

Project Title	2008 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations 2008	Governor's Planning Estimate	
		2008	2010	2012	Total		2010	2012
Central Corridor Light Rail Transit	1	\$140,000	\$0	\$0	\$140,000	\$70,000	\$0	\$0
Metropolitan Regional Parks	2	10,500	10,500	10,500	31,500	6,000	6,000	6,000
Urban Partnership Agreement (UPA)	3	21,075	0	0	21,075	21,075	0	0
Regional Park and Ride System Expansion	4	15,000	30,000	30,000	75,000	0	0	0
Transitway Studies and Facilities	5	2,000	8,000	10,000	20,000	0	0	0
Metro Cities Inflow and Infiltration Reduction	6	14,000	0	0	14,000	0	0	0
Land Acquisition for Affordable New Development Loan Fund	7	10,000	0	0	10,000	0	0	0
Renewable Fuel/Pollution Reduction Demonstration	8	990	0	0	990	0	0	0
Cedar Avenue BRT (included in UPA above)		0	0	0	0	0	0	0
I-35W BRT (included in UPA above)		0	0	0	0	0	0	0
Regional Bus Garage Facilities		0	15,000	10,000	25,000	0	0	0
Southwest Corridor DEIS/PE		0	10,000	0	10,000	0	0	0
<b>Total Project Requests</b>		<b>\$213,565</b>	<b>\$73,500</b>	<b>\$60,500</b>	<b>\$347,565</b>	<b>\$97,075</b>	<b>\$6,000</b>	<b>\$6,000</b>

### Agency Profile At A Glance

#### Metropolitan Council Operations:

- ◆ 3,577 employees (FTE)
- ◆ \$453 million operating expenditure budget

#### Community Development Functions:

- ◆ 5,885 households in the Section 8 program
- ◆ 193 local government comprehensive plans reviewed
- ◆ Over 33 million visits a year to 52,660 acre regional park system

#### Transportation Functions:

- ◆ 2,602 employees (FTE)
- ◆ \$325 million operating budget
- ◆ \$177.5 million FY 2008-09 biennial state general fund appropriation
- ◆ \$104 million annual projected motor vehicle sales tax (MVST) (\$125 with Suburban Transit Association Providers) in calendar year 2007
- ◆ Nearly 73 million transit rides in 2006

#### Environmental Services Functions:

- ◆ 694 employees (FTE)
- ◆ \$111 million operating budget
- ◆ Nearly 300 million gallons of wastewater treated daily

### Agency Purpose

The Metropolitan Council (Council) is a political subdivision of the state governed by a chairperson and 16 other Council members, who represent equal-population districts. All Council members are appointed by the governor. Council members' role is to provide a regional perspective and work toward a regional consensus on issues facing the metropolitan area.

The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks, and aviation systems that guide the

efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

The Council has jurisdiction in the seven-county metropolitan area comprising Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. The seven-county area is an economically stable region that is expected to grow by one million people, a half-million households and nearly 600,000 jobs between the year 2000 and 2030.

### Core Functions

#### The Council's main functions are:

- ◆ Providing a planning framework for regional growth and conducting long-range planning for regional transportation, wastewater, and parks systems.
- ◆ Operating the regional transit and wastewater systems.
- ◆ Coordinating system-wide planning and capital improvement funding for the regional parks system.
- ◆ Operating a regional housing and redevelopment authority that provides assistance to low-income families in the region.

### Operations

The Council is organized into staff divisions that focus on community development, the environment, and transportation, supported by administrative and service units.

The **Community Development Division** provides local planning assistance to communities, conducts research, and maintains geographic information systems that integrate and depict geographic-based data. The unit administers the Metropolitan Livable Communities Act, which provides grants to eligible communities to help them clean up polluted sites, expand housing choices, and develop projects that use land and infrastructure more efficiently. It also delivers rent assistance and provides affordable housing to low-income households through the Metropolitan Housing and Redevelopment Authority. The unit administers planning and grants for the regional park system.

- ◆ The regional park system consists of 52,660 acres currently open for public use, of which 22,928 have been acquired with state and Metropolitan Council funds since 1974. Approximately \$425 million of state and Metropolitan Council funds have been invested to acquire land, develop new parks and trails, and rehabilitate existing parks and trails since 1974. Since 1985, the state has appropriated over \$93 million of general fund and Lottery-in-Lieu-of-Sales-Tax revenues to help finance the operations and maintenance of the regional park system.
- ◆ The unit administers regional park planning by designating lands to be acquired by cities, counties, and special parks districts as regional recreation open space under M.S. 473.147; distributes state appropriations to these agencies to acquire land and develop recreation facilities under M.S. 473.315; and distributes state appropriations to supplement local property taxes and user fees to operate and maintain the regional park system under M.S. 473.351.
- ◆ The unit also administers the Livable Communities Act, which has awarded \$160 million in grants to metropolitan area communities to help them clean up polluted land for redevelopment and new jobs, create efficient, cost-effective development and redevelopment, and provide affordable housing opportunities.

The **Environmental Services Division** maintains approximately 600 miles of regional sewers and treats nearly 300 million gallons of wastewater daily at eight regional treatment plants. The division maintains near-perfect compliance with clean water discharge permits and, in 2005, all eight treatment plants received major awards. Wastewater services are fully fee funded, and its rates are below the national average. In addition, the division works with approximately 800 industrial clients in the metro area to reduce pollution and provides water resources monitoring and analysis for the entire region.

The **Transportation Division** is responsible for providing transit services in the region. The division operates Metro Transit, the region's largest transit provider, with nearly 73 million rides in 2006. Metro Transit opened the Hiawatha Light Rail line in 2004 and, in 2006, had over 9 million rides. The division also provides Metro Mobility, the region's Americans with Disabilities paratransit service, and manages contracted regular route and dial-a-ride services. It also acts as a liaison with suburban transit authority providers

and other regional transit services. The combined ridership for these services reached over 81 million in 2006. The Council's transit functions are funded by state general fund dollars, Motor Vehicle Sales Tax (MVST), federal revenue, and fares.

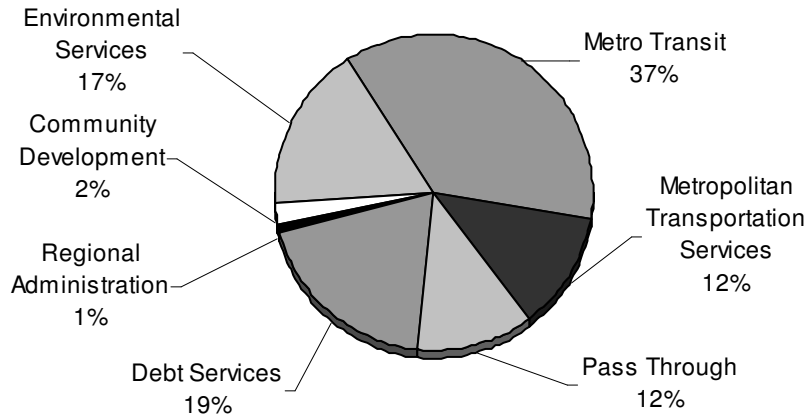
The Council also serves as the federally designated Metropolitan Planning Organization and manages the allocation of federal transportation funds. In this role, the Transportation Division provides regional transportation planning including aviation, highway, and transit systems. Every four years it develops and updates the 20 - year regional transportation plan, and annually produces the federally required three- year Transportation Improvement Program (TIP) for the metropolitan area.

### Budget

The Council adopts an annual budget for its operations. The \$666 million unified operating budget for calendar year 2007 is composed of three major categories: \$453 million of operating expenditures, \$80 million of pass-through grants and loans, and \$133 million of debt service expenditures. Organization staff includes 3,577 FTE.

Of the Council operating budget, \$325 million is for transportation, \$111 million is for wastewater treatment, and \$17 million is for planning and administration.

### 2007 Unified Operating Budget by Function



### Contact

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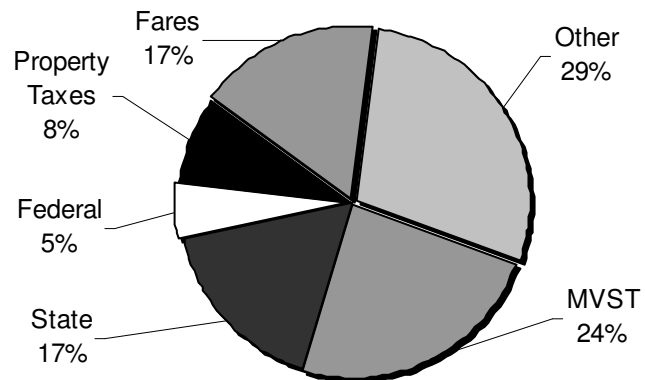
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For information on how this agency measures whether it is meeting its statewide goals, please refer to <http://www.departmentresults.state.mn.us/>.

### 2007 Unified Operating Budget by Funds



### At A Glance: Agency Long-Range Strategic Goals

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

- ◆ Operates most of the region's transit system
- ◆ Collects and treats wastewater
- ◆ Engages communities and the public in planning for future growth
- ◆ Provides affordable housing opportunities for low and moderate income individuals and families
- ◆ Provides planning, acquisitions, and funding for a regional system of parks and trails

### Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

There are three program areas requesting capital funds:

**Transit:** Since 1982, the number of trips taken every day in the region increased and the number of daily vehicle miles traveled (VMT) increased. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 41 percent of the region's highway lane miles experience congestion during the peak in 2005, up from 19 percent in 1982.

This increase in congestion is having a significant impact on citizens and businesses. The average commuter traveling during the peak spent 43 hours in congestion in 2005. Forty-three hours in congestion equaled \$790 in time and fuel or \$1,099 million for the region in 2005. Business impacts include higher shipping costs; reduced worker productivity; smaller area to draw customers and employees from; and reduced regional competitiveness.

Transit is already making a substantial impact on reducing freeway congestion. A freeway lane can carry about 2,000 cars per lane per hour. The I-35W Study found that transit served 15,000 persons each day and

express buses carry the equivalent of one and a half lanes of traffic in the peak hour.

But transit's benefits are constrained by two issues:

- ◆ First, transit operating funding is lower than peer regions. This limits the amount of transit service that can be made available to citizens.
- ◆ Second, buses have to operate in the same congested traffic that automobiles do. The region has constructed ramp meter bypasses and bus-only shoulders to allow buses to bypass some of the traffic, but it doesn't free the buses from traffic. If transit could operate in space dedicated to transit, citizens could get around the region without being impacted by congestion.

**Regional Parks:** Since 1974, when the Metropolitan Regional Park System was created, the size of the regional park system has grown from 31,000 acres to about 52,660 acres today. Concurrently, use has grown from five million visits in 1974 to 33 million visits in 2006. This has increased the need both for rehabilitation of existing parks and for new parkland.

As the metropolitan region continues to grow the demand for outdoor recreation facilities provided in the Metropolitan Regional Park 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. Since 1974, the state has provided \$243.2 million of bonds and \$35.2 million of Environmental Trust Funds to acquire land, and to rehabilitate existing and develop new regional parks and trails. The state investment has been leveraged with \$156.8 million of bonds issued by the Metropolitan Council.

**Environmental Services:** Environmental Services' infrastructure capital improvement program, for the next 10 years, is over \$1.5 billion. This is due to increasing needs for rehabilitation of the aging infrastructure in the older parts of the region, growth of the metropolitan disposal system, and quality improvements which are mostly regulatory driven. With rising capital costs, and also a decreasing share of the PFA subsidy available to the metro area, debt and debt service are rising rapidly. The council's wastewater debt

outstanding will hit \$1 billion within the next couple of years, and the percent of the annual wastewater budget used for debt service will hit 50 percent within 10 years.

Since all debt service for wastewater functions is paid by wastewater fees, rising debt service is putting substantial pressure on metro sewer rates.

### **Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Transit:** The functionality of the highway system during peak travel times is severely compromised by congestion and is simply not functioning as it should. I-94 in the Central Corridor, I-35W North and South, I-35E North, I-94 West, I-694, I-494 and TH62 often experience Level of Service F (unsatisfactory stop-and-go traffic with traffic jams and stoppages of long duration) for more than three hours in the evening.

**Regional Parks:** Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns/manages each park. Updates to these plans are done to reflect new demand for recreation facilities and to 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 \$3-4 billion metropolitan disposal system for the most part is in good condition. However, rate pressures are continuously balanced against infrastructure risks. Inflow and infiltration into the system and new regulatory initiatives are and will continue to put substantial financial pressure on the system.

The Council's \$1.5 billion (10 year) wastewater CIP does *not* include an additional \$900+ million in estimated need for capacity enhancement in the next 20 years that would be required if excess inflow and infiltration (I/I) of clear water into the sewer system is not eliminated. The council is pushing for I/I mitigation at the source through a few programs, including surcharging its served cities that have the excessive I/I; however, this is putting substantial pressure on city finances. If the I/I reduction program fails, either

significant council rate increases will be needed or growth will be impacted in the metropolitan area. The I/I program is part of the council's Water Resources Management Plan, adopted with much public input. Fixing the I/I problem at the source is much more cost effective than the council making rarely-used capacity enhancements and also has other environmental benefits. The requested funds would pay for only 50 percent of the cities' public infrastructure fix.

### **Agency Process Used to Arrive at These 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), equipment and technology improvements. Community Development provides for acquisition, development and redevelopment of the regional park system. Environmental Services includes the preservation, growth and quality improvement of the wastewater system.

### **Major Capital Projects Authorized in 2006**

**Transit:** In 2006, the following transit projects were appropriated capital funds in the state bonding bill:

- ◆ Northstar Commuter Rail: \$60 million
- ◆ Cedar Avenue Bus Rapid Transit: \$5 million
- ◆ Central Corridor: \$7.8 million
- ◆ Red Rock Corridor: \$500,000
- ◆ I-35W Bus Rapid Transit: \$3.3 million
- ◆ Robert Street Corridor: \$500,000
- ◆ Union Depot: \$3.5 million

**Regional Parks:** In 2006, \$7 million of state bonds leveraged \$4.6 million of Metropolitan Council bonds, \$1.8 million of federal TEA-21 grants and a \$574,000 watershed district grant to finance acquisitions in three regional parks, rehabilitate worn out facilities in 16 regional parks and trails and develop new facilities in 12 parks and trails. These projects were prioritized in

the Metropolitan Council's regional parks capital improvement program. An additional \$22.8 million of state bonds were appropriated for line item projects outside the Council's regional parks capital program that were passed through to regional park agencies.

In 2007, \$2.5 million of Environmental Trust Funds leveraged \$1.6 million of Metropolitan Council bonds to help regional park agencies partially finance the acquisition of land for the regional park system. To-date, 61 acres has been acquired for a new regional park in Scott County.

**2007 Urban Partnership Agreement:** In 2007, the US Department of Transportation entered into an agreement in principle with the Minnesota Department of Transportation and the Metropolitan Council to fund strategies to reduce traffic congestion in the Twin Cities. Money from the UPA will be used to tackle congestion on I-35W. Under the agreement, the Minnesota Legislature must provide the legislative authority needed to put the plan in place within 90 days of the State Legislature convening in February. Capital improvements eligible for the UPA funding include:

- ◆ Priced dynamic shoulder lanes, similar to the I-394 MnPASS, on I-35W from 46th Street to downtown Minneapolis
- ◆ Addition of a High Occupancy Toll (HOT) lane in the Crosstown reconstruction project from 66th Street to 46th Street
- ◆ Conversion of the High Occupancy Vehicle (HOV) lane to High Occupancy Toll (HOT) lane on I-35W from 66th Street to Burnsville Parkway
- ◆ Cedar Avenue Bus Rapid Transit (BRT) and transit stations/park and rides between downtown Minneapolis and Lakeville ahead of the planned schedule
- ◆ Construction of additional park-and-ride lots along the I-35W corridor north and south of Minneapolis
- ◆ Construction of additional dedicated bus lanes in downtown Minneapolis
- ◆ Partnerships with major employers along the I-35W corridor to promote flex-time and telecommuting programs
- ◆ Use of additional Intelligent Transportation Systems (ITS) technology

## Central Corridor Light Rail Transit

**2008 STATE APPROPRIATION REQUEST:** \$140,000,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** St. Paul and Minneapolis

#### Project At A Glance

The Metropolitan Council requests \$140 million to provide one-half of the state share to complete the engineering, design and construction of the Central Corridor Light Rail Transit.

#### Project Description

The Central Corridor links five major centers of activity in the Twin Cities region – downtown Minneapolis, the University of Minnesota, the Midway area, the State Capitol complex and downtown St. Paul. This corridor serves the region's largest employment concentrations – the two downtowns and the university - with almost 280,000 jobs today.

The 11-mile Central Corridor Light Rail Transit (LRT) will connect with the Hiawatha LRT line at the Metrodome station and terminate at the new Twins Ballpark and Northstar commuter rail line in Minneapolis. The Central Corridor will have 16 new stations, plus share five stations with Hiawatha in downtown Minneapolis.

Weekday ridership is projected for Central Corridor LRT with 38,100 rides estimated by 2020 and 43,270 by 2030. Service will be similar to Hiawatha with trips every 7.5 minutes in the rush hours.

The Central Corridor LRT enjoys broad support. St. Paul, Minneapolis, Hennepin County, Ramsey County, and the University of Minnesota all consider Central a top priority. Hennepin and Ramsey Regional Rail Authorities have committed significant financial resources to the project, including funding the majority of Preliminary Engineering costs. The business community, led by the Central Corridor Partnership business coalition,

strongly supports delivering the Central project as soon as possible. Local community groups and coalitions also voice support for the project.

The project schedule calls for Preliminary Engineering to be completed in 2007 and 2008, Final Design in 2009, a Full Funding Grant Agreement secured with the Federal Transit Administration (FTA) in late 2009, Construction from 2010 through 2013 and Start of Revenue Operations in early 2014. The FTA has given approval to the Metropolitan Council (the federal grantee for the project) to proceed with Preliminary Engineering.

During Preliminary Engineering, the project's current scope, recently updated to \$990 million in year-of-expenditure dollars, will be reduced to approximately \$840 million to meet federal cost effectiveness requirements. The FTA will fund \$420 million, or 50 percent of the project capital cost, contingent upon meeting federal criteria. Hennepin and Ramsey counties will fund \$140 million and the state is expected to fund \$280 million, of which \$13 million was received in the 2005 and 2006 State Bonding Bills. This request is for \$140 million in state bonding. The remaining \$127 million state share is planned to be from other transportation funding sources.

To keep the project on schedule, and avoid additional inflationary costs, the Metropolitan Council must make application to the FTA to enter into Final Design by August/September 2008. The FTA prefers most, if not all, non-federal funding for the project to be *committed* at the time of Final Design application to demonstrate local support for the project. Hennepin and Ramsey counties will also commit to their share of costs prior to Final Design application. Actual bond issuance will occur primarily during the construction phase.

#### Impact on Agency Operating Budgets (Facilities Notes)

Central Corridor LRT is scheduled for start-up in early 2014. The 2014 annual net operating cost (after fares) is estimated at \$16 million. Fifty percent or \$8 million annually, will be funded by the Metropolitan Council using Motor Vehicle Sales Tax (MVST) revenues dedicated to transit. The remaining \$8 million annual net operating cost will be funded jointly by Hennepin and Ramsey County Regional Rail Authorities.



## Central Corridor Light Rail Transit

**Previous Appropriations for this Project**

2005 Bonding Bill: \$5.25 million

2006 Bonding Bill: \$7.8 million

**Other Considerations**

The Central Corridor LRT is a vital component of the region's transportation plan. Traffic congestion is already a problem in the Central Corridor. Certain points in the corridor are experiencing more than three hours of congestion in the evening. Traffic is projected to continue to grow as the region adds another million people by 2030. No other transportation improvements are planned for the Central Corridor, including I-94, in the region's long-term transportation plans.

The number of jobs in the Central Corridor is expected to grow to 345,000 by 2030, demonstrating the vitality of the corridor and need to provide enhanced transportation capacity.

**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB has been extensively involved in Central Corridor planning since 1993 and fully supports current plans, route, alignment, and station plans, assuming that all such plans and implementation continue to respond favorably to both the *Comprehensive Plan for the Minnesota State Capitol Area* and the design directions of CAAPB staff, Architectural Advisors, and the Board intended to safeguard the goals of that Comprehensive Plan.

**Governor's Recommendation**

The governor recommends general obligation bonding of \$70 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	45,500	0	0	0	45,500
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	266,929	452,553	75,018	794,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>45,500</b>	<b>266,929</b>	<b>452,553</b>	<b>75,018</b>	<b>840,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	13,050	140,000	0	0	153,050
<b>State Funds Subtotal</b>	<b>13,050</b>	<b>140,000</b>	<b>0</b>	<b>0</b>	<b>153,050</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	22,700	40,245	305,588	50,656	419,189
Local Government Funds	9,750	43,861	74,362	12,327	140,300
Private Funds	0	0	0	0	0
Other	0	42,823	72,603	12,035	127,461
<b>TOTAL</b>	<b>45,500</b>	<b>266,929</b>	<b>452,553</b>	<b>75,018</b>	<b>840,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	140,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

**Metropolitan Regional Parks****2008 STATE APPROPRIATION REQUEST:** \$10,500,000**AGENCY PROJECT PRIORITY:** 2 of 8**PROJECT LOCATION:** Metropolitan Area**Project At A Glance**

The Metropolitan Council requests \$10.5 million in state bonds to match \$7 million of Metropolitan Council bonds to improve and expand the Metropolitan Regional Park System.

**Project Description**

The Metropolitan Regional Park System consists of 52,000 acres of parks and 172 miles of trails. The Metropolitan Regional Park System is owned, operated, and maintained by ten regional park implementing agencies:

Anoka County	Ramsey County
City of Bloomington	City of St. Paul
Carver County	Scott County
Dakota County	Three Rivers Park District
Minneapolis Park & Rec. Bd.	Washington County

This request is based on distributing the state and Metropolitan Council bonds as subgrants to regional park implementing agencies for each park agency's prioritized list of capital projects that have been approved by the Metropolitan Council in the Council's 2008-09 portion of the 2008-13 Metropolitan Regional Parks Capital Improvement Program (CIP).

The Metropolitan Council, with the advice of the Metropolitan Parks and Open Space Commission, prepares a Metropolitan Regional Parks CIP under direction from M.S. 473.147. This request is to fund a portion of that CIP. The table included at the end of this narrative illustrates the amount of each park agency's subgrant in the CIP as part of this state bond request.

The percentage share of the total request (combined state bonds and matching Metro Council bonds) for each park agency is also shown on the table.

The agency share is based on the agency's 2005 population, which was given a weight of 70 percent; and the percentage of non-local visits that park agency's regional park/trail units received in a 1998-99 park visitor study, which was given a weight of 30 percent. If less than \$10.5 million is appropriated, each park agency will receive its percentage share of the state bond appropriation and Metro Council bond match as shown on the following table. For example, 10.8 percent of the combined appropriated state bonds and Metro Council bond match would be granted to Anoka County. The park agency must spend its share on funding projects in priority order of its prioritized project list, which is attached at the end of this narrative.

Over 33 million visits occurred in the Metropolitan Regional Park System in 2006. Of this amount, 40.0 percent or 13.2 million visits were from persons living out-of-state, from Greater Minnesota, and from the Metropolitan Area outside the park implementing agency's local jurisdiction. The state bond request is matched with Metropolitan Council bonds on a 60 percent state/40 percent Metropolitan Council basis. This spreads the costs of these capital improvements between all state taxpayers based on their use of the park system and what they pay in taxes for debt service on the state bonds and council bonds.

The final list of projects in priority order for each park implementing agency that would be funded from the state bond request and the Metropolitan Council bond match is shown at the end of this narrative. This final list is changed from the preliminary request submitted in June 2007. The projects are consistent with Council-approved park or trail master plans.

**Metropolitan Regional Park System as part of State's Strategic Mission**

The Metropolitan Regional Park System is one of four regional systems the Metropolitan Council is charged to plan and develop capital improvement programs under state law (M.S. 473.147). Since 1974, the state of Minnesota has provided \$278.5 million in capital funds and Environmental Trust Funds as recommended by the Legislative Citizens Commission on Minnesota Resources (LCCMR) and its predecessor.

**Metropolitan Regional Parks****Impact on Agency Operating Budgets (Facilities Notes)**

There is no direct impact on state agency operating budgets since the state of Minnesota does not operate Metropolitan Regional Park System units. However, indirectly, the state's capital investment in the Metropolitan Regional Park System reduces the visitor impact on three state parks, one state recreation area and two state trails in the metropolitan region. The reduced visitor pressure on the state park/trail units reduces the costs to operate and maintain those parks.

**Previous Appropriations for this Project**

The state has appropriated \$243.2 million of bonds to the Metropolitan Council for this program from 1974 to 2007. In 2006, \$29.9 million was appropriated including \$7 million for the 2006-07 Metropolitan Regional Parks CIP projects, plus \$22.9 million of line item appropriations for projects in addition to the projects in the 2006-07 Parks CIP. The Council provided \$4.6 million of bonds as a 40 percent match to the \$7 million of state bonds appropriated for the 2006-07 parks CIP projects.

The state has provided \$35.2 million of Environmental Trust Fund appropriations from 1991 to 2007 as recommended by the Legislative Commission on Minnesota Resources-now the LCCMR. In 2007 the LCCMR recommended a \$2.5 million appropriation to be used to partially finance land acquisition projects to supplement what is appropriated for land acquisition in the 2006-07 parks CIP. The Council provided a \$1.33 million match to the LCCMR recommended funding.

**Other Considerations**

The LCCMR and its predecessor the Legislative Commission on Minnesota Resources have recommended funds to supplement the state bond appropriations for the parks CIP. As noted above, the most recent appropriation of \$2.5 million in 2007 was targeted to land acquisition projects.

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**Governor's Recommendations**

The governor recommends general obligation bonding of \$6 million for this project. Also included are budget planning estimates of \$6 million in 2010 and \$6 million in 2012.

**Metropolitan Regional Parks**

**Attachment 1: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request--Metropolitan Regional Parks**

<b>Regional Park Implementing Agency</b>	<b>Priority of Project for that Agency</b>	<b>Project Location</b>	<b>Project Description</b>	<b>State Bonds (\$000's)</b>	<b>Metro Council Bonds (\$000's)</b>	<b>Project Total Subgrant (\$000's)</b>
Anoka County	1	Bunker Hills Regional Park	Rehabilitate approx. 2 miles of bituminous trails; construct approx.1 mile of new bituminous trail, construct a new restroom building, play structure and interpretive facility; rehabilitate building for satellite maintenance shop; landscaping; site furnishings; and utilities.	\$ 597	\$ 261	\$ 858
Anoka County	2	East Anoka County Regional Trail	Reimbursement to the City of Blaine via Anoka County for half the cost of constructing 2.25 miles of bituminous trail that was completed in 2005.	\$ -	\$ 81	\$ 81
Anoka County	3	Rice Creek Chain of Lakes Park Reserve	Construct campground visitor center, road and parking lot; construct approx. 1 mile of new trail, 1 picnic shelter, playground, landscaping, restoration, and upgrade utilities.	\$ 569	\$ 171	\$ 740
Anoka County	4	Anoka County Riverfront Regional Park	Reconstruct parking lot, lighting, landscaping/restoration, site furnishings, and utilities.	\$ 54	\$ 36	\$ 90
Anoka County	5	Central Anoka County Regional Trail	Reimbursement for constructing 2 miles of bituminous trail that is scheduled to be completed in 2008. Matched with \$125,388 provided by City of Centerville.	\$ -	\$ 125	\$ 125
<b>Anoka County Percentage Share is 10.8% Subtotal is</b>				<b>\$ 1,220</b>	<b>\$ 674</b>	<b>\$ 1,894</b>
City of Bloomington	1	Hyland-Bush-Anderson Lakes Park Reserve - Bush Lake Park Unit	Reimbursement for partial funding to acquire in-holding property located at 9625 East Bush Lake Road. Property acquired October, 2004.	\$ -	\$ 67	\$ 67
City of Bloomington	2	Hyland-Bush-Anderson Lakes - Bush Lake Park Unit	Reconstruct some of the bituminous trails in the Bush Lake unit of the park as far as the funds will allow.	\$ 330	\$ 109	\$ 439
<b>City of Bloomington Percentage Share is 2.9% Subtotal is</b>				<b>\$ 330</b>	<b>\$ 176</b>	<b>\$ 506</b>

**Metropolitan Regional Parks**

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-  
Metropolitan Regional Parks**

<b>Regional Park Implementing Agency</b>	<b>Priority of Project for that Agency</b>	<b>Project Location</b>	<b>Project Description</b>	<b>State Bonds (\$000's)</b>	<b>Metro Council Bonds (\$000's)</b>	<b>Project Total Subgrant (\$000's)</b>
Carver County	1	Lake Waconia Regional Park	Reimburse the County for partially financing the acquisition of 43.94 acres acquired for the park in late 2006 and early 2007.	\$ -	\$ 426	\$ 426
			<b>Carver County Percentage Share is 2.4% Subtotal is</b>	<b>\$ -</b>	<b>\$ 426</b>	<b>\$ 426</b>
Dakota County	1	Lebanon Hills Regional Park	Loop trail of 1.1 miles around McDonough Lake plus other connector trail spurs (approximately .3 miles); parking lot redevelopment for efficiency, security and improved storm water management; trail connections between visitor center, beach, overflow parking lot; interpretive and play elements; and beach shade structures.	\$ 667	\$ 83	\$ 750
Dakota County	2	Big Rivers Regional Trail	Design and construction of trail head including small shelter with restroom core, trailhead orientation, drinking water, related restoration and landscaping.	\$ 353	\$ 47	\$ 400
Dakota County	3	Lebanon Hills Regional Park	Design and construction of a trailhead including a new parking lot (capacity 60), small restroom building, drinking water, trailhead orientation signage. Also remove inadequate and poorly located parking lot and restore site.	\$ 369	\$ 60	\$ 429
Dakota County	4	Lake Byllesby Regional Park	Reimbursement for county funds spent on the development of the Lake Byllesby Regional Park road and beach project of 1997.	\$ -	\$ 225	\$ 225
			<b>Dakota County Percentage Share is 10.3% Subtotal is</b>	<b>\$ 1,389</b>	<b>\$ 415</b>	<b>\$ 1,804</b>

**Metropolitan Regional Parks**

**Attachment 1 continued: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-  
Metropolitan Regional Parks**

<b>Regional Park Implementing Agency</b>	<b>Priority of Project for that Agency</b>	<b>Project Location</b>	<b>Project Description</b>	<b>State Bonds (\$000's)</b>	<b>Metro Council Bonds (\$000's)</b>	<b>Project Total Subgrant (\$000's)</b>
Minneapolis Park & Rec. Board	1	Minnehaha Regional Park	Rehabilitation of Wabun / Omemee picnic area and all related site elements, and may include such facilities as picnic tables, lighting, maintenance garage, benches, entrance drives, approximately 2 1/2 miles of paths, parking, restrooms, shelters, drinking fountain, play equipment, wading pool, overlook, stormwater management, signage, entry monuments, landscaping, bridges, related facilities, and tasks to include design, survey, soil borings, engineering and construction. Portion of the work initially financed by MPRB in 2007 and early 2008 and is proposed for reimbursement with Metro Council bonds. Also \$300,000 provided by MN Veterans Home Board	\$ 1,741	\$ 1,059	\$ 2,800
Minneapolis Park & Rec. Board	2	Theodore Wirth Regional Park	Continued major rehabilitation of Wirth Lake Beach that may include such facilities as play equipment, sand volleyball court, 1/2 court basketball, picnic area, life guard tower(s), new turf areas, wetland enhancements, plaza surrounding recently rebuilt beach building, and support facilities such as paths, boardwalk, site furniture, landscaping, and all related tasks such as demolition, survey, design, construction, consulting.	\$ 532	\$ 7	\$ 539
			<b>Minneapolis Park &amp; Rec. Bd. Percentage Share is 19.1%</b> <b>Subtotal is</b>	<b>\$ 2,273</b>	<b>\$ 1,066</b>	<b>\$ 3,339</b>
Ramsey County	1	Rice Creek North Regional Trail	Reimbursement to Ramsey County for balance of construction costs for that section of Rice Creek North Regional Trail within the former Twin City Army Ammunition Plant. Project Includes 2.2 miles of paved bicycle/pedestrian trail, construction of an 85 foot bridge over Rice Creek, wetland development, fencing and turf establishment. Previous Metropolitan Council Grant will finance \$455,000 of project costs.	\$ -	\$ 145	\$ 145

## Metropolitan Regional Parks

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-  
Metropolitan Regional Parks**

Regional Park Implementing Agency	Priority of Project for that Agency	Project Location	Project Description	State Bonds (\$000's)	Metro Council Bonds (\$000's)	Project Total Subgrant (\$000's)
Ramsey County	2	Bald Eagle-Otter Lakes Regional Park & Rice Creek North Regional Trail	Construct natural resource restoration projects at Tamarack Nature Center (50 acre prairie) within Bald Eagle-Otter Lakes Regional Park and Rice Creek North Regional Trail (22 acre prairie).	\$ 30	\$ 20	\$ 50
Ramsey County	3	Keller Regional Park	Continued phased redevelopment of Keller Regional Park to include construction of additional restrooms and picnic shelters. Associated sitework includes parking, pathways and landscaping. Previously completed phases include installation of sewer and water utilities and construction of five restroom facilities	\$ 932	\$ 479	\$ 1,411
			<b>Ramsey County Percentage Share is 9.2% Subtotal is</b>	<b>\$ 962</b>	<b>\$ 644</b>	<b>\$ 1,606</b>
City of Saint Paul	1	Como Regional Park	Reimbursement to Saint Paul Public Works for a loan of \$149,000 to fund the budget gap to award and complete construction of the Como Trail project.	\$ -	\$ 149	\$ 149
City of Saint Paul	2	Lilydale Regional Park	Detailed site survey and design plans for major park improvements including infrastructure/utilities, road alignment, trail alignment, bridge structure, trailhead, soft camping, parking, wetland/ storm water improvements, interpretive signage, lake improvements, and former brick quarry site.	\$ 60	\$ 40	\$ 100
City of Saint Paul	3	Sam Morgan Regional Trail	Design and engineering of 1.7 miles and reconstruction of 0.9 miles of this section of trail between 35E and Hwy 5 which is in poor condition and only 8 feet wide. Project includes design and engineering for entire 1.7 miles and construction of 0.6 miles.	\$ 414	\$ 194	\$ 608
City of Saint Paul	4	Cherokee Regional Park	Complete design and engineering for 1.3 miles of trails and overlooks from Ohio Street to Annapolis along the bluff side of Cherokee Parkway. This request follows up on the 2006 grant for preliminary design.	\$ 26	\$ 167	\$ 193



**Metropolitan Regional Parks**

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request- Metropolitan Regional Parks**

<b>Regional Park Implementing Agency</b>	<b>Priority of Project for that Agency</b>	<b>Project Location</b>	<b>Project Description</b>	<b>State Bonds (\$000's)</b>	<b>Metro Council Bonds (\$000's)</b>	<b>Project Total Subgrant (\$000's)</b>
City of St. Paul	5	Como Regional Park	Design and engineering for reconstruction of Estabrook Drive from Lexington west to the Frog Pond (including Lexington intersection), and Nason Place from Estabrook Drive to Aida Place.	\$ 102	401	\$ 503
City of Saint Paul	6	Como Regional Park	Design/engineering of a phased construction of an expanded outdoor aquatics facility at the site of the existing Como Pool including renovation of existing pool, new building with outdoor shower facilities, expanded parking area, wave pool, splash pad and infrastructure for future development phases.	\$ 182	\$ 455	\$ 637
City of Saint Paul	7	Harriet Island Regional Park	Design and construction of 110+/- parking spaces adjacent to Water Street including lighting, utilities and storm water treatment.	\$ 118	\$ 246	\$ 364
<b>City of St. Paul Percentage Share is 14.6% Subtotal is</b>				<b>\$ 902</b>	<b>\$ 1,652</b>	<b>\$ 2,554</b>
Scott County	1	Doyle-Kennefick Regional Park and Cedar Lake Farm Regional Park	Partial reimbursement for County's contributions towards acquisition of the 400-acre Doyle family property at Doyle-Kennefick Regional Park and the 61-acre Cedar Lake Farm property at Cedar Lake Farm Regional Park. .	\$ -	\$ 570	\$ 570
<b>Scott County Percentage Share is 3.3% Subtotal is</b>				<b>\$ -</b>	<b>\$ 570</b>	<b>\$ 570</b>
Three Rivers Park District	1	Lake Rebecca Park Reserve	Construction phase to rehabilitate paved roads, parking lots, paved trails and trail connections in the park as part of the Pavement Management program	\$ 3,110	\$ 524	\$ 3,634
<b>Three Rivers Park District Percentage Share is 20.8% Subtotal is</b>				<b>\$ 3,110</b>	<b>\$ 524</b>	<b>\$ 3,634</b>
Washington County	1	Lake Elmo Park Reserve	Reimburse County funding for replacing playground equipment to meet ADA requirements in 2004.	\$ -	\$ 125	\$ 125
Washington County	2	St. Croix Bluffs Regional Park	Design and construct a new shower building, well, water distribution system and dump station area in the campground.	\$ 314	\$ 168	\$ 482
Washington County	3	St. Croix Bluffs Regional Park	Partial reimbursement for County funding of a 208 acre parcel that was acquired on Oct. 31, 1996 for the park.	\$ -	\$ 560	\$ 560
<b>Washington County Percentage Share is 6.7% Subtotal is</b>				<b>\$ 314</b>	<b>\$ 853</b>	<b>\$ 1,167</b>
<b>Grand Total</b>				<b>\$ 10,500</b>	<b>\$ 7,000</b>	<b>\$ 17,500</b>

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	150,845	1,623	2,174	627	155,269
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	274,630	15,877	15,326	16,873	322,706
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>425,475</b>	<b>17,500</b>	<b>17,500</b>	<b>17,500</b>	<b>477,975</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	243,216	10,500	10,500	10,500	274,716
Environmental Trust	35,254	0	0	0	35,254
<b>State Funds Subtotal</b>	<b>278,470</b>	<b>10,500</b>	<b>10,500</b>	<b>10,500</b>	<b>309,970</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	147,005	7,000	7,000	7,000	168,005
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>425,475</b>	<b>17,500</b>	<b>17,500</b>	<b>17,500</b>	<b>477,975</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	10,500	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

**Urban Partnership Agreement (UPA)**

**2008 STATE APPROPRIATION REQUEST:** \$21,075,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council and Minnesota Department of Transportation request \$54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park and ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

**Project Description**

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded \$133.3 million in federal funds by the US Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the \$54.853 million in state funds, \$33.778 million will be appropriated to Mn/DOT and \$21.075 million to the Metropolitan Council.

*Note:* The accompanying Project Detail page for Met Council shows all costs and funding except for Mn/DOT's state request. The Project Detail page that accompanies Mn/DOT's Project Narrative shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

**Mn/DOT - Congestion Pricing:** Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: \$71.778 million  
 Federal funds: \$47.4 million  
 Requested State funds: \$24.378 million (Trunk Highway Bonds)

**Mn/DOT – Telecommuting/Outreach:** Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

Total cost: \$9 million  
 Federal funds: \$0  
 Requested State funds: \$9 million (General Fund)

**Urban Partnership Agreement (UPA)**

**Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage:** Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost: \$2 million  
 Federal funds: \$1.6 million  
 Requested State funds: \$0.4 million (Trunk Highway Bonds)

**Met Council – Fleet:** Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost: \$13 million  
 Federal funds: \$10.4 million  
 Requested State funds: \$2.6 million (General Fund)

**Met Council – 35W Transit Stations/Park-and-Rides:** Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost: \$32.7 million  
 Federal funds: \$26.16 million  
 Requested State funds: \$6.54 million  
 (\$6.14 million GO Bonds;  
 \$0.4 million Trunk Highway Bonds)

**Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides:** Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost: \$17.41 million  
 Federal funds: \$13.25 million  
 (\$8.88 million UPA;  
 \$3.62 million SAFETEA-LU;  
 \$0.75 million 5309 Appropriation)  
 Requested State funds: \$2.22 million (GO Bonds)  
 Other funds: \$1.94 million  
 (\$0.67 million 2005 bonds;  
 \$1.27 million DCRRA)

**Met Council – Downtown Bus Lanes:** Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost: \$41.56 million  
 Federal funds: \$33.248 million  
 Requested State funds: \$8.312 million (GO Bonds)

**Met Council – Transit Technology:** Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost: \$7.015 million  
 Federal funds: \$5.612 million  
 Requested State funds: \$1.403 million (General Fund)

**Summary:**

Mn/DOT components  
 Total Cost: \$82.778 million  
 Federal funds: \$49 million  
 Requested State Funds: \$33.778 million  
 \$24.778 million Trunk Highway Bonds;  
 \$9 million General Fund)

Met Council components  
 Total Cost: \$111.685 million  
 Federal funds: \$88.67 million  
 (\$84.3 million UPA;  
 \$3.62 million SAFETEA-LU;  
 \$0.75 million 5309 Appropriation)  
 Requested State Funds: \$21.075 million  
 (\$0.4 Trunk Highway Bonds;  
 \$16.672 million GO;  
 \$4.003 General Fund)  
 Other funds: \$1.94 million  
 (\$0.67 million 2005 bonds;  
 \$1.27 million DCRRA)

**Urban Partnership Agreement (UPA)****Impact on Agency Operating Budgets (Facilities Notes)**

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

**Previous Appropriations for this Project**

None for UPA

Previous corridor appropriations:

Cedar Ave: \$10 million GO bonds in 2005; \$5 million in 2006

35W BRT: \$3.3 million GO bonds in 2005; \$14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

**Other Considerations**

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at \$1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at \$3 million, will be funded by toll revenues.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends for Met Council an appropriation of \$4,003,000 from the general fund, \$16,672,000 in general obligation bonding, and \$400,000 in trunk highway bonding for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	11,505	0	0	11,505
2. Predesign Fees	0	405	0	0	405
3. Design Fees	0	15,046	1,975	0	17,021
4. Project Management	0	10,936	6,103	0	17,039
5. Construction Costs	0	105,942	40,687	0	146,629
6. One Percent for Art	0	304	360	0	664
7. Relocation Expenses	0	400	0	0	400
8. Occupancy	0	800	0	0	800
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>145,338</b>	<b>49,125</b>	<b>0</b>	<b>194,463</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	670	16,672	0	0	17,342
G.O. Bonds/Transp	0	0	0	0	0
General Fund Projects	0	4,003	0	0	4,003
Trunk Hwy Fund Bonding	0	400	0	0	400
<b>State Funds Subtotal</b>	<b>670</b>	<b>21,075</b>	<b>0</b>	<b>0</b>	<b>21,745</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	4,370	84,175	49,125	0	137,670
Local Government Funds	0	1,270	0	0	1,270
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>5,040</b>	<b>106,520</b>	<b>49,125</b>	<b>0</b>	<b>160,685</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	16,672	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

**Regional Park and Ride System Expansion****2008 STATE APPROPRIATION REQUEST:** \$15,000,000**AGENCY PROJECT PRIORITY:** 4 of 8**PROJECT LOCATION:** Metropolitan Area**Project At A Glance**

The Metropolitan Council requests \$15 million to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area.

**Project Description**

This proposal is to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area to meet the growing commuter demands for express bus transit.

Since 1999, the size and usage of the regional park-and-ride system has grown from approximately 6,700 spaces and 4,700 users in 1999 to approximately 19,500 spaces and 15,300 users in 2006. That is a 191 percent increase in capacity and a 226 percent increase in usage over the last seven years. The Regional Park-and-Ride Plan projects a system-wide need for nearly 25,000 spaces between 2015 and 2020, and nearly 35,000 spaces between 2025 and 2030 to serve forecasted transit commuter growth.

Since 1999, the number of park-and-rides decreased from nearly 150 to just over 100 in reaction to changing customer preferences. A shift away from smaller, neighborhood-oriented park-and-rides to larger, freeway-oriented park-and-rides began to occur in the early 1990s to provide customers with the auto-competitive travel time and frequent service. Today, the 11 largest facilities contain nearly 9,000 spaces while the 58 smallest facilities contain less than 3,000 spaces. The remaining 8,000 spaces are spread across 34 medium-sized facilities.

Accounting for both spaces to accommodate future transit commuter growth and spaces to replace capacity at existing, small park-and-rides, there is an estimated need for 8,000 new spaces by 2015 to 2020 and another 10,000 new parking spaces by 2025 to 2030.

Park-and-rides combined with frequent express service and bus only shoulders create an attractive alternative to driving alone, thereby slowing the rate of congestion on regional travel corridors, in the downtowns and on the University of Minnesota campus.

Several new or expanded park-and-ride projects are programmed for FY 2008-09. The scope of these projects vary widely from relatively simple surface expansions to more complicated structure expansions. Some of these projects will include land negotiations and acquisition. The project sites will provide additional, needed capacity to all parts of the metro area, including but not limited to specific sites in Edina (Hennepin County), Maplewood (Ramsey County), Blaine (Anoka County), Oakdale (Washington County), Chanhassen (Carver County). These programmed projects are expected to add between 2,000 and 3,000 new spaces to the regional system.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding for additional buses and operating costs may need to be appropriated to support the additional park-and-ride capacity.

**Other Considerations**

Some of these projects are Congestion Mitigation/Air Quality (CMAQ)-eligible.

**Regional Park and Ride System Expansion****Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.



<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	3,100	6,100	6,100	15,300
2. Predesign Fees	0	400	800	800	2,000
3. Design Fees	0	1,000	2,000	2,000	5,000
4. Project Management	0	400	800	800	2,000
5. Construction Costs	0	10,100	20,300	20,300	50,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>15,000</b>	<b>30,000</b>	<b>30,000</b>	<b>75,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	15,000	30,000	30,000	75,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>15,000</b>	<b>30,000</b>	<b>30,000</b>	<b>75,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>15,000</b>	<b>30,000</b>	<b>30,000</b>	<b>75,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	15,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

**Transitway Studies and Facilities**

**2008 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests \$2 million to fund four or five in-depth transitway studies.

**Project Description**

This project will fund four or five in-depth studies of transitway corridors to determine their potential for light rail transit, commuter rail, or dedicated busway.

In early 2008, the Metropolitan Council will be completing the 2030 Transit Master Plan. This study will include a screening of approximately 25 regional corridors for their potential for light rail, commuter rail and dedicated busway. Based on this analysis, the council will be recommending a list of transitway corridors for further in-depth study. This request is to fund these in-depth studies to determine the feasibility of these corridors for major transit investments and to conduct alternative analyses of potential modes and alignments. Future year funding would be toward environmental studies, preliminary engineering, design, construction of facilities in the corridors (i.e. passenger facilities or park and rides) and potentially to match available federal funds.

**Impact on Agency Operating Budgets (Facilities Notes)**

No impact until light rail, commuter rail or dedicated busways are constructed.

**Other Considerations**

In the 2007 legislative session, there were approximately 10 individual requests for studies of transit corridors at a cost of \$500,000 or more each. This request consolidates those individual requests into one request which will fund studies in the corridors identified as having the highest potential.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend funds for this request in the capital budget.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	2,000	8,000	10,000	20,000
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>8,000</b>	<b>10,000</b>	<b>20,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
General Fund Projects	0	2,000	8,000	10,000	20,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,000</b>	<b>8,000</b>	<b>10,000</b>	<b>20,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>8,000</b>	<b>10,000</b>	<b>20,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	0	0%
User Financing	0	0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

## Metro Cities Inflow and Infiltration Reduction

**2008 STATE APPROPRIATION REQUEST:** \$14,000,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** Metropolitan Area

#### Project At A Glance

The Metropolitan Council requests \$14 million to facilitate a municipal grant program for the mitigation of inflow and infiltration (I/I) into the metropolitan sanitary sewer disposal system.

#### Project Description

The Metropolitan Council, representing more than one-half of the state's population, operates the Metropolitan Disposal System under M.S. 473.515 and other statutes. Inflow and infiltration (I/I) of clear water (ground and storm waters) into the sanitary sewer may cause sewage spills and thus is an environmental threat to the state's waters. This request would facilitate fixes only on publicly-owned assets (i.e. city sewer pipes and ancillary sewer facilities). This proposal benefits both the metropolitan sewer system and metropolitan cities. The Association of Metropolitan Municipalities (aka "Metro Cities") supports this request.

The Council has initiated an overall I/I mitigation program primarily addressing the problem in local systems, rather than at the regional level. The program the Council initiated is a national model and has made our region a leader in addressing a problem that continues to plague other large metropolitan areas. This approach will slow the rate of sewer charge increases that would otherwise place a larger financial burden on some of the state's struggling industries and municipalities, and will help maintain a competitive advantage for our region. Also, an effective mitigation program will likely enhance the amount of clear water that beneficially infiltrates into the state's ground waters (instead of going through the sewers into the Mississippi).

The total mitigation program is expected to cost about \$150 million, compared to \$900+ million if the Council built metropolitan capacity to handle the I/I. A number of cities are experiencing a significant financial burden to implement the mitigation program. This appropriation would grant up to \$14 million to metropolitan communities to rehabilitate local public sewer systems to eliminate excessive I/I. The cities would be required to match each grant dollar. Previously, the Council has used regional dollars to promote I/I fixes in the cities, and is currently spending regional funds to assure that excessive I/I does not occur in the regional system.

If the program is implemented, municipalities would:

- ◆ Identify eligible I/I project capital costs (sewer system rehabilitation and improvements)
- ◆ Secure city council resolutions committing financing for the 50% matching funds
- ◆ Apply to the Metropolitan Council for the grant
- ◆ Contract for the repairs to city pipes
- ◆ Account for the use of the proceeds

And the Metropolitan Council would:

- ◆ Draft generic grant agreements and city council resolutions
- ◆ Develop a grant list by municipality
- ◆ Disburse funds and verify expenditures

#### Impact on Agency Operating Budgets (Facilities Notes)

There is no financial impact to the Metropolitan Council. The technical and accounting review of the municipal I/I project expenditures already are ongoing by the Council, regardless of this grant program, since the Council requires such accountability of its customer cities as part of its I/I surcharge program.

**Metro Cities Inflow and Infiltration Reduction****Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	28,000	0	0	28,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>28,000</b>	<b>0</b>	<b>0</b>	<b>28,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	14,000	0	0	14,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>14,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	14,000	0	0	14,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>28,000</b>	<b>0</b>	<b>0</b>	<b>28,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	14,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013

**Land Acquisition for Affordable New Development Loan Fund**

**2008 STATE APPROPRIATION REQUEST:** \$10,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests \$10 million of cash to fund a land acquisition revolving loan fund for the purchase of land by local governments for the development of affordable housing.

**Project Description**

The Council will make no-interest loans to municipalities or their development agencies that participate in the Livable Communities Act Local Housing Incentives Account program for the purchase of property to be developed or redeveloped as affordable housing. It is anticipated the loan fund will require some amount of local investment to match the funding from the council.

The loans will be made to municipalities or their development agencies to accelerate the acquisition of property to be used for future affordable housing, or to avert the purchase of such property for a use that does not include affordable housing. The property for which the municipality is seeking the acquisition loan would ensure the council that the property is or will be appropriately guided and zoned for development as affordable housing, and that the development of such housing will help the town or city advance its Livable Communities Act affordable housing goals and help address its low- and moderate-income housing responsibilities under the Land Planning Act as described in its local comprehensive plan. Acquisition of the land funded by the loan would be required to take place no more than three to five years after the loan is made.

All municipalities participating in the Livable Communities Act Local Housing Incentives Account Program have unmet affordable housing goals through 2010. As they prepare their 2008 local comprehensive plan updates,

municipalities will be including their plans to address their share of the region's anticipated 51,000 new affordable housing needs between 2011 and 2020. The ability to acquire and hold land for future affordable housing development is integral to achieving long-term housing objectives.

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**Governor's Recommendations**

The governor does not recommend funds for this request in the capital budget.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	10,000	0	0	10,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
General Fund Projects	0	10,000	0	0	10,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	0	0%
User Financing	0	0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013



## Renewable Fuel/Pollution Reduction Demonstration

**2008 STATE APPROPRIATION REQUEST:** \$990,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Metropolitan Area

#### Project At A Glance

The Metropolitan Council requests \$990,000 of cash for the design, construction, and installation of equipment for a demonstration project for renewable fuel production and pollutant reduction from algae growth on wastewater process effluent.

#### Project Description

"Over the past 30 years, funding for energy research and development has significantly declined in the United States (U.S.) However, any long-term strategy aimed at greater use of cleaner alternatives requires significant investments in research, development and testing of new technologies. Recognizing this, states can expand opportunities to fund energy R&D through universities and support private sector demonstration and pilot programs." Securing a Clean Energy Future, National Governor's Association pamphlet.

The Metropolitan Council and the University of Minnesota (U of M) recently entered into a collaborative effort to determine the economic feasibility of growing high oil content algae in treated wastewater and using the algal cell mass to produce biodiesel and bio-oils. The council has an interest in this concept because algae can: 1) remove significant phosphorus and nitrogen from wastewater treatment plant discharges; and 2) reduce the amount of carbon dioxide discharged to the atmosphere from combustion facilities. It is anticipated that state and federal environmental regulations will require the council to increase phosphorus and nitrogen removals and initiate control of greenhouse gases within the next 10 years. In addition to regulatory compliance issues, the process will produce a renewable fuel which will have a beneficial impact on the regional economy (displaces fuel purchased from

outside region). Note that the concept may also provide the low cost alternative for additional nutrient removal at a number of smaller treatment plants throughout the state.

The demonstration effort will generate approximately one kilogram of algal cell mass per day and convert it to biodiesel and other energy products. Metropolitan Council Environmental Services (MCES) will be responsible for producing the algal cell mass and the U of M will process the material at their Center for Biorefinery Pilot Facility on the St. Paul campus.

MCES will design and construct small demonstration facilities (growth reactor and separation process) to produce the algae and evaluate separation technologies. Direct costs to design and construct the demonstration facilities are estimated to be approximately \$215,000.

The U of M (Dr. Roger Ruan) will procure and install equipment to concentrate the algal cell mass, extract the oil from the algal cell mass, produce biodiesel from the extracted oil, and pyrolyze the remaining cell mass to produce other energy products. The total cost for the installed apparatus is approximately \$500,000. Prior to procuring the demonstration scale equipment, similar equipment to process bench scale quantities of algal cell mass will be procured to evaluate effectiveness. The cost for the bench scale equipment is estimated to be approximately \$75,000. Finally the U of M will procure equipment to characterize the products that are produced at an estimated cost of \$200,000.

The U of M is currently using an internal grant and a small council grant to conduct laboratory scale algal growth and oil extraction studies. Without additional funds, however, the feasibility of the concept in a production environment cannot be demonstrated.

#### Impact on Agency Operating Budgets (Facilities Notes)

MCES will provide staff resources for the operation of the demonstration equipment located at the metro plant. These costs will be funded out of wastewater fee revenues. The U of M will provide the staff resources for the operation of the demonstration equipment located at the U of M.

**Renewable Fuel/Pollution Reduction Demonstration****Other Considerations**

This funding request was endorsed by the Interagency Energy and Environment Group, headed by Edward Garvey, Deputy Commissioner of the Department of Commerce. The Pollution Control Agency, Department of Natural Resources, Department of Agriculture, Department of Employment and Economic Development and the Minnesota Housing Finance Agency also participate in the Group.

The University of Minnesota's Initiative for Renewable Energy and Environment (IREE) will continue to participate in this project and endorses this request.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend funds for this request in the capital budget.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	80	0	0	0	80
3. Design Fees	0	50	0	0	50
4. Project Management	35	0	0	0	35
5. Construction Costs	125	940	0	0	1,065
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>240</b>	<b>990</b>	<b>0</b>	<b>0</b>	<b>1,230</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
State Funds :					
General Fund Projects	0	990	0	0	990
<b>State Funds Subtotal</b>	<b>0</b>	<b>990</b>	<b>0</b>	<b>0</b>	<b>990</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	50	0	0	0	50
Private Funds	150	0	0	0	150
Other	40	0	0	0	40
<b>TOTAL</b>	<b>240</b>	<b>990</b>	<b>0</b>	<b>0</b>	<b>1,230</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>FY 2012-13</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	0	0%
User Financing	0	0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2013