

Metropolitan Council

Working for the Region, Planning for the Future

February 15, 2000

Mr. Edward A. Burdick
House of Representatives Chief Clerk
Minnesota State House of Representatives
211 State Capitol
St. Paul, Minnesota 55155

Dear Mr. Burdick:

This report is written as required in H.F No. 2205, 4th Engrossment: 81st Legislative Session (1999-2000), posted on May 18, 1999, Subdivision 4, Transportation Revolving Fund.

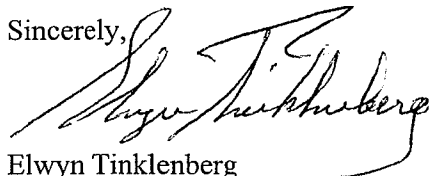
The Hiawatha Light Rail Corridor project has compiled a preliminary operating budget completed by Parsons Brinckerhoff under contract to the Minnesota Department of Transportation. The Parsons Brinckerhoff financial analysis was conducted under the direction of Metropolitan Council staff. The preliminary budget was submitted to the Federal Transit Administration (FTA) as part of the preliminary engineering documentation on September 29, 1999.

The consultant's preliminary operating budget projects an estimated operating subsidy of \$11.4 million in 2004. This total is escalated 3.3% each year for subsidy levels of \$11.8 million, \$12.2 million, \$12.6 million and \$13.0 million in 2005, 2006, 2007 and 2008 respectively. These operating subsidy levels will be offset by the Multi-Modal Transportation Fund (transit account) contained in the Governor's Transportation Funding Proposal and by \$10 million of federal grant monies programmed by the Metropolitan Council over the period 2004 through 2006.

It must be stressed that the operating subsidy projections are early in the operating plan development stages. Train schedules and work force requirements for the Hiawatha Corridor are being refined continuously by Metro Transit. As they are refined, the Hiawatha operating budget will become a more detailed working document.

Should you have questions or require more information. Please contact Julie Johanson, Metro Transit Assistant General Manager of Administration, at 612-349-7514 or Mark Fuhrmann, Director of Finance, at 612-349-7701.

Sincerely,



Elwyn Tinklenberg
Commissioner
Department of Transportation



Ted Mondale
Chairman
Metropolitan Council

JJ/cdl

— 1999 Minn. Laws Chap. 240 —
Art. 1 Sec. 9

Metropolitan Council

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Mr. Patrick E. Flahaven
Secretary of the Senate
Minnesota State Senate
231 State Capitol
St. Paul, Minnesota 55155

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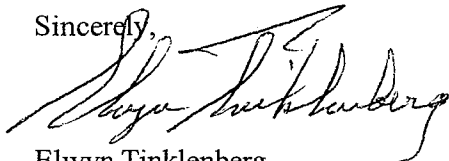
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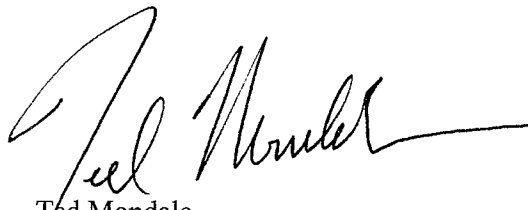
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