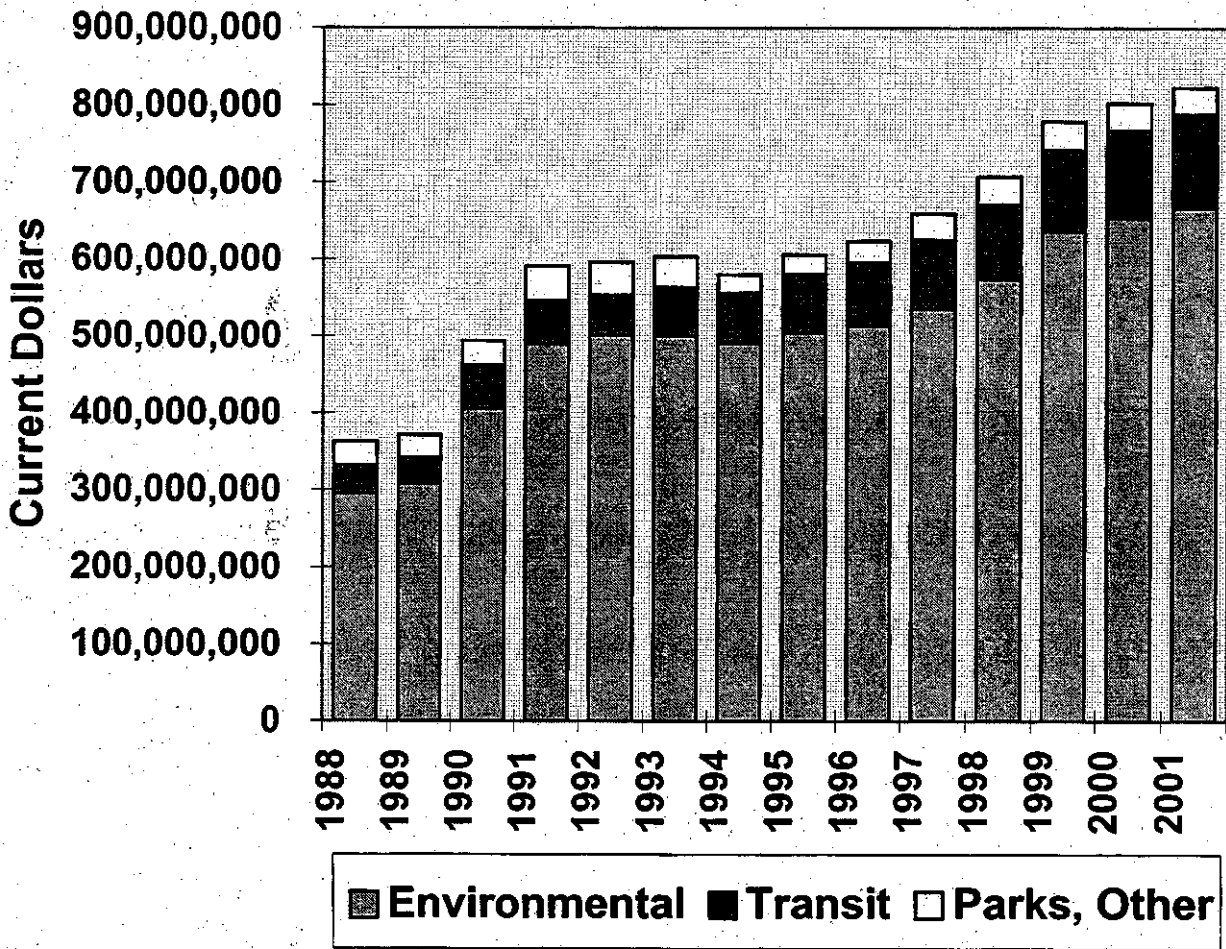


Figure 16

Metropolitan Council Outstanding Debt as Percent of Market Value

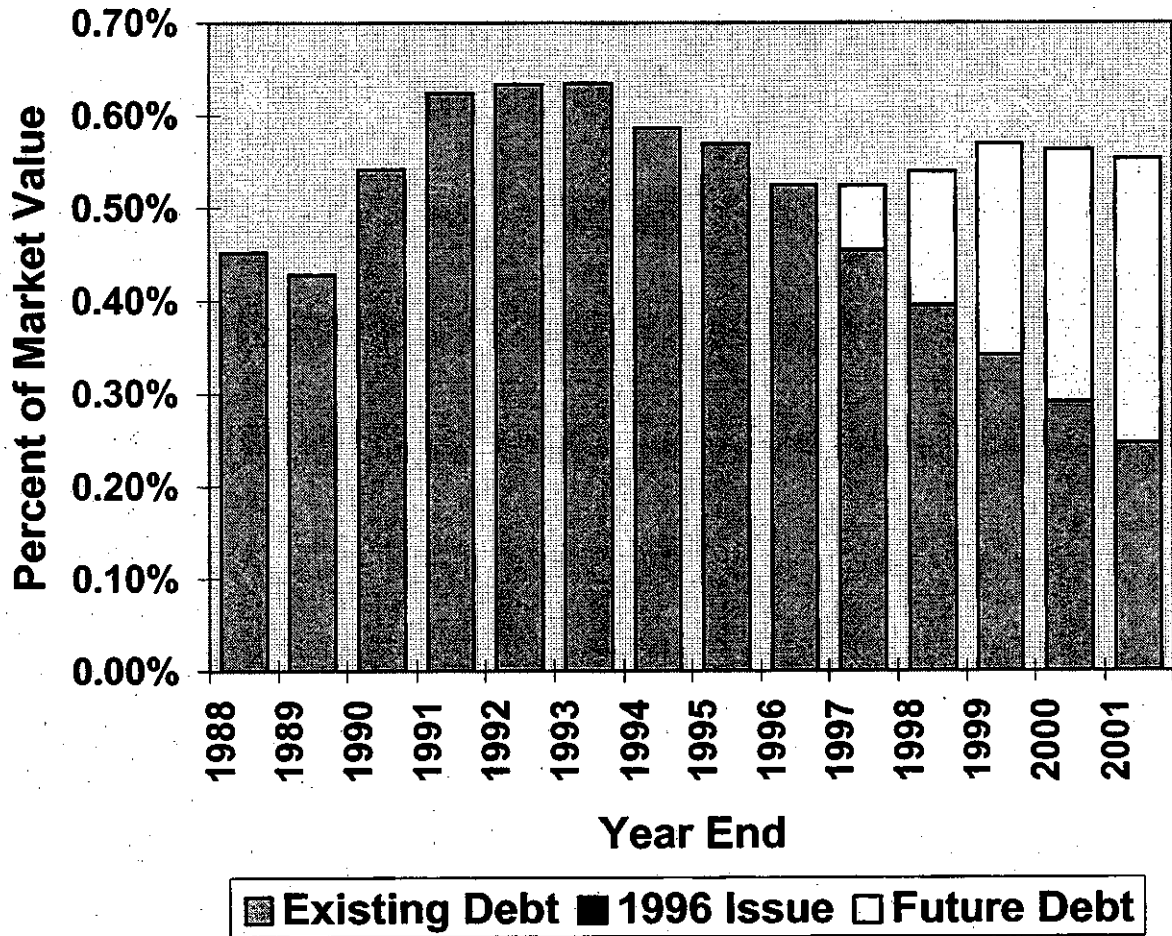


Figure 17

Metropolitan Council Outstanding Debt as Percent of Market Value

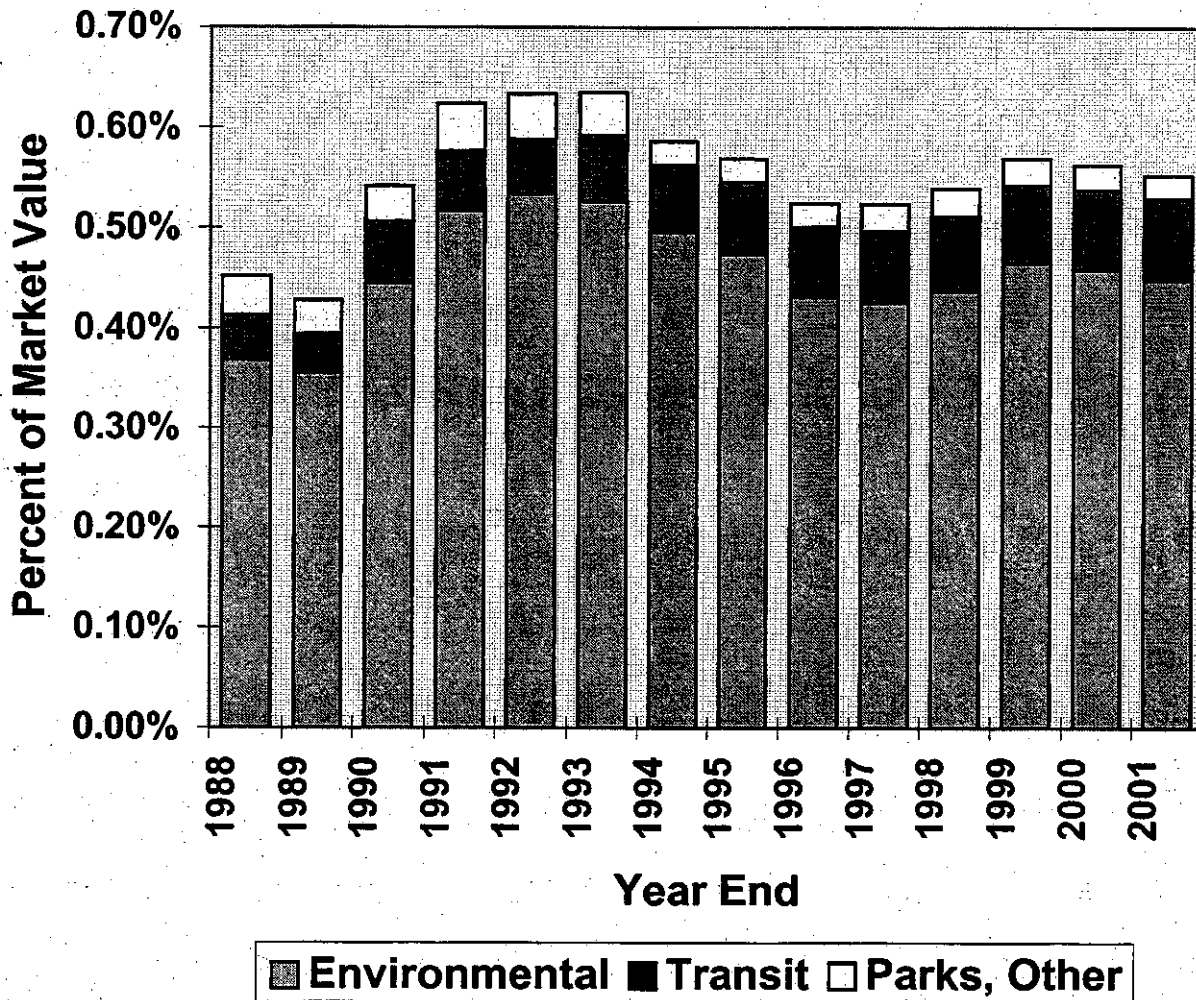


Figure 18

Table 1
METROPOLITAN COUNCIL
PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM FINANCING

	Proposed 1997-2001 Capital Improvement Program						Total
	1996	1997	1998	1999	2000	2001	
Federal							
Transit	27,512,000	13,000,000	35,104,000	16,000,000	13,000,000	13,000,000	90,104,000
Parks and Open Space	965,000	965,000	430,000	430,000	430,000	430,000	2,685,000
Subtotal-Federal	28,477,000	13,965,000	35,534,000	16,430,000	13,430,000	13,430,000	92,789,000
State							
Transit	0	135,000	5,135,000	5,086,000	86,000	86,000	10,528,000
Parks and Open Space	6,750,000	7,950,000	7,950,000	7,950,000	7,950,000	7,950,000	39,750,000
Subtotal-State	6,750,000	8,085,000	13,085,000	13,036,000	8,036,000	8,036,000	50,278,000
Regional Borrowing							
Transit							
Existing Authority	15,000,000	14,500,000	5,000,000	0	0	0	19,500,000
New Authority	0	5,000,000	17,418,000	22,957,000	23,499,000	24,040,000	92,914,000
800 Megahertz Radio	0	3,000,000	10,000,000	0	0	0	13,000,000
Environmental Services							
General Obligation Bonds	10,000,000	9,741,000	26,242,000	53,141,000	10,658,000	13,022,000	112,804,000
PFA Loans	28,460,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	250,000,000
Parks and Open Space	4,500,000	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000	26,500,000
Subtotal-Reg. Borrowing	57,960,000	87,541,000	113,960,000	131,398,000	89,457,000	92,362,000	514,718,000
Other Sources							
Transit	602,000	514,000	514,000	512,000	513,000	513,000	2,566,000
Environmental Services	0	0	0	0	0	0	0
Subtotal-Other Sources	602,000	514,000	514,000	512,000	513,000	513,000	2,566,000
Total Capital Financing							
Federal Grants	28,477,000	13,965,000	35,534,000	16,430,000	13,430,000	13,430,000	92,789,000
State Grants and Other	7,352,000	8,599,000	13,599,000	13,548,000	8,549,000	8,549,000	52,844,000
Regional Borrowing	57,960,000	87,541,000	113,960,000	131,398,000	89,457,000	92,362,000	514,718,000
Total Sources	93,789,000	110,105,000	163,093,000	161,376,000	111,436,000	114,341,000	660,351,000
Total Capital Expenditures							
Transit	43,114,000	38,453,252	78,778,287	44,555,000	37,098,000	37,639,000	236,523,539
Environmental Services	38,460,000	59,741,000	76,242,000	103,141,000	60,658,000	63,022,000	362,804,000
Parks and Open Space	12,215,000	20,096,000	13,680,000	13,680,000	13,680,000	13,680,000	74,816,000
Total Expenditures	93,789,000	118,290,252	168,700,287	161,376,000	111,436,000	114,341,000	674,143,539

Table 2
METROPOLITAN COUNCIL
ANNUAL DEBT SERVICE PROJECTIONS
BASED ON PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM

	1996	1997	1998	1999	2000	2001	2002	1997-2002 Annual Rate
Transit								
Existing	16,858,036	18,814,877	15,925,891	15,586,881	8,123,713	5,529,312	4,565,937	
New	0	0	4,672,863	5,625,208	14,052,745	17,131,987	19,395,920	
Subtotal-Transit	16,858,036	18,814,877	20,598,754	21,212,089	22,176,458	22,661,299	23,961,857	4.96%
Environmental Services								
Existing	62,550,644	63,963,741	61,245,666	58,160,776	53,939,037	49,352,298	46,860,291	
New	0	0	4,381,436	9,727,557	15,618,490	24,518,553	29,661,159	
Subtotal-Envir Serv	62,550,644	63,963,741	65,627,102	67,888,333	69,557,527	73,870,851	76,521,450	3.65%
Parks and Open Space								
Existing	3,443,468	4,505,737	4,492,487	4,351,856	3,212,476	2,450,887	1,354,487	
New	0	0	1,272,119	2,557,084	3,837,267	5,124,808	6,405,551	
Subtotal	3,443,468	4,505,737	5,764,606	6,908,940	7,049,743	7,575,695	7,760,038	11.49%
Solid Waste								
Existing	0	0	462,564	464,160	459,120	457,960	460,467	
Radio								
New	0	0	812,259	720,639	715,376	718,762	720,074	
Combined								
Existing	82,852,148	87,284,355	82,126,608	78,563,673	65,734,346	57,790,457	53,241,182	
New	0	0	11,138,677	18,630,488	34,223,878	47,494,110	56,182,704	
Total	82,852,148	87,284,355	93,265,285	97,194,161	99,958,224	105,284,567	109,423,886	4.62%
Constant 1996 Dollars	82,852,148	84,742,092	87,911,476	88,946,426	88,811,587	90,819,392	91,640,782	1.58%

Table 3
METROPOLITAN COUNCIL
PROPERTY TAX AND USER FEE PROJECTIONS
BASED ON PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM

	1996	1997	1998	1999	2000	2001	2002	1997-2002 Annual Rate
General								
General Operations	9,024,609	9,354,609	9,684,609	10,024,609	10,024,609	10,024,609	10,024,609	1.39%
Livable Communities	11,256,171	11,964,813	12,262,596	12,571,979	12,893,387	13,240,210	13,600,737	2.60%
Radio Debt Service	0	0	812,259	720,639	715,376	718,762	720,074	
Solid Waste Debt Service	0	0	462,564	464,160	459,120	457,960	460,467	
Subtotal-General	20,280,780	21,319,422	23,222,029	23,781,386	24,092,492	24,441,540	24,805,887	3.08%
Transit								
Operations	71,126,883	65,467,690	67,773,274	70,071,208	72,431,967	74,845,725	77,326,879	3.39%
Debt Service	16,858,036	18,814,877	20,598,754	21,212,089	22,176,458	22,661,299	23,961,857	4.96%
Subtotal-Transit	87,984,919	84,282,567	88,372,028	91,283,297	94,608,425	97,507,024	101,288,736	3.74%
Parks and Open Space								
Debt Service	3,443,468	4,505,737	5,764,606	6,908,940	7,049,743	7,575,695	7,760,038	11.49%
Property Tax Subtotal								
Operations	91,407,663	86,787,112	89,720,480	92,667,795	95,349,963	98,110,543	100,952,225	3.07%
Debt Service	20,301,504	23,320,614	27,638,183	29,305,828	30,400,697	31,413,716	32,902,436	7.13%
Subtotal	111,709,167	110,107,726	117,358,663	121,973,623	125,750,660	129,524,259	133,854,661	3.98%
Environmental Services								
Operations	93,373,124	93,215,350	92,940,211	92,202,105	92,520,802	96,265,202	100,581,812	1.53%
Debt Service	46,443,876	47,781,807	49,414,589	51,996,201	53,524,678	55,744,485	58,188,052	4.02%
Subtotal-Envir Serv	139,817,000	140,997,157	142,354,800	144,198,306	146,045,480	152,009,687	158,769,864	2.40%
Combined								
Operations	184,780,787	180,002,462	182,660,691	184,869,900	187,870,765	194,375,745	201,534,037	2.29%
Debt Service	66,745,380	71,102,421	76,240,513	80,581,390	83,209,999	86,439,439	90,370,414	4.91%
Total	251,526,167	251,104,883	258,901,204	265,451,290	271,080,764	280,815,184	291,904,451	3.06%
Constant 1996 Dollars								
Operations	184,780,787	174,759,672	172,175,220	169,182,147	166,920,742	167,670,225	168,781,583	-0.69%
Debt Service	66,745,380	69,031,477	71,863,996	73,743,387	73,931,006	74,563,419	75,683,799	1.86%
Total	251,526,167	243,791,149	244,039,216	242,925,534	240,851,748	242,233,645	244,465,382	0.06%

Table 4
METROPOLITAN COUNCIL
PROPERTY TAX AND USER FEE PROJECTIONS AS PERCENT OF REGIONAL INCOME
BASED ON PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM

	1996	1997	1998	1999	2000	2001	2002	1997-2002 Annual Rate
Regional Income (\$Billions)	69.5	72.4	75.5	78.8	82.1	85.7	89.5	4.31%
Reg Income per Household	72,585	74,763	77,006	79,316	81,696	84,146	86,671	3.00%
General								
Operations	0.029%	0.029%	0.029%	0.029%	0.028%	0.027%	0.026%	
Debt Service	0.000%	0.000%	0.002%	0.002%	0.001%	0.001%	0.001%	
Subtotal-General	0.029%	0.029%	0.031%	0.030%	0.029%	0.029%	0.028%	
Transit								
Operations	0.102%	0.090%	0.090%	0.089%	0.088%	0.087%	0.086%	
Debt Service	0.024%	0.026%	0.027%	0.027%	0.027%	0.026%	0.027%	
Subtotal-Transit	0.127%	0.116%	0.117%	0.116%	0.115%	0.114%	0.113%	
Environmental Services								
Operations	0.134%	0.129%	0.123%	0.117%	0.113%	0.112%	0.112%	
Debt Service	0.067%	0.066%	0.065%	0.066%	0.065%	0.065%	0.065%	
Subtotal-Envir Serv	0.201%	0.195%	0.188%	0.183%	0.178%	0.177%	0.177%	
Parks and Open Space								
Debt Service	0.005%	0.006%	0.008%	0.009%	0.009%	0.009%	0.009%	
Combined								
Operations	0.266%	0.248%	0.242%	0.235%	0.229%	0.227%	0.225%	
Debt Service	0.096%	0.098%	0.102%	0.103%	0.102%	0.102%	0.102%	
Total	0.362%	0.347%	0.344%	0.338%	0.331%	0.328%	0.327%	

Table 5
METROPOLITAN COUNCIL
PROPERTY TAX AND USER FEE IMPACT ON \$100,000 RESIDENTIAL HOMESTEAD
BASED ON PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM
(Constant 1996 Dollars)

	1996 ⁽¹⁾	1997	1998	1999	2000	2001	2002	1997-2002 Annual Rate
Market Value	100,000	100,000	100,000	100,000	100,000	100,000	100,000	0.00%
Taxable Value	1,280	1,301	1,321	1,341	1,360	1,379	1,397	1.43%
General								
Operations	5.75	5.72	5.77	5.81	5.66	5.49	5.33	-1.40%
Livable Communities	7.17	7.32	7.30	7.29	7.27	7.25	7.23	-0.23%
Radio Debt Service	0.00	0.00	0.48	0.42	0.40	0.39	0.38	
Solid Waste Debt Service	0.00	0.00	0.28	0.27	0.26	0.25	0.24	
Subtotal-General	12.91	13.04	13.83	13.79	13.59	13.39	13.19	0.23%
Transit								
Operations	49.61	43.79	44.11	44.40	44.65	44.80	44.93	-2.02%
Debt Service	11.90	12.76	13.61	13.64	13.88	13.77	14.13	2.95%
Subtotal-Transit	61.51	56.55	57.72	58.04	58.53	58.57	59.06	-0.97%
Environmental Services								
Operations	69.93	67.03	64.18	61.15	59.07	59.09	59.37	-3.31%
Debt Service	34.78	34.36	34.13	34.49	34.17	34.22	34.35	-0.33%
Subtotal-Envir Serv	104.72	101.40	98.31	95.64	93.24	93.31	93.71	-2.28%
Parks and Open Space								
Debt Service	2.19	2.76	3.43	4.01	3.98	4.15	4.13	13.61%
Combined								
Operations	132.45	123.86	121.37	118.65	116.65	116.64	116.86	-2.51%
Debt Service	48.88	49.88	51.44	52.40	52.29	52.39	52.85	1.40%
Total	181.33	173.74	172.81	171.06	168.94	169.03	169.71	-1.40%

⁽¹⁾ Totals for 1996 includes \$6.06 impact of transit operation levies in 9 opt-out communities.

Table 6
METROPOLITAN COUNCIL
OUTSTANDING DEBT, YEAR END
BASED ON PROPOSED 1997-2001 CAPITAL IMPROVEMENT PROGRAM

	1995	1996	1997	1998	1999	2000	2001	1997-2001 Five-Year Annual Rate
Existing Debt								
Solid Waste	3,525,000	2,895,000	2,650,000	2,385,000	2,105,000	1,805,000	1,490,000	
Parks and Open Space	21,945,000	25,070,000	23,040,000	20,105,000	16,965,000	13,585,000	11,160,000	
Transit	76,070,000	82,560,000	70,065,000	55,775,000	43,370,000	30,660,000	24,430,000	
Environmental Services	504,609,000	513,163,000	476,216,000	440,131,000	404,375,000	368,407,000	328,687,000	
Total Existing	606,149,000	623,688,000	571,971,000	518,396,000	466,815,000	414,457,000	365,767,000	
New Debt								
Radio	0	0	3,000,000	3,000,000	2,450,000	1,875,000	1,280,000	
Solid Waste	0	0	0	0	0	0	0	
Parks and Open Space	0	0	5,300,000	10,600,000	14,975,000	18,325,000	20,610,000	
Transit	0	0	19,500,000	41,918,000	61,955,000	82,676,000	96,833,000	
Environmental Services	0	0	59,436,000	133,613,000	232,379,000	285,422,000	338,634,000	
Total New	0	0	84,236,000	186,131,000	309,309,000	386,423,000	456,077,000	
Existing and New Debt								
Radio	0	0	3,000,000	3,000,000	2,450,000	1,875,000	1,280,000	
Solid Waste	3,525,000	2,895,000	2,650,000	2,385,000	2,105,000	1,805,000	1,490,000	-12.4%
Parks and Open Space	21,945,000	25,070,000	28,340,000	30,705,000	31,940,000	31,910,000	31,770,000	4.9%
Transit	76,070,000	82,560,000	89,565,000	97,693,000	105,325,000	113,336,000	121,263,000	8.0%
Environmental Services	504,609,000	513,163,000	535,652,000	573,744,000	636,754,000	653,829,000	667,321,000	5.4%
Total Existing and New	606,149,000	623,688,000	656,207,000	704,527,000	776,124,000	800,880,000	821,844,000	5.7%
Market Values (\$Billions)								
Market Values (\$Billions)	106.5	118.9	125.8	131.2	136.8	142.6	148.9	4.6%
Market Value per Household	112,680	124,276	129,875	133,771	137,785	141,918	146,176	3.3%
Percent of Market Value								
Radio	0.000%	0.000%	0.002%	0.002%	0.002%	0.001%	0.001%	
Solid Waste	0.003%	0.002%	0.002%	0.002%	0.002%	0.001%	0.001%	
Parks and Open Space	0.021%	0.021%	0.023%	0.023%	0.023%	0.022%	0.021%	
Transit	0.071%	0.069%	0.071%	0.074%	0.077%	0.079%	0.081%	
Environmental Services	0.474%	0.431%	0.426%	0.437%	0.465%	0.458%	0.448%	
Total	0.569%	0.524%	0.521%	0.537%	0.567%	0.562%	0.552%	
Existing	0.569%	0.524%	0.454%	0.395%	0.341%	0.291%	0.246%	
New	0.000%	0.000%	0.067%	0.142%	0.226%	0.271%	0.306%	
Total	0.569%	0.524%	0.521%	0.537%	0.567%	0.562%	0.552%	

METROPOLITAN COUNCIL UNIFIED 1997 CAPITAL PROGRAM AND CAPITAL BUDGET

The 1997 Metropolitan Council Capital Program includes capital program authorizations and capital budgets for Environmental Services, Transit and Parks and Open Space. Capital program authorization is maintained for each active capital project until the project is completed, although capital expenditures on the project may occur over several years. Requested changes in capital authorizations include new capital projects and amendments to previously approved projects. The following definitions are used by the Council for the 1997 Capital Budget and 1997-2001 Capital Improvement Program:

Capital Improvement Program (CIP) - The 1997-2001 Capital Improvement Program represents a five-year plan that describes capital investment strategies, capital investment and financing plans and fiscal impacts of the plan. The CIP provides a basis for new capital program authorizations and the 1997 Capital Budget. The inclusion of a capital project in the CIP does not constitute Council approval to proceed with that project.

Capital Program - The Capital Program includes multi-year capital improvement projects that the Council has previously approved or is approving for 1997. The 1997 Capital Program constitutes new authorizations to proceed with new capital projects, proceed with the next phase of multi-phase capital projects or to amend previously approved capital projects and provides multi-year expenditure authorizations.

Capital Budget - The Capital Budget appropriates funds for capital expenditures for a specific budget year. The 1997 Capital Budget includes expenditure appropriations for previously authorized projects and for new capital projects authorized in the 1997 Capital Program.

The 1997 capital program is summarized in Table 7 on the following page. **Approved changes in capital program authorizations for 1997 total \$82,929,161.** Detail on capital program authorizations and approved 1997 changes to the capital program are included in the Environmental Services, Transit and Parks and Open Space sections.

Based on cash flow projections, an estimated \$127,901,011 (32 percent) of the 1997 active capital program authority will have been expended by the end of 1996. New requests and existing authorizations will result in \$276,090,747 in future capital expenditures, including projected 1997 capital expenditures. **The approved 1997 capital budget appropriation is \$108,345,007.**

Because the capital funding cycle for transit and parks and open space is tied to the state fiscal year and legislative action, the 1997 base request for transit and parks and open space does not include all the capital projects that need to be approved in 1997. Changes are anticipated in the third quarter of 1997 to add capital program authorizations and capital budget appropriations for

capital projects funded from new transit bonding authority and new state parks funding as determined in the 1997 legislative session.

Transit -- Additional capital program authority and capital budget appropriations for transit will be requested after the 1997 State Legislature establishes new regional bonding authority for transit and the Council's Regional Transit Capital (RTC) process determines the specific capital projects to be funded from the new regional bonds. This process is not expected to be completed until early in the third quarter of 1997.

Parks and Open Space -- Additional capital program authority and capital budget appropriations for parks and open space will be requested after the 1997 State Legislature appropriates new state funding for regional recreation open space and the Council and Metropolitan Parks and Open Space Commission determine the specific capital projects to be funded from the state funding and regional bonds. This process is not expected to be completed until early in the third quarter of 1997.

**METROPOLITAN COUNCIL
1997 CAPITAL PROGRAM AND CAPITAL BUDGET SUMMARY**

	Capital Program Authorizations			Expenditures			
	Current 1996 Capital Program Authorization	Requested Changes	Proposed 1997 Capital Program Authorization	Estimated Pre-1997 Expenditures	Proposed 1997 Capital Budget Expenditures	Projected 1998+ Expenditures	Total Authorized Expenditures
Environmental Services							
Previously Authorized Projects	61,301,000	-	61,301,000	31,143,074	16,748,755	13,409,171	61,301,000
Projects with Changes:							
Continuing Projects in Step I Planning	3,700,000	1,000,000	4,700,000	700,000	3,800,000	200,000	4,700,000
Continuing Projects Moving to Step III Construction	4,800,000	54,250,000	59,050,000	2,284,000	4,466,000	52,300,000	59,050,000
Continuing Projects in Step III Construction	97,764,000	24,186,000	121,950,000	36,645,605	30,126,000	55,178,395	121,950,000
New Projects	-	4,400,000	4,400,000	-	2,700,000	1,700,000	4,400,000
Ongoing Programs and Special Projects	8,700,700	(1,000,700)	7,700,000	2,201,213	1,900,000	3,598,787	7,700,000
Subtotal-Projects with Changes	114,984,700	82,835,300	197,800,000	41,830,818	42,992,000	112,977,182	197,800,000
Total-Environmental Services	176,265,700	82,835,300	259,101,000	72,973,892	59,740,755	126,386,353	259,101,000
Parks and Open Space							
Anoka County	2,247,200	-	2,247,200	727,800	810,400	709,000	2,247,200
City of Bloomington	1,146,000	-	1,146,000	1,146,000	-	-	1,146,000
Carver County	853,800	-	853,800	370,500	483,300	-	853,800
Dakota County	4,361,900	-	4,361,900	1,108,400	2,051,100	1,202,400	4,361,900
Hennepin County	8,987,000	-	8,987,000	7,191,100	1,657,400	138,500	8,987,000
Minneapolis Park and Recreation Board	17,371,100	-	17,371,100	8,194,400	8,318,300	858,400	17,371,100
Ramsey County	4,661,900	-	4,661,900	2,023,000	1,138,900	1,500,000	4,661,900
City of St Paul	7,459,800	-	7,459,800	691,800	3,922,000	2,846,000	7,459,800
Washington County	5,711,200	-	5,711,200	3,469,600	1,714,800	526,800	5,711,200
Total-Parks and Open Space	52,799,900	-	52,799,900	24,922,600	20,096,200	7,781,100	52,799,900
800 Megahertz Radio Project	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000
Transit							
Fleet Modernization	34,842,380	345,534	35,187,914	5,051,035	5,141,879	24,995,000	35,187,914
Public Facilities	29,141,308	(1,772,864)	27,368,444	15,188,093	9,932,703	2,247,648	27,368,444
Support Facilities	2,014,683	(228,534)	1,786,149	449,349	1,336,800	-	1,786,149
Computer, Communication Equipment	11,323,656	1,657,533	12,981,189	3,321,454	4,044,861	5,614,844	12,981,159
Other Capital Equipment	11,675,000	92,192	11,767,192	5,994,588	5,051,809	720,795	11,767,192
Total-Transit	88,997,027	93,861	89,090,888	30,004,519	25,508,052	33,578,287	89,090,858
Environmental Services	176,265,700	82,835,300	259,101,000	72,973,892	59,740,755	126,386,353	259,101,000
Parks and Open Space	52,799,900	-	52,799,900	24,922,600	20,096,200	7,781,100	52,799,900
800 Megahertz Radio Project	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000
Transit	88,997,027	93,861	89,090,888	30,004,519	25,508,052	33,578,287	89,090,858
Grand Total	321,062,627	82,929,161	403,991,788	127,901,011	108,345,007	167,745,740	403,991,758

**ENVIRONMENTAL
SERVICES**

**METROPOLITAN COUNCIL
ENVIRONMENTAL SERVICES
1997-2001 CAPITAL IMPROVEMENT PROGRAM
AND 1997 CAPITAL BUDGET
(Adopted December 19, 1996)**

Introduction

Attached are excerpts from the Environmental Services Division Adopted 1997-2001 Capital Improvement Plan and 1997 Capital Budget. Included are:

- Section IV of the *MCES Proposed Capital Improvement Plan*, including the Adopted 1997-2001 Capital Improvement Program (CIP). The Plan provides information on anticipated capital investments over a 20-year planning horizon. The first five years of the Plan represents the proposed 1997-2001 Capital Improvement Program. Additional information on the MCES Plan and CIP is available in the complete document. Included in other sections is information on capital investment strategies, priorities for capital investment, the capital planning process, capital project development procedures and the fiscal impacts of the plan and CIP.
- Excerpts from the *1997 Capital Budget*, including Sections I-X and Appendix E: Authorization and Expenditure Summary for All Capital Program Projects and Appendix F: Source of Funding. The complete document includes additional detail on individual capital projects.

Copies of the complete Environmental Services Division documents are available from Bryce Pickart, Operational Planning and Engineering Manager, at 229-2091.

**Metropolitan Council
Environmental Services**

Proposed
Capital Improvement Plan

October, 1996

**METROPOLITAN COUNCIL
Mears Park Centre, 230 East Fifth Street
St. Paul, Minnesota 55101**

SECTION IV

CAPITAL IMPROVEMENT PLAN

METHODS OF PRESENTATION

The Capital Improvement Plan presented herein covers the 20-year period 1997 through 2016. The total planning period information is provided on an annual basis and also grouped into three sub-periods: the first five years(1997-2001), the second five years(2002-2006), and the final 10 years(2007-2016). The first five years represents the recommended 1997-2001 Capital Improvement Program, the first year of which is the recommended 1997 Capital Budget.

For the total planning period, the projects or programs underway or projected to be initiated are described in tabular form. The name, designation number, short description of scope and purpose, duration period, assigned Council policy plan priority designation and status of implementation approval at the time of preparation are given in one table. As discussed in Section III, the policy plan priority designation is new, beginning in 1996. Each project is designated as C(compliance), R(rehabilitation/replacement, E(expansion), or a combination of the three to indicate the nature and type of the program. In addition, a number is provided which estimates the relative priority of the project in the time schedule given: the higher the number the higher the judged priority. Projects under construction are given a UC designation rather than a number to indicate their final active status. Certain other projects(generic rehabilitation or studies) are designated by N/A to indicate that priority is "not applicable" to them.

The capital projects are further divided into four geographical wastewater service area groups to conform to the considerations in the new Capital Project Delivery System arrangement(as described in Section 3): North Area, East Area, Southwest Area, and, Systemwide Area. The North Area is the service areas of the Metro Plant and existing Rosemount Plant. The Southwest Area is the combined service areas of the Blue Lake and Seneca plants, including the service area of the existing Chaska Plant. The East Area represents the remaining area containing the service areas of the Cottage Grove, Empire, Hastings, Stillwater, and future Southeast plants. The fourth area, Systemwide, is used to designate programs which presently contain projects for more than one of the three wastewater service areas.

The costs of each program are presented annually for each year of the planning period. The total projected capital costs for each program are summarized by period, total period and total expenditures. Total expenditures represent all costs incurred in years prior to 1997 plus the total of projected costs during the planning period, but excluding any funding carried in budgets as a contingency. The individual program, as with the program descriptions, are grouped into the four service area designations. A designation is also provided to indicate the programs and costs which are included in the recommended 1997 Capital Program and 1997-2001 Capital Improvement Program authorizations. The annual expenditures and programs applicable in 1997 are the recommended 1997 Capital Budget.

The Capital Improvement Plan is presented as a base plan assuming no additional phosphorus removal and three scenarios for additional future phosphorus removal during the planning period. The three phosphorus removal scenarios are the following:

- Scenario 1 - phosphorus removal to 1 mg/l at the Metro Plant by 2003.
- Scenario 2 - phosphorus removal to 1 mg/l at the Metro Plant by 2008 and at the other plants by 2016.
- Scenario 3 - phosphorus removal to 1 mg/l at the Metro Plant by 2008 and to 0.4 mg/l at all plants by 2016.

The scenarios are not intended to be inclusive of all future potential conditions relative to phosphorus removal, but rather to present a potential range of possibilities in terms of timing and costs. The presentation of the CIP covers the base plan in detail and only summarizes the three scenarios where comparisons are appropriate. Detailed cost information similar to the base plan on the scenarios is provided in Appendix C.

All capital costs are projected in actual dollars. The future costs of projects not included in the proposed 1997 Capital Budget have been adjusted for inflation assuming the annual rate (discussed in more detail in Section V) is a constant 3.0 percent for 1997 through 2016. The descriptive and cost tabulations for all projected capital program activities for the base plan through 2016 are provided in Tables 4-2 through 4-4.

CIP OVERVIEW

The Capital Improvement Plan is intended to develop and maintain a Metropolitan Disposal System which satisfies the mission and expected results of the MCES, meets the policy plans and policy directives of the Metropolitan Council, meets the regional sewer service needs of the communities served, complies with the applicable standards of regulatory agencies, and provides these services within a wastewater rate structure which is reasonable and competitive. In Table 4-1, the projected capital costs of the resulting plan are summarized for the total planning period, 1997-2016, and for three individual planning periods- first five years, second five years and the final ten years. The summary is for the base plan, which assumes no additional phosphorus removal through 2016, and for three phosphorus removal scenarios. In the table, projected capital program costs in actual dollars are broken down for the base plan into (1) treatment plants and interceptor facilities and (2) rehabilitation and expansion and quality improvement. All local funds will be used as no financial assistance in terms of federal or state grants is projected.

The projected total capital costs of the base plan are \$1.473 billion. If Scenario 1 - phosphorus removal to 1 mg/l at the Metro Plant by 2003 - develops, then costs increase by \$60 million to \$1.533 billion. If Scenario 2 - phosphorus removal to 1 mg/l at the Metro Plant by 2008 and at other plants by 2016 - is implemented, costs rise by \$175 million over the base plan to \$1.648 billion. If Scenario 3 - phosphorus

Table 4-1.
CAPITAL IMPROVEMENT PLAN
CAPITAL COSTS FOR BASE PLAN AND
THREE PHOSPHORUS REMOVAL SCENARIOS
YEARS 1997-2016

COST ITEM	CAPITAL PROGRAM COSTS* in \$Million			
	1997-2001	2002-2006	2007-2016	1997-2016
TOTAL COSTS				
BASE PLAN	362.80	336.99	773.49	1473.28
MWWTP PHOSPHORUS REMOVAL	36.29	18.13	5.76	60.18
REGIONAL PHOSPHORUS REMOVAL	0.00	0.00	0.00	0.00
SCENARIO 1	362.80	336.99	773.39	1473.18
MWWTP PHOSPHORUS REMOVAL	0.00	2.42	73.62	76.04
REGIONAL PHOSPHORUS REMOVAL	0.00	0.00	98.92	98.92
SCENARIO 2	362.80	339.41	946.02	1648.24
MWWTP PHOSPHORUS REMOVAL	0.00	2.42	110.87	113.29
REGIONAL PHOSPHORUS REMOVAL	0.00	0.00	170.34	170.34
SCENARIO 3	362.80	339.41	1054.69	1756.91
TREATMENT PLANT COMPONENT**	240.90	265.03	536.76	1042.69
Percent of Total	66.4%	78.6%	69.4%	70.8%
INTERCEPTOR SYSTEM COMPONENT**	121.90	71.96	236.73	430.59
Percent of Total	33.6%	21.4%	30.6%	29.2%
REHABILITATION COSTS**	135.87	271.64	513.87	921.38
Percent of Total	37.5%	80.6%	66.4%	62.5%
EXPANSION AND QUALITY IMPROVEMENT COSTS**	226.93	65.35	259.62	551.90
Percent of Total	62.5%	19.4%	33.6%	37.5%

* Costs are based on average annual inflation rates of 3.0% for the period 1997 through 2016.

** Cost breakdown is for Base Plan only.

**CAPITAL IMPROVEMENT PROGRAM
PROJECTED ANNUAL EXPENDITURES
YEARS 1992-2016**

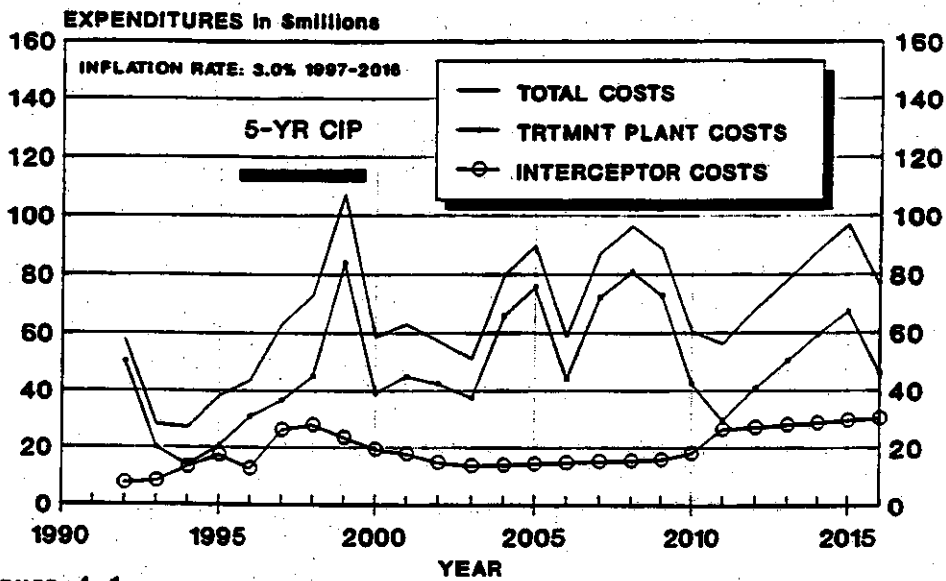


Figure 4-1.

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**CAPITAL IMPROVEMENTS PROGRAM
PROJECTED ANNUAL EXPENDITURES
YEARS 1992-2016**

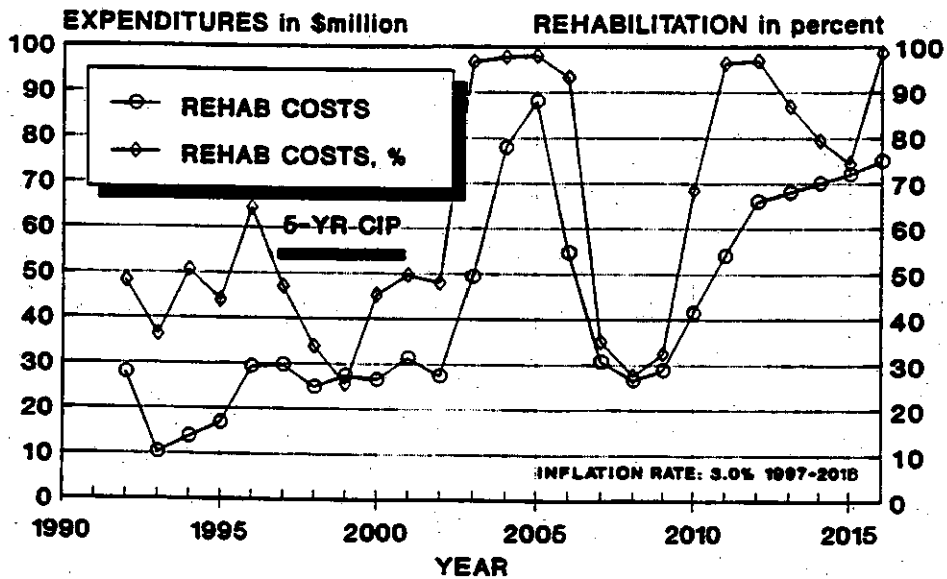


Figure 4-2.

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removal to 1 mg/l at the Metro Plant by 2008 and to 0.4 mg/l at all plants by 2016 - is carried out, projected costs rise by \$284 million, or about 20% above the base plan, to \$1.757 billion. With the exception of Scenario 1, the cost increases in the scenarios occur essentially in the final ten years, as shown by the cost data in Table 4-1.

In addition to the exclusion of further phosphorus removal, the costs in the base plan do not include diversion of present and future wastewater flow tributary to South St. Paul to the proposed new Southeast Regional Plant, as recommended in the 1994 Centralization/Decentralization Study. Subsequent evaluations in the Metro Plant Master Plan study concluded that the Metro Plant can handle these flows without the large costs and implementation problems originally envisioned. Consequently, more than \$100 million associated with this diversion and accommodation at the Southeast Regional Plant appear unnecessary in both the short term and the long term.

For the base plan in Table 4-1, 72% of the capital costs are associated with treatment plant costs, the percentage ranging from 68% to 79% for the three periods. The percentage would be even larger for the three scenarios, as all costs of phosphorus removal are associated with treatment.

The division of capital costs between rehabilitation/replacement and expansion/quality improvement is highly variable for the planning period. Rehabilitation averages 62%, ranging from 38% in the first five years to 81% for the second five years. Rehabilitation/replacement costs are associated with studies, designs and construction projects that correct problems of I/I, structural integrity, obsolescence and/or general deterioration, but do not materially change the function or capacity of the facility. In the initial five years the percentage of rehabilitation is low, as two plants (Rosemount and Chaska) are closed by new interceptor construction, new solids processing facilities are constructed for the Blue Lake Plant, the Empire Plant is expanded 33% to a 12 mgd capacity, the new Southeast Regional Plant and related new interceptors are built, and the new Elm Creek Interceptor incurs its major implementation costs. The second five years is largely one of rehabilitation/replacement as costs are dominated by projected new solids processing facilities at the Metro Plant. The facilities are essentially for replacement with new, more efficient technology of aging, existing facilities built 20-25 years before. The costs for addition of one of the three phosphorus removal scenarios would reduce the percentage of rehabilitation/replacement. This reduction in the percentage of rehabilitation /replacement is particularly true for the final ten years for Scenarios 2 and 3, as essentially all costs in these scenarios occur in the final ten years.

In the first ten years of the base plan, the estimated costs are close to those costs presented in the previous CIP reviewed in the fourth quarter of 1995. However, the costs in the final ten years are significantly different. The annual inflation rate assumed in the present plan is 3%, compared with an average annual rate in the last 15 years of the previous plan of 4.1%. The projects and cost information in the draft Metro Master Plan study, completed in August, 1996, have been incorporated into the CIP. As a result of changes in costs and projects in the Metro Plant Master Plan study, rehabilitation costs are projected to moderate over the cost figures previously used. Planned replacement of sludge processing facilities with new equipment and technology and abandonment of inefficient liquid treatment facilities reduce projected rehabilitation needs in the last ten years of the plan. Rehabilitation for the total period is reduced by 10% of total program costs over the previous CIP. Replacement costs at treatment plants are based on studies which assumed that instrumentation and control equipment was replaced every 10 years, process equipment every 15-20 years, and structures every 40-50 years.

The annual variation in capital costs for the base plan is provided in Figure 4-1 and Figure 4-2. The capital costs are broken down into treatment plants, interceptor, and rehabilitation costs in order to

**TREATMENT WORKS WASTEWATER FLOWS
DESIGN AND PROJECTED VALUES**

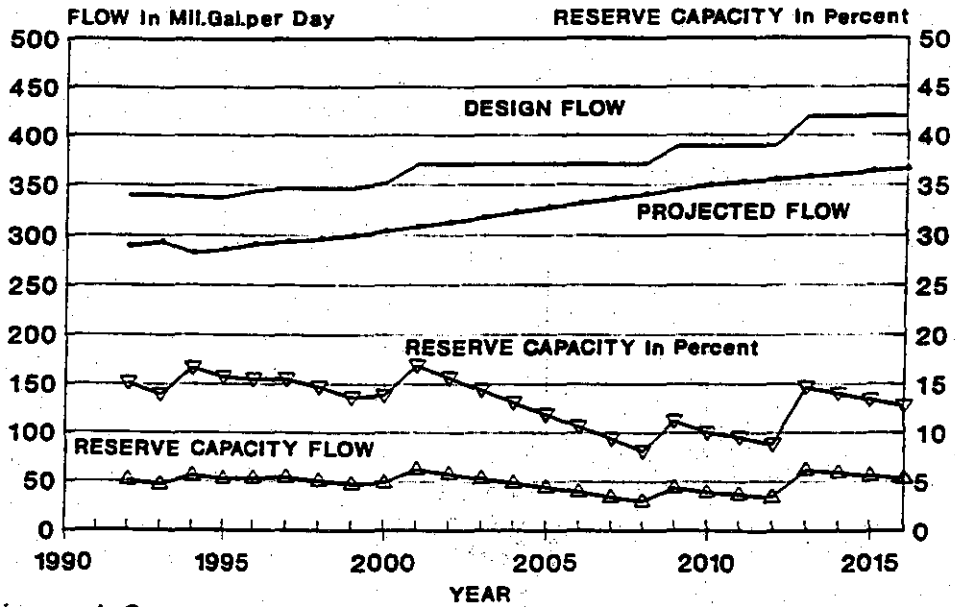


Figure 4-3.

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**INTERCEPTOR SYSTEM WASTEWATER FLOWS
DESIGN AND PROJECTED VALUES**

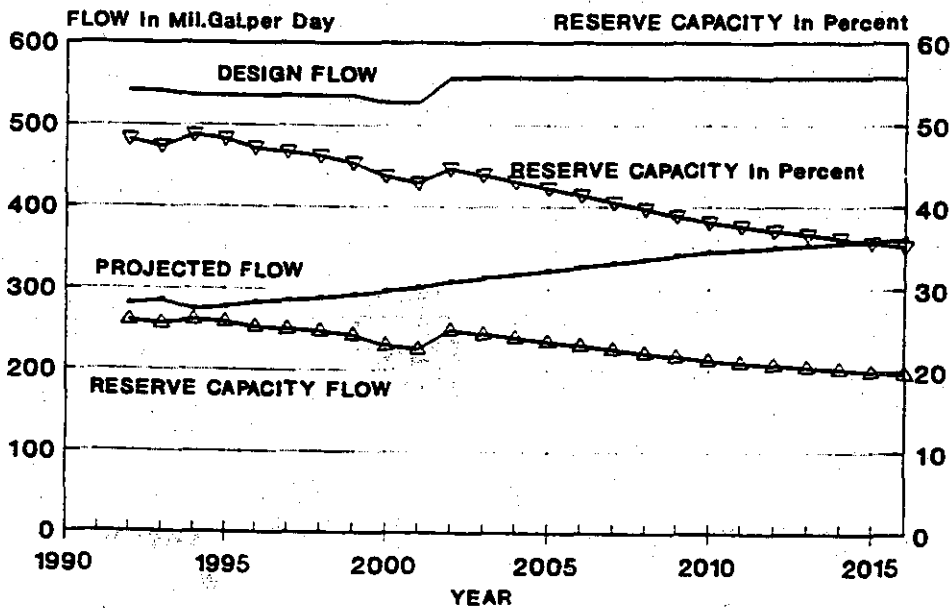


Figure 4-4.

7/96

demonstrate annual trends in the distribution of these activities. The periodic large costs of upgrading and/or expanding treatment plants are clearly evident from the cost variations in Figure 4-1. The capital costs associated with the interceptor system become rather uniform after the year 2000, following completion of the new interceptors to serve the Elm Creek watershed and the proposed new Southeast Regional Plant. The interceptor system costs after 2002 are essentially for rehabilitation. The jump in costs after 2010 reflect the increasing rehabilitation associated with the aging of interceptors constructed to create and consolidate the regional system following its inception in 1970.

The relationships among design and projected wastewater flows and reserve capacities for treatment plants and the interceptor system over the planning period are shown in Figure 4-3 and Figure 4-4. The flows and projections are based on the values generated from growth projections in the existing (1994) *Regional Blueprint*. The information will be modified when the final growth projections and distributions are established from the ongoing Council evaluation of three growth scenarios for the metropolitan area. As noted in Section 3, the range of potential flows from the growth scenarios have been evaluated in ongoing planning to assess potential impacts (see preliminary flow information for the original three growth scenarios in Appendix B).

In Figure 4-3, the additional reserve capacity provided by recent and ongoing treatment plant expansions is shown to be reduced from the range of 14 percent to 17 percent in the 1992-2002 period to about 8 percent in 2008 and in 2013. A second round of planned plant expansions to maintain satisfactory plant capacity increases the reserve capacity in the 2009-2010 period and again in 2014. The projected growth in the metropolitan area will increase total wastewater flows by 25-30 percent during the 20-year planning period. As shown in Figure 4-4, the flow capacity of the interceptor system remains relatively constant over the 20-year period; however, the projected increase in wastewater flows reduces system reserve capacity from about 47 percent to 35 percent during the period.

DESCRIPTION OF CIP PROGRAMS

In Table 4-2 the ongoing and new projects proposed to be added in the base plan are tabulated and described for the total Capital Improvement Plan through 2016. There are 40 separate programs or projects tabulated: 22 in the North Area, 6 in the East Area, 8 in the Southwest Area, and 4 systemwide. Twenty-four of the programs are related to treatment plant planning or construction and 16 concern interceptor system improvements. In the earlier years, there are specific projects defined. In the latter years there are more generalized programs which represent many future individual projects to rehabilitate/replace equipment and facilities as they age. In Figure 4-5 the location of each program or project which has a definite site is shown on a map of the seven-county metropolitan area. The numbers on the map in the figure refer to the numbers given to the individual projects in Table 4-2. The total and annual expenditures for the programs are provided in Table 4-3 for the total planning period and are summarized for total program expenditures and expenditures for the total(1997-2016) and component periods(1997-2001, 2002-2006, and 2007-2016).

In the North Area, 14 projects are related to work at the Metro Plant and 8 involve the interceptor system serving the plant. One service area will be created when the Rosemount Plant is closed by the year 2000 and the wastewater flow is conveyed into the interceptor system serving the Metro Plant. All of the major treatment plant projects are related to the Metro Plant. The projects provide for upgrading, expanding and rehabilitating/replacing the facilities to meet more stringent standards and increased wastewater flows into the future and to modernize and maintain the facilities to be efficiently and effectively operated and maintained.

The treatment capacity of the Metro Plant will be expanded approximately 20% during the period from a present liquid treatment capacity of 251 mgd to 300 mgd. The capacity is based on no additional phosphorus removal beyond that amount being provided in 1997 under the Secondary Treatment Improvements project. Under the project, one-fourth of the secondary treatment facilities are being modified to enable biological phosphorus removal.

The basic capital plan for the period is to implement the findings and recommendations of the Metro Plant Master Plan. The Master Plan is subject to final adoption and will probably be modified to varying degrees by the results of recommended follow up investigations and by the timing and actual requirements of regulatory agencies. One of the major cost areas of the plan is to modernize and rehabilitate by 2005 the solids processing facilities using the latest technology for dewatering and incineration in new facilities. Rehabilitation is a major consideration during the period and is included under MWWTP Master Plan Implementation .

The interceptor program consist of providing new or additional sewer service to areas of Brooklyn Park, Maple Grove, Plymouth, and Medina(Elm Creek Interceptor), Lino Lakes, Centerville and Lino Lakes(Centerville Interceptor Improvements), and Rosemount and Inver Grove Heights(Rosemount Plant Phase Out Interceptor). The other four projects relate to rehabilitative or corrective measures.

In the East Area the programs are related almost entirely to new or expanded treatment facilities to meet expanding growth and wastewater flows in the area. The Empire Plant is being expanded from 9 mgd capacity to 12 mgd capacity by 2000. The Empire Area Master Plan is needed to provide the background

**Table 4-2.
CAPITAL IMPROVEMENT PLAN
1997-2016**

NUM- BER	PROJECT NAME	PROG NUMBER (00s)	PROJECT DESCRIPTION AND PURPOSES	DURATION	PROJECT PRIORITY*	FACILITY PLAN APPROVED	PHASE AUTHO- RIZED IN 1997**
<i>NORTH AREA</i>							
1	MWWTP PROCESS CONTROL SYSTEM	9108	Consists of modifications and improvements to the process computer control system at the MWWTP to deal with problems of obsolescence by using the latest technology.	-2003	R-10	YES	C
2	MWWTP CENTRIFUGE DEWATERING FACILITIES	9302	Consists of a demonstration program for the replacement of existing sludge conditioning and dewatering with new technology centrifuges if successful.	-1998	R-15	YES	C
3	MWWTP MASTER PLAN	9407	Development of a comprehensive Master Plan for the Metro Plant in accordance with its NPDES Permit in order to establish long range options, plans and costs for future capital improvements to the plant.	-1997	CRE-14	YES	P
4	LABORATORY SERVICES FACILITY	9505	Consists of new laboratory facilities to replace existing inadequate laboratory space and facilities and to consolidate other environmental functions presently in temporary or leased facilities.	-1999	CRE-12	NO	P
5	MWWTP SECONDARY TREATMENT IMPROVEMENTS	9506	Consists of improvements and rehabilitation/replacement to the MWWTP secondary treatment facilities to provide permit-mandated phosphorus removal, to replace aeration diffusers with a more efficient fine bubble system, and to rehabilitate/replace associated aged aeration tank piping and system.	-1999	CRE-UC	YES	C
6	MWWTP EFFLUENT PUMPING STATION IMPROVEMENTS	9508	Consists of the addition of one pump in the Effluent Pumping Station at the Metropolitan Plant to increase the pumping capacity to reduce the risk of bypassing during high river flood conditions.	-1997	R-6	NO	C
7	MWWTP RBS SUSTAINABILITY	9509	Consists of rehabilitation/replacement of equipment and structures in the RBS System at the Metro plant to extend the useful life of the facility to the year 2005, the year abandonment of the existing system is expected.	-1997	R-UC	YES	C
8	MWWTP SOLIDS PROCESSING IMPROVEMENTS	9703	Consists of solids processing improvements at the Metro Plant consistent with the Master Plan, new permits, and ongoing projects to provide new facilities for meeting long term future needs for sludge conditioning, dewatering, incineration, heat and energy recovery, and ultimate disposal of resultant residual solids.	1997-2006	E-5	NO	P
9	MWWTP LIQUID TREATMENT	9706	Complete the planning evaluations necessary to fully define the appropriate pathways in liquid treatment options in the MWWTP Master Plan to select the capital projects to be carried out.	1997-1998		N/A	P

**Table 4-2.
CAPITAL IMPROVEMENT PLAN
1997-2016**

NUM- BER	PROJECT NAME	PROG NUMBER (00s)	PROJECT DESCRIPTION AND PURPOSES	DURATION	PROJECT PRIORITY*	FACILITY PLAN APPROVED	PHASE AUTHO- RIZED IN 1997**
10	MWWTP ADMINISTRATION BUILDING IMPROVEMENTS	9801	Consists of remodeling of the existing building to update services and to enable areas vacated by lab functions to be used by plant and agency administrative personnel.	1998-2001	R-6	NO	F
11	MWWTP MASTER PLAN IMPLEMENTATION	9806	Consists of projects and costs in the MWWTP Master Plan which should be applicable in the period if subsequent study findings justify need and define the specific nature of improvements.	1998-2016	N/A	N/A	N/A
12	MWWTP SECONDARY TREATMENT ADDITION	200601	Consists of the addition of two aeration tanks for reaeration to insure treatment capacity to beyond the year 2010 for standards without phosphorus removal beyond existing requirements at the Metro Plant.	2000-2002	CE-10	YES	P
13	MWWTP EAST PRIMARY SYSTEM ADDITON	9901	Consists of additional east primary treatment/pretreatment facilities at the MWWTP if west side facilities are to be phased out and additional capacity on the east side is needed, as established by investigations in 1997.	1999-2001	R-	NO	P
14	MWWTP LIQUID TREATMENT EXPANSION	9902	Consists of additional liquid treatment facilities consistent with the MWWTP Master Plan to increase reliability/capacity of wastewater treatment to meet operating permit limits at increased wastewater flows through 2016.	1999-2015	N/A	NO	N/A
15	ELM CREEK INTERCEPTOR	9004	Consists of the main stem of a gravity interceptor system, based on a facility planning study of the Elm Creek watershed, to provide long term interceptor service to the region and to provide a permanent outlet for serving eastern Medina.	-2000	E-UC	YES	C (PART)
16	REGULATOR SYSTEM MODIFICATIONS	9104	Major or minor modifications to CSO regulators in St. Paul and Minneapolis. Help to meet NPDES permits to eliminate combined sewer overflows (CSO).	-1999	CR-12	YES	C
17	LINO LAKES INTERCEPTOR IMPROVEMENTS	9106	Consists of new lift station and forcemain system serving Lino Lakes to provide long term service by conveying wastewater to the main MDS interceptor in Blaine.	-1997	RE-UC	YES	C
18	MWWTP/MINNEAPOLIS METER IMPROVEMENTS	9207	Consists of rehabilitation/replacement of meter facilities at the Metro Plant, Minneapolis meters, and Lake St. to provide operational reliability and any needed odor control.	-1998	R-9	YES	C
19	ROSEMOUNT PLANT PHASE OUT INTERCEPTOR	9208	Phase out of the Rosemount Treatment Plant by a lift station and forcemain system to convey wastewater to the Metro Plant via a connection to the MDS at Liver Grove Heights. The planned facilities are consistent with the Centralization/Decentralization Study Management Plan.	-2000	E-7	YES	D
20	BROOKLYN PARK LIFT STATION IMPROVEMENTS	9503	Consists of improvements to the Brooklyn Park Lift Station to prevent potential back up of wastewater into homes during power or equipment failures at the station.	-1997	R-6	YES	C

**Table 4-2
CAPITAL IMPROVEMENT PLAN
1997-2016**

NUMBER	PROJECT NAME	PROG NUMBER (00s)	PROJECT DESCRIPTION AND PURPOSES	DURATION	PROJECT PRIORITY*	FACILITY PLAN APPROVED	PHASE AUTHORIZED IN 1997**
21	BATTLE CREEK SIPHON IMPROVEMENTS	9602	Consists of improvements to the Battle Creek Siphon by replacing two barrels of the siphon and updating the headhouse structure for today's standards and odor control.	-1998	R-UC	YES	C
22	CENTERVILLE INTERCEPTOR IMPROVEMENTS	9708	Consists of the provision of long term sewer service to Centerville and southeastern Lino Lakes to meet additional service needs for this area where the existing MDS facilities will soon reach capacity.	1997-2000	E-	NO	C
<u>EAST AREA</u>							
23	EMPIRE PLANT EXPANSION	9401	Consists of a plant expansion from a capacity of 9 mgd to 12 mgd in order to meet the growth projected in the service area to the year 2009.	-2000	E-6	NO	C
24	EMPIRE AREA MASTER PLAN	9702	Develop a master plan for the Empire Plant service area to provide the water quality and wastewater treatment information and framework for future detailed facility planning to meet the long term sewer service needs for the area.	1997-1998		NO	P
25	EMPIRE TREATMENT PLANT EXPANSION>2000	200701	Consists of an expansion of the Empire Plant in 2007-2009 to increase the capacity from 12 mgd to 18 mgd in order to meet projected service area long term treatment needs to 2030.	2007-2009	E-6	NO	NONE
26	SOUTHEAST REGIONAL WASTEWATER TREATMENT PLANT	9501	Consists of planning, siting, facility planning, design and construction in Washington County of a new regional plant for the area consistent with the Wastewater Management Plan developed in the Centralization/Decentralization Study.	-2002	E-8	NO	P
27	SOUTHEAST REGIONAL PLANT INTERCEPTORS	9701	Consists of an interceptors to convey wastewater from eastern Woodbury and parts of Lake Elmo and from the area of Cottage Grove tributary to the Cottage Grove Plant to the new Southeast Regional Plant.	1997-2002	E-8	NO	P
28	STILLWATER TREATMENT PLANT EXPANSION	200801	Consists of the expansion of the Stillwater Plant from an average capacity of 4.5 mgd to 5.5 mgd in 2008-2010 to meet sewer service needs into the longer term future.	2008-2010	E-6	NO	NONE
<u>SOUTHWEST AREA</u>							
29	BLUE LAKE/ SENECA SOLIDS PROCESSING FACILITIES	9102	Consists of new sludge processing facilities for thickening, dewatering, stabilizing, and final disposition of plant sludge in order to meet projected long term sludge processing needs.	-2000	E-7	YES	D

**Table 4-2.
CAPITAL IMPROVEMENT PLAN
1997-2016**

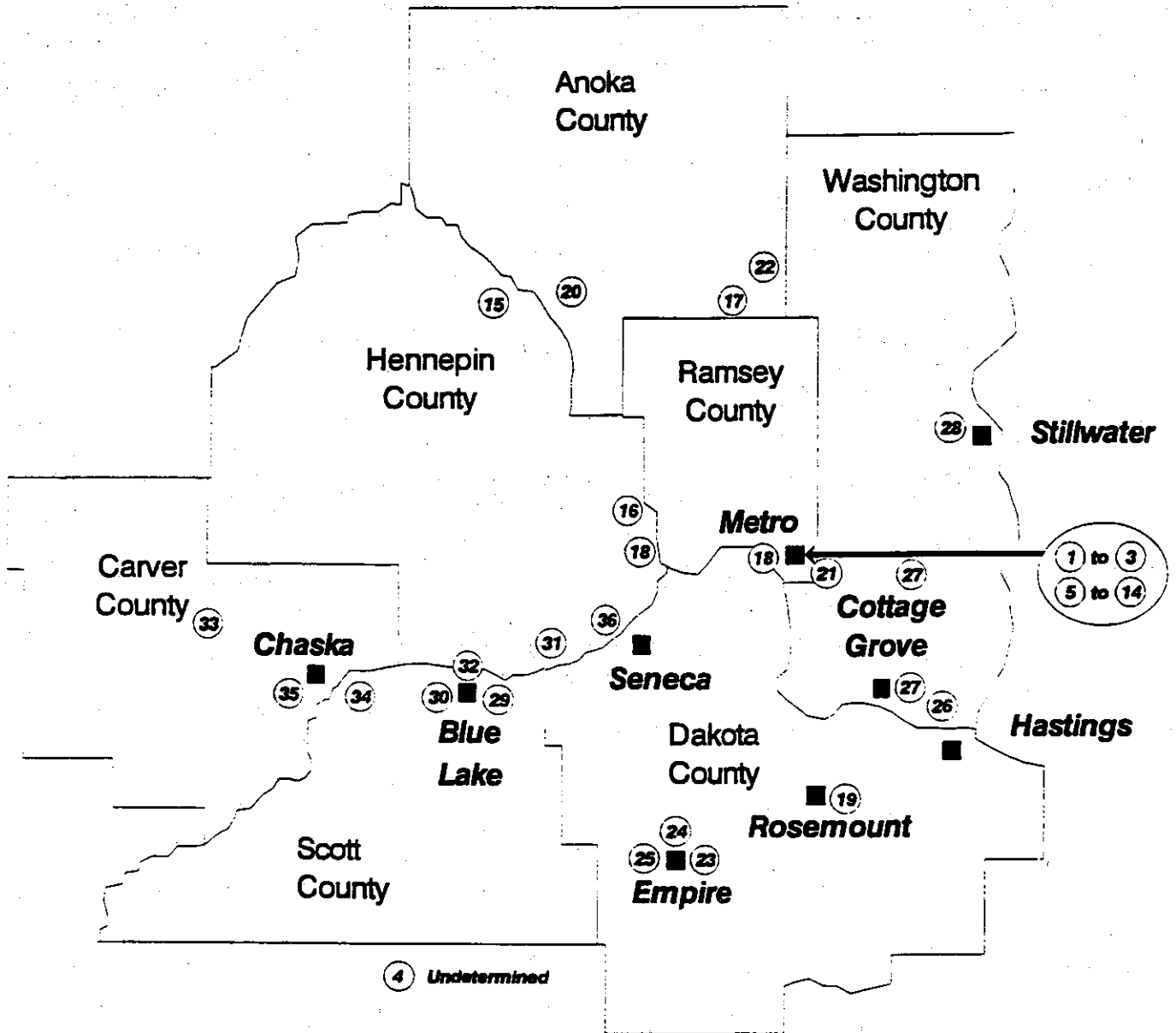
NUMBER	PROJECT NAME	PROG NUMBER (00s)	PROJECT DESCRIPTION AND PURPOSES	DURATION	PROJECT PRIORITY*	FACILITY PLAN APPROVED	PHASE AUTHORIZED IN 1997**
30	BLUE LAKE PLANT GRIT REMOVAL	9704	Consists of the design and implementation of new grit removal facilities at the Blue Lake Plant prior to primary treatment using new low pressure drop vortex grit removal tanks. Grit removal will protect downstream liquid and sludge processing equipment.	1997-1998	RE-	NO	C
31	SOUTHWEST AREA MASTER PLAN	9709	Develop a Master Plan for the service areas of the Blue Lake and Seneca treatment plants to guide the detailed planning of future capital improvements to address future treatment standards, growth, operating problems, and rehabilitation/ replacement needs.	1997-1998		NO	P
32	BLUE LAKE PLANT EXPANSION	200702	Consists of an expansion of the Blue Lake Plant in 2007-2009 to increase liquid treatment capacity from 38 mgd to 50 mgd to meet the immediate and long term treatment needs of the area served by the plant.	2007-2009	E-6	NO	NONE
33	WACONIA INTERCEPTOR IMPROVEMENTS	9204	Consists of improvements to the Waconia Lift Station and Forcemain system to improve facilities to correct existing problem areas and to provide appropriate additional improvements to meet long term service needs.	-1998	RE-6	YES	C
34	SHAKOPEE LIFT STATION AND FORCEMAIN IMPROVEMENTS	9205	Improvements to the Shakopee Lift Station and Forcemain to replace the forcemain(Phase 1) and to rehabilitate the lift station(Phase 2) to meet long term sewer service needs.	-1998	R-UC	YES	C
35	CHASKA PLANT PHASE OUT INTERCEPTOR	9206	Consists of a lift station, river crossing, forcemain, and gravity interceptor to phase out the Chaska Plant by conveying flow through Shakopee to the Blue Lake Plant.	-1999	E-UC	YES	C
36	BLOOMINGTON SIPHON IMPROVEMENTS	9003	Consists of a new 11,600 ft river interceptor siphon to replace the existing Bloomington River Siphon in order to resolve odor and redundancy issues in providing long term service.	-1997	R-UC	YES	C
SYSTEMWIDE AREA							
37	TREATMENT PLANT REHABILITATION- REGIONAL	9803	Consists of major projects to rehabilitate, update, and/or replace equipment and facilities at regional treatment plants as required to maintain efficient and economical operation. Costs are based on study of projected rehabilitation needs and costs to the year 2020.	1998-2016	N/A	N/A	N/A
38	INTERCEPTOR INSPECTION AND REHABILITATION PROGRAM	9001	Provides the funding to rehabilitate inspected interceptor facilities which must proceed immediately based on the results of inspections.	-2016	R-12	N/A	C
39	SMALL SYSTEMWIDE IMPROVEMENT PROJECTS	9605	Small systemwide improvement projects for interceptor or treatment plant facilities with each project less than \$1,000,000.	-2016	CRE-9	N/A	C

**Table 4-2.
CAPITAL IMPROVEMENT PLAN
1997-2016**

NUM- BER	PROJECT NAME	PROG NUMBER (00s)	PROJECT DESCRIPTION AND PURPOSES	DURATION	PROJECT PRIORITY*	FACILITY PLAN APPROVED	PHASE AUTHO- RIZED IN 1997**
40	INTERCEPTOR REHABIL- TATION - MAJOR	9804	Consists of major interceptor facility re- habilitation/replacement based on identifica- tion of needs in Project 900100 or other pro- grams. Costs based on study of projected reha- bilitation needs to 2020 and associated costs.	1998-2016	N/A	N/A	N/A

* The letters and numbers under Project Priority characterize the nature of the project or program. The first letter(s) refers to the category or reason for the project: C- compliance; R- rehabilitation/replacement; and E- expansion. If the project has more than one element or purpose, more than one letter may be used. The total designation N/A indicates a generic project included for projecting costs of yet undefined projects or for overhead or continuous planning functions. The number following the dash provides the relative priority rating of the project, higher numbers meaning higher priority. If the letters UC appear, then the project is under construction.

Figure 4-5



**Location of
Capital Improvement Plan Projects
Years 1997 - 2016**

- Treatment Plants
- Project Locations

planning and long term framework for additional treatment requirements by the year 2010. Based on the Centralization/Decentralization Study, an Empire Plant expansion to 18 mgd capacity is presently contained in the plan.

The new Southeast Regional Plant is planned for completion in 2002 to provide a regional facility to meet long term, as well as immediate future, wastewater treatment needs of the area. The initial size is 10 mgd and will serve Cottage Grove, eastern Woodbury, and southern Lake Elmo with the capability to be enlarged to at least 25 mgd in the longer term future. The findings of the Metro Plant Master Plan that the capacity of the Metro Plant can be expanded in the future without large expenditures or implementation problems, has superseded the recommendations to divert the South St. Paul Area served by the Metro Plant to the new Southeast Regional Plant. The Cottage Grove Plant will be phased out by an interceptor to the new plant. And a new interceptor to convey wastewater from Woodbury to the new plant will be constructed by 2002.

The Stillwater Plant is planned for expansion as its existing capacity of 4.5 mgd is projected to be reached by the year 2010. The enlarged plant is estimated now as 5.5 mgd.

In the Southwest Area, the plan contains four treatment related projects and four interceptor projects. The Blue Lake Plant will be provided with permanent solids processing capacity through ultimate disposition by the year 1999, either by privatized facilities or facilities added under design and build conditions. In addition, new facilities will be added for grit removal by 1998 to prevent any grit-related problems with the new solids processing facilities. An expansion of the Blue Lake Plant is planned by 2009 to expand plant capacity from 38 mgd to about 50 mgd. In order to properly plan for this expansion, as well as future phosphorus removal and interceptor facilities in the area, a Southwest Area Master Plan is planned for completion in 1998.

The four interceptor projects in the Southwest Area are ongoing projects to enable closure of the Chaska Plant in 1999, and rehabilitation and enlargement of facilities serving Waconia, Shakopee, and Bloomington.

In the Systemwide Area there are four programs which provide improvements for more than one of the other three areas. The programs have not to this time been separated. Two projects provide for the future major rehabilitation/replacement of all treatment plants with the exception of the Metro Plant and all interceptor system facilities. The other two projects provide projected funding to deal with small systemwide improvements to plants and interceptor facilities and to carry out immediate corrective measures for interceptor problems found in inspection of the system.

The total Capital Improvement Program, as discussed in Section III, contains no additional phosphorus removal beyond existing requirements for the base plan. Additional phosphorus removal at the Metro Plant and other plants is explored by the three phosphorus removal scenarios summarized in Appendix C. Wastewater rates beyond the year 2000 cannot be maintained within inflation rates if additional phosphorus removal to 1 mg/l or less is provided at all plants before 2008. Even by delaying phosphorus removal at the Metro Plant to 2008 and at other plants to as long as 2016, the economics of additional phosphorus removal is highly dependent on rigorous debt management procedures and verifying recent more favorable phosphorus removal concepts and costs. At the same time, no basin-wide water quality management plan for phosphorus control exists to guide any program and to assure that the very substantial costs are justified by the benefits derived in water quality improvements. As a result of the findings in the Metro Plant Master Plan and on phosphorus removal to comply with the effluent standard of 4 mg/l in the

plant's NPDES permit, estimated costs for phosphorus removal are reduced over previous estimates. Biological phosphorus removal is projected to be possible without expanding flood protection and without using significant chemicals and generating much larger quantities of waste sludge to process and beneficially use. However, these findings require verification in the planned study following completion of the biological phosphorus removal facilities in 1997 now ongoing as part of MWWTP Secondary Treatment Improvements, Project 950600. The costs of providing systemwide phosphorus removal to 1 mg/l and 0.4 mg/l, as well as other potential cost impacts of phosphorus removal measures, are discussed further in Section V.

In addition to no further phosphorus removal, it is presently assumed that a new Southeast Regional Plant will be constructed which initially serves Cottage Grove, eastern Woodbury, and part of Lake Elmo, rather than also including additional conveyance and treatment facilities to serve Rosemount, Inver Grove Heights, St. Paul Park, Newport, and South St. Paul. Expansion of the service area to include the South St. Paul area would increase the costs of conveyance and treatment facilities for the region by about \$100 million based on projected costs in the 1994 Centralization/Decentralization Study. The nature of the final facilities for the new Southeast Regional Plant are a function of the final findings and recommendations of two ongoing studies: the Master Plan for the Metropolitan Plant and planning study for the Southeast Regional Plant. At this point, the Metro Plant Master Plan findings, as well as other information, indicate that the Metro Plant can provide long term service to the South St. Paul area efficiently and economically without large expenditures for, and implementation problems with, additional flood protection requirements. Consequently, planning future service to this area by the new Southeast Regional Plant appears unnecessary.

The annual expenditures for each of the projects or programs in Table 4-2 are given in Table 4-3 for the years 1997-2016. Shading is used for the projects and years contained in the 1997 Capital Program. The annual expenditures in each year are provided, as well as the breakdown into amounts for interceptors and treatment works. The total expenditures on the programs is \$1.550 billion, or \$77 million more than the \$1.473 billion estimated for annual expenditures for the years 1997-2016. This difference represents the amount spent on ongoing projects in the years prior to 1997. In Appendix C, the estimated expenditures with additional phosphorus removal in Scenarios 1, 2, and 3 are given in Tables C-1, C-2, and C-3, respectively.

Table 4-3.

**SUMMARY OF CAPITAL IMPROVEMENT PLAN EXPENDITURES
PROJECTIONS FOR NO ADDITIONAL PHOSPHORUS REMOVAL, YEARS 1997-2016**

Program Number	PROJECT	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NORTH AREA														
910800	MWWTP PROCESS CONTROL SYSTEM	5,325	9,164	5,950	4,916	4,950	3,000	2,092	0	0	0	0	0	0
938200	MWWTP CENTRIFUGE DEWATERING	3,900	1,145	0	0	0	0	0	0	0	0	0	0	0
940700	MWWTP MASTER PLAN	350	0	0	0	0	0	0	0	0	0	0	0	0
950500	LABORATORY SERVICES FACILITY	449	2,642	2,057	0	0	0	0	0	0	0	0	0	0
950600	MWWTP SECONDARY TREATMENT IMPROVEMENTS	12,330	10,120	870	0	0	0	0	0	0	0	0	0	0
950800	MWWTP EFFLUENT PUMP STATION IMPROVEMENTS	1,919	0	0	0	0	0	0	0	0	0	0	0	0
950900	MWWTP RES SUSTAINABILITY	940	0	0	0	0	0	0	0	0	0	0	0	0
970300	MWWTP SOLIDS PROCESSING IMPROVEMENTS	800	800	800	1,600	1,935	6,114	31,485	58,373	60,124	24,700	0	0	0
970600	MWWTP LIQUID TREATMENT	150	350	0	0	0	0	0	0	0	0	0	0	0
980100	MWWTP ADMINISTRATION BUILDING	0	498	559	2,351	549	0	0	0	0	0	0	0	0
980600	MWWTP MASTER PLAN IMPLEMENTATION	0	353	2,635	2,527	332	341	1,759	3,261	3,669	5,144	5,134	343	1,767
990100	MWWTP EAST PRIMARY SYSTEM ADDITION	0	270	557	5,159	2,657	0	0	0	0	0	0	0	0
990200	MWWTP LIQUID TREATMENT EXPANSION	0	0	452	2,326	4,312	0	0	0	0	0	1,621	3,033	13,554
20000100	MWWTP SECONDARY ADDITION	0	0	0	2,628	13,650	25,308	0	0	0	0	0	0	0
900400	ELM CREEK INTERCEPTOR	7,950	8,000	8,741	3,529	0	0	0	0	0	0	0	0	0
910400	REGULATOR SYSTEM MODIFICATIONS	20	50	50	0	0	0	0	0	0	0	0	0	0
910600	LINO LAKES INTERCEPTOR IMPROVEMENTS	1,242	0	0	0	0	0	0	0	0	0	0	0	0
920700	MWWTP/MINNEAPOLIS METER IMPROVEMENTS	2,766	3,916	658	0	0	0	0	0	0	0	0	0	0
920800	ROSEMOUNT PLANT PHASE OUT	368	4,981	3,977	707	0	0	0	0	0	0	0	0	0
950300	BROOKLYN PARK LIFT STATION IMPROVEMENTS	700	183	0	0	0	0	0	0	0	0	0	0	0
960200	BATTLE CREEK SIPHON IMPROVEMENTS	600	200	0	0	0	0	0	0	0	0	0	0	0
970800	CENTERVILLE INTERCEPTOR IMPROVEMENTS	200	600	2,000	2,000	0	0	0	0	0	0	0	0	0
EAST AREA														
940100	EMPIRE PLANT EXPANSION	2,150	6,675	4,925	0	0	0	0	0	0	0	0	0	0
970200	EMPIRE AREA MASTER PLAN	150	150	0	0	0	0	0	0	0	0	0	0	0
20070100	EMPIRE PLANT EXP->2000	0	0	0	0	0	0	0	0	0	0	12,264	12,111	11,960
950100	SOUTHEAST REGIONAL PLANT	3,800	9,021	14,149	14,013	13,879	3,838	0	0	0	0	0	0	0
970100	SOUTHEAST REGIONAL PLANT INTERCEPTORS	900	865	2,453	4,959	4,920	1,509	0	0	0	0	0	0	0
20080100	STILLWATER PLANT EXPANSION-2000	0	0	0	0	0	0	0	0	0	0	0	3,174	3,134
SOUTHWEST AREA														
910200	BLUE LAKE/NECA SOLIDS PROCESSING FACILITIES	406	1,200	39,500	0	0	0	0	0	0	0	0	0	0
970400	BLUE LAKE PLANT GRIT REMOVAL	250	900	50	0	0	0	0	0	0	0	0	0	0
970900	SOUTHWEST AREA MASTER PLAN	250	250	0	0	0	0	0	0	0	0	0	0	0
20070200	BLUE LAKE EXPANSION-2000	0	0	0	0	0	0	0	0	0	0	30,107	29,732	29,361
920400	WACONIA INTERCEPTOR IMPROVEMENTS	4,400	700	0	0	0	0	0	0	0	0	0	0	0
920500	SHAKOPEE LS & FM IMPROVEMENTS	1,325	5	0	0	0	0	0	0	0	0	0	0	0
920600	CHASKA PLANT PHASE OUT	1,957	6,281	2,950	0	0	0	0	0	0	0	0	0	0
900300	BLOOMINGTON RIVER SIPHON	400	100	0	0	0	0	0	0	0	0	0	0	0
SYSTEMWIDE														
980300	TREATMENT PLANT REHABILITATION-REGIONAL	0	1,061	1,624	1,922	1,980	2,039	2,101	2,164	9,836	10,132	10,436	10,749	11,071
960500	SMALL SYSTEMWIDE IMP	3,114	3,195	3,291	3,390	3,491	3,596	3,704	3,815	3,930	4,047	4,169	4,294	4,423
980400	INTERCEPTOR REHAB-MAJOR	0	1,971	3,249	6,936	9,522	9,762	10,010	10,265	10,528	10,799	11,078	11,366	11,662
900100	INTERCEPTOR INSPECTION & REHABILITATION PROGRAM	1,550	1,597	1,644	1,694	1,745	1,797	1,851	1,906	1,963	2,022	2,083	2,146	2,210
TREATMENT PLANT COSTS		34,707	46,196	75,773	39,139	45,090	42,438	39,288	65,705	75,595	42,000	61,646	61,288	73,059
INTERCEPTOR COSTS		25,034	30,046	27,368	21,520	17,932	14,866	13,713	14,079	14,457	14,845	15,246	15,658	16,083
TOTAL COSTS(9/19/96)		59,741	76,242	103,141	60,658	63,022	57,305	53,001	79,784	90,051	56,845	76,892	76,947	89,142

*All costs in thousands of dollars

Table 4-3.

**SUMMARY OF CAPITAL IMPROVEMENT PLAN EXPENDITURES
PROJECTIONS FOR NO ADDITIONAL PHOSPHORUS REMOVAL, YEARS 1997-2016**

Program Number	PROJECT	2010	2011	2012	2013	2014	2015	2016	Total Expenditures	1997-2001	2002-2006	2007-2016	1997-2016
NORTH AREA													
910800	MWWTP PROCESS CONTROL SYSTEM	0	0	0	0	0	0	0	42,000	29,405	5,092	0	34,497
930200	MWWTP CENTRIFUGE DEWATERING	0	0	0	0	0	0	0	15,197	5,045	0	0	5,045
940700	MWWTP MASTER PLAN	0	0	0	0	0	0	0	2,110	350	0	0	350
950500	LABORATORY SERVICES FACILITY	0	0	0	0	0	0	0	5,199	5,148	0	0	5,148
950600	MWWTP SECONDARY TREATMENT IMPROVEMENTS	0	0	0	0	0	0	0	40,593	23,310	0	0	23,310
950800	MWWTP EFFLUENT PUMP STATION IMPROVEMENTS	0	0	0	0	0	0	0	2,050	1,910	0	0	1,910
950900	MWWTP RBS SUSTAINABILITY	0	0	0	0	0	0	0	1,143	940	0	0	940
970300	MWWTP SOLIDS PROCESSING IMPROVEMENTS	0	0	0	0	0	0	0	186,731	5,935	180,795	0	186,731
970600	MWWTP LIQUID TREATMENT	0	0	0	0	0	0	0	500	500	0	0	500
980100	MWWTP ADMINISTRATION BUILDING	0	0	0	0	0	0	0	3,958	3,958	0	0	3,958
980600	MWWTP MASTER PLAN IMPLEMENTATION	8,256	12,188	22,876	23,629	24,360	25,091	25,843	169,509	5,847	14,175	149,487	169,509
990100	MWWTP EAST PRIMARY SYSTEM ADDITION	0	0	0	0	0	0	0	8,643	8,643	0	0	8,643
990200	MWWTP LIQUID TREATMENT EXPANSION	13,960	0	0	0	16,457	16,457	16,457	88,629	7,090	0	81,539	88,629
20000100	MWWTP SECONDARY ADDITION	0	0	0	0	0	0	0	41,586	16,279	25,308	0	41,586
900400	ELM CREEK INTERCEPTOR	0	0	0	0	0	0	0	28,279	27,320	0	0	27,320
910400	REGULATOR SYSTEM MODIFICATIONS	0	0	0	0	0	0	0	220	120	0	0	120
910600	LIND LAKES INTERCEPTOR IMPROVEMENTS	0	0	0	0	0	0	0	4,600	1,242	0	0	1,242
920700	MWWTP/MINNEAPOLIS METER IMPROVEMENTS	0	0	0	0	0	0	0	8,000	6,340	0	0	6,340
920800	ROSEMOUNT PLANT PHASE OUT	0	0	0	0	0	0	0	10,579	10,032	0	0	10,032
950300	BROOKLYN PARK LIFT STATION IMPROVEMENTS	0	0	0	0	0	0	0	1,000	883	0	0	883
960200	BATTLE CREEK SIPHON IMPROVEMENTS	0	0	0	0	0	0	0	876	800	0	0	800
970800	CENTERVILLE INTERCEPTOR IMPROVEMENTS	0	0	0	0	0	0	0	4,800	4,800	0	0	4,800
EAST AREA													
940100	EMPIRE PLANT EXPANSION	0	0	0	0	0	0	0	14,000	13,750	0	0	13,750
970200	EMPIRE AREA MASTER PLAN	0	0	0	0	0	0	0	300	300	0	0	300
20070100	EMPIRE PLANT EXP.-2000	0	0	0	0	0	0	0	36,335	0	0	36,335	36,335
950100	SOUTHEAST REGIONAL PLANT	0	0	0	0	0	0	0	59,400	54,862	3,838	0	58,700
970100	SOUTHEAST REGIONAL PLANT INTERCEPTORS	0	0	0	0	0	0	0	15,606	14,097	1,509	0	15,606
20080100	STILLWATER PLANT EXPANSION-2000	3,101	0	0	0	0	0	0	9,409	0	0	9,409	9,409
SOUTHWEST AREA													
910200	BLUE LAKE/SENECA SOLIDS PROCESSING FACILITIES	0	0	0	0	0	0	0	43,000	41,106	0	0	41,106
970400	BLUE LAKE PLANT GRIT REMOVAL	0	0	0	0	0	0	0	1,200	1,200	0	0	1,200
970900	SOUTHWEST AREA MASTER PLAN	0	0	0	0	0	0	0	500	500	0	0	500
20070200	BLUE LAKE EXPANSION-2000	0	0	0	0	0	0	0	89,200	0	0	89,200	89,200
920400	WACONIA INTERCEPTOR IMPROVEMENTS	0	0	0	0	0	0	0	6,200	5,100	0	0	5,100
920500	SHAKOPEE LS & FM IMPROVEMENTS	0	0	0	0	0	0	0	2,600	1,330	0	0	1,330
920600	CHASKA PLANT PHASE OUT	0	0	0	0	0	0	0	20,493	11,188	0	0	11,188
900300	BLOOMINGTON RIVER SIPHON	0	0	0	0	0	0	0	8,267	500	0	0	500
SYSTEMWIDE													
980300	TREATMENT PLANT REHABILITATION-REGIONAL	14,961	15,410	15,872	16,348	16,839	17,344	17,864	179,751	6,587	26,272	146,893	179,751
960500	SMALL SYSTEMWIDE IMP	4,555	4,692	4,833	4,978	5,127	5,281	5,439	89,194	16,481	19,092	47,791	83,364
980400	INTERCEPTOR REHAB-MAJOR	13,805	21,961	22,575	23,207	23,858	24,529	24,917	262,000	21,678	51,366	188,957	262,000
900100	INTERCEPTOR INSPECTION & REHABILITATION PROGRAM	2,276	2,345	2,415	2,487	2,562	2,639	2,718	46,202	8,239	9,540	23,800	41,649
TREATMENT PLANT COSTS		42,556	29,944	41,165	42,466	60,219	61,532	62,884	1,085,541	240,905	265,026	536,759	1,042,689
INTERCEPTOR COSTS		18,359	26,651	27,406	28,183	28,984	29,808	30,354	464,320	121,900	71,961	236,733	430,593
TOTAL COSTS(9/19/96)		60,915	56,596	68,571	70,649	89,203	91,340	93,238	1,549,861	362,804	336,986	773,491	1,473,282

*All costs in thousands of dollars

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM, 1997-2001

The first five years of planning, 1997-2001, represents the Five-Year Capital Improvement Program, the first year of which provides the basis for the 1997 Capital Budget. Work that is ongoing or proposed for start-up include 37 programs: 31 projects, two Small Systemwide Improvement Projects (SSIP), and four studies.

The nature and timing of projects are described in Table 4-2, representing those projects ongoing in 1997 or to be initiated through 2001. The specific projects and expenditures included in the program are shown in Table 4-4 by the shaded expenditures for the total period through 2006. Total capital costs for 1997-2001 are projected to be \$362.8 million. The projects to be ongoing in the last year of 2001 continue on in some instances for an additional five years. As shown in Figure 4-6, the total cost of the program is \$579.7 million when continued costs of ongoing projects are included. The massive solids processing facilities at the Metro Plant to rehabilitate existing solids processing facilities by replacing them with new technology is projected to span nine years. The total authorization for 1997 is \$259.1 million. The 1997 Capital Program, representing \$82.8 million of the total authorization, is the proposed new authorization. The expenditures in 1997 in the 1997 Capital Budget are projected as \$59.7 million.

After 1997, large expenditures are projected for computer process control system replacement at the Metro Plant, sludge processing facilities at the Blue Lake/Seneca and Metropolitan plants, the elimination of the Rosemount, Cottage Grove, and Chaska plants, the expansion of the Empire Plant and new Southeast Regional Plant, Elm Creek and Southeast Plant interceptors, major interceptor rehabilitation, and sidestream phosphorus removal related facilities and rehabilitation at the Metropolitan Plant.

The phosphorus removal facilities for the Metropolitan Plant are based on the operating permit issued by the MPCA on November 23, 1993. The NPDES permit requires operational sidestream treatment facilities by mid-1997 to enable an effluent standard of 4 mg/l total phosphorus to be maintained. As a result of the permit, more than \$60 million in expenditures have been delayed about 5 years relative to the requirements of the old permit to meet 1 mg/l total phosphorus in the effluent. Whereas design of facilities was to begin January, 1994, the date for beginning design in the existing permit is delayed to at least mid-1998. No definite construction schedule is contained in the existing permit. The short term requirements to provide sidestream treatment for phosphorus removal to 4 mg/l as part of MWWTP Secondary Treatment Improvements, Project 950600, and a completed environmental review for associated flood levee development are projected as about \$17 million. Under Project 950600 and the MWWTP Master Plan, monies are allocated for evaluating a revised approach and/or basis for addressing phosphorus removal beyond the initial 4 mg/l effluent phosphorus requirement. No costs are included for design or construction of facilities during the period. The levee and phosphorus removal project previously included in the CIP have been eliminated. These have been replaced by the three scenarios summarized in Appendix C.

Table 4-4.
SUMMARY OF FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM EXPENDITURES
PROJECTIONS FOR NO ADDITIONAL PHOSPHORUS REMOVAL, YEARS 1997-2006

Program Number	PROJECT	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total Expenditures	1997-2001	2002-2006
NORTH AREA														
910800	MWWTP PROCESS CONTROL SYSTEM	5,325	9,164	5,950	4,916	4,850	3,900	2,092				42,000	29,405	5,092
930200	MWWTP CENTRIFUGE DEWATERING	3,900	1,145									15,197	5,045	0
940700	MWWTP MASTER PLAN	350										2,110	350	0
950500	LABORATORY SERVICES FACILITY	449	2,642	2,057								5,199	5,148	0
950600	MWWTP SECONDARY TREATMENT IMPROVEMENTS	12,320	10,120	870								40,593	23,310	0
950800	MWWTP EFFLUENT PUMP STATION IMPROVEMENTS	1,910										2,050	1,910	0
950900	MWWTP RBS SUSTAINABILITY	940										1,143	940	0
970300	MWWTP SOLIDS PROCESSING IMPROVEMENTS	800	800	800	1,600	1,935	6,114	31,485	58,373	60,124	24,700	186,731	5,935	180,795
970600	MWWTP LIQUID TREATMENT	150	350									500	500	0
980100	MWWTP ADMINISTRATION BUILDING		498	559	2,351	549						3,958	3,958	0
980600	MWWTP MASTER PLAN IMPLEMENTATION		353	2,635	2,527	332						5,847	5,847	0
990100	MWWTP EAST PRIMARY SYSTEM ADDITION		270	557	5,159	2,457						8,643	8,643	0
990200	MWWTP LIQUID TREATMENT EXPANSION			452	2,326	4,312						7,090	7,090	0
20000100	MWWTP SECONDARY ADDITION				2,628	13,658	25,308					41,586	16,279	25,308
900400	ELM CREEK INTERCEPTOR	7,050	8,000	8,741	3,529							28,279	27,320	0
910400	REGULATOR SYSTEM MODIFICATIONS	20	50	50								220	120	0
910600	LINO LAKES INTERCEPTOR IMPROVEMENTS	1,242										4,600	1,242	0
920700	MWWTP/MINNEAPOLIS METER IMPROVEMENTS	2,766	1,916	658								8,000	6,340	0
920800	ROSEMOUNT PLANT PHASE OUT	368	4,981	3,977	797							10,579	10,832	0
950300	BROOKLYN PARK LIFT STATION IMPROVEMENTS	700	183									1,000	883	0
960200	BATTLE CREEK SIPHON IMPROVEMENTS	600	200									876	800	0
970800	CENTERVILLE INTERCEPTOR IMPROVEMENTS	200	600	2,000	2,000							4,800	4,800	0
EAST AREA														
940100	EMPIRE PLANT EXPANSION	2,150	6,675	4,925								14,000	13,750	0
970200	EMPIRE AREA MASTER PLAN	150	150									300	300	0
20070100	EMPIRE PLANT EXP->1000											0	0	0
950100	SOUTHEAST REGIONAL PLANT	3,800	9,021	14,149	14,013	13,879	3,838					59,400	54,862	3,838
970100	SOUTHEAST REGIONAL PLANT INTERCEPTORS	900	865	2,453	4,959	4,920	1,509					15,606	14,097	1,509
20080100	STILLWATER PLANT EXPANSION>2000											0	0	0
SOUTHWEST AREA														
910200	BLUE LAKE/SENECA SOLIDS PROCESSING FACILITIES	406	1,200	39,500								43,000	41,106	0
970400	BLUE LAKE PLANT GRIT REMOVAL	250	900	50								1,200	1,200	0
970900	SOUTHWEST AREA MASTER PLAN	250	250									500	500	0
20070200	BLUE LAKE EXPANSION>2000											0	0	0
920400	WACONIA INTERCEPTOR IMPROVEMENTS	4,400	700									6,200	5,100	0
920500	SHAKOPEE LS & FM IMPROVEMENTS	1,325	5									2,719	1,330	0
920600	CHASKA PLANT PHASE OUT	1,957	6,281	2,950								20,493	11,188	0
900300	BLOOMINGTON RIVER SIPHON	400	100									8,267	500	0
SYSTEMWIDE														
980300	TREATMENT PLANT REHABILITATION-REGIONAL		1,061	1,624	1,922	1,980						6,587	6,587	0
960500	SMALL SYSTEMWIDE IMP	3,114	3,195	3,291	3,390	3,491						22,311	16,481	0
980400	INTERCEPTOR REHAB-MAJOR		1,971	3,249	6,936	9,522						21,678	21,678	0
900100	INTERCEPTOR INSPECTION & REHABILITATION PROGRAM	1,550	1,597	1,644	1,694	1,745						12,782	8,229	0
TREATMENT PLANT COSTS		34,707	46,196	75,773	39,139	45,090	38,260	33,577	58,373	60,124	24,700	498,907	240,905	215,033
INTERCEPTOR COSTS		25,834	30,046	27,368	21,520	17,932	1,509	0	0	0	0	157,137	121,900	1,509
TOTAL COSTS(9/19/96)		59,741	76,242	103,141	60,658	63,022	39,769	33,577	58,373	60,124	24,700	656,044	362,804	216,542

*All costs in thousands of dollars

PROJECTED ANNUAL EXPENDITURES IN 1997-2001 CAPITAL IMPROVEMENT PROGRAM

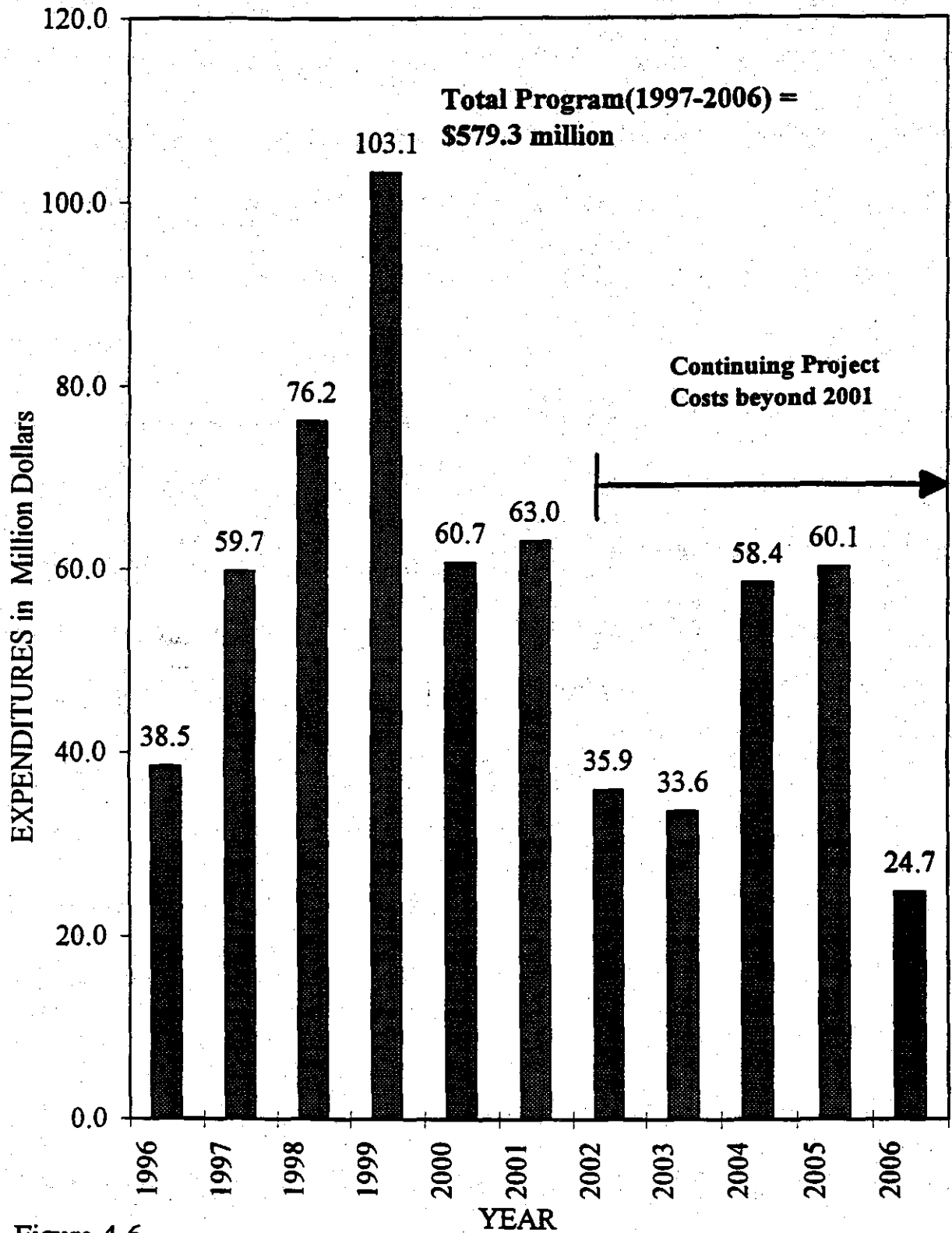


Figure 4-6.

PROJECT AND FUNDING ACTIONS: STUDIES, FACILITY PLANS AND OTHER CHANGES

Under the procedures for the former *Implementation Plan* for the MWCC, in order to become officially approved for design and construction, proposed projects were first approved in system improvement studies to allow subsequent facility planning. The resultant facility plans were then approved as part of the *Implementation Plan*. Following approval of the facility plans, projects were cleared for implementation without further approvals unless the project scope, costs or timing deviated significantly from the originally approved facility plans. The projects in 1997-2001 Capital Improvement Program fall into various stages of approval or status under this approach, as shown by the information in Tables 4-2 through 4-4.

The information in Tables 4-2 through 4-4 is intended to represent the latest status and assessment of the five-year capital program nature, timing and costs. Consequently, it represents the program proposed for future implementation. The specific approvals for changes to projects not previously approved for official inclusion in the former *Implementation Plan*, or subsequently approved in 1995 or 1996 by the Council as part of the Capital Improvement Program, are the following:

Two studies to begin in 1997:

Empire Area Master Plan, Project 970200
Southwest Area Master Plan, Project 970900

Facility planning for four projects:

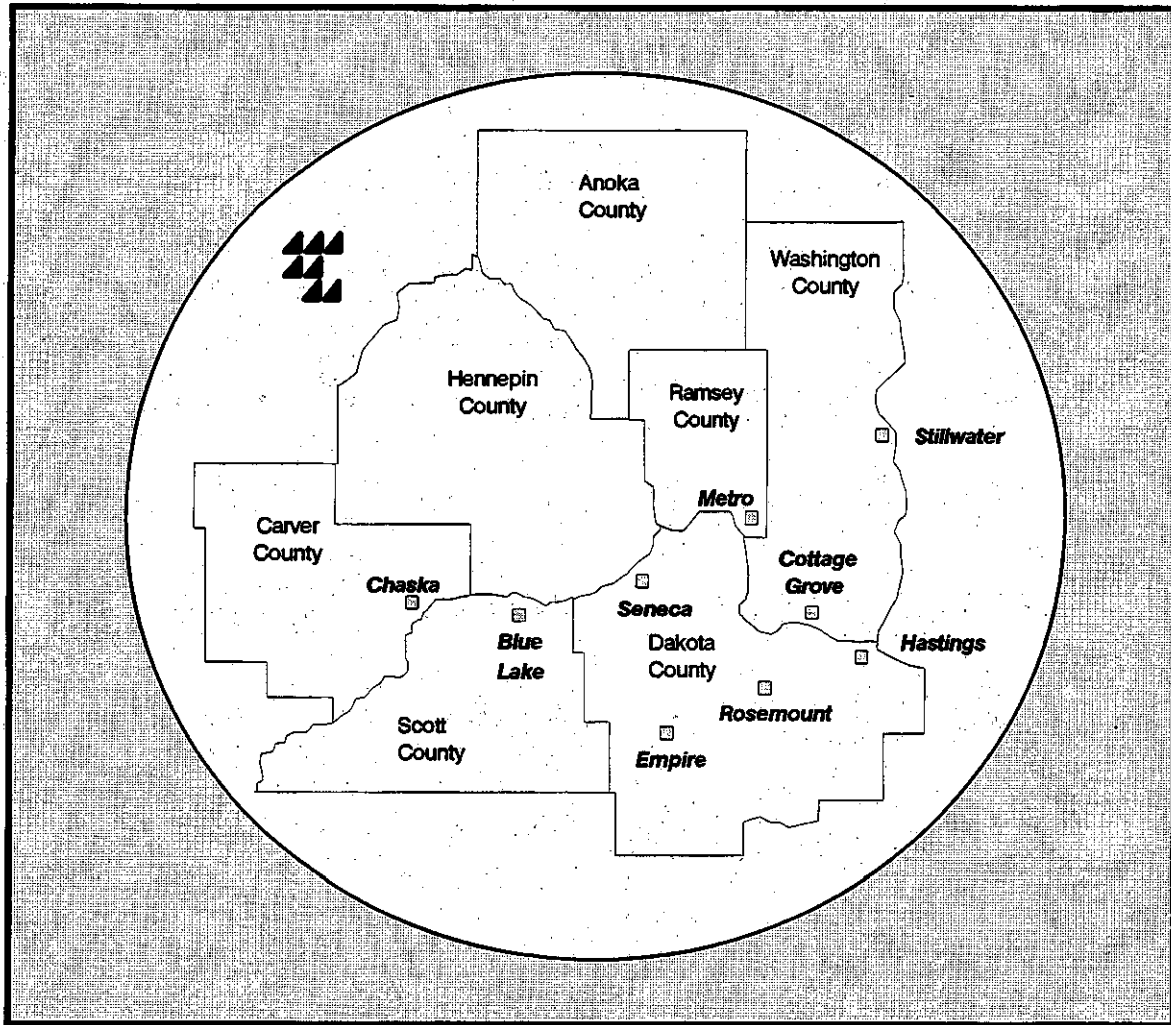
MWWTP Liquid Treatment, Project 970600
Centerville Interceptor Improvements, Project 970800
MWWTP Solids Processing Improvements, Project 970300
Southeast Regional Plant Interceptors, Project 970100

Implementation Through Construction for six projects:

Blue Lake/Seneca Solids Processing, Project 910200
Blue Lake Grit Removal, Project 970400
Elm Creek Interceptor , Project 900400(through Phase 2)
Empire Plant Expansion, Project 940100
MWWTP Effluent Pump Station Improvements, Project 950800
MWWTP Process Control System, Project 910800

The projected cost of the 1997-2001 CIP to complete all projects is estimated to be \$579.3 million, as shown graphically in Figure 4-6. The estimated cost to complete the ongoing and proposed new work in the 1997 Capital Budget is \$259 million. The new funding authorizations required to support the program in 1997 is \$82.8 million. The actual amount of capital expenditures in 1997 is projected as \$59.7 million. The basis for existing and new funding authorizations for 1997 are summarized in Appendix A. The capital expenditures proposed to implement the 1997 Capital Budget leave about \$321 million in future funding authorizations to implement the total 1997-2001 CIP, as presently planned.

Metropolitan Council Environmental Services



Proposed 1997 Capital Budget

September 24, 1996

Metropolitan Council
Mears Park Centre, 230 East Fifth Street
St. Paul, Minnesota 55101

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

I. Introduction

The Metropolitan Council is the regional agency responsible for the collection, treatment and disposal of municipal wastewater and residuals in the seven-county Twin Cities Metropolitan Area. In 1994 the Metropolitan Council adopted the *Regional Blueprint*, its action plan for the region. It includes short and long-term strategies to meet the challenges of enhancing economic growth and development, bolstering reinvestment, strengthening environmental protection, and building stronger local and regional communities. The *Regional Blueprint* presents goals for the region and outlines policies and action steps to guide the Council's decision-making. It provides leadership to sustain and improve the livability of the region in the following key areas:

Blueprint Goals and Objectives

- o Encourage economic growth, increased productivity and job creation through a regional economic strategy.
- o Foster reinvestment in distressed parts of the region, with a focus on supporting and improving local business.
- o Expand life-cycle housing opportunities and housing choices for lower-income people throughout the region.
- o Strengthen communities through land use planning and neighborhood connections.
- o Preserve the natural environment and incorporate environmental features into the development and redevelopment of the region.
- o Provide financially sound public facilities that support business growth and overall regional development.

Source: Metropolitan Council Regional Blueprint

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

As shown in Figure 1, the *Water Resources Management Policy Plan* provides the policies and action steps needed to achieve the *Regional Blueprint* goals. The *Water Resources Management Plan* provides a framework to manage capital investments and services of the regional sewer system. It establishes the responsibility to safeguard our current human and physical resources, as well as to meet growing environmental demands and changing population needs. The *Water Resources Management Plan* is being developed concurrently with the Capital Improvement Program.

The Capital Improvement Program (CIP) is comprised of projects, facility plans, studies, program costs and support activities that are planned over the next five year period. The driving forces for the Capital Improvement Program and Capital Budget are shown in Figure 2. The major categories of need addressed by the CIP are as follows:

Major Categories of Need

- o Upgrades to meet new regulatory requirements
- o Rehabilitation and replacement of facilities to insure continued compliance with current regulatory requirements
- o Expansion of facility capacity to serve planned growth
- o Five-year Rate Policy
- o Proposed Five-year Plan for Allocating Resources

Source: MCES 1997-2001 Capital Improvement Program

It should be noted that planning is an important component in the development of the Capital Improvement Program. As shown in Figure 2, both master planning and facility planning provide input into the CIP. The annual Capital Budget carries out the capital investment component of the CIP. It provides the funding authorization for project planning, design and construction.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

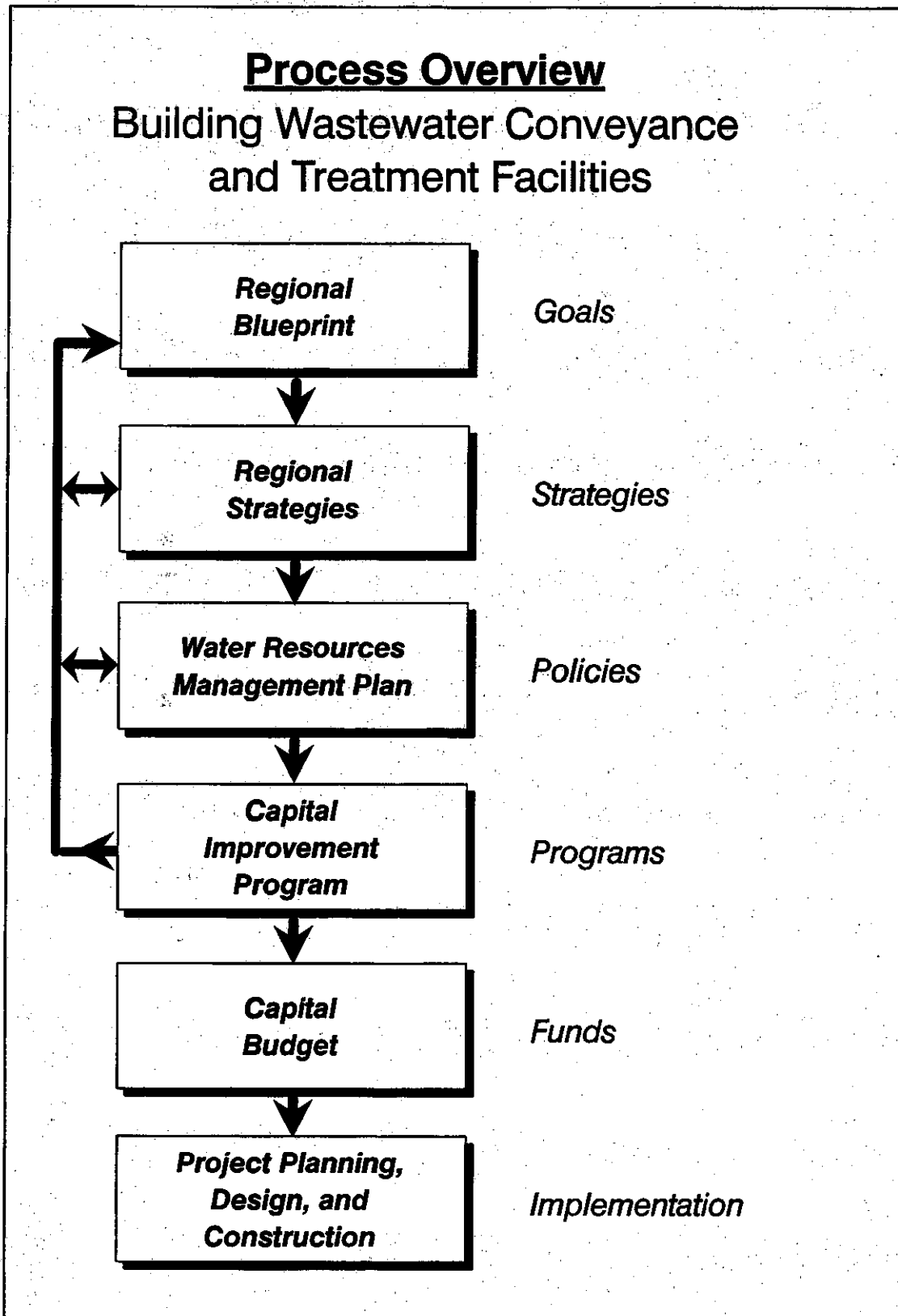


Figure 1

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

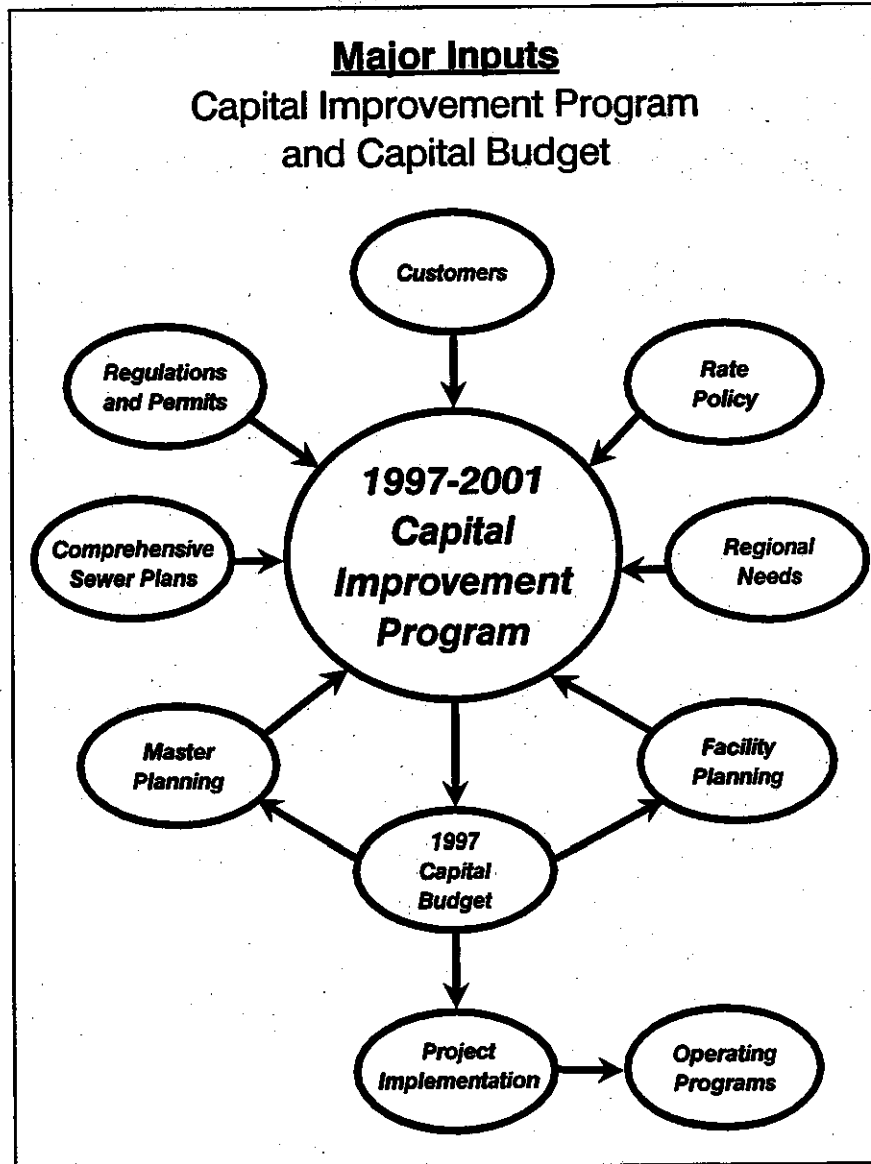


Figure 2

II. Capital Budget Approval Process

The Capital Program is comprised of various studies, projects, and capital support activities. Individual projects are described in terms of timing and costs as they relate to the Capital Improvement Program (CIP). Proposed capital improvement projects go through a highly structured review process before inclusion in the CIP and the subsequent authorization in the capital budget. In developing program budgets, each project goes through a series of internal cost reviews and analysis. The 1997-2001 CIP and 1997 Capital Budget approval process and schedule is shown in Figure 3.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

The budget process started in June, 1996 with the initial budget preparation. The public participation program will include public input sessions in September and October, 1996. The Metropolitan Council Environment Committee is slated to discuss the proposed CIP and capital budget and associated policy issues at its meetings in September and October, 1996. The full Metropolitan Council Board will discuss the Unified CIP and Capital Budget at its October, 1996 meetings. A public hearing is scheduled to be held on December 5, 1996. The Metropolitan Council Board will act on the Unified CIP and Capital Budget at its December 19, 1996 meeting.

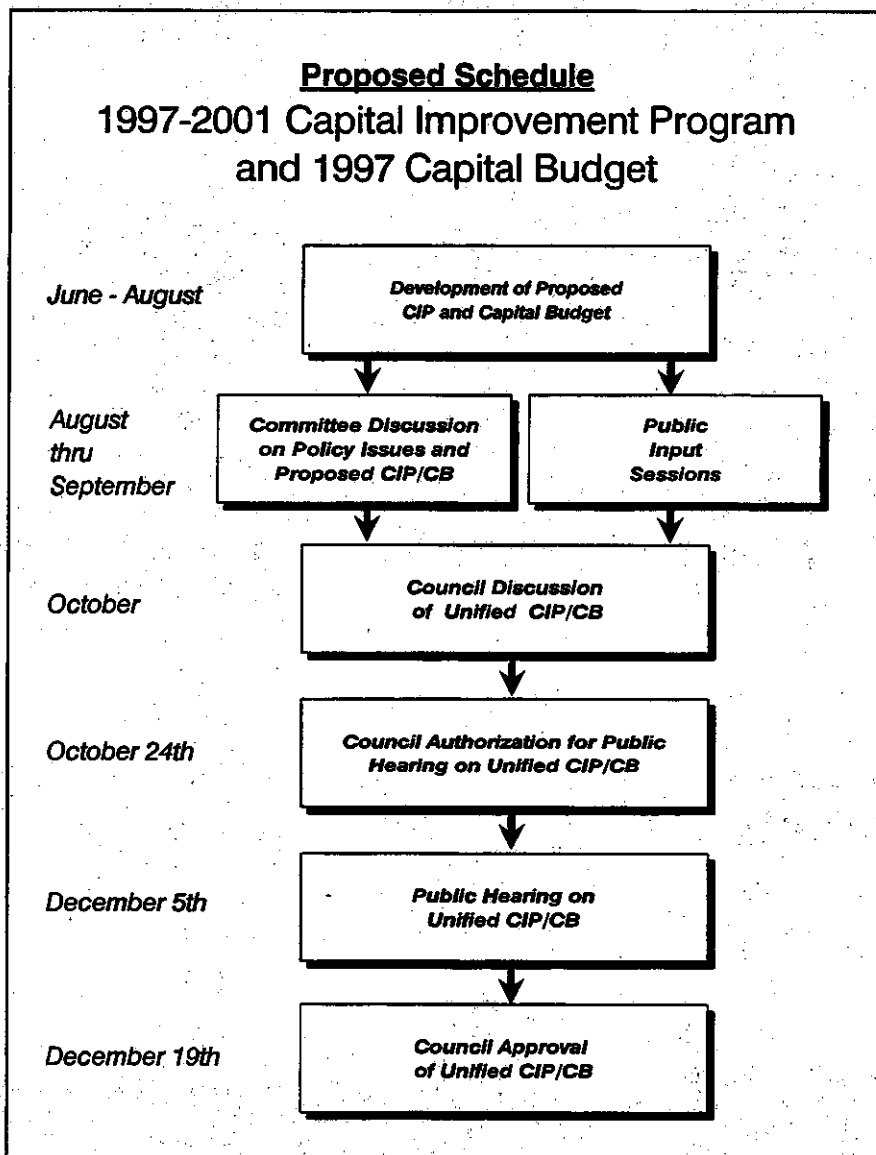


Figure 3

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

III. Program Management Recommendations

A. Introduction

In 1993 the Metropolitan Council Environmental Services (MCES) embarked on a program management study to redesign the capital project delivery system. With an ever increasing demand for capital expenditures (due to capacity, regulatory, and infrastructure maintenance requirements), the MCES needed to propel its capital project delivery system to a higher level of performance. The key to MCES' future success and competitiveness will be its ability to introduce high quality capital projects more efficiently. In order to ensure our continued ability to serve our customers, the Capital Project Delivery System must be:

- o Customer Focused
- o Cost Effective
- o State-of-the-Art

The recommended method to improve the capital project delivery process is called the CORE Approach. Better planning, not moving faster, speeds up the delivery of a project and reduces the overall project cost. The CORE Approach makes this possible.

B. Core Approach

The CORE Approach is based on the philosophy that high quality and competitive capital project delivery requires:

Commitment - a commitment to success and efficiency by setting project goals and objectives that are consistently met or exceeded.

Operational Efficiency - improved operational effectiveness by focusing on customer needs and eliminating non-value added work activities.

Responsibility - acceptance of responsibility and accountability for results.

Excellence - creation of excellence through a total commitment to customer satisfaction and continuous process improvement.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

The goals of the CORE Approach are provided as follows:

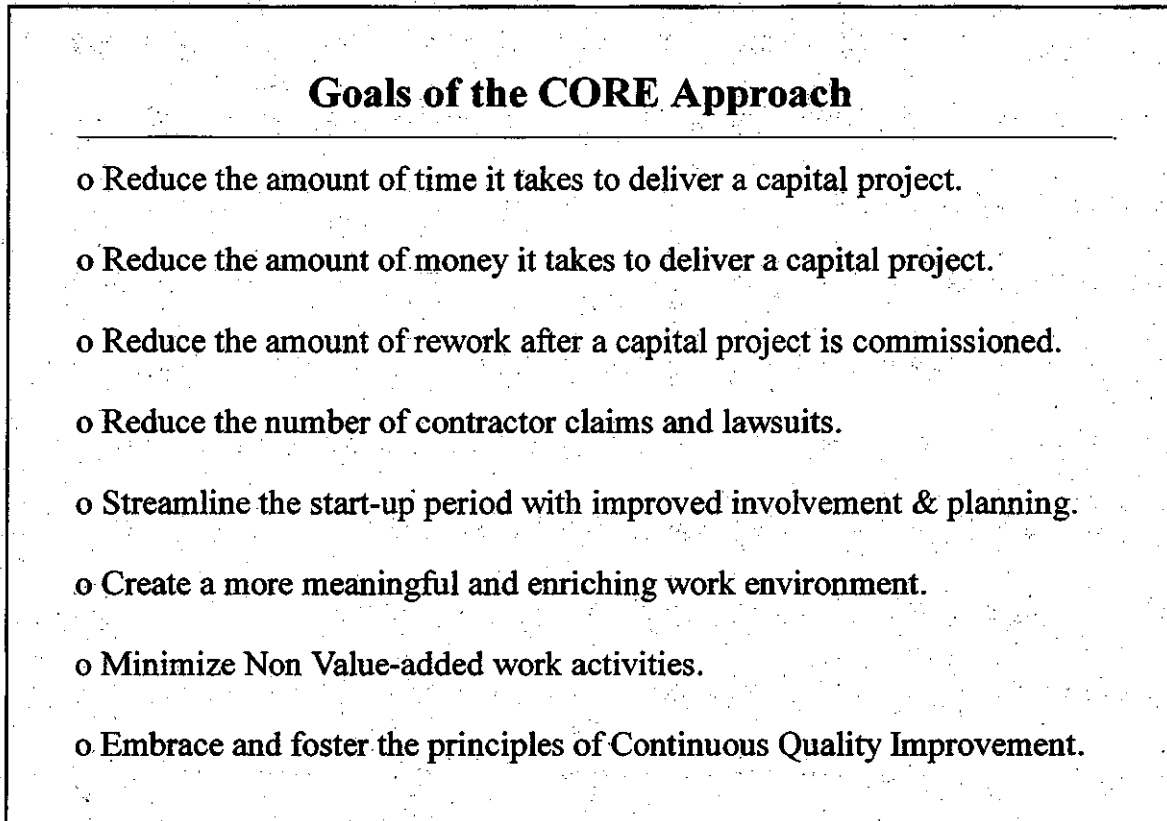


Figure 4

C. Area Conveyance and Treatment Planning

An improved capital project delivery process begins with an improved planning process. The maintenance, expansion, and upgrading of the MCEs' conveyance and treatment facilities generate multiple capital projects with varying degrees of complexity. The planning for these projects requires integration between plants, interceptors, and the related Council planning/policy initiatives, including the *Regional Blueprint*, *Regional Growth Management Strategy*, and the *Water Resources Management Policy Plan*.

Under the CORE Approach, "Area Conveyance and Treatment Plans" will be utilized to accomplish regional planning for wastewater facilities. An area plan will document the needs of the area, the resources needed to accomplish those needs, and implementation schedules. It will define all capital projects that will provide a useful service to a particular area, as well as a strategy for delivering those capital projects.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

Three wastewater service areas are proposed:

Wastewater Service Areas

Southwest Area

Minnesota River:

Blue Lake and Seneca plants, and their contributing systems.

East Area

St. Croix, Vermillion, and Lower Mississippi Rivers:

Stillwater, Hastings, and Empire plants, the future Southeast Regional Plant, and their contributing systems.

North Area

Upper Mississippi River:

Metro Plant and its contributing systems.

Each area plan will consider the overall needs of the area and region. All of the Metropolitan Council's planning issues with regard to bus service, road improvements, and housing needs in conjunction with community comprehensive planning, will be included in each area plan in an overall strategy to address the needs of that area. The three service areas are shown in Figure 5.

D. Teams

A key element of the CORE Approach is the use of teams to accomplish the planning process and for project management. The use of teams for planning purposes enables direct participation by representatives of the varied groups that have an interest or a "stake" in the planning outcome. These "stakeholder" groups influence the ultimate success or failure of a given capital project. Over the life of a project, early and informed stakeholder participation yields substantial cost and time savings.

The capital project delivery system has multiple levels of action and impact. At the broadest level, capital project delivery is directly related to a number of public

Wastewater Service Areas

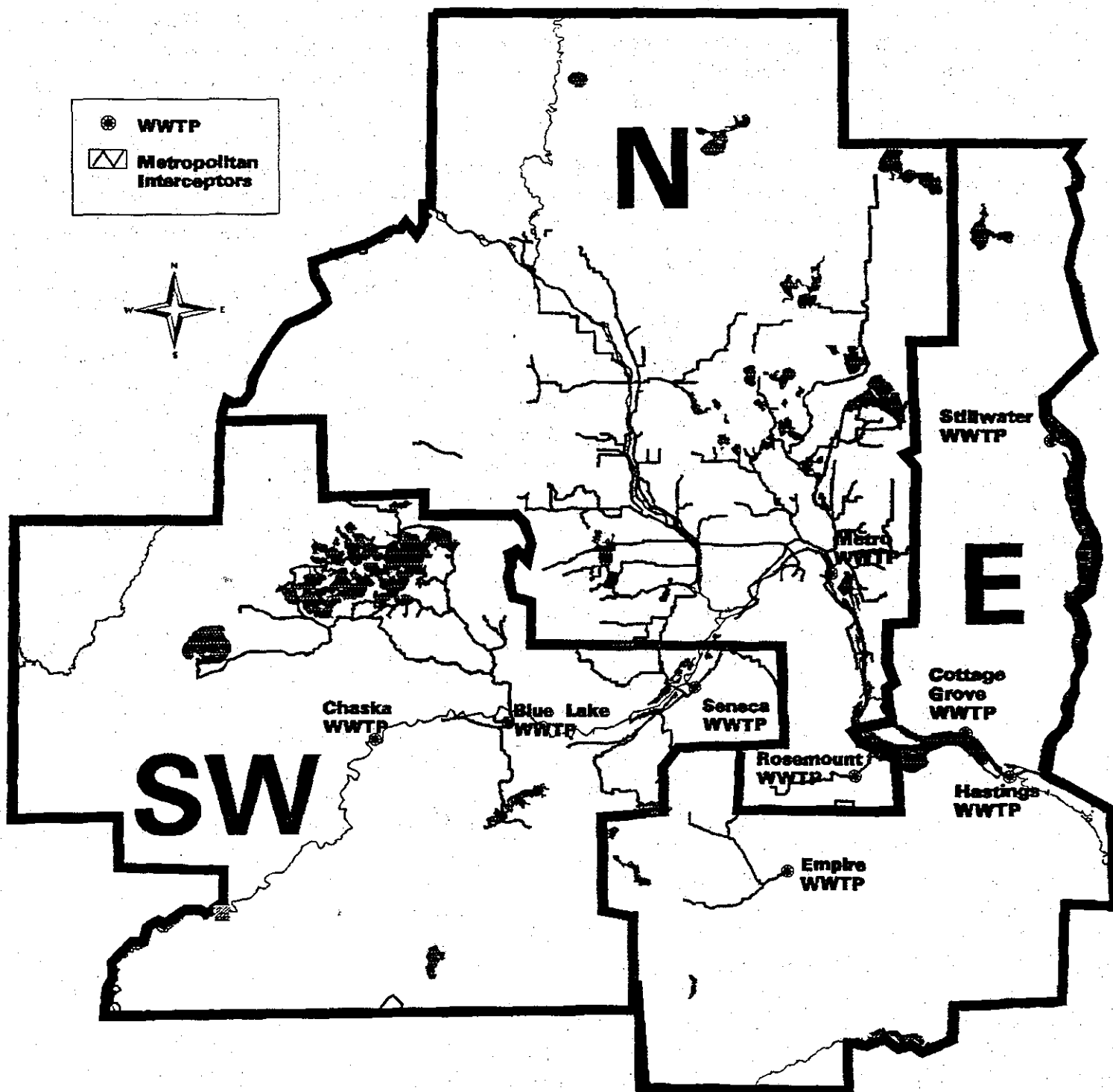


Figure 5

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

policy issues such as community development, utility rates, environmental quality, and competitive government. The plans and decisions by MCES regarding capital expenditures need to be coordinated and consistent with policy and regional plans such as the Regional Blueprint. Under the CORE Approach, the *Capital Strategy Planning Team* is responsible for regional wastewater planning and oversight.

The next level of planning activity fills the planning needs between the regional perspective and project specific work by dividing the region into the three wastewater service areas, discussed above (i.e. Southwest Area, East Area, and North Area). Each *Area Wastewater Planning Team* would be responsible for planning and coordinating capital projects for customers in their respective area.

The most basic level of activity in the capital project delivery system is the *project-specific* level. This is the level where daily project coordination and execution take place. The *Core Team* has the primary responsibility for the project's day-to-day activities.

The relationships between the teams are provided in Figure 6.

E. Project Development

Based on Program Management recommendations, as described in the CORE Approach, capital project development consists of three major actions.

1. Development and regular updating of area-wide plans and treatment plant master plans, which define project need and approximate cost and timing.
2. Development and adoption of project specific facility plans consistent with the area-wide plans and the treatment plant master plans.
3. Project implementation, which delivers the projects through one of three procurement options:
 - o Public ownership and financing, using design-bid-build procurement.
 - o Public ownership and financing, using design-build procurement.
 - o Private ownership and financing, using competitive proposal process for procurement.

The project development process is summarized in Figure 7.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

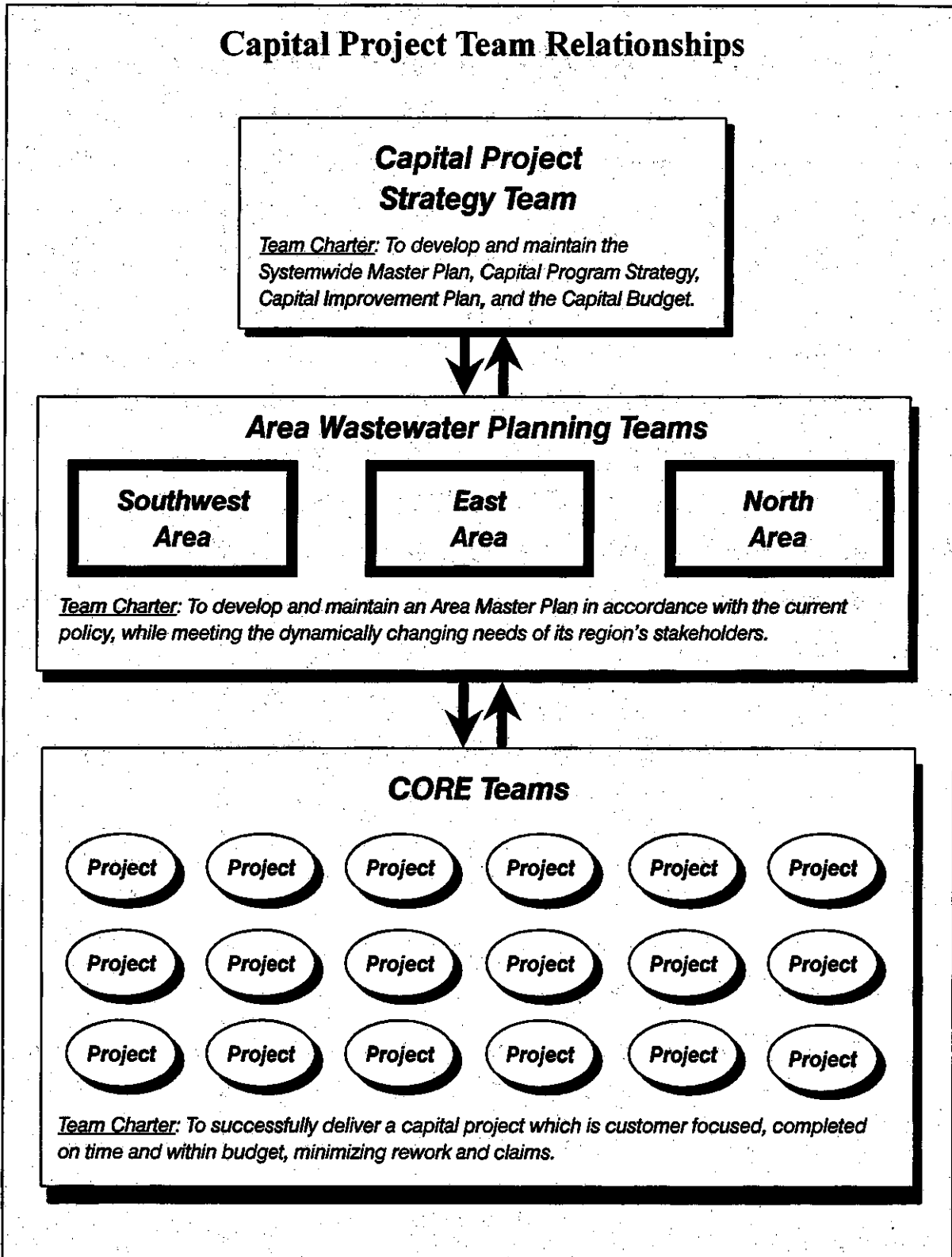


Figure 6

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

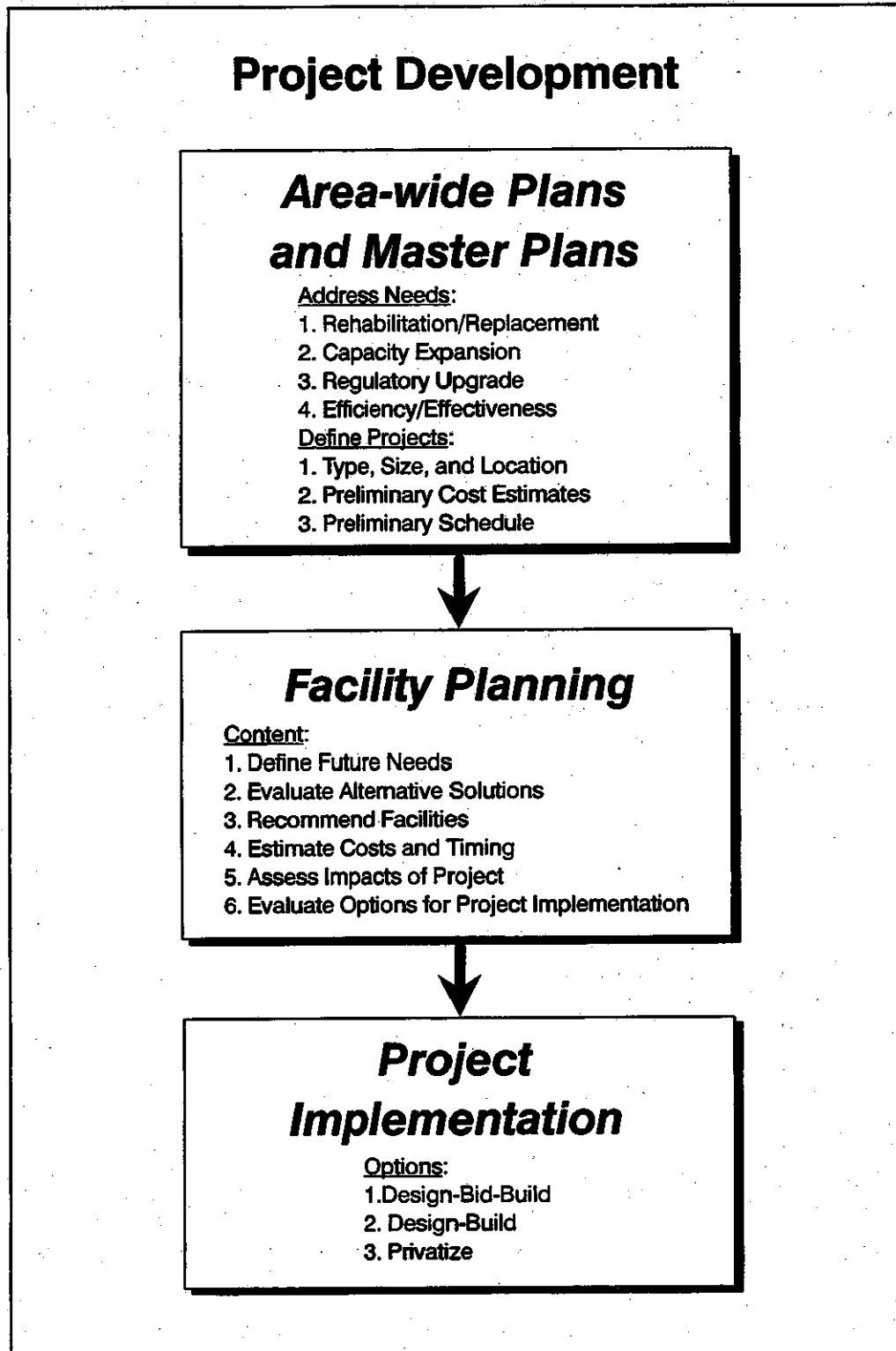


Figure 7

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

IV. 1997 Changes in Authorization

A. Overview

The proposed 1997 Capital Program covers only new authorizations. The new authorizations are either for new projects or are adjustments to previously approved capital projects. Wastewater treatment facilities typically require five to ten years to plan, design, and construct. The proposed 1997 Capital Program consists of changes to the authorization of 20 major projects. There are seven new projects and thirteen projects that were authorized prior to 1997. The approved authorization changes to the Capital Program can be summarized as follows:

Proposed 1997 Capital Program

1. Authorizes Seven (7) New Projects	
o Blue Lake WWTP Grit Removal (Steps II and III)	\$1,200,000
o Centerville Interceptor Improvements (Step I)	200,000
o Empire Area Master Plan (Step I)	300,000
o MWWTP Liquid Treatment (Step I)	500,000
o MWWTP Solids Processing Improvements (Step I)	800,000
o Southeast Regional Plant Interceptors (Step I)	900,000
o Southwest Area Master Plan (Step I)	500,000
2. Authorizes Construction (Step III) for:	
o Blue Lake/Seneca Solids Processing	\$40,000,000
o Elm Creek Interceptor (Phase 2)	9,700,000
o Empire WWTP Expansion	13,100,000
o MWWTP Effluent Pump Station	1,850,000
o MWWTP Process Control System (Phases 2, 3, & 4)	24,500,000
3. Budget Adjustments to Eight (8)	
Other Existing/Ongoing Projects	(\$10,014,700)
<hr/>	
Total New Authorizations:	\$82,835,300

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B. Project Breakdown

Seven projects in the Capital Program are new; the other twelve projects were authorized prior to 1997 but are still "open" pending completion. Because projects are authorized on a step-by-step basis, the current capital budget authorization may represent only a portion of the final cost. Table 1 identifies each project in the Capital Program with a proposed change to its authorization, and then sorts them into the following categories:

- I. Continuing Projects in Planning
- II. Continuing Projects in Construction
- III. Continuing Projects moving from Design to Construction
- IV. New Projects
- V. Ongoing and Special Projects

Table 1 also provides a capsule summary of each project's financial status: its previous authorization; proposed 1997 authorization adjustment; estimated 1997 Capital Budget expenditures; and its future authorized expenditures.

The 1997 Capital Program adjustments were due to a variety of reasons including ongoing programs that required an annual authorization; updated cost estimates; refinement of the program scope; authorization to proceed to the program's design and/or construction phase; and adjustments for as-bid costs. As shown in Table 1, the increase is primarily attributable to the transition projects (i.e. projects moving from one phase to the next) and to the new projects. The proposed 1997 Capital Program provides for a total of \$82.8 million in new authorizations.

Further detailed information, on each of the projects that comprise the 1997 Capital Program, as well as open projects from the previously authorized capital programs, is included in *Appendix* located at the end of this report. An individual data sheet has been prepared for each project. Each data sheet includes the project's title, project number, capital budget authorization (previous, 1997 Capital Program authorization adjustment request, and future), objectives, priority analysis, and its expenditure schedule. The expenditure schedule includes both the current authorization and future expenditures (if authorized). A location map is also provided for each project.

Table 1 - 1997 Capital Program: Summary of Authorizations

I. Continuing Projects in Step I Planning

Project #	Project Name	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost	Notes
9501	Southeast Regional WWTP	\$3,700,000	\$1,000,000	\$4,700,000	\$700,000	\$3,800,000	\$200,000	\$54,700,000	\$59,400,000	
Subtotal:		\$3,700,000	\$1,000,000	\$4,700,000	\$700,000	\$3,800,000	\$200,000	\$54,700,000	\$59,400,000	

II. Continuing Projects in Step III Construction

9003	Bloomington Siphon	\$9,850,000	(\$1,200,000)	\$8,650,000	\$7,767,309	\$400,000	\$482,691	\$0	\$8,650,000	
9004	Elm Creek Interceptor	\$8,400,000	\$9,700,000	\$18,100,000	\$958,841	\$7,050,000	\$10,091,159	\$10,179,149	\$28,279,149	
9108	MWWTP Process Control System	\$17,500,000	\$24,500,000	\$42,000,000	\$7,503,014	\$5,325,000	\$29,171,986	\$0	\$42,000,000	
9506	MWWTP Secondary Treatment Improve.	\$49,850,000	(\$8,850,000)	\$41,000,000	\$17,283,390	\$12,320,000	\$11,396,610	\$0	\$41,000,000	
9509	MWWTP RBS Sustainability	\$2,664,000	(\$1,064,000)	\$1,600,000	\$203,496	\$940,000	\$456,504	\$0	\$1,600,000	
9207	MWWTP/Mpls. Meter Improvements	\$7,100,000	\$900,000	\$8,000,000	\$1,659,665	\$2,766,000	\$3,574,335	\$0	\$8,000,000	
9205	Shakopee LS & FM Improvements	\$2,400,000	\$200,000	\$2,600,000	\$1,269,890	\$1,325,000	\$5,110	\$0	\$2,600,000	
Subtotal:		\$97,764,000	\$24,186,000	\$121,950,000	\$36,645,605	\$30,126,000	\$55,178,395	\$10,179,149	\$132,129,149	

III. Continuing Projects moving to Step III Construction

9102	Blue Lake/Seneca Solids Processing	\$3,000,000	\$40,000,000	\$43,000,000	\$1,894,000	\$406,000	\$40,700,000	\$0	\$43,000,000	1
9401	Empire WWTP Expansion	\$1,600,000	\$12,400,000	\$14,000,000	\$250,000	\$2,150,000	\$11,600,000	\$0	\$14,000,000	
9508	MWWTP Effluent Pump Station	\$200,000	\$1,850,000	\$2,050,000	\$140,000	\$1,910,000	\$0	\$0	\$2,050,000	
Subtotal:		\$4,800,000	\$54,250,000	\$59,050,000	\$2,284,000	\$4,466,000	\$52,300,000	\$0	\$59,050,000	

IV. New Projects

9704	Blue Lake WWTP Grit Removal	\$0	\$1,200,000	\$1,200,000	\$0	\$250,000	\$950,000	\$0	\$1,200,000	2
9708	Centerville Interceptor Improvements	\$0	\$200,000	\$200,000	\$0	\$200,000	\$0	\$4,600,000	\$4,800,000	3
9702	Empire Area Master Plan	\$0	\$300,000	\$300,000	\$0	\$150,000	\$150,000	\$0	\$300,000	3
9706	MWWTP Liquid Treatment	\$0	\$500,000	\$500,000	\$0	\$150,000	\$350,000	\$0	\$500,000	3
9703	MWWTP Solids Processing Improvements	\$0	\$800,000	\$800,000	\$0	\$800,000	\$0	\$185,931,000	\$186,731,000	3
9701	Southeast Regional Plant Interceptors	\$0	\$900,000	\$900,000	\$0	\$900,000	\$0	\$14,706,000	\$15,606,000	3
9709	Southwest Area Master Plan	\$0	\$500,000	\$500,000	\$0	\$250,000	\$250,000	\$0	\$500,000	3
Subtotal:		\$0	\$4,400,000	\$4,400,000	\$0	\$2,700,000	\$1,700,000	\$205,237,000	\$209,637,000	

Table 1 - 1997 Capital Program: Summary of Authorizations

V. Ongoing Programs and Special Projects

Project #	Project Name	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost	Notes
9001	Interceptor Inspection & Rehabilitation Program	\$6,000,000	(\$1,000,000)	\$5,000,000	\$441,634	\$1,550,000	N/A	N/A	N/A	4
9407	MWWTP Master Plan	\$2,700,700	(\$700)	\$2,700,000	\$1,759,579	\$350,000	\$590,421	\$0	\$2,700,000	
---	Small Systemwide Improvement Program	\$9,450,000	\$0	\$9,450,000	\$6,336,220	\$3,113,780	N/A	N/A	N/A	5
Subtotal:		\$8,700,700	(\$1,000,700)	\$7,700,000	\$2,201,213	\$1,900,000	\$590,421	\$0	\$2,700,000	

Summary

Project Type	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost	Notes
I. Continuing Projects in Step I Planning	\$3,700,000	\$1,000,000	\$4,700,000	\$700,000	\$3,800,000	\$200,000	\$54,700,000	\$59,400,000	
II. Continuing Projects in Step III Construction	\$97,764,000	\$24,186,000	\$121,950,000	\$36,645,605	\$30,126,000	\$55,178,395	\$10,179,149	\$132,129,149	
III. Continuing Projects moving to Step III Construction	\$4,800,000	\$54,250,000	\$59,050,000	\$2,284,000	\$4,466,000	\$52,300,000	\$0	\$59,050,000	
IV. New Projects	\$0	\$4,400,000	\$4,400,000	\$0	\$2,700,000	\$1,700,000	\$205,237,000	\$209,637,000	
V. Ongoing Programs and Special Projects	\$8,700,700	(\$1,000,700)	\$7,700,000	\$2,201,213	\$1,900,000	\$590,421	\$0	\$2,700,000	
1997 Capital Program Authorization Subtotals:	\$114,964,700	\$82,835,300	\$197,800,000	\$41,830,818	\$42,992,000	\$109,968,816	\$270,116,149	\$462,916,149	
Projects from Previously Authorized Capital Programs:	\$61,301,000	\$0	\$61,301,000	\$31,143,074	\$16,748,755	\$13,409,171	\$14,362,768	\$80,663,768	6
Grand Totals:	\$176,265,700	\$82,835,300	\$259,101,000	\$72,973,892	\$59,740,755	\$123,377,987	\$284,478,917	\$543,579,917	

Notes:

1. The total project cost is contingent upon the public ownership/financing option selected by the Metropolitan Council.
2. Authorization is for Step II Design and Step III Construction.
3. Authorization is for Step I Planning.
4. This is an on-going program, each year completed projects are closed-out and taken out of the budget and new projects are added. In addition, starting in 1997, the inspection work, for all but the deep interceptors, will be performed under the operating program. This resulted in \$1.0 million being transferred from this budget to the operating budget. The 1997 Capital Program includes \$5.0 million for this program, with \$2.9 million earmarked for the deep interceptor inspection activities and approximately \$2.1 million for the rehabilitation work arising out of the inspections.
5. This is another on-going program, each year completed SSIP projects are closed-out and taken out of the budget and new SSIP projects are added. The 1997 Capital Program includes \$9.5 million for this program or the same level of funding that was authorized in the 1996 Capital Program. Approximately \$5.2 million dollars worth of existing SSIP projects will be closed-out and taken out of the budget at the end of 1996. Including all steps, approximately \$6.8 million of existing SSIP projects remain in the budget. That leaves an estimated \$2.6 million for new SSIP projects. Actual expenditures on SSIPs are approximately \$3.0 - \$3.5 million per year.
6. Refer to Appendix E for the Authorization and Expenditure Summary for all capital program projects.

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The project data sheets have been indexed in accordance with the wastewater service area the project is located in. The index of projects is as follows:

- Appendix "A"** - Southwest Service Area Projects
- Appendix "B"** - East Service Area Projects
- Appendix "C"** - North Service Area Projects
- Appendix "D"** - Areawide Projects

V. Project Priority

A. Project Benefit Considerations

The project priority system, developed as part of last year's capital budget process, will be used to rank the projects for the 1997 Capital Budget. The priority system incorporates evaluation criteria, to rate projects by category or project benefit. The priority system utilizes the following three project benefit categories:

Benefit Categories

o Category 1 - Compliance Achievement (Weight = 2)

These projects must be done in order to achieve compliance with enforceable laws, regulations, permits, and agreements. If the project is delayed, the Council could be liable for damages, fines, or other legal enforcement actions.

o Category 2 - Rehabilitation/Replacement (Weight = 1.5)

These are rehabilitation/replacement projects to maintain compliance with enforceable laws, regulations, permits, and agreement. If the project is delayed, the Council increases its risk of non-compliance with enforceable laws, regulations, permits and agreements. These are rehabilitation and/or replacement type projects that service the existing sewer users.

o Category 3 - System Expansion (Weight = 1)

These expansion/growth projects support new development in accordance with Council approved comprehensive sewer plans or agreements. If the project is delayed the Council may not meet the projected community service needs.

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B. Evaluation Criteria

Each project, that was not under construction or a planning study, was evaluated utilizing criteria tailored to the applicable category in which the project provides benefit. The evaluation criteria that was used is as follows:

Evaluation Criteria

- o Risk of Delay - Measure of the need to maintain the proposed schedule. Risk of regulatory enforcement action for non-compliance, including penalties and increased project costs. Risk of adverse impact on customer relations, if customer capacity and/or service needs are not met.
- o Operating Efficiency - Measure of the projected cost savings from the project, either through reduction of current operating costs or avoidance of future operating costs.
- o Operating Effectiveness - Measure of the value added from the project, including: (a) increased flexibility to meet changing requirements; (b) increased reliability to reduce the likelihood of sewage backups, bypasses, and process upsets; (c) improved working conditions; (d) improved safety; (e) improved flow metering; (f) reduction of odors, noise, and other adverse impacts on our customers.
- o Inter-Governmental Coordination - Coordination of trunk sewer and interceptor construction and cost sharing to optimize local and regional costs. Coordination of interceptor construction with highway construction and similar measures which minimize costs and disruption.

The evaluation criteria was further defined to guide the priority analysis. These definitions are provided in Table 2.

It should be noted, that if the evaluation criteria under a benefit category is not applicable, the evaluation rating is zero points. The results of the evaluation is summarized in Table 3.

Table 2
Evaluation Criteria Definitions

Criteria	Compliance	Rehab/Replacement	Expansion
<p><u>Risk of Delay</u> <i>High (4-5 points)</i></p> <p><i>Medium (2-3 points)</i></p> <p><i>Low (0-1 points)</i></p>	<p>Stringent regulatory compliance schedule with little room for delay. Conditions explicitly agreed to by Council, so that missing compliance date has high probability of enforcement action.</p> <p>Regulatory compliance schedule has some room for unforeseen delay. Regulatory circumstances have some uncertainty and/or opportunity for negotiation, so that enforcement action is less probable or severe.</p> <p>Regulatory compliance schedule is not stringent. Enforcement action is unlikely in near-term.</p>	<p>Equipment is obsolete and/or unreliable. Replacement parts are difficult or impossible to obtain. Structural condition of facility is poor and has near-term potential for failure, e.g. impending sewer collapse due to corrosion deterioration. Failure would disrupt sewer service and/or would risk permit non-compliance, with potential for enforcement action.</p> <p>Equipment is near end of its useful life. Maintenance is becoming difficult and/or costly. Structure requires rehabilitation to insure its integrity. Failure could disrupt sewer service or cause permit non-compliance, but the risk of failure is less severe than above.</p> <p>Equipment and/or structure are experiencing increased maintenance and/or increased deterioration. Rehabilitation on proposed schedule will extend useful life and avoid severe problems that would eventually occur.</p>	<p>Project is needed as soon as possible to provide interceptor and/or wastewater treatment plant capacity to meet approved community growth needs. Collaboration with communities to reduce/re-direct growth is unlikely to accomplish deferral of project. Delay could disrupt sewer service and/or risk permit non-compliance, with potential for enforcement action.</p> <p>Normal project schedule is appropriate to provide interceptor and/or wastewater treatment plant capacity to meet approved community growth needs. Collaboration with communities provides opportunity to optimize project cost, sizing, location, and timing to best meet local and regional needs. Delay would cause moderate risk of above impacts.</p> <p>Schedule is conservative. Opportunity exists to handle unforeseen construction conditions or other delays and to collaborate with governmental units on project scope, sizing, location, cost, and timing.</p>
<p><u>Operating Efficiency</u> <i>High (3 points)</i> <i>Medium (2 points)</i> <i>Low (1 points)</i></p>	<p>Cost savings is high. Rapid payback is expected, or significant long-term savings is expected.</p> <p>Potential operating cost savings is significant. Longer payback is expected.</p> <p>Potential operating cost savings is significant, but is secondary benefit of project, i.e. payback is not the major driving force for the project.</p>		
<p><u>Operating Effectiveness</u> <i>High (3 points)</i> <i>Medium (2 points)</i> <i>Low (1 points)</i></p>	<p>Project is critical for improving customer relations by improving flow metering, reducing odors, or meeting other critical community needs.</p> <p>Project provides at least two of the following benefits, i.e. reliability, flexibility, working conditions, noise/odors, safety, and flow metering.</p> <p>Project provides at least one of the following benefits, i.e. reliability, flexibility, working conditions, noise/odors, safety, and flow metering.</p>		
<p><u>Inter-Governmental Coordination</u> <i>(0-3 points)</i></p>	<p>Rating depends on the relative magnitude of potential cost savings and criticality of coordination to successful implementation. For example, if an interceptor project would be very difficult to construct (e.g. easement acquisition problems) unless it is coordinated with imminent highway construction, the project would receive 3 points under this criteria.</p>		

Table 3 Project Priority Analysis

Program #	Program Name	Compliance (Wt. = 2)				Rehab/Replace (Wt. = 1.5)				Expansion (Wt. = 1)				Points
		Risk of Delay (0-5 Points)	Operating Efficiency (0-3 Points)	Operating Effectiveness (0-3 Points)	Inter-Governmental Coordination (0-3 Points)	Risk of Delay (0-5 Points)	Operating Efficiency (0-3 Points)	Operating Effectiveness (0-3 Points)	Inter-Governmental Coordination (0-3 Points)	Risk of Delay (0-5 Points)	Operating Efficiency (0-3 Points)	Operating Effectiveness (0-3 Points)	Inter-Governmental Coordination (0-3 Points)	
9001	Interceptor Facilities Inspection/Rehab					3	2	2	1					12
9505	Laboratory Services Facilities					3	2	2	1					12
9206	Chaska WWTP Phaseout (Stage III)									5	2	1	1	9
---	Small Systemwide Improve Projects					4	1	1	0					9
9501	Southeast Regional WWTP									5	0	1	2	8
9102	Blue Lake/Seneca Solids Processing									4	1	2	0	7
9208	Rosemount WWTP Phaseout									5	0	2	0	7
9401	Empire WWTP Expansion									5	0	1	0	6
9508	MWWTP Effluent Pump Station					3	0	1	0					6
9701	Southeast Regional Plant Interceptors	Project Priority Rating is Pending												
9703	MWWTP Solids Processing Improvements													
9704	Blue Lake WWTP Grit Removal													
9708	Centerville Interceptor Improvements													

* Used highest rating for each criteria

Points = Total Points for Four Criteria X Weight for Category

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C. Priority Ranking

Except for the new projects, the projects already under construction, and the planning studies, all of the capital projects were rated using this priority system. Based on the results of the project priority analysis, the projects were ranked from highest to lowest priority. The priority ranking is as follows:

Rank	Points	Project
1-2	12	Interceptor Inspection/Rehabilitation Program, Laboratory Services Facility
3-4	9	Chaska WWTP Phaseout (Stage III), Small Systemwide Improvement Projects
5	8	Southeast Regional WWTP
6-7	7	Blue Lake/Seneca Solids Processing, Rosemount WWTP Phaseout
8-9	6	Empire WWTP Expansion, MWWTP Effluent Pump Station

As noted above, the new projects have not been ranked. The *Capital Strategy Planning Team (CSPT)* is reviewing the priority system in light of the implementation of the CORE Approach. As envisioned, the *Area Wastewater Planning Team (AWPT)* will prioritize the projects in their area and submit the ranking to the CSPT. The AWPT will incorporate the *Regional Blueprint* considerations into the project priority system. The CSPT will take all of the projects from the three wastewater service areas and provide an overall ranking. The relationships between the CSPT and the AWPT are still in the development stage. Any changes to the priority system, along with a re-ranking of all the projects, should take place in the next three months.

VI. Small Systemwide Improvement Projects (SSIP)

A. Overview

Small Systemwide Improvement Projects (SSIP's) are projects which are relatively small scale in terms of schedule and costs. The SSIP's are typically in the category of rehabilitation/replacement projects or projects that improve the efficiency and/or the effectiveness of the interceptor and treatment facilities. Expenditures for SSIP's during the last three years have averaged \$3.5 million annually (1997 prices).

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B. 1997 SSIP Program

The SSIP program is an ongoing program, each year completed SSIP projects are deleted from the program and new projects and funding are recommended. The proposed 1997 Capital Budget includes \$9.5 million for Small Systemwide Improvement Projects (SSIP). This is the same level of funding that was authorized for SSIP projects in the 1996 Capital Budget.

It is anticipated, that at the end of 1996, approximately \$5.2 million dollars worth of existing SSIP projects will be closed-out and taken out of the budget. Including all steps, approximately \$6.8 million of existing projects remain in the budget. That leaves an estimated \$2.6 million for new SSIP projects. These numbers are tentative and subject to change as the year progresses.

A description of each of the existing projects currently in the SSIP program and the identified potential new SSIP's is provided in Appendix D.2 located at the end of this report. As always, only the highest priority SSIP's will be funded within the limits of the authorized SSIP program budget. Appendix D.2 also includes a list of the SSIP projects that are tentatively scheduled to be closed-out at the end of 1996.

VII. Interceptor Facilities Inspection and Rehabilitation Program

The existing *Interceptor Facilities Inspection and Rehabilitation Program* provided an ongoing systematic approach for the inspection and evaluation of the Metropolitan gravity interceptors, lift stations, forcemains, siphons, and meter stations. Depending upon the type and schedule requirements, the identified problem areas were either rehabilitated directly under this program; done under the SSIP program; or added to the capital budget as a major project. Starting in 1997, the inspection work has been transferred to the operating budget for all interceptor facilities, except the deep interceptors. This program will still contain funding to rehabilitate problem areas found during the inspection process.

The proposed 1997 Capital Budget includes \$5.0 million for this program. This compares to the \$6.0 million that was authorized for this program in the 1996 Capital Budget. The proposed \$5.0 million budget includes \$2.9 million for the deep interceptor inspection activities and approximately \$2.1 million for rehabilitation work arising out of the inspections conducted either here or under the operating budget.

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VIII. Projected 1997 Capital Budget

Expenditure levels rise and fall in response to the capital improvement needs of the Metropolitan Council Environmental Services. The proposed 1997 Capital Budget, which consists of the projected expenditures for all of the active projects in both the 1997 Capital Program and previously authorized capital programs, is as follows:

Projected 1997 Expenditures

\$ 43.0 million	1997 Capital Program
<u>\$ 16.7 million</u>	<u>Previously Authorized Programs</u>
\$ 59.7 million	Total 1997 Capital Budget

The entire expenditure forecast, for both the 1997 Capital Program and the previously authorized capital programs, is summarized in *Appendix E*

Fluctuations in expenditure levels are a normal operating occurrence. The actual expenditures for a given year are difficult to predict. As shown in Figure 8, factors that can affect capital budget expenditures include:

Assumptions - Certain assumptions are made in projecting annual expenditure levels. These judgments can be influenced by many factors such as weather or the timing of construction, which are difficult to predict or control. Under state law, most construction projects are contracted through the competitive bidding process. Consequently, the business climate at the time bids are opened can also impact construction costs and schedules.

Another factor having a bearing on expenditures is the capital budget process itself which may dictate that a construction budget be developed well in advance of construction. It is not unusual for a preliminary construction budget, developed during the facilities planning stage, to be utilized until the project is designed.

Other assumptions deal with future trends and conditions in interest rates, cash flow, alternative funding sources, population growth, and flow projections.

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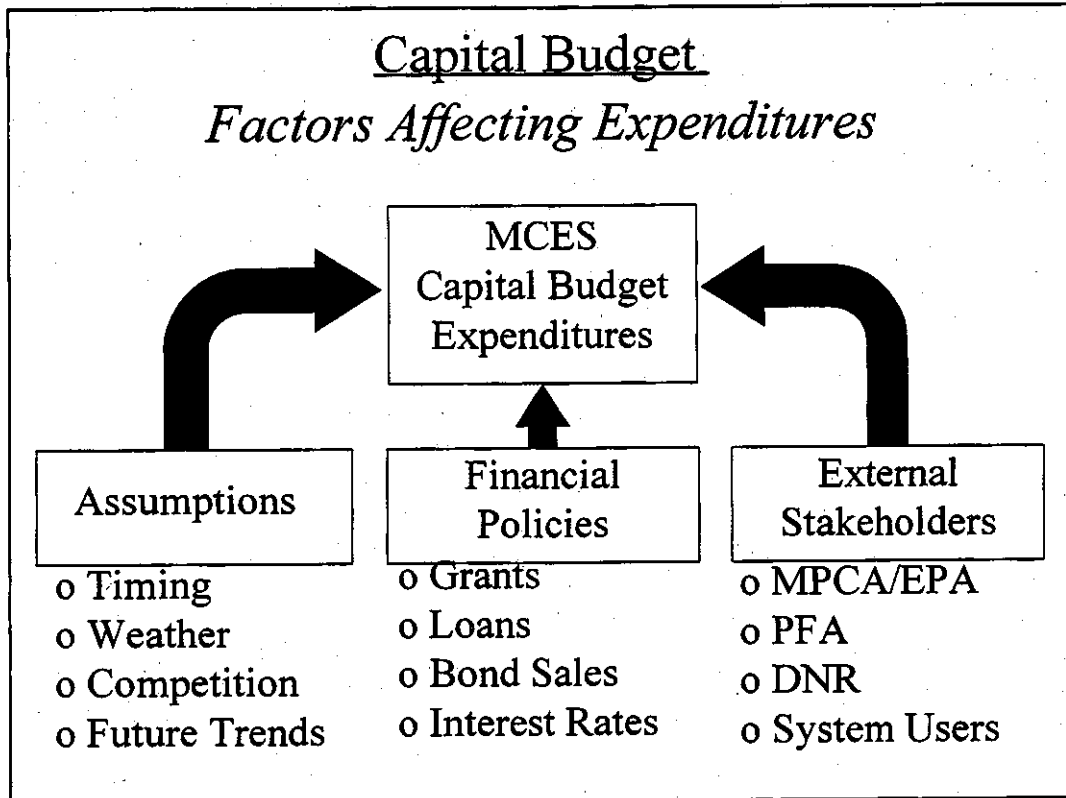


Figure 8

Financial Policies - Expenditure levels are influenced by financial policies that may reflect the cost of borrowing money, the availability of grants and loans, timing of bond sales, etc. These policies may delay a project or split its construction into phases to meet cash flow limitations. Conversely, favorable interest rates or the availability of grant or loan funds may allow the MCES to undertake more projects in a given year.

External Stakeholders - The MCES' external stakeholders include the regulatory agencies, the Public Facilities Authority (PFA), and the users of the system. Action by the stakeholders can affect the pattern of capital improvement expenditure levels. These actions may result in extensive public hearings or complex permit approvals, both of which may require additional time to be properly addressed. Conversely, court orders in the form of a consent decree may accelerate a project. New standards and regulations can increase project costs and affect schedules.

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IX. Link With Plan to Control Debt Service Growth

Debt service as a portion of the MCES' Annual Budget continues to be a persistent problem. Debt service is a major component of the annual budget and is expected to grow at 6% per year for the next several years. Efforts have been focused on reducing debt service through financial management techniques and through capital budget reduction.

Based on the expenditure forecasts under the current five-year Plan for Allocating Resources (PAR), there is an opportunity to change the funding source for some capital items that have traditionally been funded by debt to the general fund. This can be accomplished while still adhering to the five-year rate policy adopted by the Metropolitan Council.

Initiated as part of the 1995 Annual Budget process, this effort to "pay as you go" continues with the 1997 budget. A summary of the items that are proposed to be transferred from the capital budget to the annual budget as part of the 1997 Annual Budget process is as follows:

o Capital Planning - The Capital Planning activities that used to be conducted under Project #9404 in the Capital Budget, have been transferred to the Annual Budget. The planning will be performed under *Program #1000, Capital Planning*.

o Interceptor Inspection - As previously indicated, with the exception of the deep interceptor inspections, all of the interceptor inspection work has been transferred from the Capital Budget to the Annual Budget. Starting in 1997, the inspections will be performed under *Program #3400, Interceptor Inspection and Rehabilitation*. The Capital Budget Project # 9001 contains \$2.1 million for interceptor rehabilitation work.

o Engineering/Construction Overhead - The engineering and construction overhead activities that used to be charged to Project #7998 in the Capital Budget, have been transferred to the Annual Budget. Starting in 1997, the overhead costs associated with the administration of the MCES' capital program will be charged primarily to *Program #5300, Technical Services*. Technical staff assigned specifically to the Interceptor Inspection program, to Metro Plant projects, or to projects for the regional plants, will charge *Programs #3400, Interceptor Inspection and Rehabilitation, Program #3700, Metro Plant Projects, and Program #4900, Regional Plant Projects*, respectively.

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In addition to transfers to the Annual Budget, work can remain in the Capital Budget but be funded from a transfer from the General Fund. Examples of this include *Project #9501, Southeast Regional WWTP* (land acquisition) and *Project #9509, MWWTP RBS Sustainability*. Based on the latest projections, the *MWWTP RBS Sustainability* will only require \$1.6 million of the \$2.7 million that was allocated to it. It is proposed that the surplus funds be used to fund areawide planning activities and studies proposed in the 1997 Capital Budget. Specifically, the surplus funds would be used to fund the following planning activities:

o Project #9702, Empire Area Master Plan	\$ 300,000
o Project #9407, MWWTP Master Plan	264,000
o Project #9709, Southwest Area Master Plan	<u>500,000</u>
Total:	\$1,064,000

The source of these funds was the 1994 favorable variance. Metropolitan Council action is required to re-designate the use of this money to other projects.

X. Summary

The proposed 1997 authorization changes to the MCES Capital Program result in a net increase of \$82.8 million in new authorizations. The focus of the capital program continues to be towards the achievement of the goals and objectives of the Metropolitan Council. Because there are ever increasing expectations for the MCES to protect the environment, the MCES must insure that its facilities are consistently maintained and upgraded to meet changing conditions. The Capital Program incorporates the CORE Approach, which will integrate the planning and construction of wastewater treatment facilities with the Metropolitan Council's planning/policy initiatives. Regional planning of wastewater facilities will be accomplished with "Area Conveyance and Treatment Plans" which will consider the overall needs of the area and region.

The proposed 1997 Capital Budget is \$59.7 million in projected expenditures. The 1997 Capital Budget conforms to the objectives of providing clean water, improved air quality, treated solids, system reliability and integrity, and future readiness in responding to the needs of the Metropolitan Area.

Proposed 1997 Capital Budget

Metropolitan Council Environmental Services

XI. Appendices

Appendices "A", "B", "C", & "D" - These appendices provide detailed information on each of the projects that comprise the 1997 Capital Budget. An individual data sheet has been prepared for each project. Each data sheet includes the project's title, project number, capital budget authorization (previous, 1997 Capital Program authorization adjustment, and future), project type, objectives, priority analysis, and expenditure schedule. The expenditure schedule includes both the current authorization and future expenditures (if authorized).

The project data sheets have been indexed in accordance with the wastewater service area the project is located in. The index of projects is as follows:

Appendix "A" - Southwest Service Area Projects

Appendix "B" - East Service Area Projects

Appendix "C" - North Service Area Projects

Appendix "D" - Areawide Projects

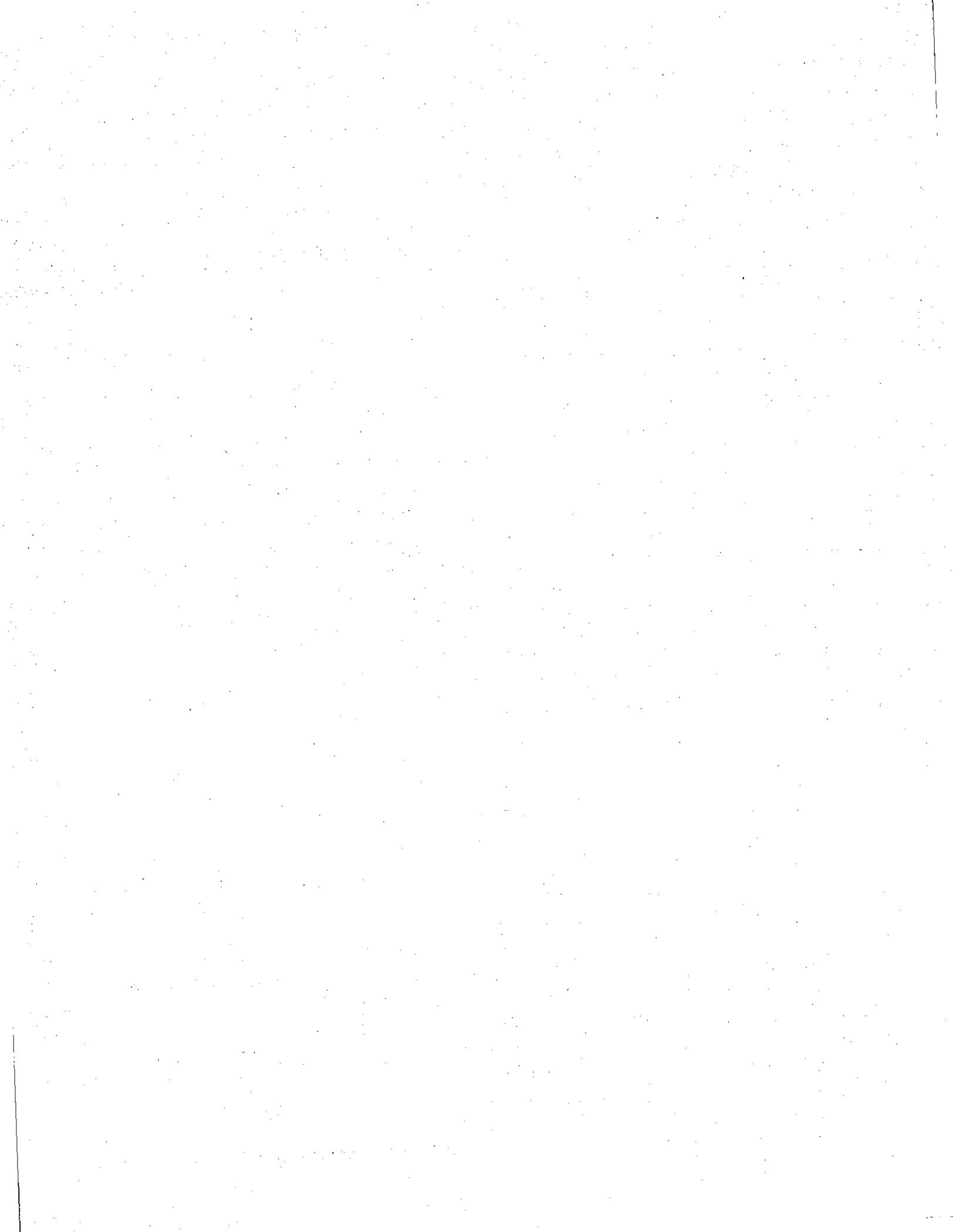
Appendix "E" - Summary of Capital Program Authorizations and Expenditures - This appendix provides a capsule summary of each project's financial status; its prior authorization; proposed 1997 Capital Program authorization adjustment (if any); estimated 1997 expenditures; future authorized expenditures; future authorization request and expenditures; and total project cost. Provided for reference purpose only, this summary includes all active capital budget programs.

Appendix "F" - Source of Funding - This appendix identifies the proposed funding source (i.e. PFA Loans, General Obligation Bonds, or Other) of all of the projects contained in the capital budget.

Appendix "G" - Project Cross Reference - This appendix provides two indexes of all the projects included in the MCES Capital Budget, one alphabetical and the other cross-referenced by project number.

Appendix "H" - List of Abbreviations - This appendix provides the definitions of the abbreviations that are utilized throughout the capital budget.

Appendix "I" - Metropolitan Council Resolution # _____ - This appendix includes a copy of the business item and resolution approving the Metropolitan Council 1997-2001 Capital Improvement Program and 1997 Capital Budget.



Authorization and Expenditure Summary

All Capital Program Projects

I. Continuing Projects in Step I Planning

Project #	Project Name	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost
9505	Laboratory Services Facility	\$500,000	\$0	\$500,000	\$50,971	\$449,029	\$0	\$4,698,731	\$5,198,731
9501	Southeast Regional WWTP	\$3,700,000	\$1,000,000	\$4,700,000	\$700,000	\$3,800,000	\$200,000	\$54,700,000	\$59,400,000
Subtotal:		\$4,200,000	\$1,000,000	\$5,200,000	\$750,971	\$4,249,029	\$200,000	\$59,398,731	\$64,598,731

II. Continuing Projects in Step II Design

9208	Rosemount WWTP Phaseout	\$1,000,000	\$0	\$1,000,000	\$547,500	\$367,500	\$85,000	\$9,664,037	\$10,664,037
Subtotal:		\$1,000,000	\$0	\$1,000,000	\$547,500	\$367,500	\$85,000	\$9,664,037	\$10,664,037

III. Continuing Projects in Step III Construction

9602	Battle Creek Siphon Improvements	\$900,000	\$0	\$900,000	\$75,612	\$600,000	\$224,388	\$0	\$900,000
9003	Bloomington Siphon	\$9,850,000	(\$1,200,000)	\$8,650,000	\$7,767,309	\$400,000	\$482,691	\$0	\$8,650,000
9503	Brooklyn Park L.S. Improvements	\$1,000,000	\$0	\$1,000,000	\$116,700	\$700,000	\$183,300	\$0	\$1,000,000
9206	Chaska WWTP Phaseout	\$20,800,000	\$0	\$20,800,000	\$9,305,250	\$1,956,512	\$9,538,238	\$0	\$20,800,000
9004	Elm Creek Interceptor	\$8,400,000	\$9,700,000	\$18,100,000	\$958,841	\$7,050,000	\$10,091,159	\$10,179,149	\$28,279,149
9106	Lino Lakes Interceptor Improvements	\$4,600,000	\$0	\$4,600,000	\$3,358,066	\$1,241,934	\$0	\$0	\$4,600,000
9302	MWWTP Centrifuge Dewatering (demo only)	\$16,100,000	\$0	\$16,100,000	\$10,152,574	\$3,900,000	\$2,047,426	\$0	\$16,100,000
9108	MWWTP Process Control System	\$17,500,000	\$24,500,000	\$42,000,000	\$7,503,014	\$5,325,000	\$29,171,986	\$0	\$42,000,000
9506	MWWTP Secondary Treatment Improve.	\$49,850,000	(\$8,850,000)	\$41,000,000	\$17,283,390	\$12,320,000	\$11,396,610	\$0	\$41,000,000
9509	MWWTP RBS Sustainability	\$2,664,000	(\$1,064,000)	\$1,600,000	\$203,496	\$940,000	\$456,504	\$0	\$1,600,000
9207	MWWTP/Mpls. Meter Improvements	\$7,100,000	\$900,000	\$8,000,000	\$1,659,665	\$2,766,000	\$3,574,335	\$0	\$8,000,000
9104	Regulator Modifications	\$751,000	\$0	\$751,000	\$100,181	\$20,000	\$630,819	\$0	\$751,000

Authorization and Expenditure Summary

All Capital Program Projects

III. Continuing Projects in Step III Construction (continued)

Project #	Project Name	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost
9205	Shakopee LS & FM Improvements	\$2,400,000	\$200,000	\$2,600,000	\$1,269,890	\$1,325,000	\$5,110	\$0	\$2,600,000
9204	Waconia Interceptor Improvements	\$6,200,000	\$0	\$6,200,000	\$1,100,000	\$4,400,000	\$700,000	\$0	\$6,200,000
Subtotal:		\$148,115,000	\$24,186,000	\$172,301,000	\$60,853,988	\$42,944,446	\$68,502,566	\$10,179,149	\$182,480,149

IV. Continuing Projects moving to Step III Construction

9102	Blue Lake/Seneca Solids Processing	\$3,000,000	\$40,000,000	\$43,000,000	\$1,894,000	\$406,000	\$40,700,000	\$0	\$43,000,000
9401	Empire WWTP Expansion	\$1,600,000	\$12,400,000	\$14,000,000	\$250,000	\$2,150,000	\$11,600,000	\$0	\$14,000,000
9508	MWWTP Effluent Pump Station	\$200,000	\$1,850,000	\$2,050,000	\$140,000	\$1,910,000	\$0	\$0	\$2,050,000
Subtotal:		\$4,800,000	\$54,250,000	\$59,050,000	\$2,284,000	\$4,466,000	\$52,300,000	\$0	\$59,050,000

V. New Projects

9704	Blue Lake WWTP Grit Removal	\$0	\$1,200,000	\$1,200,000	\$0	\$250,000	\$950,000	\$0	\$1,200,000
9708	Centerville Interceptor Improvements	\$0	\$200,000	\$200,000	\$0	\$200,000	\$0	\$4,600,000	\$4,800,000
9702	Empire Area Master Plan	\$0	\$300,000	\$300,000	\$0	\$150,000	\$150,000	\$0	\$300,000
9706	MWWTP Liquid Treatment	\$0	\$500,000	\$500,000	\$0	\$150,000	\$350,000	\$0	\$500,000
9703	MWWTP Solids Processing Improvements	\$0	\$800,000	\$800,000	\$0	\$800,000	\$0	\$185,931,000	\$186,731,000
9701	Southeast Regional Plant Interceptors	\$0	\$900,000	\$900,000	\$0	\$900,000	\$0	\$14,706,000	\$15,606,000
9709	Southwest Area Master Plan	\$0	\$500,000	\$500,000	\$0	\$250,000	\$250,000	\$0	\$500,000
Subtotal:		\$0	\$4,400,000	\$4,400,000	\$0	\$2,700,000	\$1,700,000	\$205,237,000	\$209,637,000

Authorization and Expenditure Summary *All Capital Program Projects*

VI. Ongoing Programs and Special Projects

Project #	Project Name	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost
9001	Interceptor Inspection & Rehabilitation Program	\$6,000,000	(\$1,000,000)	\$5,000,000	\$441,634	\$1,350,000	N/A	N/A	N/A
9407	MWWTP Master Plan	\$2,700,700	(\$700)	\$2,700,000	\$1,759,579	\$350,000	\$590,421	\$0	\$2,700,000
----	Small Systemwide Improvement Program	\$9,450,000	\$0	\$9,450,000	\$6,336,220	\$3,113,780	N/A	N/A	N/A
Subtotal:		\$18,150,700	(\$1,000,700)	\$17,150,000	\$8,537,433	\$5,013,780	\$590,421	\$0	\$2,700,000

Summary

Project Type	Current Authorization	1997 Change in Authorization	Total Authorization to Date	Pre-1997 Expenditures	Estimated 1997 Capital Budget Expenditures	Authorized Expenditures 1998+	Future Authorization & Expenditures	Total Project Cost
I. Continuing Projects in Step I Planning	\$4,200,000	\$1,000,000	\$5,200,000	\$750,971	\$4,249,029	\$200,000	\$59,398,731	\$64,598,731
II. Continuing Projects in Step II Design	\$1,000,000	\$0	\$1,000,000	\$547,500	\$367,500	\$85,000	\$9,664,037	\$10,664,037
III. Continuing Projects in Step III Construction	\$148,115,000	\$24,186,000	\$172,301,000	\$60,853,988	\$42,944,446	\$68,502,566	\$10,179,149	\$182,480,149
IV. Continuing Projects moving to Step III	\$4,800,000	\$54,250,000	\$59,050,000	\$2,284,000	\$4,466,000	\$52,300,000	\$0	\$59,050,000
V. New Projects	\$0	\$4,400,000	\$4,400,000	\$0	\$2,700,000	\$1,700,000	\$205,237,000	\$209,637,000
VI. Ongoing Programs and Special Projects	\$18,150,700	(\$1,000,700)	\$17,150,000	\$8,537,433	\$5,013,780	\$590,421	\$0	\$2,700,000
Grand Totals:	\$176,265,700	\$82,835,300	\$259,101,000	\$72,973,892	\$59,740,255	\$123,377,987	\$284,478,917	\$543,579,917

MCES Capital Budget

Source of Funding

Project #	Name	Total Authorization	PFA Loans	General Obligation	Other	Notes
9602	Battle Creek Siphon Improvements	\$900,000	\$0	\$900,000	\$0	
9003	Bloomington Siphon	\$8,650,000	\$8,250,000	\$160,000	\$240,000	1
9704	Blue Lake WWTP Grit Removal	\$1,200,000	\$0	\$1,200,000	\$0	
9102	Blue Lake/Seneca Solids Processing	\$43,000,000	\$2,000,000	\$41,000,000	\$0	2
9503	Brooklyn Park Lift Station Improvements	\$1,000,000	\$0	\$1,000,000	\$0	
9708	Centerville Interceptor Improvements	\$200,000	\$200,000	\$0	\$0	
9206	Chaska WWTP Phaseout	\$20,800,000	\$20,800,000	\$0	\$0	3
9004	Elm Creek Interceptor	\$18,100,000	\$18,100,000	\$0	\$0	4
9702	Empire Area Master Plan	\$300,000	\$0	\$0	\$300,000	5
9401	Empire WWTP Expansion	\$14,000,000	\$14,000,000	\$0	\$0	
9001	Interceptor Inspection & Rehabilitation	\$5,000,000	\$0	\$5,000,000	\$0	
9505	Laboratory Services Facilities	\$500,000	\$500,000	\$0	\$0	
9106	Lino Lakes Interceptor Improvements	\$4,600,000	\$4,600,000	\$0	\$0	
9302	MWWTP Centrifuge Dewatering	\$16,100,000	\$16,100,000	\$0	\$0	6
9508	MWWTP Effluent Pump Station	\$2,050,000	\$0	\$2,050,000	\$0	
9706	MWWTP Liquid Treatment	\$500,000	\$500,000	\$0	\$0	
9407	MWWTP Master Plan	\$2,700,000	\$0	\$2,436,000	\$264,000	5
9108	MWWTP Process Control System	\$42,000,000	\$42,000,000	\$0	\$0	7
9509	MWWTP RBS Sustainability	\$1,600,000	\$0	\$0	\$1,600,000	8
9506	MWWTP Secondary Treatment Improvements	\$41,000,000	\$41,000,000	\$0	\$0	
9703	MWWTP Solids Processing Improvements	\$800,000	\$800,000	\$0	\$0	
9207	MWWTP/Mpls. Meter Improvements	\$8,000,000	\$8,000,000	\$0	\$0	
9104	Regulator Modifications	\$751,000	\$0	\$751,000	\$0	
9208	Rosemount WWTP Phaseout	\$1,000,000	\$1,000,000	\$0	\$0	
9205	Shakopee LS & FM Improvements	\$2,600,000	\$0	\$2,600,000	\$0	
9701	Southeast Regional Plant Interceptors	\$900,000	\$900,000	\$0	\$0	
9501	Southeast Regional WWTP	\$4,700,000	\$1,700,000	\$0	\$3,000,000	9
9709	Southwest Area Master Plan	\$500,000	\$0	\$0	\$500,000	5
9204	Waconia Interceptor Improvements	\$6,200,000	\$6,200,000	\$0	\$0	
----	Small Systemwide Improvement Projects	\$9,450,000	\$0	\$9,450,000	\$0	
Totals:		\$259,101,000	\$186,650,000	\$66,547,000	\$5,904,000	

Notes:

1. Long Meadow Lake Crossing partially funded by a \$240,000 ISTEPA grant.
2. Design /construction is shown as GO funded to be financially conservative , but PFA eligibility will be maintained (actual funding is dependent upon option selected).
3. Current loan is for Stages I and II. Loan application for Stage III pending completion/approval of its plans and specifications.
4. Current loan is for Brooklyn Park portion, request to amend loan to include Maple Grove segment will be submitted upon approval of this segment by the Council.
5. It is recommended that \$1,064,000 of 1994 favorable variance (refer to Note #8) be re-designated to these areawide planning activities.
6. Current loan includes the construction of the demonstration portion of the project.
7. Current loan is for Phase I of the Step III work, request to amend loan to include all phases will be submitted upon approval by the Council.
8. Per Resolution #95-009-F, \$2.7 million of the 1994 favorable variance allocated to the Metro RBS Sustainability project.
9. Per Resolution #94-113, \$3.0 million from the Shakopee land sale allocated to purchase land for the Southeast Regional WWTP.

Metropolitan Council Current Sewer Service Fees

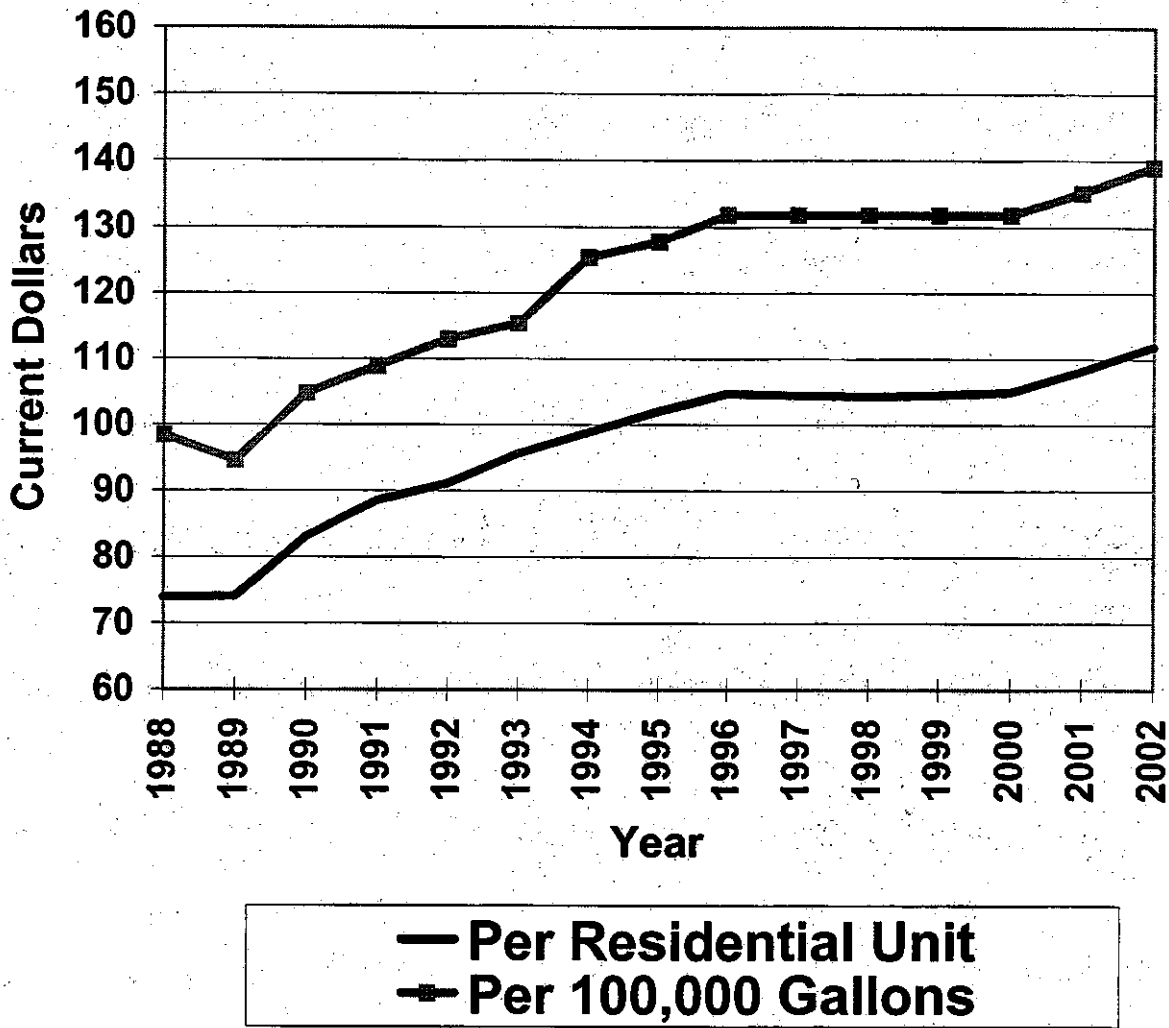


Figure 19

Metropolitan Council 1988-2002 MCES Current Sewer Fees Per Residence (Constant 1996 Dollars)

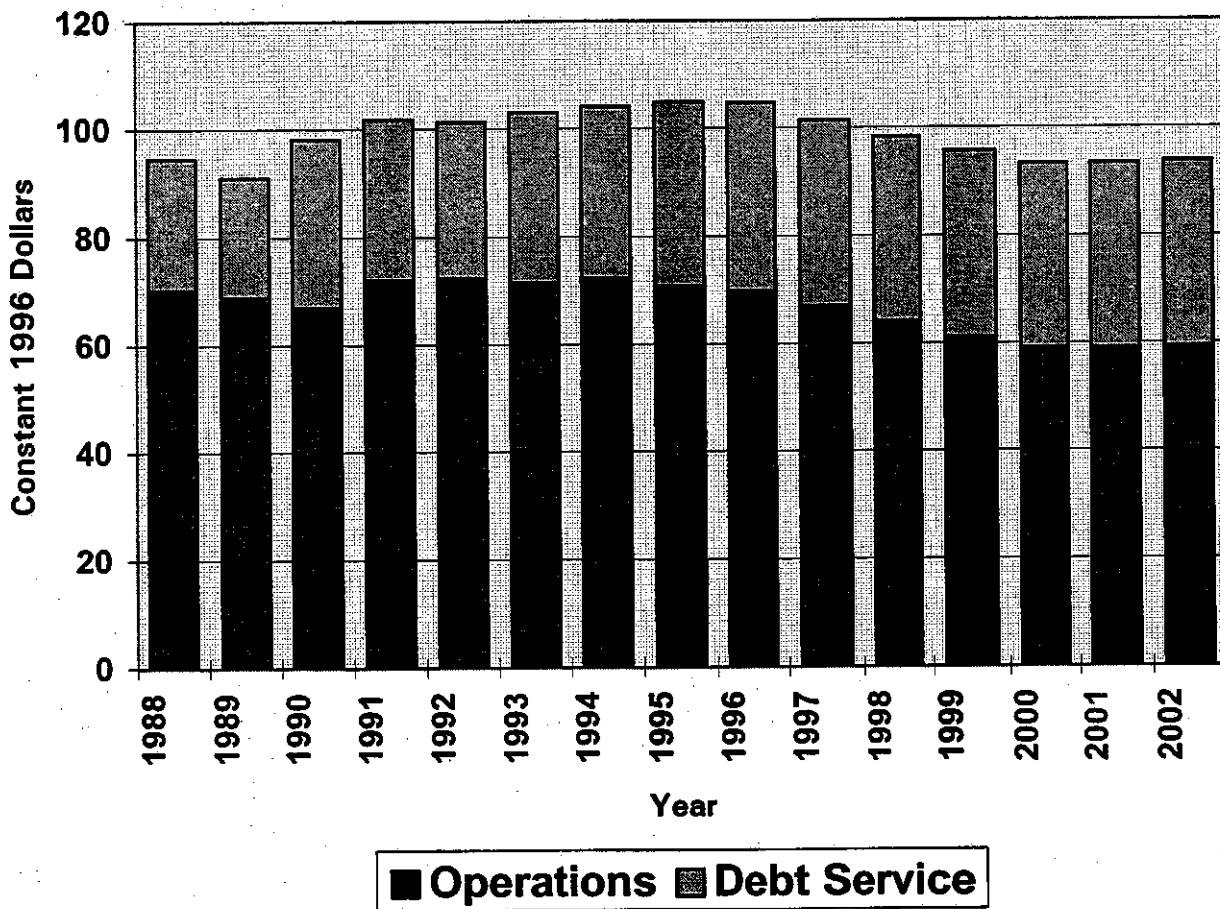


Figure 20

TRANSIT

**METROPOLITAN COUNCIL
TRANSIT
1997-2001 CAPITAL IMPROVEMENT PROGRAM
AND 1997 CAPITAL BUDGET
(Adopted December 19, 1996)**

Introduction

This section summarizes the adopted 1997-2001 Transit Capital Improvement Program and 1997 Capital Budget. The adopted 1997-2001 Transit Capital Improvement Program represents a capital financing plan for transit capital investments and not a project specific capital improvement program. The annual capital spending levels in the program is based on the issuance of \$23.5 million annually in regional transit bonds.

Agency Organization

The Transportation Division is organized into two units - Transportation and Transit Development, and Transit Operations. Transportation and Transit Development is responsible for regional transportation planning, including planning for aviation, highway and transit systems, and transit development. Transit development includes administration of transit programs providing state and regional financial assistance to transit providers in the region, including opt-out providers, community based transit providers and regular route service providers, including the Council's Transit Operations unit. Transit Operations is responsible for the provision of transit services and is the principal transit provider in the region. Metro Mobility, the principal provider of specialized transit services for persons with disabilities, is located administratively within Transit Operations.

Regional Transit System

A major function of the Metropolitan Council's Transportation Division involves planning and developing the transit system for the region and providing state and regional financial assistance to transit providers. The major components of the regional transit system include:

- Regular Route service is the backbone of the regional transit system, operating on fixed routes and schedules for local and express service. The regular route system is structured primarily in a radial orientation focusing on the two central business districts. The Council's Transit Operations provides the majority of the region's regular route transit service.
- Metro Mobility is the principal paratransit service in the Twin Cities metropolitan area. Door-to-door service is provided to persons with disabilities on an advance reservation basis.

- Opt-Out programs were created by 1980 legislation which allowed communities located at the outer limits of the regular route service area to “opt-out” or replace existing service with substitute service the local community determined to be more responsive to local needs. The opt-out provision was sunset in 1988 after the following communities had elected to provide replacement service: Apple Valley, Burnsville, Chanhassen, Chaska, Eagan, Eden Prairie, Maple Grove, Plymouth, Prior Lake, Rosemount, Savage and Shakopee. In 1996 there were five service contracts with communities or transit authorities providing service to the twelve communities. In 1997, nine communities have elected to levy transit operating taxes and fund transit operations locally. The Council will have service contracts with the three remaining communities or transit providers -- Maple Grove, Plymouth and Minnesota Valley Transit Authority on behalf of Rosemount.
- Community-Based programs, or rural and small urban programs, are transit programs designed to meet transit needs in lower density suburban and rural areas where regular route service cannot be provided cost-effectively. Community-based programs typically use smaller vehicles and provide curb-to-curb service. In 1996 there were twelve rural and six small urban service contracts with transit providers.

Transit Capital Investment Strategy

The Council’s transit capital investment strategy was developed over the last several years through the combined efforts of the Metropolitan Council, the Regional Transit Board, the Metropolitan Transit Commission and the Minnesota Department of Transportation, as well as other transportation agencies and transit providers in the region.

The Regional Transit Board’s “Vision for Transit”, developed in the early 1990’s, was first described as a transit service concept in the *Regional Service and Capital Plan: 1993-1997*. The “Vision for Transit” is a flexible concept that takes a variety of transit services and facilities and matches them to the diverse transportation needs of the region. Regular route buses, community circulators, dial-a-rides, light rail transit, specialized services for persons with disabilities, travel demand management strategies, transit hubs, park-and-ride lots, bike-and-ride lots, high occupancy vehicle lanes and car and van pools are all components of the overall “Vision for Transit”. The concept was developed to enhance service quality for current transit riders and make transit an attractive option for potential riders. The “Vision for Transit” involves reorganizing transit service, replacing the existing radial system with a hub and spoke system. An integral component of this service reorganization is the transit hub. The transit hub concept provides facilities where transit services can be linked to provide enhanced transfer opportunities for riders.

The Metropolitan Council’s *Regional Transit Facilities Plan*, adopted in February, 1992, was developed as a guide for making the best decisions on future transit investments in the region. The plan advocates a multi-strategy approach to moving people in the Twin Cities Area and

presented four critical elements for a solution to the transportation problems of the region: (1) strong transportation system management and demand management, (2) incentives for high-occupancy vehicle use, (3) strengthened transit services and (4) more efficient and "transit-friendly" land uses. The plan lays out four basic actions needed to implement a reinvigorated, restructured and higher-performance regional transit system. The four basic actions presented in the plan are:

- **A Reorganized System:** A reorganization of transit services, as proposed in the RTB's "Vision for Transit", into a constellation of transit hubs with connecting transit service. Transit hubs would be transfer points for passengers, linking local and express regular routes, suburban circulators, car pools and paratransit service.
- **Service Improvements:** These would include service additions; namely, increased service frequency, selective additions of routes, more express/limited stop services and local circulators, increased service hours and user-friendly transit information services.
- **Low-Capital Improvements:** These involve relatively low-cost capital improvements such as transit hubs, park and ride lots, bus turnarounds, signage, shelters, layover facilities, bus bypasses at bottlenecks and downtown exclusive bus lanes.
- **Major Capital Improvements:** These include light rail transit and two kinds of high-occupancy vehicle (HOV) lanes on freeways and expressways: HOV lanes added to existing highways and converting existing mixed-use lanes to HOV lanes.

The plan identifies low-capital improvements to be implemented over a 3-5 year period. These capital improvements are intended to focus transit services in a hub-and-spoke system and provide faster, more reliable travel times for high-occupancy vehicles. Included are transit hubs, large regional park and ride lots, bus layover facilities, "Team Transit" projects and other projects intended to facilitate bus operations, and provide a more attractive, safe and user-friendly environment for the bus rider.

Proposed Transit Capital Improvement Program

The adopted 1997-2001 Transit Capital Improvement Program (CIP) represents a capital financing plan for transit capital investments and not a project specific capital improvement program.

The 1997-2001 Transit Capital Improvement Program proposes investing \$237 million on transit equipment and facilities over the next five years, an average of \$47 million per year. The program would be funded through a combination of federal, state and other sources of capital funding and regional bonding. The proposed CIP will require new regional transit bonding authority over the next two bienniums of \$92.9 million.

The proposed capital improvement program is detailed on the table at the end of this section. The amounts by category represent estimates of the need for capital investments in those areas. The annual transit capital evaluation process that prioritizes capital funding requests from transit providers could change the mix of capital projects finally approved for funding and implemented. The figures on the next pages illustrate the impact of the proposed regional bonding program on Council debt service levies, overall transit levies for operations and debt service and the impact on a \$100,000 residential homestead in constant 1996 dollars. Regional bonding will increase transit debt service property taxes from \$18.8 million in 1997 to \$24.0 million in 2002, an average annual increase of 5 percent. Overall, transit property taxes are projected to increase from \$88.0 million in 1997 to \$ 101.3 million in 2002, an average annual increase of 3.7 percent. In terms of impact on a \$100,000 residential homestead, property taxes for transit operations are projected to remain level at approximately \$44-45 per year in constant 1996 dollars, while property taxes for transit debt service would increase from approximately \$13 per year in 1997 to \$14 dollars in 2002.

Table 5-1
METROPOLITAN COUNCIL
PROPOSED 1997-2001 TRANSIT CAPITAL IMPROVEMENT PROGRAM
SOURCES AND USES OF FUNDS

	1997	1998	1999	2000	2001	Five-Year Total
Sources of Funds						
Federal:						
Existing	-	19,104,000	-	-	-	19,104,000
New-Garage Replace.	-	3,000,000	3,000,000	-	-	6,000,000
New-Regular	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	65,000,000
Federal Subtotal	13,000,000	35,104,000	16,000,000	13,000,000	13,000,000	90,104,000
State:						
Rural/Small Urban	135,000	135,000	86,000	86,000	86,000	528,000
Snelling Garage Replace.	-	5,000,000	5,000,000	-	-	10,000,000
State Subtotal	135,000	5,135,000	5,086,000	86,000	86,000	10,528,000
Other Sources	514,000	514,000	512,000	513,000	513,000	2,566,000
Regional Bonds:						
800 Megahertz Radio Syst.	3,000,000	10,000,000	-	-	-	13,000,000
Transit-Current Authority	14,500,000	5,000,000	-	-	-	19,500,000
Transit-New Authority	5,000,000	17,418,000	22,957,000	23,499,000	24,040,000	92,914,000
Regional Bonds Subtotal	22,500,000	32,418,000	22,957,000	23,499,000	24,040,000	125,414,000
Total Sources	36,149,000	73,171,000	44,555,000	37,098,000	37,639,000	228,612,000
Uses of Funds						
Fleet Improvements	13,842,079	33,115,000	20,756,000	16,900,000	20,920,000	105,533,079
Support Facilities:						
Snelling Garage Replace.	-	8,000,000	8,000,000	-	-	16,000,000
Other Facility Improve.	1,311,800	991,000	991,000	991,000	991,000	5,275,800
Turnarounds	25,000	2,491,000	961,000	361,000	441,000	4,279,000
Support Facility Subtotal	1,336,800	11,482,000	9,952,000	1,352,000	1,432,000	25,554,800
Public Facilities:						
Transit Hubs	3,555,048	5,279,707	3,292,000	4,542,000	3,292,000	19,960,755
Park and Ride Lots	2,214,655	6,717,000	1,991,000	1,991,000	1,991,000	14,904,655
Roadway Improvements	1,165,000	5,743,941	1,978,000	1,438,000	1,283,000	11,607,941
Other Public Facilities	3,888,000	1,666,000	991,000	991,000	991,000	8,527,000
Public Facility Subtotal	10,822,703	19,406,648	8,252,000	8,962,000	7,557,000	55,000,351
Computerization/Commun.:						
800 Megahertz Radio Syst.	3,000,000	10,000,000	-	-	-	13,000,000
Other Comp./Comm.	4,199,861	2,840,844	4,377,000	8,660,500	6,501,000	26,579,205
Comp./Comm. Subtotal	7,199,861	12,840,844	4,377,000	8,660,500	6,501,000	39,579,205
Other Capital Equipment	5,051,809	1,711,795	991,000	991,000	991,000	9,736,604
Total Capital Expenditures	38,253,252	78,556,287	44,328,000	36,865,500	37,401,000	235,404,039
Bond Issuance Costs	200,000	222,000	227,000	232,500	238,000	1,119,500
Total Uses	38,453,252	78,778,287	44,555,000	37,098,000	37,639,000	236,523,539
Surplus or (Deficit)	(2,304,252)	(5,607,287)	-	-	-	(7,911,539)

The deficit in 1997 and 1998 is funded from a 1996 bond sale.

Metropolitan Council 1988-2002 Transit Debt Service Levy

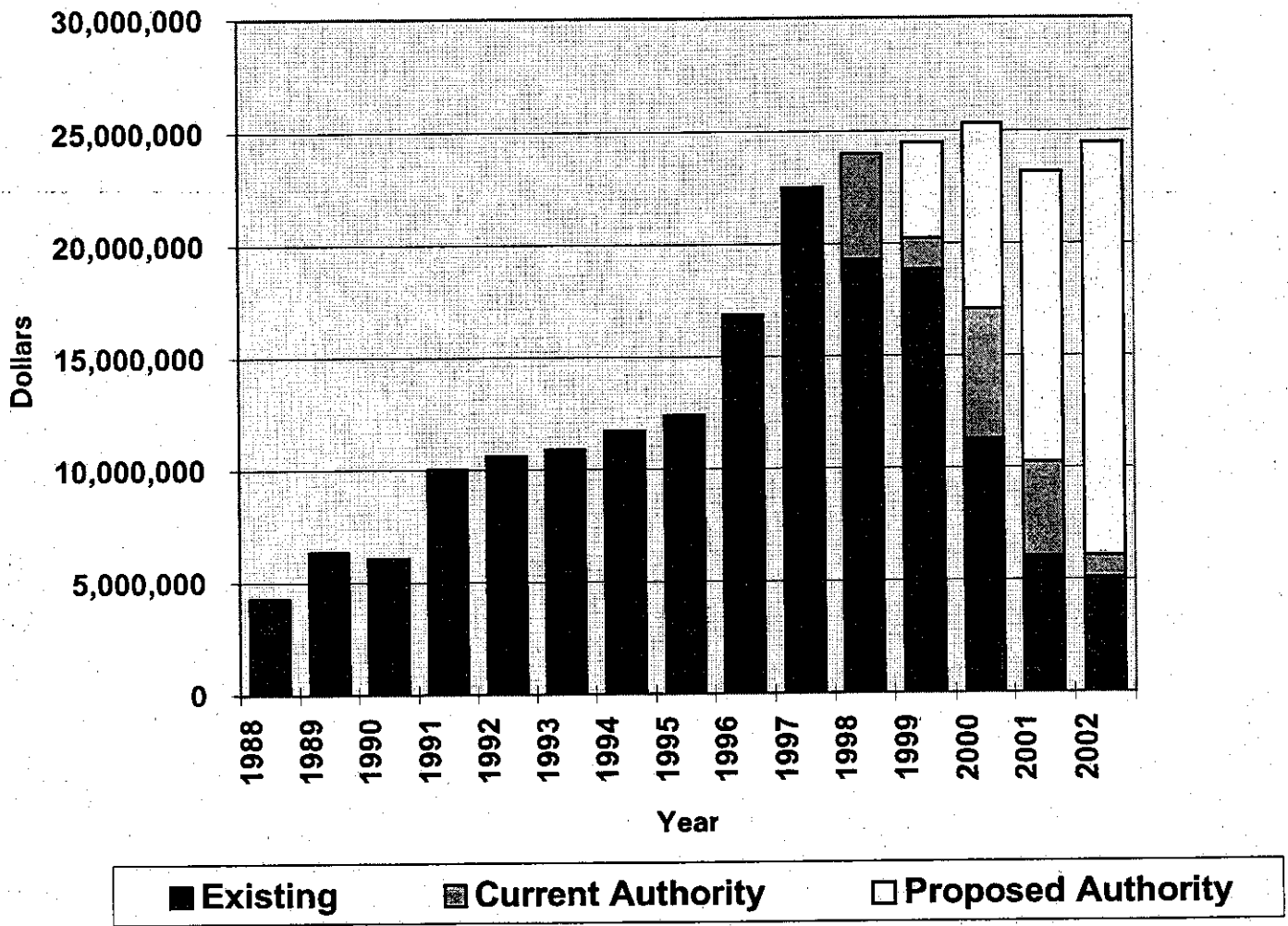


Figure 21

Metropolitan Council 1988-2002 Transit Property Taxes

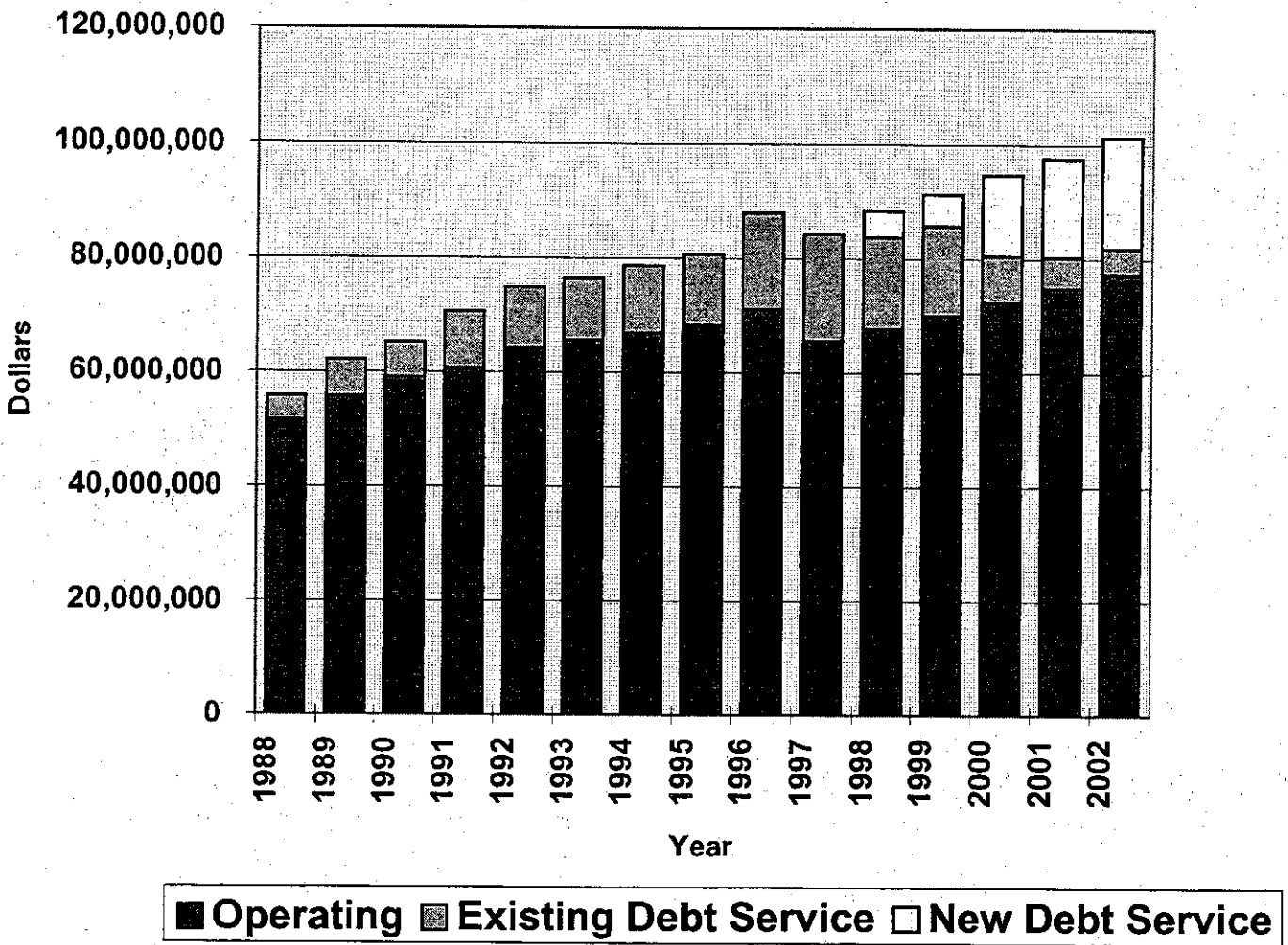


Figure 22

Metropolitan Council

Transit Taxes on \$100,000 Residential Hstd

Constant 1996 Dollars

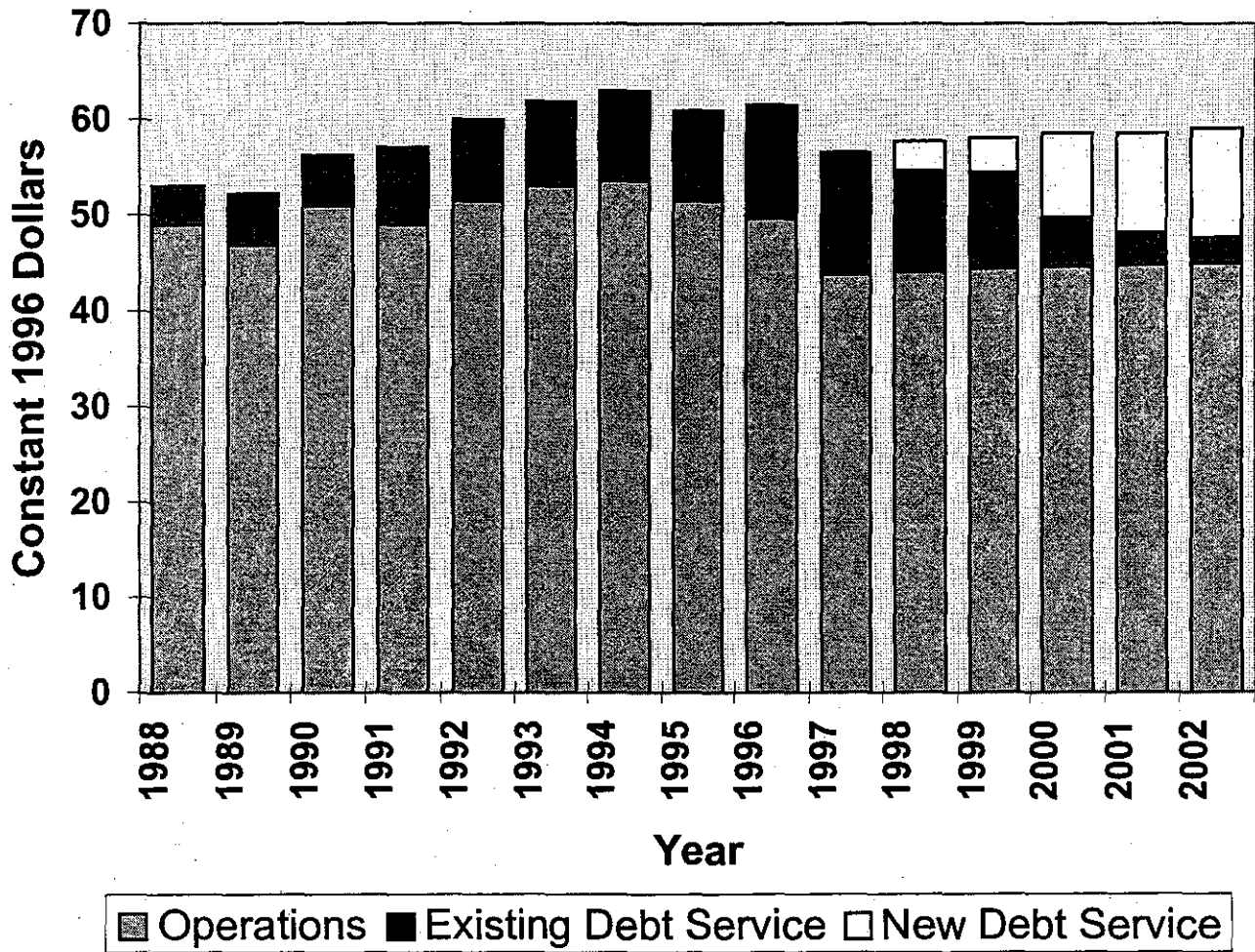


Figure 23

ADOPTED 1997 TRANSIT CAPITAL PROGRAM AND CAPITAL BUDGET

The 1997 Transit Capital Program and 1997 Capital Budget includes capital budget authorizations for Transit Operations, Metro Mobility and other transit providers. The 1997 Capital Program also includes capital budget authorization for the 800 megahertz radio project. Capital budget authorization is maintained for each active capital project until the project is completed, although capital expenditures may occur over a number of years.

Table 5-2 provides a summary of the adopted 1997 transit capital program and capital budget by investment category and service provider. The **adopted 1997 changes to capital program authorizations total \$93,861**, reflection adjustments (increases or decreases) to 17 previously approved capital projects. **The approved 1997 capital budget for transit totals \$25,508,052.** Capital program and capital budget totals by capital project are provided in Table 5-3 for Transit Operations and Table 5-4 for other transit service providers including the Council's Metro Mobility program.

Requested revisions to the 1997 Capital Program and Capital Budget are anticipated early in the third quarter of 1997 after new regional bonding authorized by the 1997 State Legislature is allocated to capital projects.

Transit Capital Budget Process

The Transportation Division has developed a process for soliciting and prioritizing transit capital project requests from transit providers. A Transit Capital Improvement Program Advisory Committee assisted Transportation Division staff in developing a process and evaluating capital funding requests. The selection criteria and capital funding request forms were developed at the end of 1995 and the application and review process took place in the first half of 1996. The process is outlined below:

- A. Capital Project Selection
 - 1. Transit Capital Evaluation Committee (TCEC) will:
 - a. Develop selection criteria
 - b. Approve request forms and instructions
 - 2. Providers submit capital funding applications
 - 3. TCEC conducts evaluation and ranking of capital projects
 - 4. Council approves capital projects to be funded with regional bonding

- B. Capital Program Administration
 - 1. Council approves new projects
 - a. Executes contracts with outside providers
 - b. Authorization forms for MCTO, Metro Mobility and Minnesota Rideshare
 - 2. Submit monthly reimbursement requests
 - 3. Council must approve contract amendments for cost overruns
 - 4. Contract close-out and audit
 - 5. Unexpended funds reprogrammed into capital budget

Transit Capital Evaluation Committee membership included:

Transit Provider Advisory Committee Chair

Representatives from:

- Opt-Out Providers
- Metropolitan Council Transit Operations
- Small Urban/Rural Providers
- Private Providers
- County Systems
- Central City
- Suburban City
- MnDOT

Staff from:

- Metropolitan Council Transportation and Transit Development
- Metropolitan Council Budget and Evaluation

Metropolitan Council Transportation Division
1997 Transit Capital Program and Budget Summary By Project Category

All Transit Capital Projects

Project Category	Authorization				Expenditures				Unfunded Portion
	1997 Adopted Program	Requested		1997 Authorized Program	Actual/Projected Spending Thru' 1996	Proposed 1997 Budget	Projected 1998 and Beyond	Total Expenditures	
		Increases or (Decreases)	New						
<i>Vehicles</i>	\$34,842,380	\$345,534	\$0	\$35,187,914	\$5,051,035	\$5,141,879	\$24,995,000	\$35,187,914	\$0
<i>Public Facilities</i>	\$29,141,308	(\$1,772,864)	\$0	\$27,368,444	\$15,188,093	\$9,932,703	\$2,247,648	\$27,368,444	\$0
<i>Support Facilities</i>	\$2,014,683	(\$228,534)	\$0	\$1,786,149	\$449,349	\$1,336,800	\$0	\$1,786,149	\$0
<i>Computers, Communication Equipment etc.</i>	\$11,323,626	\$1,657,533	\$0	\$12,981,159	\$3,321,454	\$4,044,861	\$5,614,844	\$12,981,159	\$4,537,000
<i>Other Capital Equipment</i>	\$11,675,000	\$92,192	\$0	\$11,767,192	\$5,994,588	\$5,051,809	\$720,795	\$11,767,192	\$0
TOTAL:	\$88,996,997	\$93,861	\$0	\$89,090,858	\$30,004,519	\$25,508,052	\$33,578,287	\$89,090,858	\$4,537,000

Opt-Out, Metro Mobility, Rural/Small Urban, Other Non-Mcto Capital Projects

Project Category	Authorization				Expenditures				Unfunded Portion
	1996 Amended Program	Requested Changes		1997 Authorized Program	Actual/Projected Spending Thru' 1996	Proposed 1997 Budget	Projected 1998 and Beyond	Total Expenditures	
		Increases (Decreases)	New						
<i>Vehicles</i>	\$9,992,380	\$195,534	\$0	\$10,187,914	\$5,051,035	\$5,136,879	\$0	\$10,187,914	\$0
<i>Public Facilities</i>	\$13,871,149	\$0	\$0	\$13,871,149	\$8,325,739	\$5,138,703	\$406,707	\$13,871,149	\$0
<i>Support Facilities</i>	\$100,000	\$0	\$0	\$100,000	\$0	\$100,000	\$0	\$100,000	\$0
<i>Computers, Communication Equipment etc.</i>	\$1,266,344	\$0	\$0	\$1,266,344	\$266,095	\$1,000,249	\$0	\$1,266,344	\$0
<i>Other Capital Equipment</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL:	\$25,229,873	\$195,534	\$0	\$25,425,407	\$13,642,869	\$11,375,831	\$406,707	\$25,425,407	\$0

Transit Operations (MCTO) Capital Projects

Project Category	Authorization				Expenditures				Unfunded Portion
	1996 Authorized Program at 1/1/96	Requested Changes		1997 Authorized Program	Actual/Projected Spending Thru' 1996	Proposed 1997 Budget	Projected 1998 and Beyond	Total Expenditures	
		Increases or (Decreases)	New Including 1996 Amendment						
<i>Vehicles</i>	\$24,850,000	\$150,000	\$0	\$25,000,000	\$0	\$5,000	\$24,995,000	\$25,000,000	\$0
<i>Public Facilities</i>	\$15,270,159	(\$1,772,864)	\$0	\$13,497,295	\$6,862,354	\$4,794,000	\$1,840,941	\$13,497,295	\$0
<i>Support Facilities</i>	\$1,914,683	(\$228,534)	\$0	\$1,686,149	\$449,349	\$1,236,800	\$0	\$1,686,149	\$0
<i>Computers, Communication Equipment etc.</i>	\$10,057,282	\$1,657,533	\$0	\$11,714,815	\$3,055,359	\$3,044,612	\$5,614,844	\$11,714,815	\$4,537,000
<i>Other Capital Equipment</i>	\$11,675,000	\$92,192	\$0	\$11,767,192	\$5,994,588	\$5,051,809	\$720,795	\$11,767,192	\$0
TOTAL:	\$63,767,124	(\$101,673)	\$0	\$63,665,451	\$16,361,650	\$14,132,221	\$33,171,580	\$63,665,451	\$4,537,000

Metropolitan Council- Office of Transportation and Transit Development
1997 Capital Budget for Non-MCTO Regional Transit Capital By Project Category
 (as of 11/28/96)

Project Details				Authorization			Expenditures				
Contract #	Project Category/Projects	Project Status		1996 Authorized Budget	Requested Changes		1997 Authorized Budget	Actual/	Projected 1997	Projected 1998 and beyond	Total Project Expenditure
		Project Start date	Project End date		Increases (Decreases)	New		Projected Spending Thru' 1996			
To be assigned	SCOTT COUNTY VEHICLE CAPITAL	1/96	12/96	\$38,560	\$0	\$0	\$38,560	\$0	\$38,560	\$0	\$38,560
95 PROJECT	METROMO - BUS REPLACEMENT	1/95	12/96	\$2,800,000			\$2,800,000	\$2,800,000	\$0	\$0	\$2,800,000
96 PROJECT	METROMO - BUS REPLACEMENT	1/96	12/97	\$2,900,000			\$2,900,000		\$2,900,000	\$0	\$2,900,000
96 PROJECT	TR REDESIGN - REG FLEET	7/96		\$1,695,951			\$1,695,951	\$1,100,000	\$595,951		\$1,695,951
96 PROJECT	CARVER CO BUS REPLACEMENT	7/96		\$74,880			\$74,880		\$74,880		\$74,880
96 PROJECT	HASTINGS VEHICLE REPLACEMENT	7/96		\$25,000			\$25,000		\$25,000		\$25,000
96 PROJECT	MGROVE- SHUTTLE BUS REPLACE	7/96		\$90,000			\$90,000	\$90,000			\$90,000
96 PROJECT	DARTS - VEHICLE REPLACEMENT	7/96		\$358,679			\$358,679	\$358,679			\$358,679
96 PROJECT	HSI, VEHICLE	7/96		\$40,000			\$40,000	\$40,000			\$40,000
96 PROJECT	MVTA- 5 SMALL BUSES	7/96		\$400,000			\$400,000		\$400,000		\$400,000
96 PROJECT	SCOTT CO- VEHICLE REPLACEMENT	7/96		\$83,754			\$83,754		\$83,754		\$83,754
96 PROJECT	SWMTC- VEHICLE REPLACEMENT	7/96		\$223,200			\$223,200		\$223,200		\$223,200
VARIOUS	OPT-OUT PVT VEHICLE CAPITAL	10/95	12/96	\$662,358	\$0	\$0	\$662,358	\$662,358	\$0	\$0	\$662,358
VARIOUS	OPT-OUT PVT VEHICLE CAPITAL	1/97	12/97	\$600,000	\$195,534		\$795,534		\$795,534		\$795,534
	<i>Vehicles sub-total</i>			\$9,992,360	\$195,534	\$0	\$10,187,914	\$5,051,035	\$5,136,879	\$0	\$10,187,914
93/15/11-28	SWMTC PARK & RIDE LOTS	1/93	12/97	\$930,863	\$0	\$0	\$930,863	\$550,000	\$380,863	\$0	\$930,863
96 PROJECT	TR REDESIGN - PUB FACIL. ETC	7/96		\$2,500,000			\$2,500,000		\$2,500,000		\$2,500,000
96 PROJECT	WOODBURY PARK 'N RIDE	7/96		\$339,000			\$339,000			\$339,000	\$339,000
96 PROJECT	CHANHASSEN - LAKE DR EAST	7/96		\$190,000			\$190,000		\$190,000		\$190,000
96 PROJECT	MVTA- BURNSVILLE BIKEWAY	7/96		\$98,000			\$98,000		\$98,000		\$98,000
96 PROJECT	MVTA- APPLE VALLEY TR STN	7/96		\$920,000			\$920,000	\$920,000			\$920,000
96 PROJECT	PLYMTH METRO- P&R REDESIGN	7/96		\$311,458			\$311,458		\$311,458		\$311,458
96 PROJECT	PLYMTH METRO- 4 SEASONS P&R	7/96		\$53,334			\$53,334		\$53,334		\$53,334
C-95-70	MVTA BURNSVILLE HUB	6/94	12/96	\$4,531,500	\$0	\$0	\$4,531,500	\$4,381,500	\$150,000	\$0	\$4,531,500
C-95-75	NORTHTOWN TRANSIT HUB	7/95	?	\$1,117,707	\$0	\$0	\$1,117,707	\$850,000	\$200,000	\$67,707	\$1,117,707
C-95-77	MVTA PALEMINO HILL	6/94	12/95	\$924,239	0	0	\$924,239	\$924,239	\$0	\$0	\$924,239
SG-96-3	SWMTC EDEN PRAIRIE HUB	6/95	12/99	\$1,955,048	\$0	\$0	\$1,955,048	\$700,000	\$1,255,048	\$0	\$1,955,048
	<i>Public Facilities sub-total</i>			\$13,871,149	\$0	\$0	\$13,871,149	\$8,325,739	\$5,138,703	\$406,707	\$13,871,149
96 PROJECT	MGROVE- SUPPORT FACIL	7/96		\$100,000			\$100,000		\$100,000		\$100,000
	<i>Support Facilities sub-total</i>			\$100,000	\$0	\$0	\$100,000	\$0	\$100,000	\$0	\$100,000
96 PROJECT	METROMO - ENG. REPLACEMENT	1/96	6/97	\$140,000			\$140,000	\$92,400	\$47,600		\$140,000
96 PROJECT	METROMO - ENG. REPLACEMENT	1/96	12/97	\$98,000			\$98,000	\$63,400	\$32,600		\$98,000
96 PROJECT	METROMO - STAFF CARS	1/96	12/97	\$34,000			\$34,000		\$34,000		\$34,000
96 PROJECT	METROMO- COMPUTER REPLACE	1/96	12/97	\$943,000			\$943,000	\$100,000	\$843,000		\$943,000
96 PROJECT	DARTS- RADIO PURCHASE	7/96		\$10,295			\$10,295	\$10,295			\$10,295
96 PROJECT	SCOTT CO- COMPUTER REPLACE	7/96		\$30,000			\$30,000		\$30,000		\$30,000
96 PROJECT	SWMTC- COMPUTER REPLACEMENT	7/96		\$13,049			\$13,049		\$13,049		\$13,049
	<i>Computers, Communication equipment etc. sub-total</i>			\$1,266,344	\$0	\$0	\$1,266,344	\$266,095	\$1,000,249	\$0	\$1,266,344
	GRAND TOTAL: (All Non-MCTO projects)			\$25,229,873	\$195,534	\$0	\$25,425,407	\$13,642,869	\$11,275,831	\$406,707	\$25,425,407

MCTO 1997 Capital Budget Program Summary -- Project Spending By Year

Project #	Project Title	Proj. Status	Authorization				Expenditures					Unfunded Portion as of 1/1/97
			Capital Program at 11/26/96	Requested Changes		1997 Proposed Budget	Project Spending Through 1995	Projected 1996	Projected 1997	Projected 1998/Future	Total Project Expenditures	
				Increases (Decreases)	New							
Fleet Modernization												
3511	Purchase 65 Articulated Buses	Continuing	\$24,850,000	\$150,000	\$0	\$25,000,000	\$0	\$0	\$5,000	\$24,995,000	\$25,000,000	\$0
			\$24,850,000	\$150,000	\$0	\$25,000,000	\$0	\$0	\$5,000	\$24,995,000	\$25,000,000	\$0
Public Facilities												
3270	Downtown St. Paul Transit Hub	Continuing	\$1,749,600	(\$38,832)	\$0	\$1,712,768	\$1,307,768	\$5,000	\$400,000	\$0	\$1,712,768	\$0
3291	Bus Stop Signs	Continuing	\$2,034,146	(\$107,842)	\$0	\$1,926,304	\$728,304	\$175,000	\$500,000	\$525,000	\$1,926,304	\$0
3358	1993 Park/Ride Lots	Continuing	\$2,827,667	(\$274,836)	\$0	\$2,553,032	\$1,983,032	\$70,000	\$50,000	\$450,000	\$2,553,032	\$0
3390	Team Transit Improvements	Continuing	\$3,834,000	\$0	\$0	\$3,834,000	\$1,568,069	\$900,000	\$850,000	\$716,941	\$3,834,000	\$0
3470	1994 Hubs	Continuing	\$614,937	\$146,446	\$0	\$661,382	\$90,882	\$20,500	\$550,000	\$0	\$661,382	\$0
3490	1994 Shelter/Stop Improvements	Continuing	\$1,730,809	(\$1,425,000)	\$0	\$305,809	\$809	\$10,000	\$145,000	\$150,000	\$305,809	\$0
3556	Speedlite	Continuing	\$600,000	(\$75,000)	\$0	\$425,000	\$0	\$5,000	\$420,000	\$0	\$425,000	\$0
37xx	Midway Transit Hub	New-RTC	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000	\$0	\$250,000	\$0
3750	Cottage Grove Park & Ride	New-RTC	\$755,000	\$0	\$0	\$755,000	\$0	\$0	\$755,000	\$0	\$755,000	\$0
3751	Co. Road C / Hwy 61 Park & Ride	New-RTC	\$274,000	\$0	\$0	\$274,000	\$0	\$0	\$274,000	\$0	\$274,000	\$0
3755	I-35E Bus Lane	New-RTC	\$325,000	\$0	\$0	\$325,000	\$0	\$0	\$325,000	\$0	\$325,000	\$0
3760	Lake St. Transit Hub at Chicago	New-RTC	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000	\$0	\$250,000	\$0
3762	Safety, ADA, etc.	New-RTC	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$0	\$200,000	\$0
3763	Bus Stop Security Lighting	New-RTC	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$25,000	\$0
			\$15,270,159	(\$1,772,864)	\$0	\$13,497,295	\$5,676,854	\$1,185,500	\$4,794,000	\$1,840,941	\$13,497,295	\$0
Support Facilities												
3230	1992 Bus Turnarounds	Continuing	\$401,683	(\$244,155)	\$0	\$157,528	\$127,528	\$5,000	\$25,000	\$0	\$157,528	\$0
3643	1996 Major Improvements to Facil.	Continuing	\$433,000	\$15,621	\$0	\$448,621	\$0	\$316,821	\$131,800	\$0	\$448,621	\$0
3743	1997 Major Improvements to Facil.	New-RTC	\$780,000	\$0	\$0	\$780,000	\$0	\$0	\$780,000	\$0	\$780,000	\$0
3744	Underground Storage Tank Repair	New-RTC	\$300,000	\$0	\$0	\$300,000	\$0	\$0	\$300,000	\$0	\$300,000	\$0
			\$1,914,683	(\$228,534)	\$0	\$1,686,149	\$127,528	\$321,821	\$1,236,800	\$0	\$1,686,149	\$0
Computerization & Communications												
3283	HRIS Upgrade	Continuing	\$390,000	(\$240,079)	\$0	\$149,921	\$49,921	\$0	\$100,000	\$0	\$149,921	\$0
3285	Financial Subsystem Upgrade	Continuing	\$20,282	\$813,922	\$0	\$834,204	\$20,282	\$0	\$250,000	\$583,922	\$834,204	\$0
3481	Perpetual Inventory System	Continuing	\$2,000,000	\$878,018	\$0	\$2,878,018	\$922,283	\$1,755,755	\$200,000	\$0	\$2,878,018	\$0
3581	Radio System Replacement/AVL	Continuing	\$4,837,000	\$0	\$0	\$4,837,000	\$0	\$0	\$300,000	\$4,537,000	\$4,837,000	\$4,537,000
3585	Geographic Info. System (GIS)	Continuing	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$0	\$200,000	\$0
3586	General Ledger (G/L) Replacement	Continuing	\$350,000	\$413,922	\$0	\$763,922	\$0	\$0	\$250,000	\$513,922	\$763,922	\$0
3587	Automatic Psngr Counters (APC)	Continuing	\$400,000	(\$158,250)	\$0	\$241,750	\$36,483	\$170,655	\$34,812	\$0	\$241,750	\$0
3680	1996 Computer Equipment	Continuing	\$250,000	(\$50,000)	\$0	\$200,000	\$0	\$100,000	\$100,000	\$0	\$200,000	\$0
3681	Garage Sensor System	Continuing	\$150,000	\$0	\$0	\$150,000	\$0	\$0	\$150,000	\$0	\$150,000	\$0
3780	1997 Computer Modernization	New-RTC	\$600,000	\$0	\$0	\$600,000	\$0	\$0	\$600,000	\$0	\$600,000	\$0
3782	Trapeze Upgrade	New-RTC	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$100,000	\$0	\$100,000	\$0
3783	GPS Link to APC	New-RTC	\$60,000	\$0	\$0	\$60,000	\$0	\$0	\$60,000	\$0	\$60,000	\$0
37xx	Central Administrative Systems	New-RTC	\$700,000	\$0	\$0	\$700,000	\$0	\$0	\$700,000	\$0	\$700,000	\$0
			\$10,057,282	\$1,857,533	\$0	\$11,714,815	\$1,028,949	\$2,026,410	\$3,044,812	\$5,614,844	\$11,714,815	\$4,537,000
Other Capital												
3224	Electronic Fare Collection	Continuing	\$8,770,000	\$0	\$0	\$8,770,000	\$4,130,267	\$777,070	\$3,141,678	\$720,795	\$8,770,000	\$0
3523	1995-96 Capital Equipment	Continuing	\$1,355,000	\$92,192	\$0	\$1,447,192	\$87,261	\$1,000,000	\$359,931	\$0	\$1,447,192	\$0
3723	1997 Capital Equipment	New	\$1,050,000	\$0	\$0	\$1,050,000	\$0	\$0	\$1,050,000	\$0	\$1,050,000	\$0
3724	Vehicle Replacement	New	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$500,000	\$0	\$500,000	\$0
			\$11,675,000	\$92,192	\$0	\$11,767,192	\$4,217,518	\$1,777,070	\$5,051,809	\$720,795	\$11,767,192	\$0
Total Active Capital Projects:			\$63,767,124	(\$101,673)	\$0	\$63,665,451	\$11,050,849	\$5,310,801	\$14,132,221	\$33,171,580	\$63,665,451	\$4,537,000

**PARKS AND
OPEN SPACE**

**METROPOLITAN COUNCIL
REGIONAL RECREATION OPEN SPACE
1997-2001 CAPITAL IMPROVEMENT PROGRAM
AND 1997 CAPITAL BUDGET
(Adopted December 19, 1996)**

RECREATION OPEN SPACE CAPITAL IMPROVEMENT PROGRAM PROCESS

Introduction

The Metropolitan Parks Act, Minnesota Statute 473.147 requires the Metropolitan Council to prepare a regional recreation open space policy plan. That plan must identify lands to be acquired and developed which in concert with state and federal lands will reasonably meet the outdoor recreation needs of the Metropolitan Region's residents and visitors. The plan must also establish priorities for land acquisition and park/trail development. Since 1974, the Metropolitan Council, in partnership with 10 regional park implementing agencies that own and operate the regional park system, have acquired land and developed parks and trails consistent with the Metropolitan Council's parks policy plans. Acquisition and development has been accomplished with the financial assistance of Federal, State and Metropolitan Council revenues.

The regional park implementing agencies finance about 95% of operations and maintenance costs with user fees and their own local property taxes. The remainder is financed with State appropriations allocated by statutory formula.

Regional park implementing agencies implement the Council's policy plan by preparing park/trail master plans. Those plans must provide details on park/trail demand, sizing the park/trail to meet the projected demand and details on the cost of acquisition and development projects for the park or trail. The master plans are then reviewed by the public and submitted to the Metropolitan Parks and Open Space Commission. Upon their recommendation, the master plans are approved by the Metropolitan Council. Master plans must be approved by the Metropolitan Council before any projects proposed in them are eligible for funding.

The park master plan projects are considered for funding by the Metropolitan Council through its capital improvement program for regional recreation open space (CIP). Minn. Statute 473.147 requires the CIP to cover a five year period and be revised periodically in consultation with the Metropolitan Parks and Open Space Commission and the regional park implementing agencies. The CIP must also establish criteria and priorities for allocating capital improvement funds. The Metropolitan Council has developed 10-year CIPs for parks to identify long-range as well as short range capital improvement needs.

Capital Improvement Program Process

The 1996-2005 regional recreation open space CIP was prepared using the following process:

- Step 1: In December 1994, regional park implementing agencies submitted project proposals to the Metropolitan Council. The projects had to be consistent with Metropolitan Council approved park/trail master plans. Park agencies also submitted their projects in priority order.
- Step 2: Projects were reviewed and prioritized by Metropolitan Council staff using Council adopted funding priority policies for land acquisition, park/trail redevelopment and park/trail development purposes. Council funding priorities, plus the expected benefit of each project based on park usage data was used to prepare draft CIPs. Each project was prioritized within land acquisition, park/trail redevelopment, park/trail development and system-wide acquisition/development categories. In this way, similar projects competed against each other for priority.
- Step 3: From January to February, 1995 four versions of the CIP were presented to the Metropolitan Parks and Open Space Commission for its review and comment along with comments by the regional park implementing agencies. Revisions were made to address issues about equity and benefit to the regional park agencies that reflected the fact that 40% of project costs would be financed with Metropolitan Council bonds--paid for with a metropolitan wide property tax levy. The CIP fairly allocates benefits of park/trail projects to those who use and pay for them.
- Step 4: In March 1995, the Metropolitan Council approved a final draft CIP for public hearing. The hearing was held in late April with the record remaining open until early May. The Metropolitan Parks and Open Space Commission reviewed the final version of the CIP and accompanying hearing report in late May. It was adopted by the Metropolitan Council on June 22, 1995.
- Step 5: In October-November, the 1996-1997 portion of the CIP was revised to solely finance reimbursement projects with Council bonds since State appropriations are not available. Reimbursement projects are projects which the Council authorized park implementing agencies to implement using park implementing agency funds since there were no State/Council funds available at that time. The Council made a commitment to reimburse the park implementing agency when funds became available in the future. The 1996-1997 portion of the CIP was also revised to add a project to the CIP (completing the Great River Road parkway and trail in Minneapolis Central Riverfront Regional Park). The Council will fund 89 percent of the estimated project cost by reducing other projects in the CIP by 7 percent.

PROPOSED FUNDING SOURCES

Under state law, the Metropolitan Council can issue up to a maximum of \$40 million in general obligation bonds for regional park system capital improvements. (Minn. Statutes Chapter 473.325). As of December 31, 1996, the Council will have \$25 million in outstanding debt

under this authority.

On January 6, 1994, the Council adopted a position paper that proposed the Council maximize its regional bonding authority for park capital improvements to create a revolving capital fund. It reaffirmed that position on July 13, 1995. Based on the limitations of \$40 million that can be outstanding at any time and the cap on the levy limit on debt service for these bonds, the Council could issue \$6.5 million of 5-year bonds each year and not exceed the bonding authority or debt service levy limit. Thus, the Council could generate about \$13 million (after issuance costs) in bonds for a two-year biennium as a match to any other revenue source for regional park capital improvements. In December, 1996 as part of its review of the 1997-2001 CIP and 1997 capital program, the Council reduced the regional bonding commitment to \$5.3 million per year.

The regional bonds are proposed to fund 40% of each project in the CIP as a match to state bonds or Legislative Commission on Minnesota Resources (LCMR) recommended appropriations. This ratio is proposed as a fair allocation of the debt service on these bonds between the Metropolitan Area and Greater Minnesota. Under the 40/60 split, approximately 76% of the debt service on regional and state bonds for a project would be financed from taxes collected in the Metropolitan Area, while 24% would come from Greater Minnesota. That's comparable to the amount of benefit Metropolitan Area and Greater Minnesota residents receive from the regional park system based on visitor origin data for the system.

In one instance, regional bonds are proposed to match state bonds for a dam repair project in a regional park on a 50/50 basis since the state bonds will only finance this type of project at that level.

If a project is a good candidate for federal Intermodal Surface Transportation Efficiency Act (ISTEA) funds, the CIP proposed up to 80% funding of the project's cost or \$500,000, with 20% matching funds provided from LCMR recommended appropriations or State Bonds.

FISCAL IMPACT

Two figures on the following pages illustrate the impact of the regional recreation open space capital improvement program on regional property taxes. The capital financing plan approved by the Council for parks and open space assumes that the Council will issue approximately \$5.3 million per year in five-year bonds to establish a revolving bonding program that fully utilizes the Council's existing regional parks bonding authority and provides a stable regional financing source to match federal and state funding.

Figure 24 shows the impact of the program on total property taxes. Parks debt service property taxes are projected to increase from approximately \$4.5 million in 1997 to \$7.8 million in 2002, an average annual increase of 11.5 percent. Figure 25 shows the impact of the program on a \$100,000 residential homestead. Taxes paid by such a household (in constant 1996 dollars) would increase from approximately \$2.76 in 1997 to \$4.13 in 2002.

Table 6-1
**SUMMARY OF FISCAL YEARS 1996-2001 REGIONAL PARKS/TRAILS
ACQUISITION, REDEVELOPMENT, DEVELOPMENT AND SYSTEM-WIDE PROJECTS**

Fiscal Years	Land Acquisition (\$000's)	Park/Trail Redevelopment (\$000's)	Park/Trail Development (\$000's)	System-wide Acquisition/Development (\$000's)	Totals by Fiscal Years (\$000's)
FY' 95 and '96-97 Env. Trust Fund	1,120 FY' 95 Env. Trust Fund		2,924.2 FY' 96-97 Env. Trust Fund 1,633.6 Council bond match 1,931.2 ISTEA grants	1,025.8 FY' 96-97 Env. Trust Fund including 500 for ADA retrofits 611 Council bond match	1,120 FY '95 Env. Trust Fund 3,950 FY '96-97 Env. Trust Fund 1,931.2 ISTEA grants 2,250 Council bond match
1996-97 State bond request¹	2,444 State Bonds 1,632 Metro. Council bond match	4,446 State Bonds 2,963 Metro. Council bond match	7,870 State Bonds 5,531 Metro. Council bond match	372 Dam safety repair State Bonds 372 Dam safety repair Council bonds	15,915 State Bonds 10,750 Metro. Council bond match
Combined 1995 ETF approp. and 1996 State Bond Request	3,564 ETF and State Bonds 1,632 Metro. Council bond match	4,446 State Bonds 2,963 Metro. Council bond match	10,794.2 ETF and State Bonds 7,164.6 Metro. Council bond match 1,931.2 ISTEA grants	1,397.8 ETF and State Bonds 615.2 Metro. Council bond match	20,985 ETF and State Bonds 13,000 Metro. Council bonds 1,931.2 ISTEA grants

¹ The final 1996 State appropriation was \$10,400,000, plus \$250,000 in a direct state grant for dam repair, to be matched with \$7,181,600 of regional bonds.

Fiscal Years	Land Acquisition (\$000's)	Park/Trail Redevelopment (\$000's)	Park/Trail Development (\$000's)	System-wide Acquisition/Development (\$000's)	Totals by Fiscal Years (\$000's)
1998-99	2,457 State Bonds 1,638 Metro. Council bond match	5,556 State Bonds 3,704 Metro. Council bond match	10,098.1 State Bonds 6,522.1 Metro. Council bond match and 860 ISTEA grants	792 State Bonds 1,128 Metro. Council bond match	18,903.1 State Bonds 12,922.1 Metro. Council bond match and 860 ISTEA grant
2000-01	2,475 State Bonds 1,650 Metro. Council bond match	2,370 State Bonds 1,580 Metro. Council bond match	9,353 State Bonds 5,128.7 Metro. Council bond match and 3,140 ISTEA grants	912 State Bonds 1,208 Metro. Council bond match	15,110 State Bonds 9,566.7 Metro. Council bond match and 3,140 ISTEA grants

Metropolitan Council 1988-2002 Parks Debt Service Levy

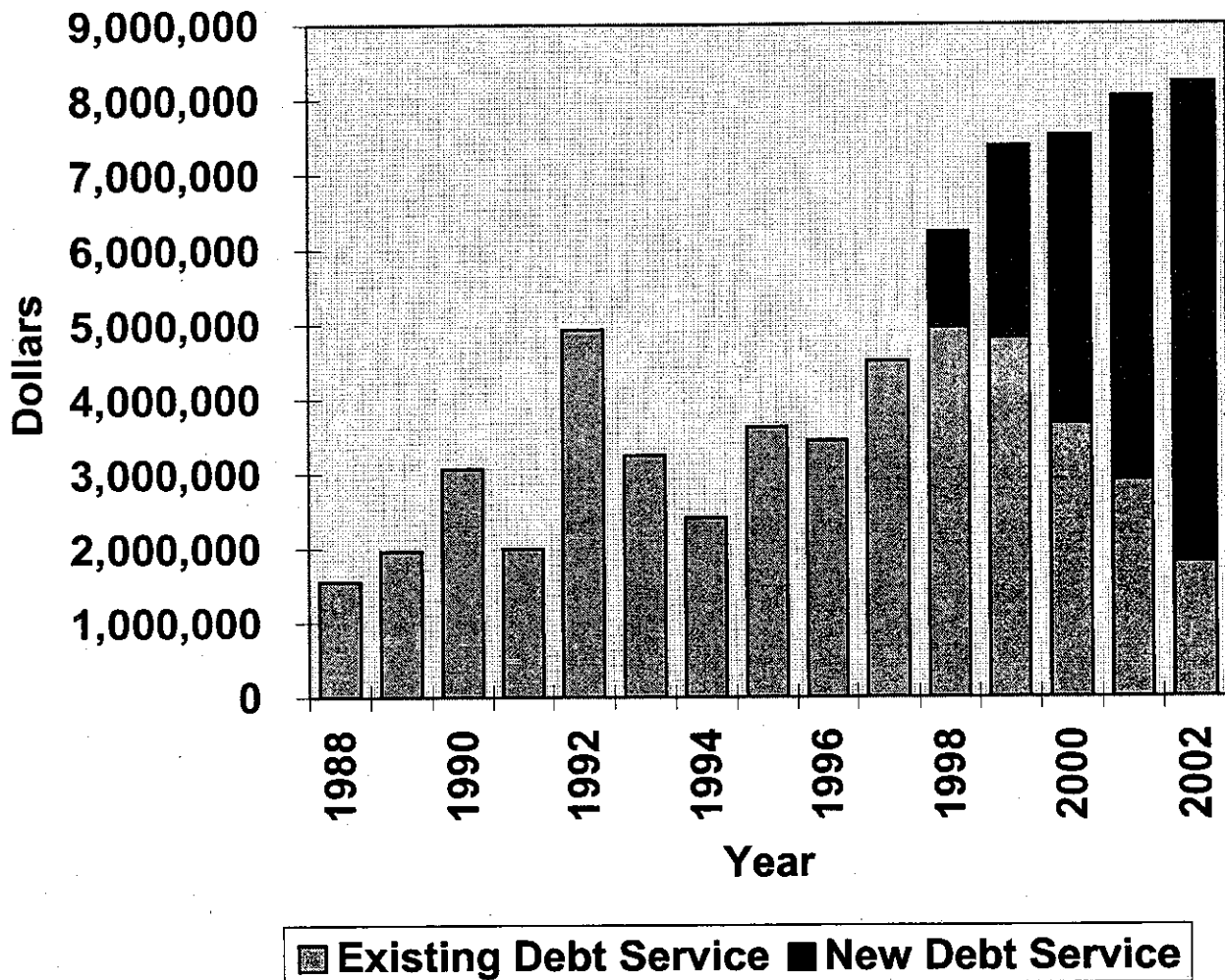


Figure 24

Metropolitan Council Parks Taxes on \$100,000 Residential Hstd Constant 1996 Dollars

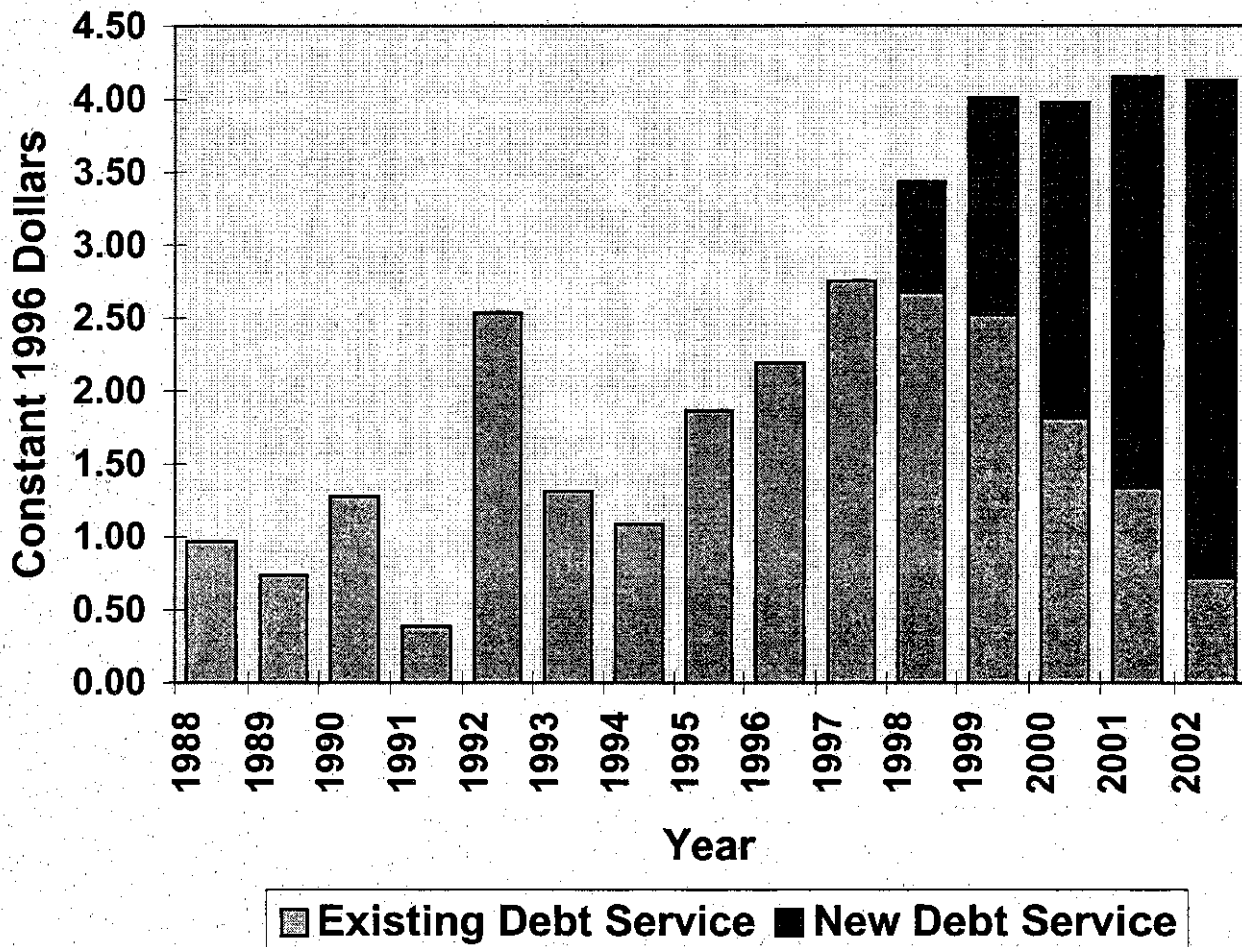


Figure 25

ADOPTED 1997 PARKS AND OPEN SPACE CAPITAL PROGRAM AND CAPITAL BUDGET

The 1997 Transit Capital Program and 1997 Capital Budget includes capital budget authorizations for regional park capital improvements made by regional park implementing agencies. Capital budget authorization is maintained for each active capital project until the project is completed, although capital expenditures may occur over a number of years.

The 1996 Capital Program included changes in budget authorizations for both new capital projects and adjustments to previously approved projects. Subsequently, the 1996 Capital Program and Capital Budget was amended to include capital projects funded from \$10,400,000 in state funds appropriated by the 1996 State Legislature and \$7,181,600 in regional bond proceeds. The capital projects funded from these sources were approved by the Council in May, 1996.

Table 6-1 summarizes 1997 capital program authorizations and capital budgets for individual capital projects in the Parks and Open Space Program. There were no changes to the capital program authorizations. **The approved 1997 capital budget totals \$20,096,200.**

An amendment to the 1997 Capital Program and Capital Budget is anticipated in the third quarter of 1997 after new state funds are appropriated by the 1997 State Legislature for regional recreation open space capital improvements.

REGIONAL PARK CAPITAL PROGRAM AUTHORIZATION AND EXPENDITURE SUMMARY

			Authorized	1996	1997	1998
		Grant	Grant	Total	Projected	and Beyond
PARK AGENCY		Number	(\$000's)	Expenditures	Expenditures	Expenditures
Park/Trail Name	Project Description			(\$000's)	(\$000's)	(\$000's)
ANOKA COUNTY						
Anoka Co. Riverfront	ADA retrofit Isle. of Peace toilets	SG-95-63	6.3	0.0	6.3	0.0
Bunker Hills RP	ADA retrofit Rec. Ctr./Archery Range	SG-95-62	35.6	0.0	35.6	0.0
Coon Rapids Dam RP	Trail Dev.	AG-93-10	183.3	183.3	0.0	0.0
Coon Rapids Dam RP	ADA retrofit Activity Ctr.	SG-95-61	18.0	0.0	18.0	0.0
Lake George RP	Contact Station	SG-94-94	200.0	163.0	37.0	0.0
Lake George RP	Maintenance building, roads, fencing	SG-95-59	700.0	241.5	458.5	0.0
North Miss. RP	Trail dev. (ISTEA match)	SG-94-36	130.3	115.3	15.0	0.0
Rice Creek Chain of Lakes PR	Wargo Nature Center Prairie	SG-95-60	24.6	24.6	0.0	0.0
Rum River Central RP	First Part of Phase 1 Dev.	SG-96-31	949.0	0.0	240.0	709.0
	ANOKA COUNTY SUBTOTALS	10 grants	2,247.2	727.8	810.4	709.0
BLOOMINGTON						
Bush Lake portion of H-B-A PR	ADA east/west picnic areas	SG-93-48	21.0	21.0	0.0	0.0
Bush Lake portion of H-B-A PR	Beach, shower bldg., parking	SG-94-79	899.0	899.0	0.0	0.0
Bush Lake portion of H-B-A PR	Picnic area and play structure	SG-95-64	101.0	101.0	0.0	0.0
Bush Lake portion of H-B-A PR	Nesbitt acquisition	SG-96-40	125.0	125.0	0.0	0.0
	BLOOMINGTON SUBTOTALS	4 grants	1,146.0	1,146.0	0.0	0.0
CARVER COUNTY						
L. Minnewashta RP	Play area (Phase 1) and Baylor shop	SG-94-96	188.0	107.7	80.3	0.0
L. Minnewashta RP	Play area (Phase 2) and roads	SG-95-48	512.0	206.9	305.1	0.0
Baylor RP	Beach shower bldg., shelter, paths	SG-95-49	130.0	55.9	74.1	0.0
Baylor RP	Eagle Lake shore easement acq.	SG-95-47	23.8	0.0	23.8	0.0
	CARVER COUNTY SUBTOTALS	4 grants	853.8	370.5	483.3	0.0

REGIONAL PARK CAPITAL PROGRAM AUTHORIZATION AND EXPENDITURE SUMMARY

				1996	1997	1998
			Authorized	Total	Projected	and Beyond
PARK AGENCY		Grant	Grant	Expenditures	Expenditures	Expenditures
Park/Trail Name	Project Description	Number	(\$000's)	(\$000's)	(\$000's)	(\$000's)
DAKOTA COUNTY						
Land acq. at 3 parks	Land acquisition	SG-94-100	530.0	81.1	280.0	168.9
Big Rivers RT & Dakota N. RT	Land acquisition	SG-96-24	600.0	0.0	600.0	0.0
Big Rivers RT	Design/engineering for ISTE match	SG-94-102	55.0	55.0	0.0	0.0
Big Rivers RT	Trail construction ISTE match	SG-95-37	99.0	89.3	9.8	0.0
Big Rivers RT	Trail construction ISTE match	SG-95-43	44.0	37.2	6.8	0.0
Dakota N. RT (So. St. Paul)	Land acquisition	AG-91-1	500.0	248.6	251.4	0.0
Dakota N. RT (So. St. Paul)	Dev. I-494 to So. St. Paul service ctr.	SG-93-54	220.2	220.2	0.0	0.0
Dakota N. RT (So. St. Paul)	Dev. I-494 to John Carroll Blvd.	SG-93-53	151.1	151.1	0.0	0.0
Dakota N. RT (So. St. Paul)	Trail construction ISTE match	SG-95-44	120.0	0.0	0.0	120.0
Lake Byllesby RP	Beach restroom	SG-95-45	176.5	4.4	172.1	0.0
Lake Byllesby RP	Match for dam safety repair grant	SG-96-53	250.0	0.0	36.5	213.5
Lebanon Hills RP	Holland Lake shore stabilization	SG-95-39	21.5	6.0	15.5	0.0
Lebanon Hills RP	ADA retrofit of group campgrounds	SG-95-41	25.3	0.0	25.3	0.0
Lebanon Hills RP	Campground expansion	SG-96-34	900.0	0.0	200.0	700.0
Miesvill Ravine PR	Land acquisition	AG-91-10	450.0	215.6	234.5	0.0
Miesville Ravine PR	Parking, restroom, erosion control	SG-95-46	150.0	0.0	150.0	0.0
Spring Lake PR	ADA retrofit of picnic area	SG-95-42	44.3	0.0	44.3	0.0
Spring Lake PR	Wildflower prairie	SG-95-40	25.0	0.0	25.0	0.0
	DAKOTA COUNTY SUBTOTALS	18 grants	4,361.9	1,108.4	2,051.1	1,202.4

REGIONAL PARK CAPITAL PROGRAM AUTHORIZATION AND EXPENDITURE SUMMARY

			Authorized	1996 Total	1997 Projected	1998 and Beyond
PARK AGENCY		Grant	Grant	Expenditures	Expenditures	Expenditures
Park/Trail Name	Project Description	Number	(\$000's)	(\$000's)	(\$000's)	(\$000's)
HENNEPIN PARKS						
ADA retrofits	Fishing dock retrofits in 4 parks	SG-95-53	31.3	0.0	31.3	0.0
ADA retrofits	Picnic areas in 4 parks	SG-95-52	50.0	0.0	50.0	0.0
ADA retrofits	Elm Creek and Hyland PR play areas	SG-95-54	50.0	0.0	50.0	0.0
ADA retrofits	Richardson and Lowry Nat. Ctr. access	SG-95-74	50.0	50.0	0.0	0.0
Cleary Lake RP	Picnic shelter	SG-94-93	160.0	119.6	40.4	0.0
Coon Rapids Dam RP	Match for dam safety repair grant	SG-94-78	3,100.0	3,093.8	6.2	0.0
Elm Creek PR	Woodland restoration	SG-95-79	23.0	11.8	11.2	0.0
Lake Rebecca PR	Land acquisition	SG-95-83	145.0	0.0	145.0	0.0
Lake Rebecca PR	Woodland restoration	SG-95-78	14.7	5.7	9.0	0.0
Lake Minnetonka RP	Land acquisition reimbursement	SG-96-27	540.0	540.0	0.0	0.0
Lake Minnetonka RP	Development Phase 1 reimbursement	SG-96-28	3,255.0	2,530.0	725.0	0.0
Murphy-Hanrehan PR	Prairie restoration	SG-95-77	25.0	20.7	4.3	0.0
Natural Resource Dev. grant	Plant woodland forbs at 3 nature centers	SG-95-75	18.0	1.5	16.5	0.0
Natural Resource Dev. grant	Remove buckthorn at Richardson Ctr.	SG-95-76	25.0	9.9	15.1	0.0
N. Henn. RT (Wirth to French RP)	Land acquisition	AG-91-19	1,500.0	808.1	553.5	138.4
	HENNEPIN PARKS SUBTOTALS	16 grants	8,987.0	7,191.1	1,657.4	138.4

REGIONAL PARK CAPITAL PROGRAM AUTHORIZATION AND EXPENDITURE SUMMARY

PARK AGENCY	Project Description	Grant Number	Authorized	1996	1997	1998
			Grant (\$000's)	Total Expenditures (\$000's)	Projected Expenditures (\$000's)	and Beyond Expenditures (\$000's)
MINNEAPOLIS PARK & REC. BD.						
Cedar Lake RT	Phase 1 trail dev.	SG-94-41	354.4	354.4	0.0	0.0
Cedar Lake RT	ISTEA match for Phase 1 trail dev.	SG-94-44	610.0	610.0	0.0	0.0
Central Mississippi Riverfront RP	Contaminated soil clean up	SG-95-10	1,000.0	805.2	194.8	0.0
Central Mississippi Riverfront RP	Nicollet Island north end dev.	SG-94-98	1,000.0	35.0	890.0	75.0
Central Mississippi Riverfront RP	MCDA Loan payment for GRR const.	SG-96-30	558.0	558.0	0.0	0.0
Central Mississippi Riverfront RP	Land acq. and GRR parkway/trail dev.	SG-96-33	1,871.0	0.0	1,700.0	171.0
Lake Nokomis RP	Trail restoration	SG-95-73	203.6	201.6	2.0	0.0
Lake Nokomis RP	ADA retrofit of picnic area and paths	SG-95-70	50.0	50.0	0.0	0.0
Minneapolis Chain of Lakes RP	Lake Harriet trails, parkway, boat access	SG-94-97	2,100.0	219.4	1,810.6	70.0
Minneapolis Chain of Lakes RP	Lake Calhoun trails, parkway	SG-96-23	1,116.0	40.0	1,023.6	52.4
Minnehaha RP	Phase 2 Redev.	SG-95-05	1,500.0	103.7	1,396.3	0.0
Minnehaha RP	Phase 3 Redev.	SG-96-22	1,395.0	5.0	900.0	490.0
Minnehaha RP	ADA retrofit of refectory exterior	SG-95-71	50.0	0.0	50.0	0.0
Minnehaha Creek RT	Shore stabilization	SG-95-69	103.4	83.6	19.8	0.0
North Mississippi RP	Land acquisition	SG-87-143	4,840.8	4,840.8	0.0	0.0
North Mississippi RP	Park development	SG-94-66	553.9	287.7	266.2	0.0
West River Road RT	Lake Street Bridge trail underpass	AG-91-9	65.0	0.0	65.0	0.0
MINNEAPOLIS PARK & REC. BD. SUBTOTALS		17 grants	17,371.1	8,194.4	8,318.3	858.4
RAMSEY COUNTY						
Bald Eagle-Otter Lake RP	Inholding acquisition	SG-96-55	139.0	134.3	4.7	0.0
Battle Creek RP	Prairie restoration	SG-95-58	25.0	0.0	25.0	0.0
Battle Creek RP	Match to ISTEA for trail construction	SG-95-72	85.0	0.0	85.0	0.0
Battle Creek RP	Swimming pond, shower room, parking	SG-96-32	2,000.0	0.0	500.0	1,500.0
Keller RP	ADA retrofit of play area	SG-95-55	50.0	0.0	50.0	0.0
Long Lake RP	Inholding acquisition	SG-95-80	47.9	0.0	47.9	0.0
Long Lake RP & Rice Creek W. RT	Park and trail development	AG-91-6	900.0	875.8	24.2	0.0
Snail Lake RP	Phase 3 development	SG-94-99	715.7	711.0	4.7	0.0
Snail Lake RP	Phase 4 development	SG-95-56	699.3	301.9	397.4	0.0
RAMSEY COUNTY SUBTOTALS		9 grants	4,661.9	2,023.0	1,138.9	1,500.0

REGIONAL PARK CAPITAL PROGRAM AUTHORIZATION AND EXPENDITURE SUMMARY

				1996	1997	1998
			Authorized	Total	Projected	and Beyond
PARK AGENCY		Grant	Grant	Expenditures	Expenditures	Expenditures
Park/Trail Name	Project Description	Number	(\$000's)	(\$000's)	(\$000's)	(\$000's)
CITY OF ST. PAUL						
Battle Creek RP	Oak savannah restoration	SG-96-26	71.7	0.0	53.0	18.7
B.N. Trail RT	Trail development	SG-94-82	517.2	278.0	87.0	152.2
Como RP	Beulah lane parking lot	AG-93-9	320.0	75.5	244.5	0.0
Como RP	Picnic pavilion	SG-94-80	2,500.0	81.5	2,160.0	258.5
Como RP	Conservatory entrance and utilities	SG-95-66	1,157.2	86.6	997.7	72.9
Como RP	Parking deck, utilities, paths, lighting	SG-96-25	2,443.7	0.0	100.0	2,343.7
Harriet Island-Lilydale RP	Parking and harbor facilities	SG-95-65	450.0	170.2	279.8	0.0
	CITY OF ST. PAUL SUBTOTALS	7 grants	7,459.8	691.8	3,922.0	2,846.0
WASHINGTON COUNTY						
Big Marine PR	Land acquisition	AG-91-16	3,000.0	2,967.8	32.2	0.0
Big Marine PR	Land acquisition	SG-94-74	742.0	14.1	201.1	526.8
Lake Elmo PR	Picnic shelter	SG-94-75	440.0	409.0	31.0	0.0
Lake Elmo PR	Tree nursery and fencing	SG-95-51	8.0	4.8	3.2	0.0
Grey Cloud Island RP	Land acquisition reimbursement	SG-96-29	73.9	73.9	0.0	0.0
Grey Cloud Island RP	Land acquisition	Pending	1,447.3	0.0	1,447.3	0.0
	WASHINGTON COUNTY SUBTOTALS	6 grants	5,711.2	3,469.6	1,714.8	526.8
Note: Grey Cloud Island RP land acquisition grant of \$1.4 million has not been executed yet pending the Council's decision on siting the						
Wastewater Treatment Plant.						
REGIONAL PARK SYSTEM GRAND TOTALS		91 grants	51,778.8	23,901.6	20,096.3	7,781.0

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