

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2024	2026	2028	2024	2026	2028
Busway Capital Improvement Program Bus Rapid Transit	1	GO	75,000	75,000	75,000	37,000	0	0
Regional Parks and Trails Grant Program	2	GO	15,000	15,000	15,000	2,500	2,500	2,500
Inflow and Infiltration Grant Program	3	GO	9,500	9,500	9,500	5,000	5,000	5,000
<b>Total Project Requests</b>			99,500	99,500	99,500	44,500	7,500	7,500
<b>General Obligation Bonds (GO) Total</b>			99,500	99,500	99,500	44,500	7,500	7,500

<https://metro council.org/>

### AT A GLANCE

- 3,197,231 residents in the seven-county area in 2022
- 40.1 million transit rides provided by the Council in 2022
- 2 million rides on Metro Mobility in 2022
- 250 million gallons of wastewater treated daily
- 110 communities provided with wastewater treatment service in 2022
- Nine treatment plants and 610 miles of regional sewers
- 69 million regional park visits in 2022
- 119 regional parks/trails, park reserves, and special recreation features; totaling 55,000 acres, plus 400 miles of interconnected trails
- 7,200 low-income households provided affordable housing in 2022
- From 2020 to 2050 the Council forecasts the region will grow by:
  - 657,000 more people
  - 324,000 more households
  - 494,000 more jobs

### PURPOSE

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

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

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

State appropriations for transit and parks operations and water supply planning provided less than half of agency funding in calendar year 2023. The majority of operating funding comes from charges for services (wastewater fees and passenger fares), federal funds, property taxes and local funds.

### STRATEGIES

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

### **Planning initiatives**

- Our Thrive MSP 2040 initiative engaged residents to create a framework for a shared vision for a prosperous, equitable, and livable region. Work has begun on the 2050 long-range plan, Imagine 2050.
- Our regional planning initiatives encompass transportation, parks, water resources, community planning, and housing.

### **Transportation**

- Our Metro Transit bus and rail systems and contracted services routes provide more than 40 million rides every year, getting people to work, school, and services, as well as managing road congestion so businesses can efficiently move their goods.
- Our Metro Mobility and Transit Link services transport people who are unable to use regular-route transit service.
- Our transportation planners play a key role in collaborating with thriving communities to create our vision for roads, airports, and transit, to ensure effective and cost-efficient investments.

### **Parks**

- We partner with ten regional park implementing agencies to plan, acquire land, and develop facilities for regional parks and trails, which preserves natural resources and provides recreational opportunities throughout the region.

### **Clean water and wastewater treatment**

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

### **Planning and development**

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

### **Housing**

- Our Housing Policy Plan identifies regional housing needs and priorities, connects housing to other Council system plans, and provides guidance for local housing planning.
- Our Metro Housing and Redevelopment Authority provides housing stability through rent assistance for more than 7,200 low-income residents in nearly 100 communities.

The Metropolitan Council supports the following priorities by:

### **Children and families**

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

### **Equity and inclusion**

- Designates a portion of its regional parks bonds that support regional park implementing agencies to carry out capital projects that strengthen equitable use of regional parks and trails by all our region's residents – across age, race, ethnicity, income, national origin, and ability.
- Provides about 2 million rides annually to people with disabilities through the Metropolitan Council's Metro Mobility service.

- Through its urban scholars program, provides summer internships that enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops.
- Has completed a self-evaluation of Council facilities to identify barriers to its programs and services for people with disabilities.
- Partners with the Painter’s Union, the American Federation of State, County, and Municipal Employees, and St. Paul Technical College to hire and train Environment Services industrial painters and interceptor workers from BIPOC and underrepresented communities.

### **Thriving communities**

- Provides cities with grants, totaling \$400 million over the life of the program, that support innovative development and redevelopment that links housing, jobs, and services, as well as demonstrates efficient and cost-effective use of land and infrastructure.
- Provides more than 40 million rides annually through its Metro Transit operations on a combined network of regular-route buses, light rail, and commuter rail, thereby supporting the travel needs of the region’s residents and local economies.
- Awards funding and develops an overall plan for the metropolitan area’s 55,000-acre system of 63 regional parks, park reserves, and special recreation features as well as 400 miles of interconnected trails – all of which annually attract more than 69 million visits.
- Conducts the Metro Transit Mechanic-Technician Program, in coordination with Twin Cities Rise! which provides a customized degree program at Hennepin Technical College for participants, who continue to work full-time as mechanic-technician interns at Metro Transit.

### **Fiscal accountability and measurable results**

- Received the highest possible ratings from Moody’s and Standard and Poor’s credit ratings agencies.
- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for 39 consecutive years.

### **Minnesota’s environment**

- Treats and cleans an average of 250 million gallons of wastewater from 2.7 million residents daily at rates 35% lower than peer regions across the country, while earning state and national awards for environmental achievements.
- Is developing a climate action plan for our operations to reduce the Council’s contributions to the region’s greenhouse gas emissions, adapt our facilities and infrastructure to existing and foreseeable climate impacts, and ensure the sustainability of the region’s investments over the long term.
- Continues to advance solar energy through the Council’s subscriptions to community solar gardens on and off Council land, with solar capacity under contract equivalent to the energy needed by 3,000 homes for a year.

### **Advancing equitable public contracting**

- Conducts a sheltered-market program under the Council’s underutilized-business program and establishes internal purchasing goals for the Council organization.
- Engages an expanding pool of eligible firms through certification under the Council’s underutilized business program and increases access to capacity-building resources for firms owned by women, people who are African American, Hispanic, Native American, Asian-Pacific, subcontinent Asian Americans, veterans, and people with disabilities.
- Increases the participation of women and minority owned businesses in the award of federally assisted contracts through the disadvantaged business enterprise program.

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

**AT A GLANCE**

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

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

**Factors Impacting Facilities or Capital Programs**

There are three program areas that have historically received capital funds. For 2024, our transit, regional parks and environmental services areas are requesting funding.

**Transit:** As part of our ongoing effort to provide a more consistent and robust approach to complicated infrastructure projects, we are creating a new METRO Projects division to manage the development and construction of regional transit projects that are significant in size and complexity and have substantial financial impact. This new division includes all light rail and bus rapid transit projects and will be led by a new executive director position who will report directly to the Metropolitan Council Chair. With the inception of this new division, we will be better structured to efficiently implement multiple transitway capital projects at any given time.

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

- One-time financial relief through federal coronavirus relief funding stabilized transit budgets in the near term.
- A new three-fourths cent metro-area sales tax for transportation and transit took effect October 1, 2023. The Metropolitan Council will receive 83% of the revenue, or more than an estimated \$465 million each year. These funds will create an ongoing, predictable, and stable funding source for transit operations, maintenance, and security. In addition, the Council has the authority to issue revenue bonds against this new revenue source.
- All-day, frequent service best matches all-purpose travel. Transit continues to serve non-office commutes, medical visits, grocery, and pharmacy runs, and other essential trips.
- A planned network of bus rapid transit lines will provide an improved customer experience with frequent service and faster trips in our region's busiest bus corridors. Arterial bus rapid transit lines have consistently shown increased ridership when faster, longer-span, frequent service replaces local bus service.
- While ridership and fare revenues continue to rebound, they remain significantly below pre-pandemic levels.

**Regional parks:** Since 1974, when the Metropolitan Regional Parks System was created, the size of the regional parks system has grown from 31,000 acres to more than 55,000 acres today. Concurrently, use has grown from 5 million visits in 1974 to 69 million visits in 2022. This has increased the need both for rehabilitation of existing parks and for new park land.

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

The state has had a strong commitment to regional parks. The state has appropriated more than \$344 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Program and for earmarked projects outside the Council's Capital Program since 1975. The Legislative Citizen Commission on Minnesota Resources recommended over \$39 million in Environmental and Natural Resources Trust Fund appropriations since 1992 for capital improvements and land acquisition for the Regional Parks System. The Land and Legacy Amendment to the Minnesota Constitution established a Parks and Trails Fund dedicated to support parks and trails of state and regional significance. More than \$248 million has been appropriated to the Metropolitan Council from fiscal year 2010 through fiscal year 2023. The state investment has been leveraged with regional bonds issued by the Metropolitan Council.

**Environmental Services:** Total six-year spending from 2023-2028 is projected to be \$2.04 billion. The Metropolitan Council continues to enjoy attractive loan financing from the Public Facility Authority (PFA) as well as AAA-rated general obligation bonds.

### **Self-assessment of Agency Facilities and Assets**

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

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

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

### **Agency Process for Determining Capital Requests**

The Metropolitan Council prepares a six-year capital improvement program (CIP) for each year as part of its annual budget process. This CIP includes funding for capital investment in the transportation, community development, and environmental services divisions. Transportation includes fleet, support facilities, customer facilities (including transitways and transit stations/park and rides), and equipment and technology improvements. Community development provides for acquisition, development, and redevelopment of the Regional Parks System. Environmental services work includes the preservation, growth, and quality improvement of the wastewater system.

## Major Capital Projects Authorized in 2022 and 2023

In 2023, the Metropolitan Council was appropriated \$155.537 million through two capital investment bills, including:

- \$72 million for busway capital improvements for bus rapid transit projects
- \$12 million for the inflow/infiltration public water infrastructure grant program
- \$16.62 million for regional parks and trails
- \$55.917 million in pass-through grants to local governments for parks and trails and transit infrastructure

In addition, the 2023 transportation omnibus budget bill provided funding for capital-related projects, including:

- \$50 million for a grant to Hennepin County for the Blue Line light rail transit extension project
- \$3 million for a bus rapid transit project on US Highway 169



Busway Capital Improvement Program Bus Rapid Transit

**AT A GLANCE**

<b>2024 Request Amount:</b>	\$75,000
<b>Priority Ranking:</b>	1
<b>Project Summary:</b>	\$75 million in state funds is requested for development of busway capital improvement projects. Requested funding would accelerate arterial bus rapid transit (BRT) corridor development including, but not limited to, environmental analysis, engineering, design, right-of-way acquisition, and construction.

**Project Description**

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

Multiple busway lines have been identified for implementation by 2030, and requested funding could advance the development of the H, J, K, and L Line corridors. The request would also advance 2040 arterial BRT expansion corridors yet to be prioritized. Other busway projects may also become eligible for funding in the next two years, as described below.

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

**Project Rationale**

Busway projects have increased the attractiveness and usage of the transit system in multiple corridors. The A Line (2016) and C Line (2019) each improved travel time by 20 percent and yielded a 30 percent increase in corridor ridership. The D Line opened in 2022, and has attracted even stronger initial ridership growth.

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

Prior to the pandemic, bus service in near-term BRT corridors (A through H Line corridors) carried nearly one third of Metro Transit bus riders. This share increased during the pandemic, and these

corridors currently carry 40 percent of Metro Transit bus riders.

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

### **Project Timeline**

The H Line is currently partially funded from past state appropriations. Additional resources are needed to construct the project. Providing \$37 million to the H Line would keep the project advancing by providing the local match needed to pursue federal funding for the remainder of the project cost, leveraging up to \$75 million in potential federal Small Starts funding. Early funding through this request could also leverage discretionary award through the federal Capital Investment Grant program.

The 2023 Legislative session provided funding for arterial BRT corridor planning. With these resources, Metro Transit will begin updating the region's arterial BRT system plan in late 2024 to identify the next corridors after H Line. It is expected that \$25 million in federal funding will be available for another candidate corridor after the H Line. Requested 2024 state funding will be used to match anticipated federal funds and advance the development of J, K, and L lines from corridors to be studied in the upcoming plan update. Candidate corridors to be studied include Nicollet Avenue in Minneapolis and Richfield, Randolph/East 7th, Grand Avenue and West 7th in St. Paul, and 63rd/Zane in Brooklyn Park/Brooklyn Center, in addition to others to be identified through local stakeholder engagement.

### **Other Considerations**

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

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

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

### **Impact on Agency Operating Budgets**

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

### **Description of Previous Appropriations**

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

In 2021, a state General Fund appropriation in the transportation omnibus bill allocated \$57.5 million to the arterial bus rapid transit program.

The Legislature appropriated \$72 million to arterial bus rapid transit in the 2023 bonding bill that will be used to complete the F and G Lines and advance the development of the H Line.

### **Project Contact Person**

Edwin Petrie  
Finance Director  
612-349-7624  
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### **Governor's Recommendation**

The Governor recommends \$37 million in general obligation bonds for this request.

(\$ in thousands)

**Busway Capital Improvement Program Bus Rapid Transit**

**PROJECT FUNDING SOURCES**

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
<b>State Funds Appropriated and Requested</b>				
General Obligation Bonds	\$ 127,000	\$ 75,000	\$ 75,000	\$ 75,000
General Fund Cash	\$ 57,500	\$ 0	\$ 0	\$ 0
<b>State Funds Pending</b>				
<b>Non-State Funds Already Committed</b>				
<b>Non-State Funds Pending</b>				
<b>TOTAL</b>	<b>\$ 184,500</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>

**TOTAL PROJECT COSTS**

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 184,500	\$ 75,000	\$ 75,000	\$ 75,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 184,500</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>

**IMPACT ON STATE OPERATING COSTS**

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

	Amount	Percent of Total
General Fund	\$ 75,000	100 %

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

	Amount	Percent of Total
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6)?</b>	N/A
<b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	Yes
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 473.4485: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Regional Parks and Trails Grant Program

**AT A GLANCE**

**2024 Request Amount:** \$15,000

**Priority Ranking:** 2

**Project Summary:** The Metropolitan Council requests \$15 million in state bonds to match \$10 million of Metropolitan Council Regional Bonds to improve and expand the Metropolitan Regional Parks System.

**Project Description**

The Metropolitan Regional Parks and Trails System is owned, operated, and maintained by the ten Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.341, Subd. 1(a). The Twin Cities region is home to a system of regional parks and trails that is nationally renowned for its beauty, size, and variety of features. The system provides an abundance of opportunities for recreation, exercise, mental and physical health, and, of course, just plain fun. It also preserves significant green space and wildlife habitat. In 2022, there were more than 69 million visits to the regional parks and trails system. Our parks draw visitors from across the region, state, and United States. Our system helps build a quality of life in our region, attracting both employers and workers.

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

**Project Rationale**

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

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

has a mutually beneficial overlap with support for natural resource system health.

**Project Timeline**

The Council would award grants in the second half of 2024 and the agencies would complete funded projects in 2024 through 2026.

**Other Considerations**

None

**Impact on Agency Operating Budgets**

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

**Description of Previous Appropriations**

The state has appropriated \$240 million of bond funds to the Metropolitan Council for the Metropolitan Regional Parks and Trails Capital Budget. The Legislative Commission on Minnesota Resources has recommended \$47.65 million of Environment and Natural Resources Trust Fund appropriations from FY1992 to 2021 for capital improvements and land acquisition purposes for the system.

The 2023 Legislature appropriated \$16.6 million in bond funds for the program. In total, since 2012, the program was provided \$45.2 million. Other recent appropriations include \$5 million in 2020 and \$10 million in 2019.

**Project Contact Person**

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**Governor's Recommendation**

The Governor recommends \$2.5 million in general obligation bonds for this request. Also included are budget estimates of \$2.5 million for each planning period for 2026 and 2028.

(\$ in thousands)

**Regional Parks and Trails Grant Program**

**PROJECT FUNDING SOURCES**

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
<b>State Funds Appropriated and Requested</b>				
General Obligation Bonds	\$ 31,620	\$ 15,000	\$ 15,000	\$ 15,000
<b>State Funds Pending</b>				
<b>Non-State Funds Already Committed</b>				
<b>Non-State Funds Pending</b>				
<b>TOTAL</b>	<b>\$ 31,620</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>

**TOTAL PROJECT COSTS**

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 31,620	\$ 15,000	\$ 15,000	\$ 15,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 31,620</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>

**IMPACT ON STATE OPERATING COSTS**

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

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



**STATUTORY REQUIREMENTS**

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6)?</b>	N/A
<b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 473.4485: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

**Inflow and Infiltration Grant Program**

**AT A GLANCE**

<b>2024 Request Amount:</b>	\$9,500
<b>Priority Ranking:</b>	3
<b>Project Summary:</b>	The Metropolitan Council requests \$9.5 million in state bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems.

**Project Description**

The Metropolitan Council requests \$9.5 million in state bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems. In cooperation with Metro Cities, similar requests have been made in 2010, 2012, 2014, 2015, 2016, 2017, 2018, 2020, and 2023. The requested amount for 2024 represents a portion of the demonstrated need from communities for work completed under the previous programs. The program has been a successful incentive for communities to complete I/I mitigation work.

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

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

In 2010, Metro Cities championed inclusion of a \$3 million grant program in the 2010 bonding bill for providing grants to municipalities for capital improvements to public infrastructure to reduce I/I into the wastewater collection system. From 2010 through 2018, funding received by communities for I/I mitigation was \$14.2 million.

**Project Rationale**

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

## **Project Timeline**

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

## **Other Considerations**

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

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

## **Impact on Agency Operating Budgets**

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

## **Description of Previous Appropriations**

This is a recurring request. The enacted 2023 capital budget provided \$12 million for this initiative. In total, since 2013, the program has received \$29.3 million in funding from the Legislature, including recent appropriations of \$5 million each in 2018 and 2020.

## **Project Contact Person**

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## **Governor's Recommendation**

The Governor recommends \$5 million in general obligation bonds for this request. Also included are budget estimates of \$5 million for each planning period for 2026 and 2028.

(\$ in thousands)

**Inflow and Infiltration Grant Program**

**PROJECT FUNDING SOURCES**

Funding Source	Prior Years	FY 2024	FY 2026	FY 2028
<b>State Funds Appropriated and Requested</b>				
General Obligation Bonds	\$ 22,000	\$ 9,500	\$ 9,500	\$ 9,500
<b>State Funds Pending</b>				
<b>Non-State Funds Already Committed</b>				
<b>Non-State Funds Pending</b>				
<b>TOTAL</b>	<b>\$ 22,000</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>

**TOTAL PROJECT COSTS**

Cost Category	Prior Years	FY 2024	FY 2026	FY 2028
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 22,000	\$ 9,500	\$ 9,500	\$ 9,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 22,000</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>	<b>\$ 9,500</b>

**IMPACT ON STATE OPERATING COSTS**

Cost Category	FY 2024	FY 2026	FY 2028
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

**SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS**

	Amount	Percent of Total
General Fund	\$ 9,500	100 %
User Financing	\$ 0	0 %

**STATUTORY REQUIREMENTS**

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

<b>Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?</b>	Yes
<b>Predesign Review (M.S. 16B.335 subd. 3):</b>	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
<b>Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?</b>	N/A
<b>Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?</b>	N/A
<b>Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 &amp; 6)?</b>	N/A
<b>Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?</b>	Yes
<b>Will the project meet public ownership requirements (M.S. 16A.695)?</b>	Yes
<b>Will a use agreement be required (M.S. 16A.695 subd. 2)?</b>	No
<b>Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?</b>	Yes
<b>Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?</b>	N/A
<b>Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2028?</b>	Yes
<b>M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required</b>	Yes
<b>M.S. 473.4485: Guideway Project</b>	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A