



# SOUTHWEST LRT community works

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## Southwest LRT Community Works Steering Committee

Thursday, February 21, 2013

1:30-3:00 pm

Council Chambers, St. Louis Park City Hall

### Agenda

- |             |  |   |
|-------------|--|---|
| <b>I.</b>   | <b>Introductions &amp; Updates*</b>  | <b>1:30 to 1:35 PM</b>  |
| <b>II.</b>  | <b>Approve January 2013 Meeting Minutes*</b><br>Chair Gail Dorfman, Hennepin County  | <b>1:35 to 1:40 PM</b><br>Action                                  |
| <b>III.</b> | <b>Southwest LRT Community Works 2013/2014 Workplan*</b><br><i>Katie Walker, Hennepin County</i>   | <b>1:40 to 2:00 PM</b><br><i>Presentation</i>                     |
| <b>IV.</b>  | <b>New Starts Proposed Guidance – Econ Dev. &amp; Land Use*</b><br><i>Katie Walker, Hennepin County</i><br><i>Submission of comment letter to the Federal Transit Administration (FTA)</i> | <b>2:00 to 2:15 PM</b><br><i>Presentation</i><br><i>Action</i>    |
| <b>V.</b>   | <b>Legislative Initiatives*</b><br><i>Development (Mark Ruff – Ehlers &amp; Elizabeth Ryan – Family Housing Fund)</i><br><i>Transit/LRT – (Bill Schreiber – Messerli &amp; Kramer)</i>     | <b>2:15 to 2:45 PM</b><br><i>Discussion</i><br><i>Information</i> |
| <b>VI.</b>  | <b>TSAAP Technical Design Charrette Debrief</b><br><i>Mark Koegler, HKGI</i>   | <b>2:45 to 3:00 PM</b><br><i>Information</i>                      |
| <b>VII.</b> | <b>Adjournment</b>   |   |

- *enclosures*

The Steering Committee will meet next on **Thursday, March 21, 2013**, from 1:30-3:00 at the St. Louis Park City Hall.



**Southwest LRT Community Works Steering Committee**

Meeting Minutes

Thursday, August 16, 2012

1:30 - 3:00 pm

St. Louis Park City Hall

**Meeting Attendees**

Steering Committee Members & Alternates

Chair Gail Dorfman, Hennepin County Member

Jan Callison, Hennepin County Member

Anne Mavity, City of St. Louis Park Member

Terry Schneider, City of Minnetonka Alternate

Jason Gadd, City of Hopkins Member

Dick Miller, Minnehaha Creek Watershed District Member

Jeff Casale, Minnehaha Creek Watershed District Alternate

Jim Hovland, City of Edina Member

Mary Brindle, City of Edina Alternate

Kathy Nelson, City of Eden Prairie Member

Caren Dewar, Urban Land Institute (ULI) – Minnesota Member

Anita Tabb, Minneapolis Park and Recreation Board Member

**Other Attendees**

Katie Walker (Hennepin County), Adele Hall (Hennepin County), Kerri Pearce Ruch (Hennepin County), Will Schroerer (Minneapolis Regional Chamber), Dave Nuckols (Hennepin County), Kevin Locke (City of St. Louis Park), Paul Mogush (City of Minneapolis), Kersten Elverum (City of Hopkins), Barry Schade (Bryn Mawr Neighborhood Association), Jason Zimmerman (St. Louis Park), Janet Jeremiah (City of Eden Prairie), Farveh Makhssous (City of Eden Prairie), Steve Hogan (City of Minneapolis), Larry Blackstad (Minnehaha Creek Watershed District), Mark Fuhrmann (Metro Transit), Sam O'Connell (Metro Transit), Kathryn Hansen (Metro Transit), Cathy Bennett (ULI-MN), Karen Lyons (Metropolitan Council), Susan Hoyt (Metropolitan Council), Michelle Koffa, Ed Ferlauto (CIDNA), Jeffrey Peltola (Public Works for Public Good)

**I. Welcome & Introductions**

Chair Gail Dorfman called the meeting to order and asked members and attendees to introduce themselves.

**II. September 20, 2012 and December 20, 2012 Meeting Minutes**

Chair Gail Dorfman asked the Committee members for comments on the September 20, 2012 and December 20, 2012 meeting minutes. Jason Gadd moved to approve the minutes; Dick Miller seconded this motion, and the minutes were approved on a voice vote.

### **III. 2013 Legislative Session**

Chair Gail Dorfman introduced Will Schroeer, who is working for both the Minneapolis Regional Chamber and the St. Paul Chamber to advocate for transit projects in our region. Mr. Schroeer indicated that his work represents the first joint policy position that the two major city chambers have ever developed; this reflects the growing importance of expanding transit options in our region. He presented overviews of three major studies that make the case for greater investments in transit projects. Some highlights include: other parts of the country are ahead of the Twin Cities region in developing transit infrastructure; an investment of \$4.2 billion to build out our transit system would yield benefits ranging from \$6.5 billion to \$16 billion (high internal rate of return); greater accessibility to jobs that comes with an expanded transit system means that employers can draw from a considerably greater pool of potential employees. Mr. Schroeer reported on what other urban centers are doing to build out their transit systems, including: clearly defining transit needs (called a Program of Projects), increasing or dedicating sales taxes for transit, competing for Federal New Starts funding, building some lines without Federal funding, and increasing State funding for transit. He also reported on a recent recommendation from the Governor's Transportation Finance Advisory Committee, which recommended a ½ cent sales tax in the metro region to support the build out of the full system costs of \$4.2 billion over 20 years. In response to people who ask about what they can do to support greater transit investments, Mr. Schroeer advised that people contact their legislators.

Steering Committee members asked several questions about Mr. Schroeer's presentation, including what is an acceptable internal rate of return on an investment; what additional analysis is needed to make the case for more transit investments; which cities have forgone Federal funding for some of their transit projects; could bonding be used as a tool to fund an expanded transit program; is there research showing whether more transit will impact congestion. In response to a question, Mr. Schroeer further stated that the Chamber have taken the position that new revenue is needed to accelerate the build out of our region's transit system, but no position has yet been taken on what the mix of revenues might be. They will wait until the Governor releases his proposed State budget. He also distributed preliminary survey results from a very recent survey showing that the vast majority of citizens say the State would benefit from expanded transit investments. People seem to understand that roads alone will not solve congestion problems, and 2/3rds of respondents say they would use transit if it was convenient and fast. In follow up to this discussion, Chair Gail Dorfman asked staff to include time for a more extensive discussion of legislative activities on the agenda for the February Steering Committee meeting.

### **IV. SWLRT Community Works Annual Report**

Chair Gail Dorfman asked Adele Hall to summarize the report on 2012 SWLRT Community Works activities. Ms. Hall referred to a report distributed to the Committee, and provided an overview of activities including planning efforts, self-education, and tangible changes at proposed station areas.

### **V. Transitional Station Area Action Planning (TSAAP)**

Chair Dorfman introduced Mark Koegler, Principal at Hoisington Koegler Group Inc., and lead consultant on the County-funded TSAAP project. Mr. Koegler presented several slides showing the project timeline and project activities. He indicated that this project will not produce a 2030 vision, but will rather focus on what needs to be in place to be ready for the startup of light rail service in 2018. A first round of planning charrettes will take place in early February with staff from cities, and will look at a series of "what ifs" that will lead to refinement of options to be considered. In addition to working with staff, there will be outreach with the public to follow. Chair Dorfman asked about how communities will be involved and emphasized that it is important to effectively engage those who live near and conduct business near proposed station areas.

Jim Hovland asked about how cities and communities will be engaged in how stations are developed and how they will function. Chair Dorfman asked Mark Fuhrmann, Metro Transit Program Director for New Starts rail projects, to comment on when decision about the design of station will occur. Mr. Fuhrmann responded that municipal consent review will take place in the third quarter of 2013 and therefore, the TSAAP work will line up nicely with the LRT project work. Mr. Hovland asked if businesses and communities could work with Metro Transit to design and construct upgrades to plans; Mr. Fuhrmann responded in the affirmative and gave an example of where that had happened for the Central Corridor LRT project. Anne Mavity raised the issue of freight rail location and the timing of decision regarding relocation or co-location. Mr. Fuhrmann said that freight rail location is a critical issue and that the Southwest Project Office is tackling this right away and will be ready to make a recommendation in July 2013.

Kathy Nelson brought the discussion back to public engagement for the TSAAP process, and asserted that while public meetings are great, there is a need for online access to information and novel ways to engage those who cannot attend public meetings. Anita Tabb asked for clarification on when public meetings on the TSAAP work would be held in Minneapolis. Mr. Koegler said that this might happen as early as March, but that the project team needs some flexibility at the outset of this work. Chair Dorfman stated that communities are very interested in this work and will want to be fully engaged. She indicated that the Southwest LRT Community Works staff working closely with cities should support robust outreach that the community will expect. Anne Mavity reminded all that community members will not be making a distinction between infrastructure planning for the LRT line vs. land use planning through the TSAAP and Community Works activities, so coordination is important. Terry Schneider said that he expects less public interest in LRT station designs than in what will occur in the areas around the stations – parking, access, and development. It is those topics that the public will most want to learn about and provide input on.

#### **VI. 2013 Workplan**

Chair Gail Dorfman noted the time, and said that the workplan would be reviewed and discussed in greater detail at the February meeting. She recommended that members take a close look at the draft plan, particularly the second page. The Housing Inventory is almost done, and this will set the stage for action steps including possible land acquisition, and creating more structure to support project development. She indicated that the Committee should discuss findings from the ULI developers workshop at the next meeting. Given the number of issues to be covered over the next month or so, the Committee discussed either convening two meetings in February, or holding one longer meeting.

#### **VIII. Adjournment**

The meeting was adjourned at 3:00 pm. The next Southwest LRT Community Works Steering Committee meeting will be held on Thursday, February 21, at 1:30 pm at the St. Louis Park City Hall.



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## Agenda Item 3: Workplan

**Reviewed By:**

- Chair
- TIC Principals
- TIC
- Hennepin County staff
- Other \_\_\_\_\_

**Steering Committee Action Requested:**

Information

**Background/Justification:**

Staff will provide an overview of the approved Southwest LRT Community Works 2013/2014 Workplan.

**Previous Action on Request:**

**Recommendation:** Information

**Financial Implications?** None

**Are These Funds Budgeted?**

**Attachments:** Workplan

**Comments:**





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## SOUTHWEST LRT COMMUNITY WORKS 2013-2014 WORKPLAN

The Southwest Community Works Initiative collaborates with citizens, businesses, and government to align land use and transit planning so that the Southwest LRT Corridor is a premiere destination that is accessible, livable, and vibrant.

The adopted **goals** include:

- **Economic competitiveness and job growth**  
*Promoting opportunities for business and employment growth*
- **Housing choices**  
*Positioning the Southwest LRT communities as a place for all to live*
- **Quality neighborhoods**  
*Creating unique, vibrant, safe, beautiful, and walkable station areas*
- **Critical connections**  
*Improving affordable regional mobility for all users*

### Southwest LRT Community Works Steering Committee

The Steering Committee provides overall guidance and direction for the Southwest LRT Community Works Project, the goal of which is to support infrastructure, development, and public space improvements in concert with LRT design and construction in order to maximize public benefits, improve economic equity, provide affordable housing opportunities and improved access to jobs, protect the natural environment, and strengthen communities along the Southwest LRT line.



## 2013-2014 Southwest LRT Community Works Workplan

### 1. Organization and Engagement

	Organization and Engagement	2013	2014
	Develop and Implement a Strategic Communications/Outreach Plan	Q1-Q2	
	Develop a 2013-2014 Legislative Agenda	Q1-Q2	
	Hold joint meetings with the SW LRT Corridor Management Committee	Q1, Q3	Q1, Q3
	Develop and adopt an organizational structure to implement the Southwest LRT Community Works vision	Q2-Q3	

### 2. Development/Redevelopment Toolkit

The purpose of this task is to understand available development/redevelopment tools, their utilization, identify potential gaps, and propose options to fill the gaps to enable the partners to bring Transit Oriented Development (TOD) to the Southwest Corridor. The following activities related to this workplan item were accomplished in 2012:

- ULI-MN worked with Hennepin County and the six partner cities to identify the full range of available tools.
- Hennepin County contracted with Ehlers and Associates to use the Shady Oak station as a case study for the application of available tools to more clearly identify challenges/gaps and to recommend strategies for overcoming the challenges and filling the gaps. The Shady Oak station case study was finalized in 2012 with recommendations including legislative changes to TIF statutes, TIF for TOD, etc...
- Based partially upon the work done for Southwest, the Corridors of Opportunity have engaged the Family Housing Fund to provide leadership on developing proposals to secure development tools for "equitable and optimal development" along transitways. FHF with assistance from Ehler's is drafting proposal legislation.

	Development/Redevelopment Toolkit	2013	2014
	Analyze tools and develop a toolkit	Q1-Q2	
	Pursue legislative authority for additional/modified tools	Q1-Q2	



### 3. Corridor-Wide Housing Strategy

The purpose of the Corridor-Wide Housing Strategy is to recommend joint policies, tools and financing strategies that help to achieve a full range of housing choices along the Southwest Corridor in conjunction with future transit investments. The strategy will include a corridor wide housing inventory, market feasibility and accessibility analysis, gap analysis and strategy and goal development. In 2012, the corridor wide Housing Inventory was initiated through a contract with Maxfield Research funded through a Corridors of Opportunity Local Implementation Capacity grant and Hennepin County funds. The Housing Inventory will be completed in March and will provide a baseline housing inventory and demographic/economic profile for the entire 15 mile corridor.

Housing Strategy	2013	2014
Conduct a Corridor Wide Housing Inventory	Q1	
Develop a Corridor Wide Housing Strategy	Q2-Q4	

### 4. Transitional Station Area Action Plans

The TSAAPs are intended to bridge the gap between current conditions and future needs by recommending infrastructure investment that support anticipated development by opening day of LRT, anticipated to be 2018. The TSAAPs will maximize LRT system investments by identifying and prioritizing infrastructure improvements that enhance existing businesses, support a full range of housing opportunities, and encourage development. The TSAAPs will facilitate the evolution of station areas into Transit-Oriented Developments (TOD) with a unique sense of place that relates positively to the corridor as a whole. In 2012, Hennepin County contracted with Hoisington Koegler Group, Inc (HKgi) to conduct the TSAAP process.

Transitional Station Area Action Plans	2013	2014
Conduct Technical Design Charrettes to identify LRT infrastructure alternatives to maximize development	Q1	
Develop station area access/circulation plans	Q2	
Evaluate Preliminary Engineering Plans from a Development/Land Use Perspective	Q1-Q3	
Compile an Inventory of Prioritized Projects	Q3-Q4	
Develop an Infrastructure Needs Inventory for 2018 and 2030	Q3-Q4	
Identify Key Acquisitions in Station Areas	Q4	
Create a Development Framework with a Transitional Station Area Action Plan for each station	Q4	





## 5. Infrastructure Inventory

The Infrastructure Inventory will include an inventory of existing infrastructure (roads, trails, sidewalks, bus lines, sewer, utilities, etc...), infrastructure needed by 2018 (opening day of LRT), and infrastructure needed by 2030 to realize the station area visions for Transit Oriented Development (TOD). In 2010, Hennepin County contracted with Bonestroo to prepare the existing and 2030 Infrastructure Inventory. The 2018 Infrastructure Inventory is a work product of the TSAAP process. In addition, a corridor wide parking strategy is needed to support TOD as well as manage parking demand for the LRT project at stations where Metro Transit will not provide a park/ride facility.

Infrastructure Inventory (existing, 2018 and 2030)	2013	2014
Develop an inventory of public infrastructure investments needed by 2018 and 2030 to support the Development Framework	Q4	Q1
Develop a corridor wide parking strategy	Q1-Q3	

## 6. Strategic Redevelopment and Acquisition Plan

The TSAAP process is intended to result in the identification of sites for potential Joint Development as well as key sites for acquisition. In addition to the TSAAP process the cities and other partners will continue to identify opportunity sites for strategic acquisition and opportunities for joint development.

Strategic Acquisition Plan	2013	2014
Identify key sites for acquisition & opportunities for joint development	Q1-Q4	
Explore Financing Mechanisms for acquisitions and joint development	Q2-Q4	Q1-Q4

## 7. Corridor Wide Transit Oriented Development (TOD) Marketing Strategy

A strategy to market the Southwest Corridor for TOD will be developed and implemented to ensure that the opportunity for TOD is maximized. In 2012, the Southwest LRT Community Works partners developed a station area profile package as a first step in raising the visibility and highlighting the current assets and opportunities along the Southwest Corridor.

TOD Marketing Strategy	2013	2014
Develop and Implement a strategy for marketing the Southwest Corridor	Q3-Q4	Q1-Q4

## 8. Workforce and Business Growth/Retention Strategy

Workforce and Business Growth/Retention Strategy	2013	2014
Create a coordinated workforce and business strategy	Q3-Q4	Q1-Q4

## 9. Corridor Wide Investment Framework

Corridor Wide Investment Framework	2013	2014
Adopt & Implement a Corridor Wide Investment Framework	Q4	Q1-Q4



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**Agenda Item 4: Proposed New Starts Guidance & Comment Letter**

**Reviewed By:**

- Chair
- TIC Principals
- TIC
- Hennepin County staff
- Other \_\_\_\_\_

**Steering Committee Action Requested:**

Approve submission of comment letter from Chair to Federal Transit Administration (FTA).

**Background/Justification:**

On January 9, 2013, the Federal Transit Administration (FTA) released proposed guidance for the FTA New Starts Project Justification, including land use and economic development, and Local Financial Commitment ranking criteria. Comments on the proposed guidance are due by March 11, 2013.

**Previous Action on Request:**

**Recommendation:** Action

**Financial Implications?** None

**Are These Funds Budgeted?**

**Attachments:** Presentation. Draft letter to be distributed at meeting.

**Comments:**



# Proposed New Starts Guidance

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- Released on 1/9/2013 as a companion to the final rule
- Provides proposed policy guidance for the project justification and local financial commitment ratings
- Comments are due 3/11/2013

# Proposed New Starts Guidance

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## Project justification criteria:

- mobility improvements
- environmental benefits
- congestion relief
- economic development effects
- land use
- cost-effectiveness

## Local financial commitment:

- availability of reasonable contingency amounts
- availability of stable and dependable capital & operating funding sources
- availability of local resources to recapitalize, maintain, and operate the overall existing and proposed public transportation system without requiring a reduction in existing services.

# Principles for Proposed Guidance

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- Establishing Breakpoints for Ratings
- Time Horizons for Calculating Measures
- Basis for Comparison
- Equal weighting for project justification criteria
- Equal weight for project justification & local financial commitment for overall project rating
- Require at least a medium rating on both project justification and local financial commitment to obtain a medium or better rating overall

# Project Justification

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- mobility improvements
- environmental benefits
- congestion relief
- economic development effects
- land use
- cost-effectiveness

# Project Justification: Mobility Improvements

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Mobility improvements defined as the total number of linked trips using the proposed project, with extra weight given to trips that would be made on the project by transit dependent persons.

Each trip by a transit dependent person would be equivalent to two trips by a non-transit dependent person under the proposed mobility improvements measure.



# Project Justification: Economic Development

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Economic development is defined as the extent to which a proposed project is likely to enhance additional, transit-supportive development in the future based on a qualitative examination of the existing local plans and policies to support economic development proximate to the project.

An *optional quantitative Economic Development Scenario* analysis based on station area access to regional workforce or other measures provided will be considered by FTA. This will be assessed on a case by case basis, but may result in the future in establishment of evaluation breakpoints.

# Project Justification: Environmental Benefits

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Environmental benefits are defined as the dollar value of the anticipated direct and indirect benefits to human health, safety, energy, and the air quality environment scaled by the cost of the project. These benefits will be computed based on the change in vehicle miles travelled (VMT) resulting from implementation of the proposed project and divided by the annualized capital and operating cost of the project as used in the cost effectiveness measure.

# Project Justification: Cost-Effectiveness

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## “Enrichments”

The FTA proposes that the capital costs of scope elements considered “enrichments” will be either reduced by an FTA defined percentage or eliminated entirely from the CEI calculation.

“Enrichments” are defined in the final rule as improvements to the transit project that are desired by the project sponsor but are non-integral to the planned functioning of the project, and whose benefits are not captured in whole by the criteria. The “enrichments” will be allowable expenses for reimbursement under a future Federal New Starts construction grant.

- Artwork, Landscaping, and Bicycle and Pedestrian Improvements
- Sustainable Building Design Features
- Alternative Energy Vehicles
- Joint Development

# Project Justification: Land Use

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Land Use is defined as:

- existing corridor and station area development
- existing corridor and station area development character
- existing station area pedestrian facilities, including access for persons with disabilities
- existing corridor and station area parking supply
- existing “legally binding affordability restricted” housing in the corridor and station areas.

# Legally Binding Affordability Restriction

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FTA defined a legally binding affordability restriction as a lien, deed of trust or other legal instrument attached to a property and/or housing structure that restricts the cost of housing units to be affordable to households at specified income levels for a defined period of time and requires that households at these income levels occupy these units.

This definition, includes, but is not limited to, state or federally supported public housing, and housing owned by a non-profit organization dedicated to providing affordable housing.

FTA is seeking input on the “legally binding affordability” measure & breakpoints as well as potential alternative ways to measure affordable housing (total or ratio).

# Project Justification: Congestion Relief

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Until such time as FTA can undertake a subsequent rulemaking process to implement all of the provisions of MAP-21, including development of a measure for the congestion relief resulting from implementation of a proposed New or Small Starts project, FTA will assign a medium rating to this criterion for all projects seeking New or Small Starts funds.

# LOCAL FINANCIAL COMMITMENT

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Projects must be supported by an acceptable degree of local financial commitment, including evidence of stable and dependable financing sources to construct, maintain and operate the transit system or extension, and maintain and operate the entire public transportation system without requiring a reduction in existing services.

- The proposed share of total project capital costs from sources other than the Section 5309 major capital investment program;
- The current financial condition, both capital and operating, of the project sponsor;
- The commitment of funds for both the proposed project and the ongoing operation, including whether there is private participation; and, maintenance of the project sponsor's system once the project is built.
- The reasonableness of financial plan, including planning assumptions, cost estimates, and the capacity to withstand funding shortfalls or cost overruns.

If the Section 5309 share is less than 50 % of the project's capital cost, then the summary local financial commitment rating will be raised one level.

## Good News for New Starts + Land Use / Economic Development

### By GB Arrington of GB Placemaking

FTA has just concluded a much anticipated two year process to update its rules for evaluating New Starts with the release of two important new documents:

- On December 27<sup>th</sup>: "**Final Rule on Major Capital Investment Projects**"
- On January 9<sup>th</sup>: "**Proposed New Starts and Small Starts Policy Guidance**"

The two new documents have broad and important implications for how transit projects will be planned, designed and evaluated for Federal funding. *This analysis looks at a small slice of the new regulatory environment – the implications for land use and economic development.*

With the new federal framework the definition of success has shifted and a number of federal entanglements have been stripped away. Matthew Yglesias in *Slate* last week summarized it this way “the new rules should make the New Starts program substantially friendlier to dense walkable neighborhoods.” The article goes on to say “the idea of the new model is to judge systems based not on time but ‘instead on the number of passengers expected to be served.’ That doesn't prohibit a park-and-ride plan if that's what's best-suited to local conditions. But it means that projects focused on density—not just in terms of the transportation infrastructure built but the existence of complementary zoning and such—have a much better chance to win.”<sup>1</sup>

The ‘New New Starts’ rules are likely to have more application to a project like Bottineau since the SW Corridor is already well down the path with FTA. That said the new rules and guidance paint a clearer picture on the current thinking within FTA on what constitutes a good transit project. Strategically it is probably to the advantage of the SW Corridor to take the new framework into account where that is possible and align the project with the latest federal thinking.

According to FTA, “Four key changes are being made to the New Starts/Small Starts program:

1. **FTA is adopting a simpler, more straightforward approach for measuring a proposed project’s cost-effectiveness.** FTA will no longer require communities to compare a proposed project’s travel time savings against a hypothetical alternative project. Instead, FTA will look at the estimated cost to construct the project communities intend to build compared against a rigorously analyzed estimate for the number of passengers the project will serve.

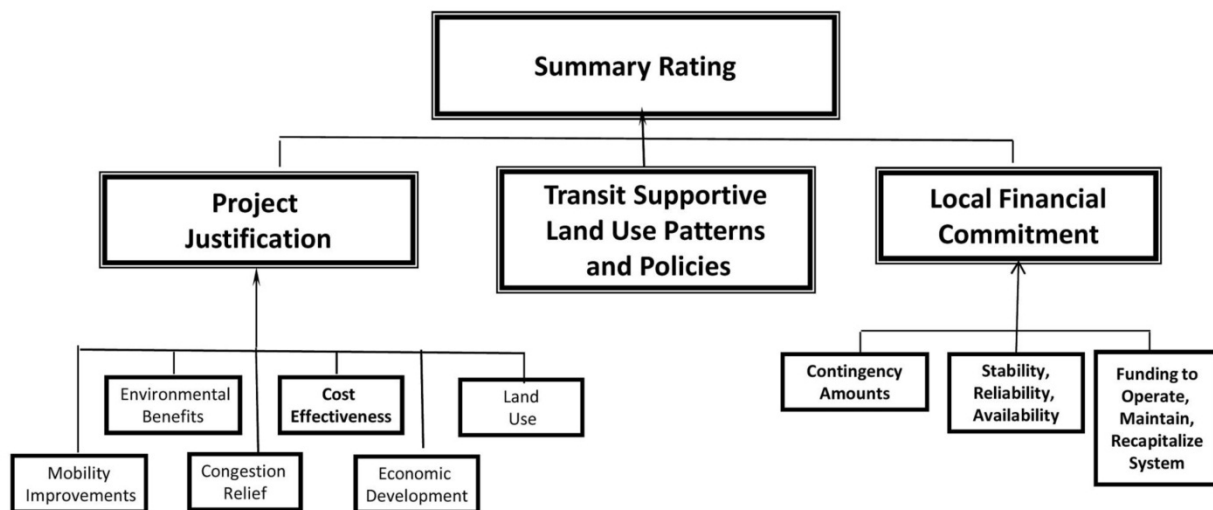
<sup>1</sup>[http://www.slate.com/blogs/moneybox/2013/01/08/fta\\_new\\_starts\\_rule\\_will\\_encourage\\_good\\_projects\\_and\\_walkable\\_neighborhoods.html](http://www.slate.com/blogs/moneybox/2013/01/08/fta_new_starts_rule_will_encourage_good_projects_and_walkable_neighborhoods.html)



2. **FTA is expanding the range of environmental benefits used to evaluate proposed projects.** In addition to taking into account the Environmental Protection Agency's regional air quality designations, FTA will also look at the dollar value of the anticipated benefits to human health, energy use, air quality (such as changes in total greenhouse gas emissions and other pollutants) and safety (such as reductions in accidents and fatalities).
3. **FTA is adding new economic development factors to its ratings process.** FTA currently looks at local plans and policies already in place to encourage economic development and how well they're working in a given area. Going forward, a broader set of economic impacts will be included, such as whether local plans and policies maintain or increase affordable housing.
4. **FTA is streamlining the project evaluation process by reducing regulations and red tape.** FTA will allow project sponsors to forgo a detailed analysis of benefits that are unnecessary to justify a project. For example, projects that receive a sufficient rating on benefits calculations will not be required to do an analysis to forecast benefits out to some future year. Similarly, FTA is developing methods that can be used to estimate benefits using simple approaches."<sup>2</sup>

### *Part of a Continuing Trend*

The changes continue a multi-year evolution heightening the value of land use and economic development in awarding funding for New Starts projects. In May 2009 FTA shifted the ground rules<sup>3</sup> toward land use and economic development when they made them the single largest



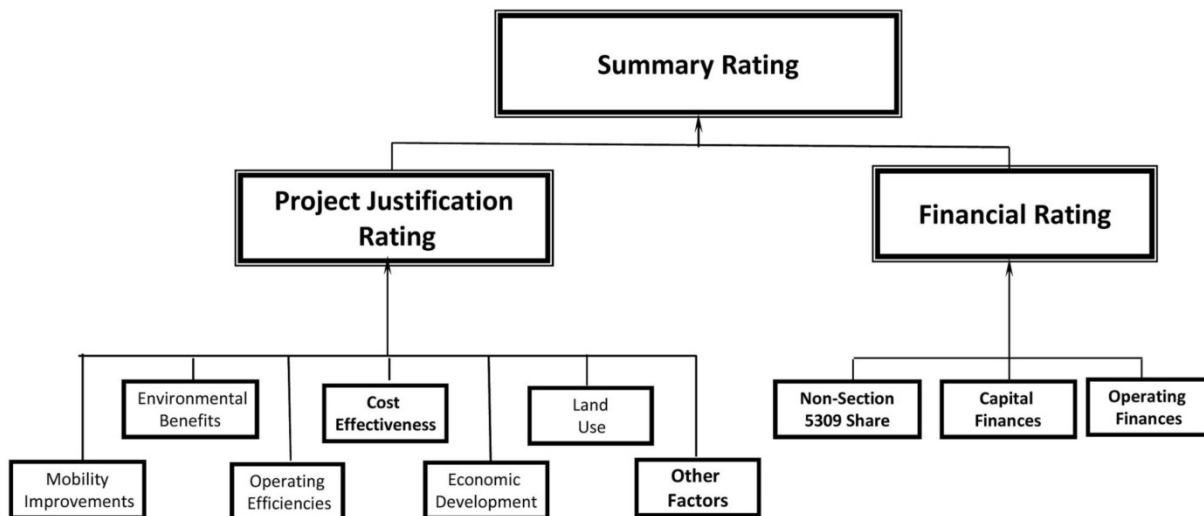
**MAP-21 New Starts Criteria.** MAP-21 put Transit Supportive Land Use Patterns and Policies on equal footing with Project Justification and Local Financial Commitment

<sup>2</sup> [http://www.fta.dot.gov/newsroom/12286\\_14973.html](http://www.fta.dot.gov/newsroom/12286_14973.html)

<sup>3</sup> Federal Register / Vol. 74, No. 96 / May 20, 2009 / Notices

factor in determining Project Justification. In July 2012 MAP-21 raised the bar for land use and economic development a step further with the MAP-21 New Starts Criteria.

Before MAP-21 Land Use and economic development were calculated as part of Project Justification. Now it is a consideration in both Project Justification and on equal footing with Local Financial Commitment and Project Justification.



### Pre-MAP-21 New Starts Criteria.

The 2013 guidance goes a step further and for the first time defines what FTA means by economic development - affordable housing. Going forward, a broader set of economic impacts will be included, such as whether local plans and policies maintain or increase affordable housing.

### *Some Implications for the SW Corridor*

The new rules and guidance paint a clearer picture on the current thinking within FTA on what constitutes a good transit project. Strategically it is probably to the advantage of the SW Corridor to take the new framework into account where that is possible and align the project with the latest federal thinking.

Based on a preliminary assessment of the two FTA documents there are a few areas that warrant further attention as you seek to raise the bar with land use and economic development for the SW Corridor. With more time to consider the documents and conversations with SW Corridor stakeholders the list would likely grow and evolve:

1. The new rule and guidance seems well suited to the SW Corridor. The timing relative to the start of PE and TSAAP design charrettes provide a brief window to consider better aligning the design of the project with FTA's evolving thinking on what constitutes a successful New Starts project.
2. The rule opens the door to explicitly including Joint Development (JD) as part of the SW Corridor LRT project. Consider including JD as part of land acquisition and the definition of project elements of the project. Under the Final Rule certain "enrichments" like JD are eligible for federal funding and will not be counted as a project cost in the cost effectiveness (CE) calculation. In the past 'project sponsors' had been reluctant to include things like land acquisition for JD since the costs were included in the CE calculation and thereby hurt the projects overall rating.

The rule has a few important implications: 1) it means you may have the opportunity to take some of the land costs out of the CE calculation; 2) it signals that FTA is placing more importance on JD by providing a financial incentive to do it; and, 3) it increases the importance of taking an early pass at JD as part of the SW Corridor project.

3. As part of TSAAP consider developing a scenario to estimate the benefits of changes in development resulting from the SW Corridor. Under the policy guidance (p.7-8), grantees have the option of doing a land use scenario based analysis. The results of the analysis can be used to calculate both economic development and environmental benefits from the project.

Since station area planning is underway as part of TSAAP this provides the project with the opportunity to enhance two aspects of the project justification rating. The scenario would measure how the SW Corridor would produce changes in development patterns, population and employment and what FTA calls indirect vehicle miles traveled (VMT) benefits from changes in development.

4. Given the new emphasis on affordable housing as a measure of economic development in the project rating consider an increased emphasis on planning for, and tools to implement affordable housing in the SW Corridor.

The scope of regional actions and discussions linking affordable housing and transit would appear to position the SW Corridor well in the new economic development rating. Going the next step with funding, such as, a TOD Affordable Housing Fund will likely enhance the prospects for high rating in the new framework.



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## Agenda Item 5: 2013 Legislative Initiatives

**Reviewed By:**

- Chair
- TIC Principals
- TIC
- Hennepin County staff
- Other \_\_\_\_\_

**Steering Committee Action Requested:**

Information

**Background/Justification:**

Elizabeth Ryan and Mark Ruff will present their work related to development tools and related legislative initiatives.

Bill Schreiber (Messerli and Kramer) will provide an update on legislative activities related to transit and transportation including the Southwest LRT project.

**Previous Action on Request:**

**Recommendation:** Information

**Financial Implications?** No

**Are These Funds Budgeted?**

**Attachments:**

Infrastructure for Economic Development  
Transit Sales Tax Proposal

**Comments:**



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# INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT

## 1.15.13

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Several Corridors of Opportunity partner organizations are pursuing a suite of tools that if passed by the Legislature, will make it easier for local governments to maximize development opportunities in priority areas.

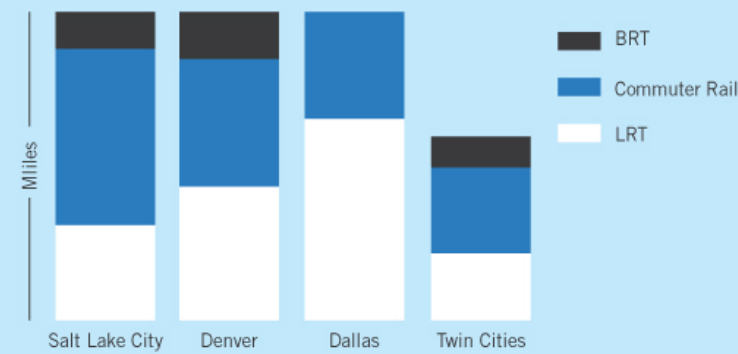
1. Make land acquisition in state designated transit improvement areas (DEED TIA) more affordable and more timely by authorizing local governments to use cash balances or bond proceeds to acquire land through a nonprofit or joint powers board fund/land bank. **[Revise Chapter 118A]**
2. Ensure that enhanced services and quality improvements in public and private spaces around transit stations can be funded and financially sustained in an efficient manner. **[Revise Chapter 428A and 429]**
  - Extend and expand authority for special services districts.
  - Enable local governments more flexibility to defer collection of special assessments for redevelopment as they can currently use for greenfield sites and to apply assessments on the basis of use of parking stalls or trip generation.
3. Create new tools for funding compact private development within a Transit Improvement Area (TIA).
  - Authorize cities and counties to establish a joint powers boards (JPB) on which cities and counties can work together on a transit corridor, giving them similar powers to a HRA/EDA/CDA.
  - Allow the JPB to capture all property taxes from development in a TIA in a phased manner and share the property taxes across city boundaries.
  - Authorize individual city or county HRA/EDA/CDA to use existing tax-increment financing balances for land acquisition or public improvements in a TIA. **[Revise Chapter 469]**
  - Authorize individual city or county HRA/EDA/CDA to establish a new TIF district called a compact development district.
4. Prioritize existing state and local resources for transit-oriented development by funding TIA using state G.O. bond dollars for infrastructure improvements.

### NEXT STEPS

In the coming weeks Corridors of Opportunity partner organizations will work to analyze the relative impact and feasibility of each of these recommendations. We will incorporate this feedback and continue to work with legislative champions to pursue these recommendations this session.

**WE NEED A ROBUST, EFFICIENT TRANSIT SYSTEM TO COMPETE WITH OTHER REGIONS FOR JOBS, TALENT AND ECONOMIC DEVELOPMENT**

**Our competitors are far ahead**



## WHY A LOCAL DEDICATED TRANSIT SALES TAX?

- Creates a reliable and sufficient transit funding source that keeps the Twin Cities Metropolitan Area highly competitive with other regions.
- Establishes a ready and reliable local match to federal funds that improves our region's competitiveness.
- Relieves significant demands on state general fund capital and operating appropriations for transitways.
- Provides a regional funding source for regional services...a stronger funding relationship between who pays and who benefits.
- Encourages private economic investment by bringing greater certainty to transit system development and investment.
- Provides a revenue source (local sales tax) that is easy to administer with collection structure already in place.

## OTHER REGIONS KNOW TRANSIT MATTERS AND ARE INVESTING MORE

Regional tax dedicated to transit:



## Transit Expansion Critical to Minnesota's Economy

### Economic Growth and Jobs

Transit in the metro region provides over 250,000 rides per day, 94 million rides in 2012 – 80% of those rides take people to and from work and school. Transit keeps our economy moving.

#### Transit relieves congestion for all highway and road users

- Transit riders are more than 1/3 of peak hour users of major freeways
- If transit riders drove cars instead, we would need to add as much as 1.5 additional lanes on highly traveled routes
- Transit represents 1-5% of vehicles on local arterial roads while carrying 20-35% of users

#### Transitways attract new economic investments (Transit Oriented Development or TOD)

- Commercial, housing, and institutional developers value transit corridor access
- Met Council 2012 TOD grants of \$15.3M leveraged \$272M of private and public funds
- ROI of between \$6 and \$10 billion by 2030 (Itasca Study)

#### Transit provides an essential mobility infrastructure for workers, businesses, and students

- Central Corridor LRT will connect people to 280,000 corridor jobs growing to 374,000
- Southwest LRT will connect people to 210,000 corridor jobs growing to 270,000
- 265 companies participate in Metropass
- 9.5 million rides via U-Pass, College Pass, and High School Pass

#### Transit development projects create jobs for all Minnesotans

- Central Corridor LRT project directly supports over 4000 jobs
- Southwest LRT project expected to directly support over 3500 jobs
- Jobs employ workers across Minnesota

#### Transit expansion enjoys widespread support from citizens, local communities, and businesses

- January 2013 poll conducted by local Chambers of Commerce found that "eight out of ten (79%) agreed with the statement that Minnesota 'would benefit from having an expanded and improved public transit system, such as rail and buses'."
- Same poll found that 65% of poll respondents statewide support an increase in the metro area sales tax to fund transit.

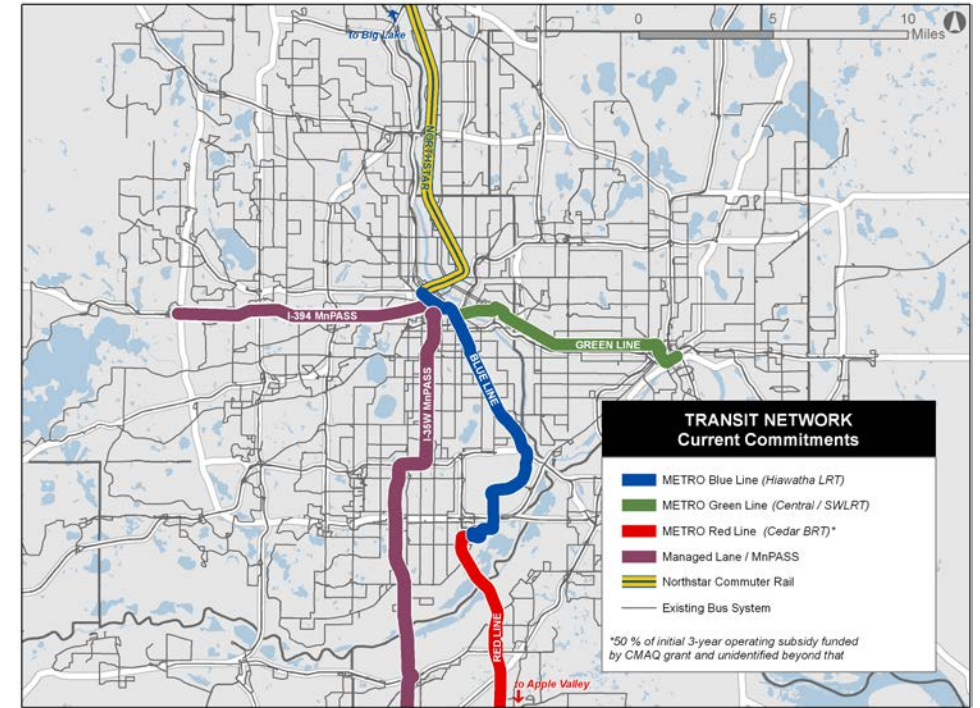
## Solving the State's Budget Challenge

### Governor's recommendation of a metro area sales tax increase:

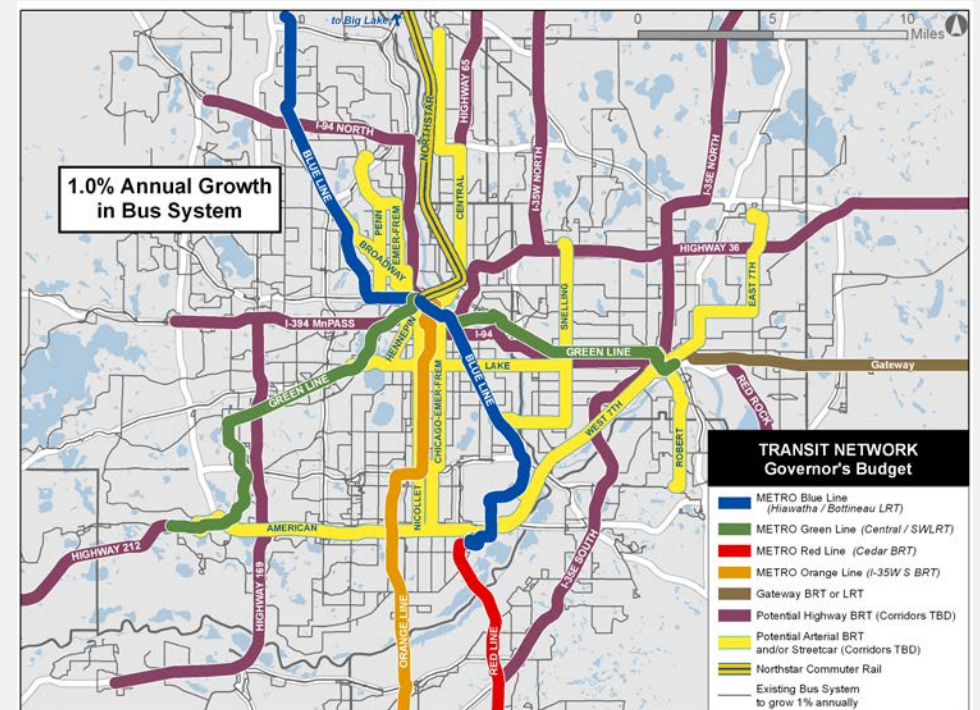
- Funds the remaining state share of Southwest LRT capital costs (\$118M)
- Relieves general fund of operating and capital costs for current and future transitways
- Provides a one-time reduction to the SFY 2014-15 general fund of \$46.8M



Funding Source	State Funding Impact	Expected Outcomes at Funding Level
<p><b>Status Quo</b></p> <p>General Fund :</p> <ul style="list-style-type: none"> <li>Increase SFY 2014-15 base from \$130M to \$148M to fund base bus system and current LRT commitments</li> <li>Requires additional increases in future biennia due to inflation</li> </ul> <p><b>Service Level Changes</b></p> <p>Funds only current bus operations</p> <p>Funds only current rail and bus commitments</p> <ul style="list-style-type: none"> <li>Hiawatha LRT (Blue Line)</li> <li>Northstar Commuter Rail</li> <li>Central Corridor (Green Line)</li> <li>Cedar BRT (Red Line)</li> </ul> <p>No funding for bus or rail service expansion after Central Corridor LRT</p>	<p>\$18M SFY 2014-15 General Fund increases above the \$130M base:</p> <ul style="list-style-type: none"> <li>\$9.2M Hiawatha LRT*</li> <li>\$8.8M Central Corridor LRT*</li> </ul> <p>SFY 2014-15 Southwest LRT (SWLRT) capital budget need: \$118M</p> <p>General Fund increases required in subsequent years just to maintain current service levels</p> <p><i>*MS 473.4051 cites 50% state match for LRT operations</i></p>	<ul style="list-style-type: none"> <li>Larger fare increases</li> <li>Only current service levels maintained for SFY 2014-15</li> <li>Services fail to keep up with population demands</li> <li>Central Corridor LRT opens connecting riders to 280,000-374,000 jobs with ridership eventually growing to 40,000 per day</li> <li>Southwest LRT reliant on future state funding</li> <li>Increased congestion expected metro-wide</li> </ul>



<p><b>Governor's Budget</b></p> <p>Metro Wide Sales Tax (7 County):</p> <ul style="list-style-type: none"> <li>\$350M in new transit-dedicated revenues for SFY 2014-15; offset by \$46.8M in general fund savings</li> <li>\$500M in new transit-dedicated revenues in SFY 2016-17</li> </ul> <p><b>Service Level Changes</b></p> <p>Addresses all funding shortfalls for current bus and rail commitments</p> <p>Expands regional bus system by 1% annually</p> <ul style="list-style-type: none"> <li>More routes and increased frequencies</li> <li>Longer service hours</li> </ul> <p>Build Transitway system over 20 years:</p> <ul style="list-style-type: none"> <li>Southwest LRT (Green Line ext.)</li> <li>Bottineau LRT (Blue Line ext.)</li> <li>I-35 W South BRT (Orange Line)</li> <li>Gateway BRT or LRT</li> <li>Up to 12 potential Arterial BRT or streetcar corridors</li> <li>Up to 5 potential Highway BRT corridors</li> </ul>	<p>Eliminates SFY 2014-15 General Fund increase request (\$18M)</p> <p>One-time reduction to SFY 2014-15 General Fund appropriations. (\$46.8M)</p> <p>Funds remaining state capital share for SWLRT (\$118M)</p> <p>Funds capital and operating needs of future transitways and bus service expansion</p>	<p><b>Positive result for all taxpayers:</b></p> <ul style="list-style-type: none"> <li>A return on investment of \$6-10 billion to 2030, achieved through accelerated build out of transit, and reductions in travel time, emissions, vehicle operating costs, shipping expenses and other means</li> </ul> <p><b>Positive results for employees and business:</b></p> <ul style="list-style-type: none"> <li>500,000 more employees will have access to jobs via transit</li> <li>Twin Cities region transit will be more competitive with peer regions and in the global economy</li> </ul> <p><b>Positive results for residents:</b></p> <ul style="list-style-type: none"> <li>Addresses growth in demand and doubling of transit ridership from 73.3M (2003) to 146.6M (2030)</li> <li>Better, faster, cheaper connections between home, school, work and entertainment</li> <li>Faster transportation options that are safe and environmentally friendly</li> <li>Reduces travel time and congestion</li> </ul>
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Note: This map includes more than 21 transitways because some corridors remain undetermined.



**SOUTHWEST LRT**  
community works

green means go.

## Updates

- Corridors Of Opportunity (CoO)
- Community Engagement Team (CET)
- Southwest LRT



## **Corridors of Opportunity**

At the January 23 Policy Board meeting:

- Chair Haigh announced that MN Deed Commissioner Katie Clark Sieben and Washington County Commissioner Lisa Weik (for CTIB) have joined the CoO policy board, and new MN-DoT Commissioner Charlie Zelle will continue on the board in his new capacity.
- Commissioner Sieben gave a quick overview of the Governor's priorities and mentioned his support for economic development programs (a 10x increase over past budgets).
- Commissioners McDonough (Ramsey County) and McLaughlin (Hennepin County) discussed the Ehlers work, suggesting that the old tool box may need more than a refresher, that we should look at possibly dedicating some of the transit tax to infrastructure investment that supports development (beyond the rail).
- Minnesota Housing Commissioner Mary Tingerthal described changes to their criteria scoring for projects that connected transit access to job opportunity areas.

### FTA New Starts Rule Changes

Kathryn Hansen from the SW Project Office gave an overview of the FTA New Starts rule changes at the February 7 CoO Senior Staff Meeting. She emphasized the new Economic Development factors, including efforts to preserve and increase affordable housing in the corridor, and other land use and workforce efforts. She also mentioned Financing changes; the federal government will be rating projects more highly if they have a greater than 50% local (state, regional rail, et.) match.

### Met Council Transit-Oriented Development Policy Work continues

The team working on strategic changes to the Met Council's TOD policies announced a February 26<sup>th</sup> Think Tank of TOD-regional actors (including TOD program managers and others from CoO and the SW project) to get some input on a set of key TOD strategies that the Council might pursue in the future.

### **Southwest Corridor-wide Housing Inventory**

Maxfield Research submitted a draft of the 367-page Southwest Corridor-wide Housing Inventory to the Southwest Housing Work Group, which includes housing staff from Southwest LRT Community Works partners. The Work Group provided a close review and more than 250 comments on the document, which have been organized thematically and routed to Maxfield for their feedback. The most significant involve study omissions or gaps, private school inclusion, immigrant community demographic data, and whether the Excensus resources were used optimally. A presentation on the Inventory will be reviewed by the Technical Implementation and Steering Committees in March. The Inventory was funded through a Corridors of Opportunity Local Implementation Capacity Grant (\$25,000) with additional resources from Hennepin County's Corridor Development fund (\$17,601) and includes a range of demographic information (including school and employment data), an inventory of existing and planned housing for a full-range of incomes in the Southwest corridor, and a review of existing and recommended housing policies.

## Corridors of Opportunity (CoO) Community Engagement Update

Contact: Nora Riemenschneider, Metropolitan Council, [nora.riemenschneider@metc.state.mn.us](mailto:nora.riemenschneider@metc.state.mn.us)

- Throughout December, the community engagement grantees along SW corridor did a lot of door knocking and other outreach to their community members to encourage attendance at DEIS public hearings and submitting of comments on the DEIS. All grantee organizations submitted comments, which totaled several hundred community comments elevating community based issues such as:
  - Equitable development
  - Affordable housing
  - Environmental Justice
  - Economic development
  - Access for low income communities of color to a regional transit system
  - Jobs for low wage workers

The Community Engagement Team provided technical assistance and training presentations on the DEIS process.

- Asad Aliweyd, Executive Director of New American Academy, a community engagement grantee organization based in Eden Prairie, was one of three panelists at the Metropolitan Council's State of the Region address, held on Monday, February 11 at Union Depot in St. Paul. Aliweyd spoke about the positive impact that SW LRT would have on his community, and how his community is engaging in the planning and decision-making process.
- Susan Hoyt left her position at the Metropolitan Council in late January. The Council will be hiring someone to work on community engagement efforts, acting as a liaison between CoO and the Community Engagement Team, identifying and elevating best practices of the team and grantees, and working to inform the long-term strategy of the Metropolitan Council in regards to community engagement.



**Date:** February 13, 2013

**To:** Southwest Community Works Steering Committee

**From:** Chris Weyer, Southwest LRT Project Director

**Re:** **January 2013 Southwest LRT (Green Line Extension) progress report**

### **Preliminary Engineering**

- SPO developed SWLRT PE Technical Issues map to track resolution of project issues during preliminary engineering (see attached map); technical issues are identified by geographic region along the line.
- Comments received from the public during the DEIS comment period as well as input from project agency stakeholders will help to inform the resolution of these issues.

### **Environmental Program**

- January 8, 2013, HCRRA transmitted the official record of comments to SPO. SPO staff entered the approximately 1,000 comments into a database to facilitate analysis and development of responses for inclusion in the FEIS. A record of the public comments is online: <http://metro council.org/transportation/SW/Environmental/DEIS/index.htm>
- January 4, 2013 issued a Request for Proposals for the Final Environmental Impact Statement; proposals due February 7, 2013

### **Advisory Committees**

- January 9, 2013 held SWLRT Business Advisory Committee (BAC) meeting which included survey results of topics the BAC is interested in discussing more in-depth at future meetings.
- January 10, 2013 held SWLRT Community Advisory Committee (CAC) which included a presentation on the Louisiana Station from City of St. Louis Park staff.
- Upcoming: February 21, 2013 hold special Joint Meeting of the BAC and CAC

### **Other Outreach Events**

- January 9, 2013 SPO staff provided a tour of the corridor to CTIB financial staff .
- January 12, 2013 Council Member Munt presented at the City of Hopkins' ARTery workshop; SPO outreach staff attended.
- January 29, 2013 SPO outreach staff shared project information at the Shady Oak Open House sponsored by the City of Eden Prairie.
- January 29, 2013 Council Member Munt gave a SWLRT presentation at the Tonka Progressives meeting; SPO outreach staff attended.
- January 29, 2013 SPO outreach staff attended the Midtown Corridor Analysis Open House sponsored by Metro Transit.
- January/February SPO added three new outreach staff. See attached map for their contact information and map showing the geographic area each of them cover.

# SWLRT PE Technical Issues

REV 02: FEB 8, 2013

- PEC West
- PEC East
- Joint PEC West/PEC East

## Technical issues:

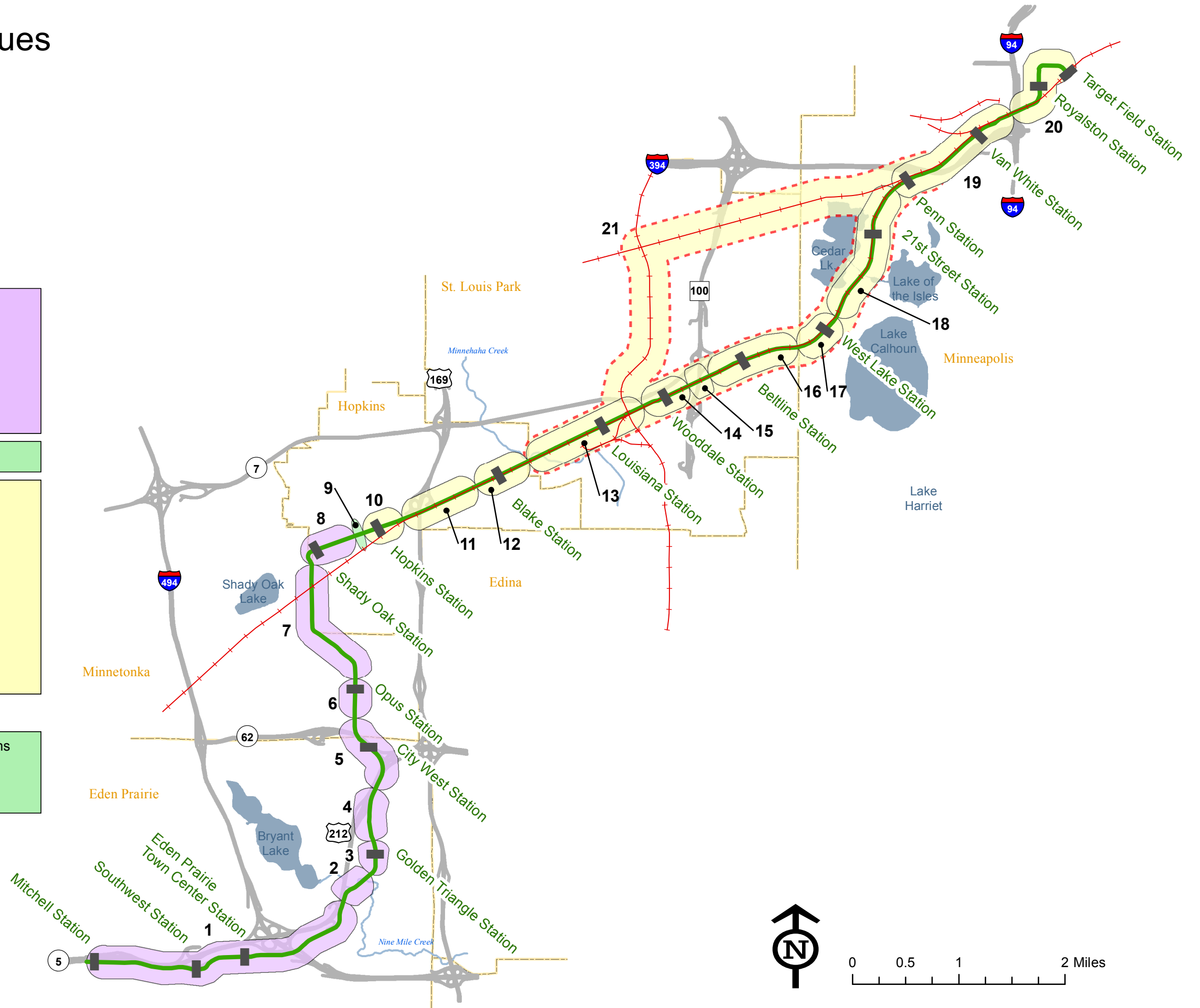
1. Eden Prairie Alignment
2. Nine Mile Creek Crossing
3. Golden Triangle Station
4. Shady Oak Road Crossing
5. City West Station and TH 212/TH 62 Flyover Bridges
6. Opus Station
7. Minnetonka/Hopkins Bridge
8. Shady Oak Station

9. PEC West/PEC East Interface Point

10. Hopkins Station
11. Excelsior Blvd. Crossing
12. Blake Station
13. Louisiana Station
14. Wooddale Station
15. TH 100
16. Beltline Station
17. West Lake Station
18. Kenilworth Corridor
19. Bassett Creek Valley Corridor
20. Royalston Station/Interchange Project Connection
21. Freight Rail Co-location/Relocation Alternatives

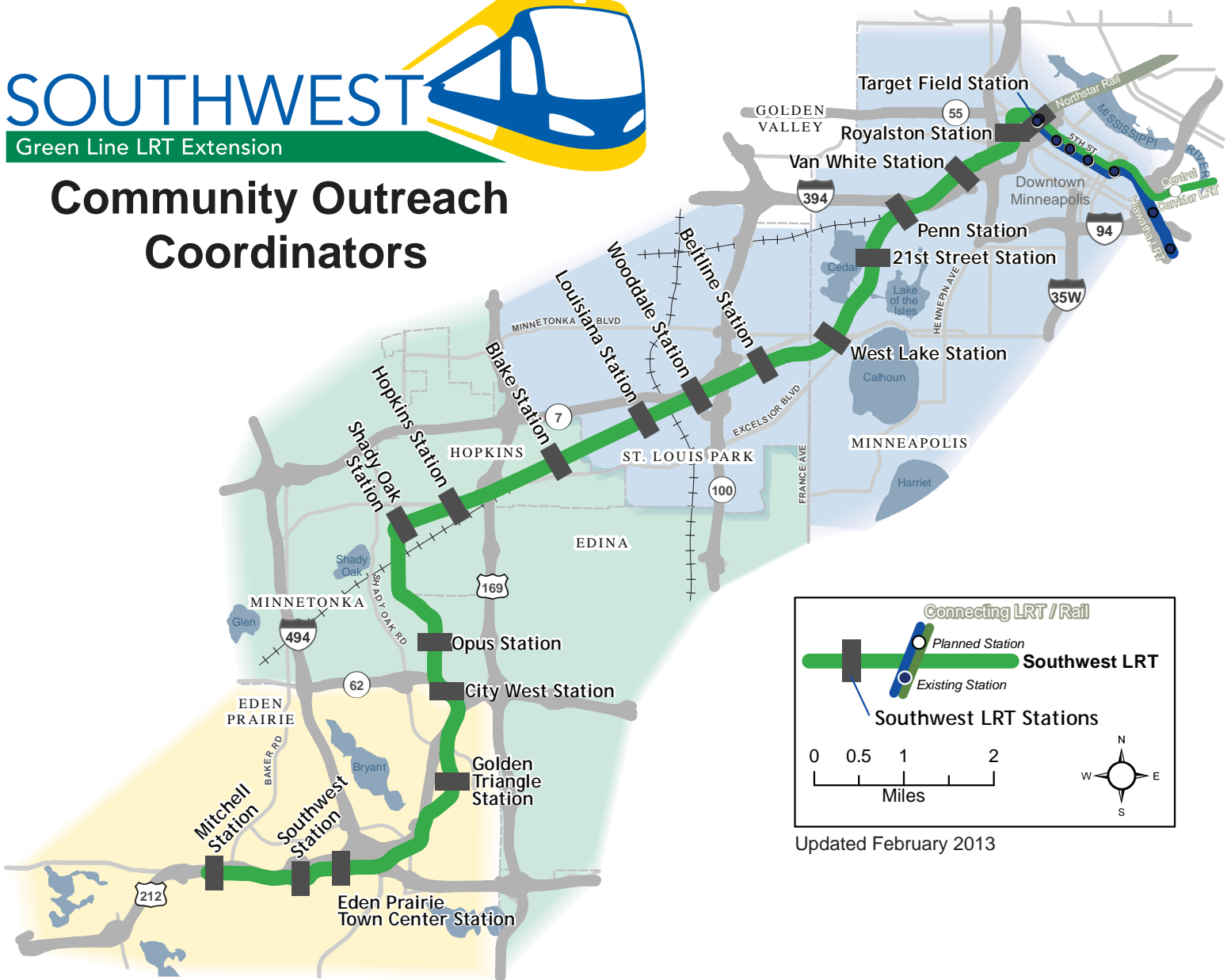
## System-wide technical issues (not shown):

22. Traction Power Substation and Signal Bungalow Locations
23. OMF Location
24. Park & Ride, Kiss & Ride and Bus Layover Locations
25. Trails and LRT Interface Coordination





# Community Outreach Coordinators



Updated February 2013

**Eden Prairie**

**Stations:** City West, Golden Triangle, Eden Prairie Town Center, Southwest, Mitchell

**Minnetonka, Hopkins & Edina**

**Stations:** Blake, Hopkins, Shady Oak, Opus

**St. Louis Park & Minneapolis**

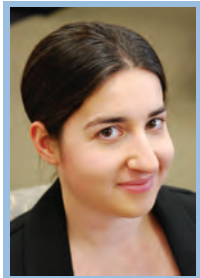
**Stations:** Royalston, Van White, Penn, 21st St, West Lake, Beltline, Wooddale, Louisiana



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