



July 2003

Regional

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Report

Report

2002

**Performance
Evaluation
Report**

**A Report to the Minnesota
Legislature**

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

The Metropolitan Council coordinates regional planning and guides development in the seven-county area through joint action with the public and private sectors. The Council also operates regional services, including wastewater collection and treatment, transit and the Metro HRA B an affordable-housing service that provides assistance to low-income families in the region. Created by the legislature in 1967, the Council establishes policies for airports, regional parks, highways and transit, sewers, air and water quality, land use and affordable housing, and provides planning and technical assistance to communities in the Twin Cities region.

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PROGRAM EVALUATION SECTIONS

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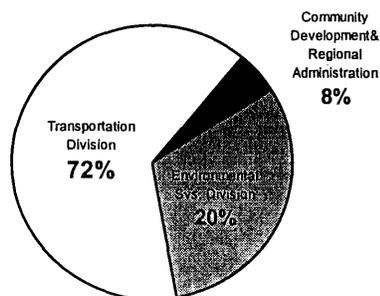
Introduction

The Twin Cities Region and the Metropolitan Council

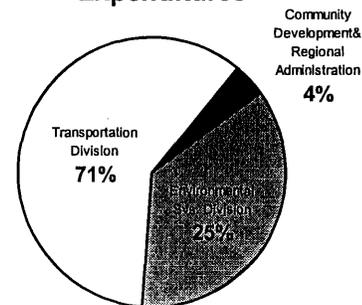
The seven-county metropolitan area is a growing and economically stable region with a population approaching 2.7 million. This region's economy has an unemployment rate well below the national average and a projected population growth of 930,000 people between now and the year 2030. The Metropolitan Council guides the future growth and redevelopment of this region.

A chairperson and 16 Council members representing districts, all of whom are appointed by the governor, oversee this agency. The agency's duties include guiding development in the seven-county area through regional planning and providing essential regional services – wastewater collection and treatment, transit and the rent assistance programs for low-income households administered through the Council's Metro Housing and Redevelopment Authority (HRA). To carry out these duties, the Council established divisions for transportation, environment, and Community Development, along with standing committees to deal with each of these areas. The Council has approximately 3,800 employees and annual expenditures of approximately \$380 million to carry out its planning and service functions.

Number of Employees



Expenditures



Purpose of Report

The Metropolitan Council recognizes performance evaluation as a crucial tool in ensuring that its functions are meeting their objectives in a timely and cost-effective manner. The Council has implemented a number of methods to strengthen its performance evaluation process.

The purpose of this report is to provide a record of the services provided and service levels achieved by the Council in the context of historical trends, performance measures and budget compliance. This annual report includes multi-year performance measures for all major operations and summarizes significant accomplishments by division. In future reports, additional performance measures will be added as the Council expands its performance measurement practices.

Division Functions

The **Community Development Unit** includes functions such as Planning and Technical Assistance, Research, Geographic Information Systems, the Metropolitan Housing and Redevelopment Authority, and Livable Communities Programs. The unit is responsible for:

- Integrating activities and aligning regional investments and resources to implement a regional growth strategy.
- Coordinating planning for regional growth and redevelopment.
- Aligning local comprehensive plans with a regional growth.
- Identifying and analyzing strategic issues.
- Facilitating community collaboration.
- Delivering assisted housing services.
- Implementing the Livable Communities Act.
- Making geographic information services technology and products available within the Council and facilitating geographic information sharing throughout the region.

The **Environmental Services Division** owns, operates and maintains approximately 550 miles of regional sewers and treats up to 300 million gallons of wastewater daily at eight regional treatment plants. Serving nearly 90 percent of seven-county area population, MCES provides cost-effective wastewater service to 103 communities. MCES supports Council-guided regional development by protecting the public health and environment and providing its customers water resources management that ensures:

- Sufficient sewer capacity exists to serve planned development.
- Sufficient capital investments are made to preserve water quality in the region.
- Wastewater collection and treatment services are provided in a cost- and quality-competitive manner.
- Local plans provide for adequate water supply and nonpoint pollution prevention in the region.
- Local action is catalyzed through water quality improvement grants.

The **Transportation Division** includes Metro Transit and Metropolitan Transportation Services. The division is responsible for:

- Ensuring a basic level of mobility and a comprehensive set of transit and paratransit services for all people in the metropolitan area to the extent feasible.
- Cooperating with private and public transit providers to ensure the most efficient and coordinated use of existing and future transit services.
- Maintaining public mobility in the event of emergencies or energy shortages.
- Providing leadership in defining an integrated and balanced transportation system (highway, transit, airports, and non-motorized modes) to support the efficient movement of people and goods.
- Coordinating intermodal transportation and land use planning.
- Coordinating regional aviation planning.

Organization of Report

The report is organized into four major sections. The first three discuss division and subunit results. The fourth includes appendices and maps showing Council districts, sewer service network, transit service area, and Metro HRA service area.

Council efforts with respect to regional growth strategy, affordable housing and Livable Communities programs, and the regional park system planning and grant administration are discussed in the Community Development Unit section. The Environmental Services section discusses environmental quality, efforts to abate point source and nonpoint source pollution, and redesign of programs, processes and services to be more cost-competitive and position the Council and region strategically for the future. Transit redesign and ridership and light rail transit development are discussed under the Transportation Division.

Summary of 2002 Priority Areas

The Council is focusing on four primary regional strategies to achieve its purpose.

- **Quality of Life:** Provide tools and support so that cities can build communities where quality of life is first-rate.
- **Infrastructure:** Provide high quality, cost-effective services.
- **Communications and Community Relations:** Build support among the public and decision-makers for regional approaches to benefit the region.
- **Alignment:** Focus Council programs, investments and resources—and coordinate Council efforts with those of local governments and other agencies—to achieve regional goals.

Quality of Life

A New Regional Framework for Growth

The Council completed the new metropolitan planning guide, the Regional Framework, on December 18, 2002. It provides a comprehensive strategy for regional growth and reinvestment focused on integrating transportation, development and environmental protection to support the region's quality of life. Development and implementation of the strategy relies upon collaboration with communities, citizens and stakeholder groups.

In early 2003 the Governor appointed new council members, who committed themselves to a comprehensive review of this metropolitan planning guide document. This review along with Council members recommendations for changes, modifications or clarifications, is due to be completed December of 2003.

The Regional Framework is based on community input and market trends, as well as updated local comprehensive land-use plans. Of the 193 local plans required by state law

to be reviewed by the Council every 10 years, 182 were submitted and reviews completed by the end of 2002.

Creating Livable Communities

The Council invests regional, state and federal funds to create affordable housing, job growth, livable communities, regional park system capital improvements and transportation options, as well as to protect the environment. The investments help communities throughout the region make prudent choices about how to develop and redevelop, and leverage millions of additional dollars in private and public investment while providing jobs and business growth.

Livable Communities investments in 2002:

- **Affordable housing grants (Local Housing Incentives Account):** \$1.225 million total to 18 communities to support new development, or rehabilitation of rental and ownership housing for households with low and moderate incomes, or housing that supports local redevelopment and reinvestment efforts.
- **Livable Communities demonstration grants (Livable Communities Demonstration Account):** \$7.5 million to six communities for mixed-use, transit- and pedestrian-friendly developments that demonstrate efficient growth and incorporate livability features the public prefers.
- **Livable Communities opportunity grants (Livable Communities Demonstration Account):** \$500,000 to 10 communities to support projects in the predevelopment stage that show promise as demonstration projects.
- **Tax base revitalization grants (Tax Base Revitalization Account):** \$4.39 million to eight communities to clean up 13 polluted sites for redevelopment and job creation. Matching funds of \$906,000 for five projects were put on hold pending state budget decisions.
- **Metro Environment competitive grants:** Nearly \$1 million for local projects to improve the quality of the region's lakes and rivers. Projects include educational programs, stormwater runoff management, nonpoint source pollution reduction, water quality research and others.
- **Metro Environment targeted grants:** \$520,000 for projects of regional significance—water quality enhancements; the regional natural resources inventory; local environmental planning assistance; implementation of alternative stormwater management techniques; and environmental education.

Investing in the Mississippi Riverfront

The Council completed a collaborative effort with 21 communities and four counties along the Mississippi River between St. Paul and Ravenna Township. With funding from the McKnight Foundation, the group developed a framework for accommodating growth in the river corridor in a manner that will protect the river's ecological features, foster recreational opportunities, and provide economic opportunities. Many stakeholders participated in the preparation of the plan, which builds on the comprehensive plans of each community. The combined efforts of all the communities to implement the

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Introduction

framework will contribute to the revitalization and preservation of the economic, environmental and recreational resources along the Mississippi River, one of the region's most treasured assets.

Cleaner Rivers and Lakes

The Metropolitan Council has an outstanding record of reducing direct or point source pollution in the region's waterways. In recent years, the Council has focused on increasing attention and resources on reducing and preventing indirect or nonpoint source pollution from surface water runoff pollution. As part of that effort, the Council provides incentive grants to support the nonpoint source pollution reduction efforts of diverse groups.

In 2002 the Council awarded \$916,330 for competitive grants to improve the quality of the region's lakes and rivers with stormwater management practices and educational projects as the primary focus. The Council also approved about \$520,000 for targeted environmental grants in four categories that will result in water quality enhancements for continued support to the regional natural resources inventory, local environmental planning assistance, implementation of alternative stormwater management techniques, and environmental education.

Infrastructure

Sharing Geographic Information

The Council's MetroGIS Project, a partnership of local and regional government organizations, made major strides in producing and sharing valuable geographic information with its members. DataFinder Café (www.datafinder.org) distributes more than 1,000 GIS data files monthly via the Internet. Elected and appointed officials from regional, county and local governments are actively engaged in guiding this valuable data sharing initiative. Planned Land Use and parcel data were added to more than 100 geographic data files available, without fee, to all counties, cities, watersheds and school districts in the region and surrounding counties. MetroGIS has received national and state awards for its data sharing efforts. The data is a valuable source of information for growth planning, community development and other functions from mosquito control to crime prevention.

Restructuring Transit Service

The Council continued a major initiative to restructure transit service throughout the region to increase ridership and system efficiency. In 2002 routes in south Minneapolis and the southern part of St. Paul were studied to determine changes that would better serve housing, job growth centers and other current development patterns. Service improvements to be implemented in 2003 will include better community-to-community connections, improved reverse commute options, better express service and new transit centers, park-and-ride lots, transfer and boarding points.

Light Rail Construction Makes Progress

Construction of the 11.6 mile Hiawatha light rail transit (LRT) line began in 2001 and was two-thirds complete at year's end. The region's first LRT route will connect downtown Minneapolis with Minneapolis-St. Paul International Airport (MSP) and the Mall of America.

Construction is underway on 14 of 17 stations along the route. Tunnel boring of two tunnels under MSP International Airport was completed. Excavation of the Lindbergh Terminal Station continued. Utility relocation in downtown Minneapolis was completed to clear the way for construction of the railroad bed and installation of embedded track along Fifth Street during the year.

Hiawatha LRT service will be integrated with buses, park-and-ride lots, and improved pedestrian and bikeway connections, offering more choices and convenience. The line will open with partial service from downtown Minneapolis to Fort Snelling in April 2004 with full service to the airport and Mall of America scheduled for the end of 2004. Ridership is projected at 19,300 passengers per weekday when the full Hiawatha Line becomes operational.

Northwest Busway Corridor

The Council in 2002 began studying the Northwest Busway Corridor project, which would link downtown Minneapolis and Rogers, generally following West Broadway and County Road 81. The project will use roadway and transit improvements to help people move efficiently and enhance economic growth. Hennepin County will reconstruct portions of County Road 81 to improve safety and intersection capacity, while Metro Transit will bring Bus Rapid Transit to the 22-mile corridor to provide another travel choice for people. And development opportunities at some key locations will help bring economic growth to the area.

Busway construction is expected to begin in 2004, with service planned to start in late 2005. The project is a partnership between the Northwest Corridor Partnership, Metro Transit, the Metropolitan Council and Hennepin County

Aviation Crucial to Competitive Economy

High quality air transportation to major domestic and international markets is essential to the region's ability to compete in the global marketplace. The Council works closely with the Metropolitan Airports Commission (MAC) and other airport owners to ensure that the region's system of airports provides state-of-the-art, secure and affordable services for business and leisure travelers, freight transport and general aviation activities.

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The uncertainty created in the wake of the September 11, 2001, terrorist attacks rocked the aviation industry and had a major impact on industry and airport revenues. The Council will monitor financial and safety impacts on system airports closely to determine how capital improvements should move forward. Update of the 1996 *Aviation Policy Plan* was put on hold in 2002

Affordable Housing

Throughout 2002, Metro HRA maintained 100 percent use of its Section 8 housing vouchers. The HRA, through its 14 programs, provided monthly rent assistance to nearly 7,000 low-income households. These federal, state and locally funded rent assistance subsidies, paid directly to landlords, resulted in the recycling of more than \$43 million into the regional economy. The Metro HRA provides rent assistance to seniors, families and people with disabilities in Anoka, Carver, and suburban Hennepin and Ramsey Counties.

The Family Affordable Housing Program continued its scattered-site acquisition program, acquiring 123 affordable units in 10 suburban communities. This program implements the Hollman consent decree calling for the provision of federally assisted low-rent housing in Twin Cities suburbs.

Improving Efficiency while Protecting the Environment

In 2002, the Council collected and treated 102.4 billion gallons of wastewater from 103 communities in the region and maintained an excellent record of near-perfect compliance with clean water discharge permits.

A three-year budget reduction goal competitively decreased wholesale wastewater rates that the Council charges cities by 12.6 percent from 1998 through 2001, resulting in a 2002 wastewater rate that remained 9 percent below the 1998 rate. Staffing levels for 2002 were 23.4 percent below the 1998 level and the five-year plan includes continued reductions achieved through attrition.

MCES plants continued to perform at a high level with clean water discharge permits, and in 2002 received the following awards from the Association of Metropolitan Sewerage Agencies (AMSA). The Metro Plant earned the Platinum Award for achieving five consecutive years of complete and consistent NPDES permit compliance. The Blue Lake, Hastings, Seneca, St. Croix Valley and Eagles Point plants earned the AMSA Gold award for one year of complete permit compliance and the Empire Plant received the Silver Award for having only two permit exceedances during the calendar year.

The liquid treatment phase of the new Eagles Point Plant (on the site of the Cottage Grove Plant) began operation in October. This project is on schedule and, when completed, will have an initial capacity of 10 million gallons per day (mgd) that can be expanded to 20 mgd when necessary.

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Several other important capital projects continued in 2002 that will enhance the region's quality of life by reducing pollutants such as mercury and phosphorus, and will provide sufficient infrastructure to accommodate regional growth. The Council is engaging local constituents to a greater degree than ever before, and projects a 5 percent savings on major capital projects for 2002.

Communications

Information on the Twin Cities region is now more prominent on the Council's newly designed web site, at www.metrocouncil.org. The web site boasts a clean new look with lively graphics, a streamlined structure, and highlights on regional services offered to communities and citizens.

Citizens and stakeholders use the site for a wide mix of business, community and entertainment purposes, including: checking bus schedules and route information, purchasing bus passes, ordering land use map CDs, planning outings to regional parks, and voicing opinions on light rail station designs, busways and riverfront development.

In 2002, the site also hosted the first-ever regional online discussion between business and community leaders and citizens. Major topic areas focused on traffic congestion, affordable housing and future growth. The discussion drew more than 600 comments in 21 days.

Throughout 2002, visitor sessions to the Council's web site were up 49 percent to nearly 1.5 million sessions for the year, while average daily hits topped 200,000, up 94 percent for the year. An online sale of bus passes increased 163 percent from a year earlier. The site's most popular areas continue to be the transit index, bus schedules and the innovative trip planner.

Alignment

During 2002 the Council also worked extensively with cities, counties and others to create a vision for the future of the Twin Cities region described in seven interrelated goals set forth in Regional Framework. Multiple strategies will be required to attain those goals and to provide regional support to communities working to improve their livability and economic competitiveness. The Council clearly indicated its preference for incentives rather than regulations, targeted the investments and tools it could already direct toward achieving the region's vision, and identified additional new approaches to explore with its partners.

Among the resources identified as currently available were Council expenditures for highways, transit, wastewater facilities, airports, housing, brownfield clean-up, environmental remediation, financial incentives for development and redevelopment, and regional parks and open space programs that could help protect natural resources of regional importance. In order to make efficient use of limited public resources, the Council looked for ways to direct its investments, programs, and technical assistance and

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partnership actions so they all worked together rather than at cross-purposes. For example, during 2002 the Council clarified its *Guidelines for Priority Funding For Housing Performance* and, for the first time, employed them as one of many factors in the evaluation of applications for discretionary funding from the Livable Communities Fund Accounts.

The Council in 2002 continued to work with teams of scientists and specialists from several agencies to conduct an inventory of natural resources in the metropolitan area. The inventory will be used by the Council and local communities to help shape growth in a way that helps preserve the environment.

Community Development

Overview

The mission of the Community Development Division is to:

- Provide high quality, coordinated planning, policy and program development to support regional growth and reinvestment.
- Identify and analyze strategic regional issues.
- Facilitate community collaboration.
- Provide Livable Communities Fund grants from three Livable Communities Act programs to eligible communities to assist them with cleaning up polluted sites, expanding housing choices, and developing projects that offer a mix of land uses connected by a variety of transportation options.
- Deliver rent assistance and provide affordable housing to low-income households in the region through existing programs.

The Community Development Division includes two departments: Planning and Growth Management; and Housing and Livable Communities. Staff units within each department support the division's mission and implement its programs.

The 2002 Planning and Growth Management Department included four units:

| UNIT | CORE ACTIVITY |
|-----------------------------------|--|
| Planning and Technical Assistance | Implementation of regional growth policy and metropolitan systems through local planning assistance and comprehensive plan reviews. |
| Research | Collection, analysis, forecasting, and provision of data for the region and analysis of regional trends. |
| Geographic Information Systems | Provision of relevant geographic information and services to support Council policy and operational concerns. Facilitation of activities to share GIS data among government agencies within the region. |
| Parks and Open Space | Planning coordination and capital improvement grant administration for regional parks. |

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Community Development

During 2002, a team of Community Development Division staff focused on projects and activities related to completion of the Council's regional growth strategy:

| UNIT | CORE ACTIVITY |
|--------------------------|--|
| Regional Growth Strategy | <p>Analysis and development of a regional growth strategy—Regional Framework— including extensive public process.</p> <p>Analysis and promotion of cooperative governance and service-delivery approaches throughout the region.</p> |

The Housing and Livable Communities Department included three units in 2002:

| UNIT | CORE ACTIVITY |
|-------------------------------------|--|
| Livable Communities | <p>Implementation of the Livable Communities Act's housing provisions and its three funding accounts.</p> <p>Advancement of affordable and life-cycle housing development in the region. Assistance with the creation of life cycle housing in the region.</p> |
| Housing and Redevelopment Authority | Delivery of rent assistance programs for seniors, households with disabled members, and families. |
| Family Affordable Housing Program | Provision of 150 Family Affordable Housing Program units. |

A review of the Community Development Division's work during 2002 provides a clear picture of the important contribution the division makes to governmental cooperation and innovation, and the high quality of public services for which the Twin Cities region receives national acclaim.

During 2002, Community Development worked with the Metropolitan Transportation Services Unit and Metro Transit to foster the integration of land use and transportation. Particular attention was paid to the Hiawatha Corridor, Northwest Busway, and Central Corridor. Regarding Hiawatha Corridor, the Metropolitan Council will own three development sites that could offer potential housing and/or commercial development. During 2002, the sites were analyzed and a process for seeking private investment was begun. Regarding the Northwest Busway and the Central Corridor, cooperative planning with Hennepin County and Ramsey County was conducted to integrate transit and potential development opportunities.

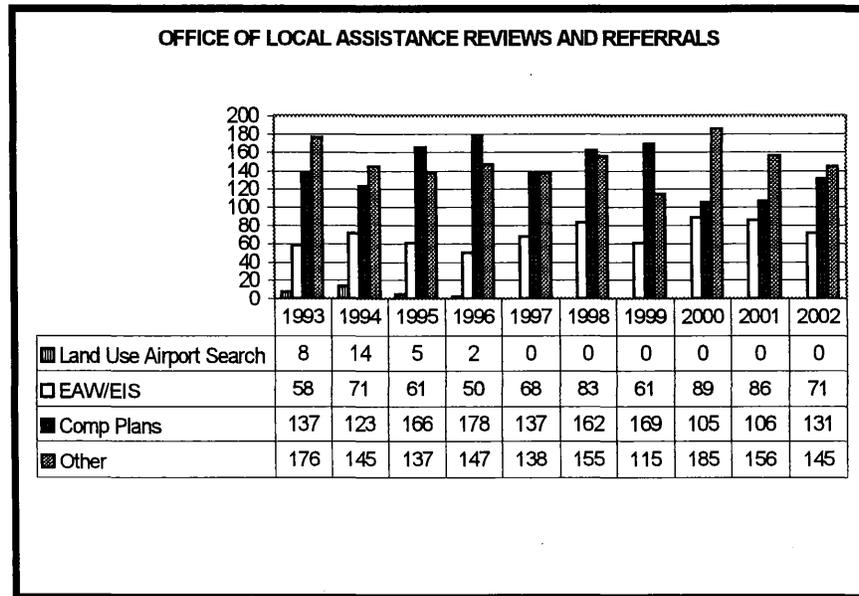
Planning and Technical Assistance

In 2002, the Planning and Technical Assistance Unit:

- Coordinated the review of 344 referrals, such as comprehensive plan amendments and environmental assessment worksheets, to determine their conformity with the regional systems, their consistency with Council policy, and their compatibility with adjacent community plans:
 - ✓ Seventeen 2020 Comprehensive Plan Updates
 - ✓ 121 comprehensive plan amendments
 - ✓ 70 environmental reviews (EAW, EA, and EIS)
 - ✓ 3 Critical Area/Mississippi National River and Recreation Area Plans with Department of Natural Resources and National Park Service
 - ✓ 133 miscellaneous (watershed plans, well-head protection, park master plans, housing bond programs, PCA permits)
- Provided technical assistance to communities for grants programs including the Livable Communities Demonstration Account, TEA-21, Right-of-Way Acquisition Loan Fund, planning loan fund (Jordan, Minneapolis Critical Area) and other planning grants (Corcoran comprehensive plan update; Elko-New Market comp plan update to Scott County; Empire, Hugo, Corcoran, Blaine Lochness study)
- Provided technical assistance to transportation/transit corridor studies such as Highway 81 Busway, I-35W Coalition, Southwest Corridor Study, Hiawatha LRT, Cedar Avenue Phase II Bus Rapid Transit/Transit Study, Elmwood Neighborhood Land Use/Transportation/Transit Study, 6 Mn/DOT Inter-Regional Corridor studies, Hastings TH 316 Bypass Study, I-35E Corridor Study, and Fort Snelling LRT land use group.
- Provided technical assistance to wastewater services studies, including the Elm Creek Interceptor Study, the Empire Plant, and the proposed Rogers Wastewater Treatment Plant acquisition.
- Implemented an electronic submittal process for referrals to make the application process more convenient for communities.
- Prepared the annual Fiscal Disparities Report, Metropolitan Agricultural Preserves Program Status Report, and the Regional Plat Monitoring Report.
- Prepared a Planning and Technical Assistance Toolbox containing case studies, sample Request For Proposals/Request For Qualifications, model ordinances and other planning related information.
- Cooperated with the Pollution Control Agency on a model for land reuse in reclamation of closed landfills (pilot sites include the Dakue and Andover landfills).

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Community Development

- Monitored orderly annexation agreements.
- The chart and table below show the number and type of planning and technical assistance reviews and referrals administered by the Council from 1993 through 2002.



Note: The "Other" category includes many different kinds of referrals, including those related to the National Pollution Discharge Elimination Systems, U.S. Corps of Army Engineers, watershed district plans, water supply plans, controlled access highway plans, critical area reviews, and Minnesota Municipal Board annexations, and Housing Revenue Bond Programs, etc.
 EAW = Environmental Assessment Worksheets EIS = Environmental Impact Statement

Research

In 2002, the Research Unit:

- Developed long-range 2030 city-level forecasts for population, households and employment for all communities in the Metropolitan Area. Regional forecasts were stepped down to the local level through a collaborative process with local governments.
- Analyzed the supply of available land in the region based on the Council's 2000-land use inventory and local 2020 comprehensive plans. Analyzed the 2030 demand for land (primarily residential) based on historic patterns and the Regional Framework assumptions.
- Analyzed reinvestment needs of fully developed communities in the Metropolitan Area, reviewed tools available to cities, and examined a range of possible new tools.
- Developed a regional investment strategy for implementing elements of the Regional Framework. Strategy looked at regional systems investments needed, existing regional

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incentive programs (like Livable Communities Accounts) and potential new programs, as well as costs of each.

- Processed 2000 Census data about the Metropolitan Area and made it available on the Council's web site for public use. City-level data is available for population by age and sex, race, marital status, households with children, housing occupancy and tenure, migration, income, poverty, housing unit counts, housing values, and housing costs (mortgage + monthly costs/rents).
- Analyzed 2000 Census housing data. Prepared a Regional Housing Data Snapshot for the Metropolitan Area examining characteristics of the housing stock, demographic characteristics of the region, housing affordability, earnings in the region and the future demand for housing.
- Prepared and delivered to the legislature the *Annual Livable Communities Act Report Card* on progress made by regional communities toward providing affordable and lifecycle housing to metropolitan area residents.
- Produced the 2001 city-level estimates of population and households for all communities in the Metropolitan Area. These estimates are used by the Departments of Revenue and Transportation for the distribution of state aids.

Metropolitan Council's Geographic Information Systems

In 2002, the Geographic Information Systems Unit:

- Supported the Regional Framework policy development:
 - ✓ Processed many new product requests and modified existing data and products to meet the rapidly changing communication needs of the planning team.
 - ✓ Developed data, conceptual maps and summary information describing existing and projected regional conditions.
 - ✓ Produced large presentation maps and handout materials for public hearings and discussions.
 - ✓ Incorporated finished maps and information into the final policy document and Web pages.
- Developed, analyzed and mapped data to create an inventory of natural resources in the region. Coordinated the work of staff from the Department of Natural Resources, Environmental Services and the GIS unit to analyze and identify natural resources of regional importance.
- Completed 2000 Land Use Mapping:
 - ✓ Completed final review of the 2000 Land Use interpretation in the first quarter of 2002.

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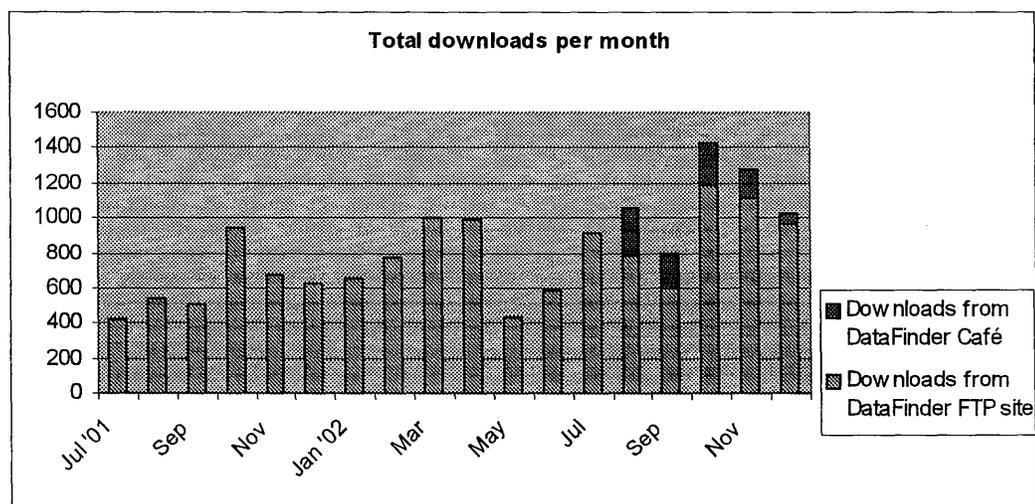
Community Development

- ✓ Provided each metropolitan area community with a draft land use map for its community and asked each community to review the Land Use data (an 86% response).
 - ✓ Printed 1,000 copies of a 2000 Land Use wall map for use by local communities, private developers and others interested in the change and growth of the region.
 - ✓ Developed an Internet Web page that allows users to examine detailed land use through interactive maps, tables and graphs.
- Implemented the ArcView Route Pattern Application (ARPA) at MetroTransit's Service Development Department to allow Transit staff to maintain bus route information in GIS for use by Metro Transit's Service Development Division and the Transit Control Center. This will enable tracking and dispatching of the new SmartCom Intelligent Vehicle System buses. The whole system has been implemented to standards that allow the bus route information to be used by Metropolitan Transportation Services, Community Development, other public and private organizations, and the public.
 - Provided GIS support services:
 - ✓ Supported HRA activities to identify qualified housing, assist clients in finding homes and meet federal reporting requirements.
 - ✓ Analyzed land availability, housing and land use trends using shared county parcel data available through the MetroGIS initiative.
 - ✓ Processed 2000 Census summary tables for use by Council GIS users using the GIS library.
 - ✓ Implemented upgrades to the Council's GIS software.
 - ✓ Expanded availability of GIS products through internal and external Web pages.
 - ✓ Developed 15 Council redistricting example plans under the direction of the Metropolitan Council Redistricting Advisory Group.
 - Facilitated data sharing through the MetroGIS Project, an award winning, nationally recognized model for GIS data sharing. Through MetroGIS, local and regional government organizations are getting valuable GIS data, produced by other member organizations, without fee. The MetroGIS participants are also improving the efficiency of their respective GIS programs by sharing experiences and working together. The year 2002 was one of the most productive years in MetroGIS's history. Significant accomplishments include:
 - ✓ Received a prestigious national award for Exemplary Systems in Government (ESIG) from URISA (Urban and Regional Information Systems Association).
 - ✓ Received an Outstanding Planning Tool award from the American Planning Association - Minnesota Chapter, for the Regional Planned Land Use Data set.
 - ✓ Implemented DataFinder Café used to distribute over 1,000 GIS data files monthly via the Internet.
 - ✓ Developed a regional Planned Land Use data file, which is available without fee.

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- ✓ Made region-wide parcel data available, without fee, to all counties, cities, watersheds and school districts in the region and surrounding counties.
- ✓ Adopted an updated business plan, which expands MetroGIS's sharing activities to include GIS applications.
- ✓ Documented the significant benefits of MetroGIS for the Metropolitan Airports Commission, Metropolitan Council, Metropolitan Mosquito Control District, TIES (school districts), and Riley Purgatory Creek Watershed District.
- ✓ Assisted and influenced GIS data sharing initiatives beyond the metro area within Minnesota and nationally.
- ✓ Increased the efficiency of organizations in the region by making shared GIS data available through MetroGIS's Internet data distribution tool www.datafinder.org.



- ✓ Improved trust and understanding among MetroGIS stakeholders by supporting a "forum" to share best practices and lessons learned. Metro GIS's information web site at www.metrogis.org is the primary vehicle for information sharing. It currently is receiving over 3,000 user sessions per month.

Metropolitan Parks System

The metropolitan regional parks system open for public use in 2002 encompassed 48,050 acres of parkland and trails. This included 38 regional parks, four special recreation features, 11 park reserves, and 18 regional trails. Total park visits in 2002 were approximately 30 million.

In 2002 the Metropolitan Parks System Unit:

- Amended the *Regional Recreation Open Space Policy Plan*, adding four new regional trail corridors linking first-tier suburbs of Minneapolis to regional parks in Minneapolis, the Minnesota Valley National Wildlife Refuge, French Regional Park, Eagle Lake Regional Park and the Southwest LRT Regional Trails. Individual trail master plans prepared by Three Rivers Park District will have to be reviewed and approved by the Metropolitan Council as the basis for future capital improvement grants to develop the

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trails.

- Authorized approximately \$13 million of regional park capital improvement grants to acquire land (\$4.25 million), rehabilitate worn-out recreation and visitor support facilities (\$5.68 million), and develop new recreation and visitor support facilities (\$2.16 million) for the Metropolitan Regional Park System. The grants were financed with \$6 million of state bonds; \$4.25 million of Metropolitan Council bonds and \$886,000 of interest earned by the Council on park grant funds.
- Prepared for Council review and approval an acquisition master plan for Silver Lake Special Recreation Feature, to be operated by Three Rivers Park District, and an amendment to the North Mississippi Regional Park master plan which added a 0.6-mile section of 49th Avenue to the park as required by Chapter 1, Article 3, Section 12 of Laws of Minnesota 1998, First Special Session.
- Committed \$4 million in bond funding as a 40 percent match to the \$6 million of bonds for regional park system land acquisition, rehabilitation and facility development appropriated by the Minnesota Legislature in May 2002 to finance a portion of the 2002-2003 capital improvement program for regional parks.
- Granted \$886,000 of interest earned on park grant funds to reimburse the Minneapolis Park and Recreation Board for constructing the visitor center at North Mississippi Regional Park. The interest on park grant funds must be used to acquire and develop North Mississippi Regional Park based on laws enacted in 1985 and amended in 1987.
- Granted \$2,087,200 financed with bonds to fund up to 40 percent of the costs to acquire about 125 acres in order to aid park agencies to acquire land. To meet the Council's commitment, bonds are issued when necessary to meet cash flow needs. The timing to issue bonds is coordinated with other Council bond issues. The following is a cross-section of major park projects funded in 2002:
 - ✓ St. Croix Bluffs Regional Park, Washington County, for final installment to reimburse the county for acquiring the park in 1995 from the Ceridian Corporation.
 - ✓ Lake Waconia Regional Park, Carver County to acquire land for the park.
 - ✓ Minnehaha Parkway Regional Trail, Minneapolis, for reconstruction of the Longfellow Garden/Lagoon area after the Hiawatha Avenue tunnel was constructed.
 - ✓ Rice Creek North Regional Trail, Ramsey County, for restoring 30 acres of prairie.
 - ✓ Elm Creek Park Reserve, Three Rivers Park District, for rehabilitating the existing visitor center and beginning construction of a winter recreation area for downhill ski lessons, a snow tubing hill, an ice skating pond, and a lighted cross-country ski trail with snow-making units.
 - ✓ Hyland-Bush-Anderson Lakes Park Reserve, Bloomington, for a play structure, disc golf course, trail links and irrigation systems for three picnic areas.
 - ✓ Coon Rapids Dam Regional Park, Anoka County, for a large group picnic pavilion/amphitheater, river overlook, connecting trails and visitor support facilities.

- Granted funds to 10 regional park implementing agencies under a formula in MN Statute 473.351. These funds—\$3,536,000 (after a cut from \$4 million originally appropriated) of state general funds and \$5,130,000 of lottery proceeds in lieu of sales tax revenue—were appropriated by the legislature to operate and maintain the regional park system. The projected actual revenue from this appropriation is \$4,795,965.

Regional Growth Strategy

The 2002 Regional Growth Strategy Unit:

- Completed development of a new regional growth strategy, Regional Framework, adopted by the Council on December 18. Extensive agency-wide planning and implementation activities in Community Development, Environmental Services, and Transportation/Metro Transit supported this effort. The Regional Framework:
 - ✓ Links and aligns environmental, transportation, and community development goals, objectives, and policies to support regional economic competitiveness and a high quality of life in the urban, suburban, rural and agricultural communities that comprise the metropolitan area. The Regional Framework focuses on *how* the region will grow, rather than *how much*.
 - ✓ Sets priorities for and aligns regional investments to maximize the benefits of limited public resources, coordinating investments/decisions with other public bodies, nonprofits and foundations, and business groups.
 - ✓ Incorporates use of a Natural Resource Inventory and Assessment of resources of regional importance to shape development decisions and choices and provide cost-effective wastewater treatment. Identifies water quality improvement grants and other programs as incentives to promote efficient resource and infrastructure use, and protect significant natural systems that contribute to a high quality of life in the region.
 - ✓ Uses transportation investments to increase transportation choices and to link centers to adjacent urbanized community/neighborhood areas via an interconnected system of local streets, pedestrian pathways/sidewalks and bikeways.
 - ✓ Enhances community livability, choices and opportunities throughout the region. Uses Community Development investments and programs to promote efficient use of infrastructure and land, to serve as models of efficient growth infill and new development, and to expand affordable and lifecycle opportunities.
 - ✓ Engaged citizens, and the public and private sectors in regional decision-making. Key examples: Housing and Land Use Advisory Committee, Regional Environment Partnership.

- **Opportunity Sites.** Provided alternative development concepts for six opportunity sites, incorporating many of the features and ideas identified through a series of innovative community design workshops held in each host city during 2001. During the second half of 2002, a workshop was held in each host city to present final site plan recommendations. Scenarios were presented in a final, comprehensive report to the host cities for further refinement and implementation.
- **Mississippi River Initiative (Pool 2).** Collaborated with 21 communities and four counties along the reach of the Mississippi River between St. Paul and Ravenna Township to devise a common framework for implementing projects in the river corridor. This effort was built upon existing plans and based on extensive public and stakeholder involvement. It identified new opportunities to leverage and coordinate funding sources to help ensure the corridor continues to benefit from the ecology, economic potential, and recreational opportunities of the river while accommodating growth forecast for the corridor in sustainable ways.
- Completed the work of the Council's Rural Issues Work Group to formulate and recommend to the Council policies that: serve the Region's Rural Growth Centers with necessary public services and infrastructure; and preserve the rural character and the natural resource base of the Region's Diversified Rural Communities, Rural Residential Area and Agricultural Preservation Area. The work group's recommendations were incorporated into *Regional Framework*.
- Continued to seek opportunities to work with counties, regional development commissions, and other jurisdictions adjacent to the metropolitan area.

Livable Communities Programs

In 2002, 103 metropolitan area communities participated in the Livable Communities program to help expand affordable housing opportunities, recycle polluted sites, and implement compact development models in the region. These cities include 92 percent of all metropolitan area households and 93 percent of all jobs.

Communities voluntarily participating in the program negotiate housing goals with the Council. They are then eligible to compete for funding from the three accounts in the Livable Communities Fund as well as pollution cleanup funds available from the Minnesota Department of Trade and Economic Development (DTED). This funding includes grants that come from the following sources:

1. **Tax-Base Revitalization Account (TBRA)** helps cities pay to clean up polluted land and make it available for commercial and industrial development, thus restoring tax base and jobs near existing housing and services.
2. **Livable Communities Demonstration Account (LCDA)** supports projects that demonstrate walkable, connected land use patterns. Included in the funded projects are models of mixed-use development that improve livability in old and new residential and commercial areas and attract public and private investment; establish a suburban

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town center; make stronger links between housing, transportation and jobs; expand housing options; and replace aging, deteriorated retail uses.

3. **Local Housing Incentives Account (LHIA)** expands housing opportunities through grants to eligible communities to meet negotiated affordable and lifecycle housing goals.

During 2002, the Livable Communities Programs Unit:

- Awarded 20 Tax-Base Revitalization Account grants totaling \$5,300,000 to help clean up 129 acres of polluted land in eight communities. These projects will generate more than \$2.6 million in increased annual net tax capacity and 1,754 new jobs, paying an average hourly wage of \$13.90.
- Provided 12 Livable Communities Demonstration Account grants totaling \$8,186,000 to help projects in eight communities move to construction. Funded projects include a mix of housing in type and cost, projects linked to transit, where available, and that have commercial, civic or other uses that support daily needs and community activities.
- Awarded “opportunity grants” through the Livable Communities Demonstration Account to 13 projects in the predevelopment stages that show promise of developing into demonstration projects. The grants, totaling \$589,000, will help shape projects affecting 15 cities in the region.
- Provided 11 grants from the Local Housing Incentives Account totaling \$1.725 million to help develop 256 new rental units, and 24 new ownership units, and the rehabilitation or improvement of as many as 86 homes. These grants will support affordable housing activities in 18 cities. Most of the rental units are affordable to low- and moderate-income households. These LHIA awards will leverage over \$53 million in total development and rehabilitation investments.
- Began a collaborative effort with Minnesota Housing Finance Agency, the Family Housing Fund, and the Greater Minnesota Housing Fund to examine and analyze Census 2000 data to determine affordable and life-cycle housing demand in the region through 2010.
- Staffed an expanded Mayors’ Regional Housing Task Force that completed a report of its findings and recommendations following a year of study on regional affordable housing issues and problems. A comprehensive task force report was published in October in time for consideration in the Council’s and other entities’ legislative programs for 2003.
- Collaborated with the Transportation Division to develop and implement a \$3 million TEA-21 set-aside initiative to support transportation projects that enhance new affordable housing development. With the assistance of an ad hoc Oversight Committee consisting of Council, TAB (Transportation Advisory Board), and LCA Advisory Committee members, staff created and administered the TEA-21 AHED (Affordable

Housing Enhancement Demonstration). As the result of a competitive evaluation process involving 15 applicant proposals, four projects from Minneapolis were selected for funding that will involve new housing development consisting of more than 700 new housing units in their first phase of development, 300 of which will be affordable to low- and moderate-income households.

- Completed the revision of the criteria used in the Council's *Guidelines for Priority Funding for Housing Performance*. As the result of a public hearing process and dialogue with local governments, several criteria were revised to provide greater clarity, utility and equity to the *Guidelines* and in the prioritization of requests for discretionary, competitive funding from the Council.
- Collaborated with the Environmental Services Division to revise the program guidelines for what had been called the Service Availability Charges (SAC) Waiver Demonstration Program to create a permanent program called the Inclusionary Housing Incentive Program. Several criteria and guidelines from the original three-year demonstration effort authorized by 1999 legislation were revised and strengthened, and new criteria were added that address water conservation and wastewater capacity concerns.
- Reviewed 33 local housing revenue bond programs proposed to support affordable, market-rate and senior housing in 29 different cities.
- Held two practicums to help 150 local government staff, officials, and other attendees learn from experiences of successful development in the region. City staff, city consultants and developers shared information about how their projects were planned and how they reached the implementation stage. Topics included building attractive, affordable housing with community amenities, and using street design to help communities be more connected to jobs and neighborhoods.
- Concluded staffing and financial support for the Metropolitan Radio Board authorized by the legislature in 1995 to develop a highly efficient, cost effective, region-wide, two-way public safety radio system to serve the communications needs of governmental jurisdictions in the metropolitan area as well as the Counties of Isanti and Chisago. Independent administration of the Radio Board became effective in 2002, following six years during which the Council provided administrative staff and served as the board's fiscal agent.

Metropolitan Council Housing and Redevelopment Authority

The majority of assistance provided by the HRA is through the federally funded Section 8 Housing Choice Voucher Program that allows the user to locate private market housing in communities throughout the Metro HRA's service area. In addition to the staff based at Metropolitan Council offices, contract staff in six localities within the region serve as community representatives and assist in administering the Section 8 program; and inspections staff in five additional localities assist in performing housing quality inspections.

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- Administered the federal Section 8 Housing Choice Voucher Program on behalf of seniors, households with disabled members, and families throughout the region through the Metro HRA. Council staff and contracted community employees provided direct client services to 6,000 program participants in nearly 100 communities.
- Continued to provide rent subsidies and support services to more than 750 households with special needs throughout the region through funding opportunities available from federal, state, and local resources.

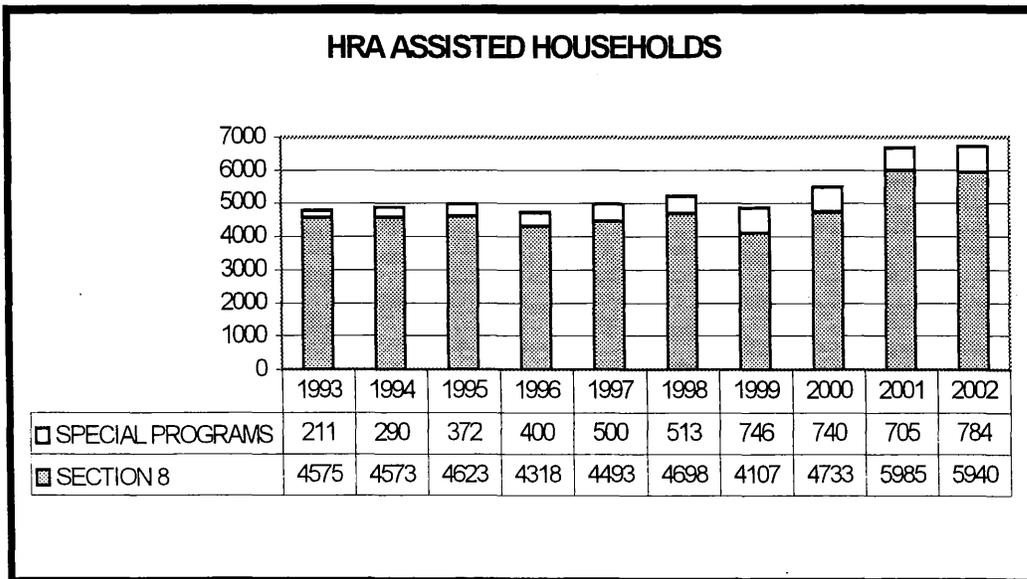
Major 2002 accomplishments of the HRA Unit:

- Administered the Section 8 Housing Choice Voucher Program to provide monthly federal rent subsidies to 6,000 households to help them maintain decent and affordable housing within the metropolitan region.
- Maintained 100 percent use of all federal funding for the Section 8 housing choice voucher program ensuring that all available vouchers were being used to provide affordable rents for program participants.
- Administered seven additional specialized housing assistance programs through federal, state, and local funding that include housing subsidies and support services for people who are homeless and have disabilities, families working toward self-sufficiency, and persons with HIV/AIDS. These programs include the Bridges program, Shelter Plus Care, the Rental Assistance for Family Stabilization (RAFS) program, two Ramsey County-funded supported housing programs, and the Housing Opportunities for Persons with AIDS Program. These programs served more than 750 individuals and families during 2002, with case management services provided through partnering agencies.
- Continued implementation of the Family Unification Program and the Family Self-sufficiency (FSS) Program. The Family Unification Program provides rent subsidies to enable families to reunite in cases where the lack of adequate housing may be preventing the family as a whole from thriving. The FSS Program assists families in working toward economic self-sufficiency and utilizes the resources and expertise of community-based social service agencies.
- Monitored and inspected more than 530 rental properties in the region that applied for State of Minnesota 4d property tax classification in order to ensure compliance with the terms of the program.
- Provided ongoing support for the HousingLink, a nonprofit clearinghouse created as a result of the Hollman consent decree. With its mission to provide a “one-stop shop” approach for affordable housing information, the HousingLink has developed, among other things, a comprehensive database of vacancies, affordable housing directories, and a waiting list status report.

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- Continued administration of the Section 8 Welfare to Work Program allocation. The Welfare to Work vouchers are made available to families specifically working to achieve economic self-sufficiency.
- Continued administration of the Section 8 Mainstream program. The Mainstream Program is designed to assist applicants on the Section 8 waiting list where the household head or spouse is disabled. The program design includes a provision to survey the service needs of the applicant. The HRA refers the applicant to known service providers.
- Developed a pilot homeownership program called Home Steps through a unique partnership between the funding sources of the Family Housing Fund and the Minnesota Housing Finance Agency, and the Dakota Community Development Agency and Metro HRA, which helped six households to close on home purchases. The Home Steps Program provides no-interest down payment, closing cost, affordability gap, and/or rehabilitation assistance up to \$30,000 per household.
- Awarded Section 8 Project-Based assistance to three private owners of units in Blaine, Coon Rapids, and Maplewood to assist in the development of 29 new units of affordable housing.

The chart below shows the number of households assisted by the Metro HRA between 1993 and 2002 through the Section 8 programs, and through other special housing programs.



Family Affordable Housing Program

In January 2000, the Metropolitan Council established its Family Affordable Housing Program to promote affordable housing opportunities and help the Minneapolis Public Housing Authority implement the housing replacement provisions of the 1995 Hollman consent decree. The Hollman consent decree provided for the demolition of certain public housing units within the City of Minneapolis and made federal funding available for the development of 770 replacement housing units within the City of Minneapolis and suburban locations of the metropolitan area.

The Family Affordable Housing Program Unit's work in 2002:

- Continued to develop 150 of the replacement units via a scattered-site acquisition program. From 2000 to 2002, 123 units were acquired in, and with the approval and cooperation of, 10 suburban municipalities within Anoka, Hennepin and Ramsey Counties. Acquisition and development of all 150 units is scheduled to be completed in 2003.
- Developed units in collaboration with suburban jurisdictions to further implement the terms of the Hollman consent decree calling for the development and operation of federally assisted low rent housing in the suburban metropolitan area.

Transportation Division

Overview

The Metropolitan Council sets policy, plans, coordinates, administers and operates a cost-effective system of transit services that is responsive to the needs of residents of the Twin Cities metropolitan area.

The Transportation Division is composed of two units – Metropolitan Transportation Services and Metro Transit – and is responsible for regional transportation planning including aviation, highway, and transit systems as well as transit operations.

The Metropolitan Council's Transportation Policy Plan policies:

- Focus investments to help implement the Council's *Blueprint* and the Regional Growth Strategy to support the region's economic vitality and quality of life.
- Pursue an adequate level of transportation funding.
- Make investments based on need.
- Promote public participation when formulating and implementing transportation policy.
- Promote implementation of a regional network of dedicated transitways.
- Develop transit compatible with different land use patterns and socioeconomic conditions.
- Promote innovation, efficiency, and greater diversity of options through increased competition in delivering transit services.
- Improve transit service coordination and passenger safety to make transit more attractive.
- Provide transit services for persons with disabilities in full compliance with the 1990 Americans with Disabilities Act.
- Support use of travel demand management techniques to reduce peak-period trips.

To accomplish these overall goals, the Metropolitan Council:

- Develops transportation policy for the metropolitan region and implements transportation policy through its own programs and through coordination with the federal government, state government, and local governments.
- Develops and updates the federal Transportation Improvement Program (TIP) for the metropolitan area, which is the short-range capital improvement program for all modes using federal transportation funds.
- Acts as the federally designated Metropolitan Planning Organization and manages the allocation of federal transportation funds.
- Operates Metro Transit, the region's largest provider of regular-route transit service.

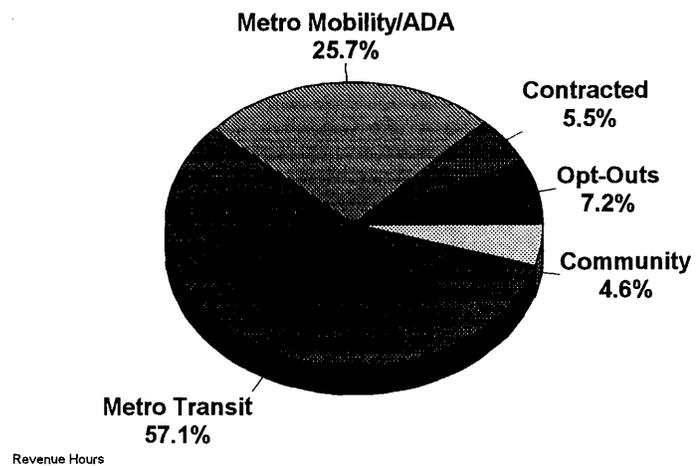
- Operates Metro Mobility, the region's ADA complementary service.
- Operates Twin Cities Lines, a network of 42 routes run by private providers under contract to the Council, competitively procured and complementary to Metro Transit and the Opt-Out transit systems.
- Partners with community-based transportation initiatives, and coordinates regional support, fares, and capital programs with the Opt-Out transit authorities.
- Promotes transit and other alternative modes of transportation through Metro Commuter Services programs and with travel demand management organizations.

Transit Ridership

The Twin Cities region has five types of transit providers.

- Metro Transit: Is the largest provider of transit service in the region. It provides primarily large-bus regular-route service throughout much of the Twin Cities region.
- Opt Out Communities: Twelve communities have chosen to provide their own transit service. Opt-outs provide service through contracts with private companies, some through contracts with Metro Transit, and directly operated services.

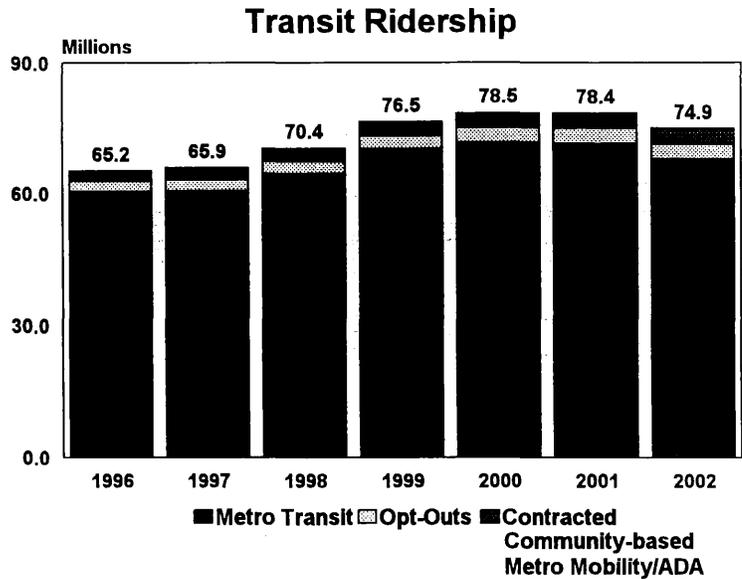
Hours of Bus Service: 2002



- Twin Cities Lines (contracted regular-route transit service): Approximately 5% of regular-route transit services are contracted with non-profit organizations and private companies. This group of contracted routes is known as the Twin Cities Lines.
- Community-based: Dial-a-ride service is provided in rural parts of the seven-county region as well as in certain smaller cities that have chosen to provide their own transit service. These local initiatives in many cases offer public service coordinated with Metro Mobility, medical and social transport, and regular routes. The Metropolitan Council partners with the sponsoring cities, counties, and non-profits to provide these transit services. The Council provides performance grants for a portion of the cost of operations, capital grants, and technical support.
- Metro Mobility/ADA: Provides demand-response and arranged/group transit services as a legally mandated complement to the regular-route system throughout the region, for persons with disabilities who are unable to use regular route transit service.

Regional Transit Ridership

Transit ridership increased 14.9% from 1996 to 2002. From 1996 to 2000, transit ridership grew 20.4% but from 2000 to 2002, ridership has decreased 5% because of cuts in transit funding, a fare increase July 2001, and the downturn in the economy.



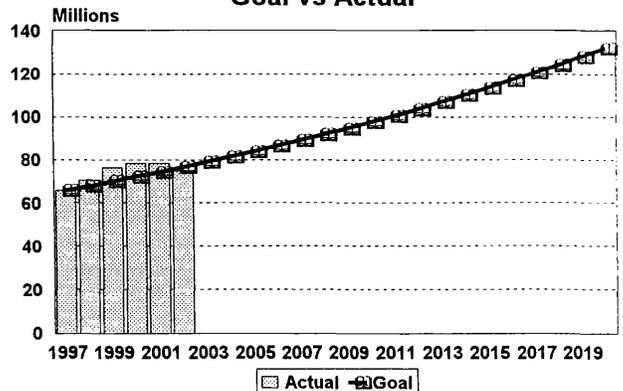
| Twin Cities Ridership | | | | | | | |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Opt-Outs | 2,319,129 | 2,446,142 | 2,687,314 | 3,020,546 | 3,245,370 | 3,377,941 | 3,368,586 |
| Twin Cities Lines | 864,579 | 1,240,096 | 1,528,923 | 1,723,089 | 1,817,635 | 1,872,129 | 1,876,994 |
| Community-based | 366,463 | 388,161 | 367,123 | 361,245 | 380,978 | 369,365 | 371,540 |
| Metro Mo/ADA | 1,174,493 | 1,197,052 | 1,183,579 | 1,164,861 | 1,204,805 | 1,223,298 | 1,309,397 |
| MTS Sub-total | 2,405,535 | 2,825,309 | 3,079,625 | 3,249,195 | 3,403,418 | 3,464,792 | 3,557,931 |
| Metro Transit | 60,466,548 | 60,623,266 | 64,644,231 | 70,268,727 | 71,840,231 | 71,570,739 | 67,995,312 |
| Total Ridership | 65,191,212 | 65,894,717 | 70,411,170 | 76,538,468 | 78,489,019 | 78,413,472 | 74,921,829 |

Progress on Doubling Ridership by 2020

The Metropolitan Council set a goal, via the Regional Transit Master Plan, of doubling transit ridership by 2020. Substantial ridership growth occurred from 1997 through 2000 due to increases in service hours, improvements in transit service, and growth in the economy, especially in employment.

In 2001 and 2002, ridership slowed and then decreased due to reductions in transit funding, a July 1, 2001 fare increase, and a slowing economy. In 2002, ridership fell below the goal. Future ridership growth will be

**Doubling the Transit System by 2020
 Goal vs Actual**



dependent upon funding levels, the economy, service improvements, and highway congestion levels. Key factors contributing to past ridership increase are:

- **Service improvements:** A program of systematically reviewing all bus routes (called Sector Studies) has been put in place.
- **Fleet reliability and appearance:** At Metro Transit, new bus maintenance routines have been put in place, increasing reliability by 90%. In addition, an aggressive program of bus cleaning and painting has been put into operation.
- **Employer outreach/marketing:** Metropass is a program where businesses provide subsidized bus passes to employees as a benefit to promote alternative transportation modes. In 2001, there were 52 companies enrolled in the Metropass program with 15,180 active riders. The number of bus rides taken with a Metropass rose nearly 43% in 2001 to 4.6 million rides. A similar program was implemented at the University of Minnesota. By the end of 2001, 11,640 students enrolled in the Upass program for fall semester, riding 1.8 million times.
- **Transit Advantages:** The region has over 125 miles of bus-only shoulder lanes, 15 synchro-lights and 73 ramp meter bypasses. These transit advantages give buses a substantial timesaving over automobiles in many locations.

Metropolitan Transportation Services

In 2001, the Transportation and Transit Development department was renamed Metropolitan Transportation Services. This department has three main functions:

- Performing transportation planning for the metropolitan area.
- Providing for transit service through direct contracts and/or partnering with approximately 35 private, public, and non-profit transit service providers to the seven county metro area through four major programs: Metro Mobility/ADA, Twin Cities Lines, community-based programs, and Opt-Out transit systems.
- Promoting transit usage through programs for commuters and through travel-demand management programs.

Transportation Planning Activities

The Metropolitan Council is the designated Metropolitan Planning Organization (MPO) for the Twin Cities metropolitan area. The Council is required by the federal government to provide a continuing, coordinated, comprehensive transportation planning process. In return, the metropolitan region is eligible for federal transportation grant funds. This planning process also includes state, regional, and local government.

Federal regulations require the Council to prepare a long-range transportation plan, which must be updated every three years. A revision to the *Transportation Policy Plan* was adopted in 2001. This involved a thorough update of all facets of the land transportation policy plan. During 2002 the transportation staff carried this plan further by working on the transportation aspects of the Council's *Blueprint* (land use plan) revision, which

incorporated the corridors identified in the *Transportation Policy Plan*. Transportation staff also worked on Twin Cities Smart Growth study, which developed scenarios for land use that better integrates land use and transportation associated revision of regional travel model.

The Council is also responsible for the selection of projects for federal funding and the preparation of a three-year transportation improvement program (TIP). This is done through the Transportation Advisory Board (TAB) and its Technical Advisory Committee. The TIP includes all federally funded transportation projects, as required by the 1997 Transportation Efficiency Act for the 21st Century (TEA-21). The process includes broad citizen and interested-group input. In 2002 the 2003-2006 TIP was prepared and adopted for inclusion in the State Transportation Improvement Program (STIP). Other major planning activities in 2002 are discussed below.

Transit Planning Activities

The Council performs long-range transit planning activities for implementation of the policy direction established in its *Blueprint* and the *Transportation Policy Plan*.

- A program of reviewing the routes and frequency of bus service, called Sector Studies, began implementation in 2000. This process develops the optimum placement of bus routes based on current land use and demographics. In 2002 Council staff worked with Metro Transit on Sector 5 (South Central) and Sector 8 (Northwest Suburbs). Changes include:
 - strengthened grid system for bus routes
 - reduction in branches from core routes
 - increased service to transit hubs
 - increased frequency on major routes
 - day express routes between downtowns and hubs
 - the use of flex-routes along lower-density routes
- Planning associated with development of the Hiawatha Light Rail Transit line has been progressing on time and on budget. Planners continued to work with neighborhoods adjacent to the line on community issues and economic development.
- Staff participated with others from Mn/DOT, Metro Transit and the county regional rail authorities in doing feasibility studies for several transitway corridors, including the Northstar, Central, Cedar Avenue, Northwest, Southwest and Rush Line.

Highway Planning

The Council participates with Mn/DOT, cities and counties in highway planning activities to ensure implementation of the policy direction established by the Council in the its *Blueprint* and the *Transportation Policy Plan*.

- During 2002, numerous comprehensive plans and amendments and environmental documents (EISs and EAWs) were reviewed to determine consistency with regional transportation plans.
- The Council administers the Right-of-Way Acquisition Loan Fund (RALF), which gives communities no-interest loans to purchase right-of-way for principal arterials and other trunk highways in advance of the time that Mn/DOT would be in a position to make the purchase. During 2002 loan agreements were signed with Richfield for loans to acquire land to reconstruct the Penn/I-494 interchange. Arrangements were also made with Bloomington to begin acquisitions of hardship cases along I-35W south of I-494.
- The Council participated in several interagency corridor studies, including I-35W, I-35E, TH 52, I-494/TH 61 Wakota Bridge, TH 41 and CSAH 27, as well as all six of Mn/DOT's high-priority Inter-Regional Corridor (IRC) studies. The IRC studies were completed in May 2002 while many of the other studies are ongoing.
- Council staff participated in Mn/DOT's update of the State Transportation Plan.

Air Quality Planning

The Council does long-term planning required by the Transportation Efficiency Act for the 21st Century (TEA-21) to integrate congestion management, transportation, land use and air quality planning with the requirements of the 1990 Clean Air Act Amendment (CAAA). In 2002, a conformity analysis of the 2003-2006 Transportation Improvement Plan (TIP) was completed to ensure the implementation of these plans would not violate air quality standards.

CMAQ/STP Allocation Process

The Federal Government has designated the Metropolitan Council as the Metropolitan Planning Organization (MPO). In this role, the Council approves the selection of projects recommended by the Transportation Advisory Board (TAB) for federal TEA 21 funding. This includes three programs: Surface Transportation Program (STP), Transportation Enhancements Program (TEP) and Congestion Mitigation/Air Quality (CMAQ) programs.

During the summer of 2001, project applications were solicited for funding in 2005-2006, of projects from Mn/DOT, cities, counties, and transit providers. One hundred sixty-four applications were received, requesting a total of \$396 in federal funds. The Transportation Advisory Board (TAB) and its Technical Advisory Committee began evaluating these projects in the fall. This evaluation was completed in the spring of 2002 and a list of projects totaling about \$75 million was approved as part of the 2003-2006 Transportation Improvement Program prepared in summer, 2002.

Travel Forecasting

As the regional planning agency, the Council is charged with maintaining and applying travel forecast models to support planning for the orderly development and operation of transportation facilities. Council staff maintains socioeconomic data and obtains travel and traffic-count data from Mn/DOT to monitor, revise, and update travel forecasts to the year 2020. Federal regulations require the Council to provide projections of traffic demand and related air quality emissions. These projections are used to evaluate regional transportation investments proposed in the short-range TIP and the long-range *Transportation Policy Plan*.

- In 2002, the regional travel demand model was used to prepare travel forecasts for the *Blueprint* revision. As part of this planning process, transportation staff also worked on the Twin Cities Smart Growth study, which developed refinements to the regional travel model to better predict travel variations associated with different scenarios for land use.
- Work continued on responding to requests for forecast travel demand data and providing assistance and model review to consultants and agencies.
- Council staff has assisted consultants on several regional-scale transportation and transit projects that required forecasts, including many of the transitway studies.
- Work continued on the Travel Behavior Inventory (TBI). The TBI, which is conducted every 10 years, consists of several surveys to determine current travel patterns in the Twin Cities region and update the regional travel demand model. Survey work began in 2000, but was delayed due to the ramp meter shutdown in the fall of 2000. Household travel surveys were completed in 2001. Analysis of the TBI data began in 2002 and will continue, as more 2000 Census data becomes available. In 2003, the data will be used to modify and recalibrate the travel-forecasting model.

Transportation Administration

- The Council adopted a 2003 Unified Planning Work Program, which ensures that all agencies involved in transportation planning in the metropolitan area (including the Council, Mn/DOT, Metropolitan Airports Commission and Minnesota Pollution Control Agency) coordinate their efforts.
- The Council prepared and administered federal planning grants including quarterly progress reports.
- The Council provided staff support to the numerous TAC/TAB committees composed of representatives from many agencies and local units of government and, in the case of the TAB, private citizens as well.
- The Council continued to work with Mn/DOT and the U of M Center for Transportation Studies on the Transportation and Regional Growth Study.

Aviation Planning Activities

High-quality air transportation to major domestic and international markets is essential to the region's ability to compete in the global marketplace. The Council is responsible for preparing and maintaining the Twin Cities regional aviation system plan. It also coordinates aviation planning and development activities with local, state, and federal governmental units, airport users and citizens. The Council works closely with the Metropolitan Airports Commission (MAC) and other airport owners to ensure that the region's airports provides state-of-the-art, secure and affordable services for business and leisure travelers, freight transport and general aviation activities. Year 2002 highlights include:

- **Aviation Policy Planning**
 - Integration of aviation concepts into *Blueprint 2030*
 - Update of the 1996 *Aviation Policy Plan* was put on hold in 2002 to allow for:
 - Completion and adoption of the Council's *Blueprint 2030*.
 - Finalizing of agreements and environmental review activities by the MAC required for project implementation at Flying Cloud, Anoka County-Blaine and St. Paul Downtown airports.
 - Completion of the Council's special general aviation light aircraft study.
 - Additional time for agencies to assess air-service and economic implications of significant aviation industry changes. The uncertainty created by the economic slowdown and effects of the September 2001 terrorist attacks is expected to have a major impact on industry and airport revenues in the foreseeable future. The Council will continue to monitor financial and safety impacts on system airports and coordinate closely in efforts to define capital improvement priorities.

- **Coordination**
 - Continued efforts with the Metropolitan Airports Commission (MAC) to update the Part 150 Noise Mitigation Program for MSP International Airport. The update will be resubmitted for FAA review/approval of 2007 noise contours. The review is anticipated to take about 18 months.
 - Continued efforts with the MAC to provide public sewer and water at reliever airports.
 - Work with MAC and Mn/DOT on continued study of air-cargo and regional distribution center initiatives
 - Assistance to Mn/DOT on a regional air service study of airports that have the potential to relieve MSP, such as Rochester, Eau Claire and Duluth

- **System Implementation**
 - Review of reliever airports' long-term comprehensive plans.
 - Review of community comprehensive plans for consistency with the aviation system plan.
 - Review of the (MAC) annual capital improvement program.
 - Review of airport environmental studies.

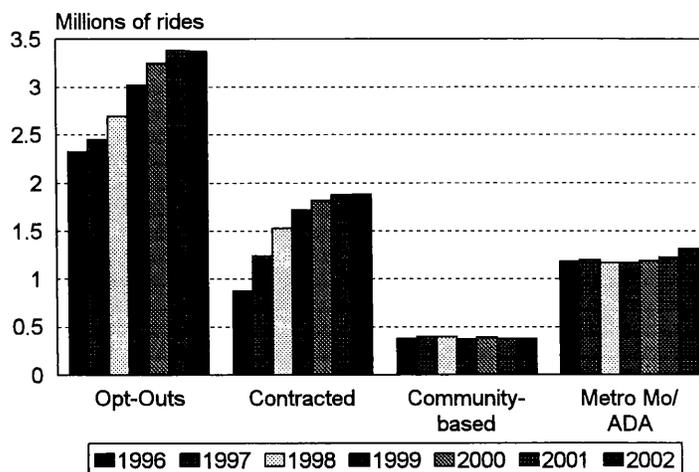
Transportation Systems Implementation

The Transportation Systems Implementation section provides transit service through approximately 40 transit service contracts covering Twin Cities Lines (contracted regular-route transit) and community-based programs, as well as active liaison and program coordination with the Opt-Out systems.

Ridership

Opt-Out and regular-route systems have experienced substantial increases in ridership from 1996 to 2002 (45.3% for Opt-Outs and 117.1 percent for the Twin Cities Lines). For 2002, however, ridership was flat for both opt-outs and contracted routes. This is due to the same forces working on the overall transit system, namely that funding has been reduced, fares have increased, and employment in the overall economy has declined.

Regional Transit Ridership



Ridership for community-based programs has remained relatively steady, with a 1% growth from 1996 to 2002. These programs are dial-a-ride programs and ridership is directly linked to available resources.

Metro Mobility/ADA ridership grew 11.5% from 1996 to 2002 with over 7% of this growth occurring from 2001 to 2002. Funding was increased for Metro Mobility during this time, allowing the reduction in the number of trips denied due to a lack of capacity.

Opt-Out Providers

In 1982, communities were given the option of “opting out” of having transit provided by the then Metropolitan Transit Commission. Twelve communities selected this option, choosing to manage their own transit services. Four of these communities – Plymouth, Maple Grove, Prior Lake, and Shakopee – operate their own municipal programs. Apple Valley, Burnsville, Eagan, Savage, and Rosemount created an intergovernmental entity called Minnesota Valley Transit to provide transit in their communities. Chaska, Chanhassen, and Eden Prairie created another intergovernmental entity, Southwest Metro Transit. These communities contract with a variety of providers, including private providers and Metro Transit, to provide service. Some operate their own buses. They also select their own routes and levels of services.

Minnetonka has also opted out but has elected to have the Metropolitan Council provide service and manage the levels of service and routes.

From 1996 to 2002, ridership in the opt-out system increased 45.3%.

Twin Cities Lines (Contracted Regular Routes)

The Metropolitan Council contracts for approximately 5% of the metro area's regular-route bus service. Contracting a portion of services:

- Provides a competitive benchmark for costs.
- Can be less expensive due to synergies with private providers using the buses for charter service when they are not needed for public transit.
- Allows for innovation (new types of routes, experimental service, etc.) without commitment of permanent resources.
- Supports local control of service by providing resources directly to communities.
- Can provide small-bus, low cost alternatives to mainline service where policies and local needs call for coverage with a "safety net" level of service.

Notable changes to this system in 2002 included:

- Implementing replacement of providers and bus fleets through competitive bidding on the BE-Line and Roseville Circulator routes, resulting in both significant service improvements and cost savings.
- Redesigning Stillwater and St. Croix Valley area services to lower costs while improving accessibility to transit for more residents, realizing gains in ridership especially in Bayport and Oak Park Heights.
- Supplementing the Lorenz Bus Lines suburban fleet with additional regional vehicles to improve operating reliability.
- Implementing new transit services for Minnetonka and surrounding cities, including both express and dial-a-ride routes.
- Expanded reverse commute service between St. Paul and Woodbury.
- Undertook route redesigns as part of Sector 5 plans, and to establish new reverse commutes from St. Paul to Blaine and neighboring sections of Anoka County.

Ridership for these routes increased 117% from 1996 to 2002.

Community-Based Service

Community-Based services are, for the most part, demand-responsive operations that include medium-sized buses, small buses, and volunteer driver services in a community or county. Ridership for these routes increased 1% from 1996 to 2002.

Notable changes to this system in 2001 included:

- Revamping contracts, reimbursement procedures, computer systems, and support to improve efficiency and better coordinate public and A.D.A. services provided by the three largest county systems BANoka Traveler, DARTS, and the H.S.I. Transporter.
- Provided all necessary coordination, reporting, and technical support for these 18 providers' mandated Drug and Alcohol programs in its second full year of operation.
- Arranged and delivered replacements for a dozen over-age dial-a-ride vehicles.
- Administered the first year of the region's permanent state-mandated Performance Based Funding (PBF) grant program, providing partial operational funding through a formula-driven and incentive-based performance evaluation program

Metro Mobility

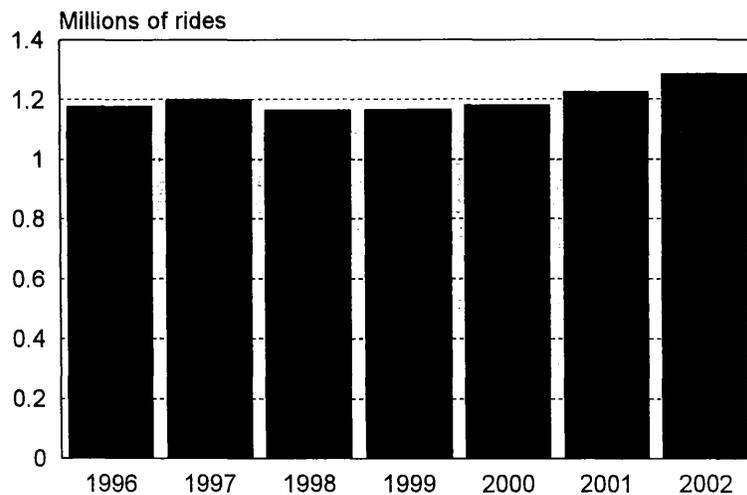
The American with Disabilities Act (ADA) requires that transit services be provided to persons who are not able to use the regular-route bus system. Federal law requires this service be at the same level as regular-route bus service and serve the same geographic areas as the regular routes.

The 2002 ridership for Metro Mobility was 1,309,397, an increase of 7.5% over 2001 ridership. Additional funding from the state legislature and new initiatives have allowed Metro Mobility to add service, increase ridership and bring trip denials to an all-time low of under 1% annually.

The Metro Mobility Service Center worked closely with providers during 2001 to make service operate more efficiently. New four-year demand service contracts were executed with Laidlaw Transit Service Inc. and Transit Team Inc. These contracts allow for:

- Increased revenue hours by 8% over the previous four-year contract.
- Realigned service areas, resulting in increased efficiency.
- Increased fleet by 15 vans.

Metro Mobility/ADA Ridership



The Taxi Ticket program was initiated in October 2001. Under this program, riders who are denied a trip on Metro Mobility can contact a licensed taxi provider to schedule a trip and mail in a ticket issued by the Metro Mobility Service Center to be reimbursed for taxi fare, up to \$18.

The Council was able to transfer ownership of 18 of its retired Metro Mobility vehicles to licensed taxi companies and medical assistance providers in the metropolitan area, making more lift-equipped vehicles available to the disability community. The availability of accessible vehicles provides more transit options and greater flexibility for Metro Mobility riders. Transfer of these vehicles also enhanced the viability of the Taxi Ticket program for nonambulatory Metro Mobility riders.

These initiatives led the Metro Mobility program near the FTA goal of zero trip denials for ADA services. In 2002 surveys showed rider satisfaction of 96.4% with 49.9% very satisfied and 44.7% satisfied. Metro Mobility also received the Minnesota Public Transit Association's 2002 transit system of the year award.

Metropolitan Commuter Services

Metropolitan Commuter Services (MCS) works with individuals and businesses to encourage alternatives to driving alone. The two major program activities are to:

- Provide regional programs/incentives to encourage commuters to use alternatives to driving alone. MCS also provides regional programs/incentives to encourage employers to provide information on transportation alternatives to their employees. Some of the programs include Regional Guaranteed Ride Home Program, Commuter Check, ridematching, preferred and discounted pool parking, and Van-GO!
- Serve as a resource to all of the Transportation Management Organizations in the Twin Cities metro area. These include Downtown Minneapolis TMO, Saint Paul TMO, Midway TMO, and the I-494 Corridor Commission.

This program is funded with a CMAQ (Congestion Mitigation and Air Quality) grant with a match provided by Metropolitan Council and revenue brought in by MCS.

In 2002 Metropolitan Commuter Services:

- Processed over 15,000 match requests from individuals looking for car/van pool partners, park-and-ride lots and bike buddies.
- Increased successful carpool match lists to 79% (compared to 72% in 2001)
- Registered more than 2,500 new car/van pools.
- Added more than 10,500 new commuters to the RidePro database.

- Added more than 8,000 commuters using alternative transportation to the Guaranteed Ride Home program.
- Accepted almost 9,000 registrations for programs via the Metro Commuter Services web site. This reflects an increase from 5,500 in 2000.
- Strengthened partnerships with TMA/TMOs by connecting all of them up to RidePro. RidePro is a custom software program that allows MCS to run car/van pool matches, register commuters for various programs, track employer activity, and track employer program involvement. RidePro allows the TMA/TMOs that provide regular reports to the Council to obtain their monthly statistics faster and easier and allows them to spend more time on their outreach instead of researching numbers.
- Continued testing a web-based ride matching system for implementation in the metro area in early 2003.
- Started 15 new vanpools in the demonstration Van-GO! Program.
- Increased use of electronic communication via email and web to commuters and businesses.

Metro Transit – A Service of the Metropolitan Council

Based on ridership, Metro Transit, an operating agency of the Metropolitan Council, is the largest transit agency in Minnesota and the 11th largest in North America. Its 2,800 employees serve nearly a quarter million customers each business day with service on nearly 130 routes. Metro Transit's fleet of 922 buses operates 32.3 million miles and 2.4 million hours of service each year. It delivers more than 90% of all fixed-route service in the Minneapolis/St. Paul region.

Mission

- Enhance regional mobility by effectively operating the state's largest transit system, serving nearly 70 million customers annually.
- Contribute to the economic vitality of the region by focusing on taking citizens to work; assist the Twin Cities in managing the growth of congestion with frequent and affordable rush-hour express and local service.
- Plan, build and implement new transportation options, including light-rail transit and bus rapid transit.
- Operate the state's first light-rail line. Through December 2002, the 11.6-mile Hiawatha line is 67.4% complete. It is on time and on budget for early operations in April 2004 and full service in December 2004. This transit line will link downtown

Minneapolis with both the international airport and Mall of America, three of the largest traffic generators in the state.

Key Considerations

- Ridership growth over the past five years (1997 through 2001) of 18.2% while the amount of service has increased 15%. This indicates Twin Cities residents will choose transit over automobiles for both work and recreational trips when the supply and quality of transit are adequate.
- Customers heading to and from work take 80% of all transit trips.
- More than 40% of all workers in downtown Minneapolis use transit, indicating a clear preference for public transportation.
- Key partners, including 57 employers subsidizing transit for their workers, plus the University of Minnesota, which sponsors U-Passes for students, contributes nearly 11% of all rides.
- Two-thirds of Metro Transit customers own cars, yet they choose transit.

Ridership

Like many transit agencies nationally and across the state, Metro Transit experienced a ridership decline in 2002. Ridership was off 5.1%, although the ridership was recovering as the year came to a close. The reasons for the decline are two-fold: a poorly performing regional economy and the lingering impact of a July 2001 fare increase. In December 2001, the Twin Cities economy faltered and throughout 2002, the Twin Cities unemployment rate consistently exceeded 4%— the highest levels since the 1980s. Since 80% of Metro Transit trips are work related, ridership rises and falls in concert with the economy. In addition, ridership declined due to a July 1, 2001, fare increase of 25 cents across-the-board. Prior to the fare increase, Metro Transit logged 45 consecutive months of ridership increases.

Despite an overall ridership decline in 2002, there were some bright spots. A strong partnership with the University of Minnesota resulted in a 45% increase in rides taken by students holding U-Passes. Ridership in this category grew by nearly 800,000 rides to 2.5 million. Ridership by Metropass holders was up 6.3% for the year to 4.8 million. Under the Metropass program, employers subsidize transit passes for their employees. Finally, special-event ridership increased 11% for the year, due largely to two major activities: the Minnesota State Fair and Minnesota Twins Playoff Express service. Twenty-seven percent of those who attended the 2002 Minnesota State Fair used Metro Transit to travel to and from the event. Metro Transit ridership for the 12-day fair topped 900,000, an 11% increase over 2001. For the four Twins home playoff games, Metro Transit logged 88,774 rides, serving 44,387 Twins fans. Nearly 35% of those who

attended the only weekday afternoon playoff game used Metro Transit because downtown workers took most parking near the Metrodome.

Bus Service

Metro Transit is in the midst of a multi-year effort to modernize and streamline its operations to improve the efficiency and effectiveness of its service.

In 1998, Metro Transit launched a new initiative to improve transit service in the region. The metro area was divided into nine geographic sectors for the purpose of comprehensively evaluating transit service and needs, determining market demand and opportunities, and restructuring service and facilities to better address those needs and opportunities. Key service improvements include simpler route structures, faster and more frequent service in major corridors, improved cross-town service in cities and suburbs, improved transfer connections and elimination of unproductive route segments. These improvements collectively optimize effectiveness and efficiency yielding a more productive transit system. The process also includes a significant level of public outreach and input.

To date, transit service restructuring projects have been implemented with successful results in the Northeast Metro (Sectors 1 & 2) and Hopkins-St. Louis Park-Minnetonka (Sector 7). For example, ridership following the restructuring in Sector 2 (northeast quadrant of St. Paul) grew by 6%, comparing statistics from 2001 to 2002. The restructuring process for Bloomington-Richfield-Edina-south Minneapolis-western St. Paul (Sector 5, Central South Metro) is under way. A concept service plan has been prepared and was presented for public reaction in January and February 2003. Based on citizen comment, the plan will be modified and advanced to the Metropolitan Council for adoption. Phased implementation is planned for late 2003 through 2004.

Rail Service

Through December 2002, the Hiawatha light-rail project was 67.4% complete and was both on schedule and within its \$675 million budget.

The Hiawatha light-rail line is scheduled to begin revenue service in two phases. Phase 1A will provide service from downtown Minneapolis to Fort Snelling in April 2004. Phase 1B will extend service through the Minneapolis/St. Paul International Airport and on to the Mall of America in Bloomington, with its opening scheduled for December 2004.

The LRT system includes 11.6 miles of double track, with 17 stations and two park-ride facilities that will be served by 24 light-rail vehicles (LRVs). These vehicles, which will serve more than 19,000 daily riders initially, will be powered by an overhead catenary system served by 14 electrical substations. The light-rail line includes 35 at-grade intersections, LRV signal preemption, traffic signal priority and LRV signaling. The majority of the alignment will be at grade except in the vicinity of Minneapolis/St. Paul

International Airport, where the underground tunnels dip to more than 60 feet below the surface and serve the subterranean Lindbergh Terminal station.

In 2002, Metro Transit's Rail Operations and Maintenance Department continued staffing the organization in preparation for system testing, pre-revenue operations and commissioning. The Rail Activation Plan has been developed and approved by the Federal Transit Administration. It is Metro Transit's intent to create one of the most cost-effective and efficient rail transportation organization in the United States. As part of this effort, Metro Transit began conducting in late 2002 an extensive benchmarking analysis of several other recently developed transit systems (Sacramento, Salt Lake City, St. Louis, etc.) in order to ensure that the organizational structure is lean and efficient.

Milestones in 2002 included:

- Completion of most track installation between downtown Minneapolis and East 54th Street.
- Commencement of construction on 14 of 17 stations.
- Completion of the Operations and Maintenance Facility.
- Completion of the boring of two 1.4-mile tunnels beneath Minneapolis/St. Paul International Airport.
- Completion of public and private utility relocation between downtown Minneapolis and Fort Snelling.
- Display of the mock up of the light-rail vehicle at the Minnesota State Fair. It was visited by more than 100,000 Minnesotans.

Metro Transit: Key 2002 Achievements

Bus operations

- Maintenance reliability greatly improved with 7,612 miles between maintenance road calls, a 54% improvement over 1998.
- Driver overtime down \$1.8 million, or 25% (comparing 2000 with 2003 proposed), by operating with the full-authorized complement of part-time drivers.
- On-time performance at 88% up from 86%.
- Fleet is 90% graffiti free.
- A garage has recorded an accident-free week eight times in 2002.
- 184 buses received mid-life painting.
- Nicollet Garage—only one complaint for driver rudeness with 1.5 million customers served in August.

Marketing/Support to Business Community

- 57 employers enrolled in Metropass, an annual pass program subsidized by employers as a transit benefit to employees. More than 13,000 workers hold Metropasses.

- More than 500 businesses sell discounted bus passes in the workplace in partnership with Metro Transit.
- More than 30% of students at the Twin Cities campuses of the University of Minnesota purchase semester-long U-Passes in program jointly sponsored by Metro Transit and the UofM.

Technology Enhancements

- Took delivery of the first of three hybrid-electric buses with 40% better fuel mileage and 50% fewer tailpipe emissions.
- Installing 800mhz public safety radio system and bus-tracking technology fleet-wide for enhanced customer/operator safety, improved schedule adherence and crafting of bus schedules matching traffic conditions.
- Implementation of a website-based automated trip planner, which already is used more than 100,000 times per month.
- Development of a faster fare-collection system to be implemented in late 2003 to improve system speed and bus productivity.

Service Delivery

- Bus-Only Shoulders. Metro Transit, working with Mn/DOT and other partners, is a national leader in the development of bus-only shoulder lanes on freeways and highways. The agency has access to more than 200 mile of approved bus shoulders, on which 118 routes operate. These low-cost, bus-only shoulders assure schedule reliability and bus productivity regardless of traffic conditions. They also are an effective marketing tool when motorists stuck in traffic see busing moving on the shoulders.
- Park-Ride Strategy. Suburban bus service for commuters is more efficient and productive through the use of large park-ride facilities. By having customers drive short distances to a park-ride, buses do not travel through low-density suburban neighborhoods to collect customers. A common collection point results in more frequent and faster service. Metro Transit has a network of 155 park-ride lots with 13,000 spaces. Major lots are 86% filled, and lots along the I-394 corridor—with its HOV lane—are 93% filled.

Outsourcing and Warranties

Throughout its organization, Metro Transit looks for ways to be cost-competitive. This has resulted in continuous evaluation of maintenance functions, leading to a fundamental shift in focus. In the past, Metro Transit built or rebuilt everything it could. Now, it

rebuilt only where it makes sense. This has led to a gradual conversion of the agency's overhaul base from a manufacturing plant to a service center.

Examples of outsourcing include radiator rebuilds, cylinder-head repair, fuel-injector reconditioning, security-camera maintenance, engine rebuilds, tire services and wheel painting.

Hand-in-hand with outsourcing, Metro Transit created a warranty department in October 1998 to ensure the public received full value for its investment in transit equipment. By purchasing extended warranties, carefully monitoring equipment performance and making claims, Metro Transit has recovered \$1.8 million over a four-year period.

Automated Transit Information for Customers

The delivery of accurate and timely information about bus routes, schedules, service and fares is as critical to Metro Transit success as operating the bus service. As a result, automation of some transit information functions has improved customer service.

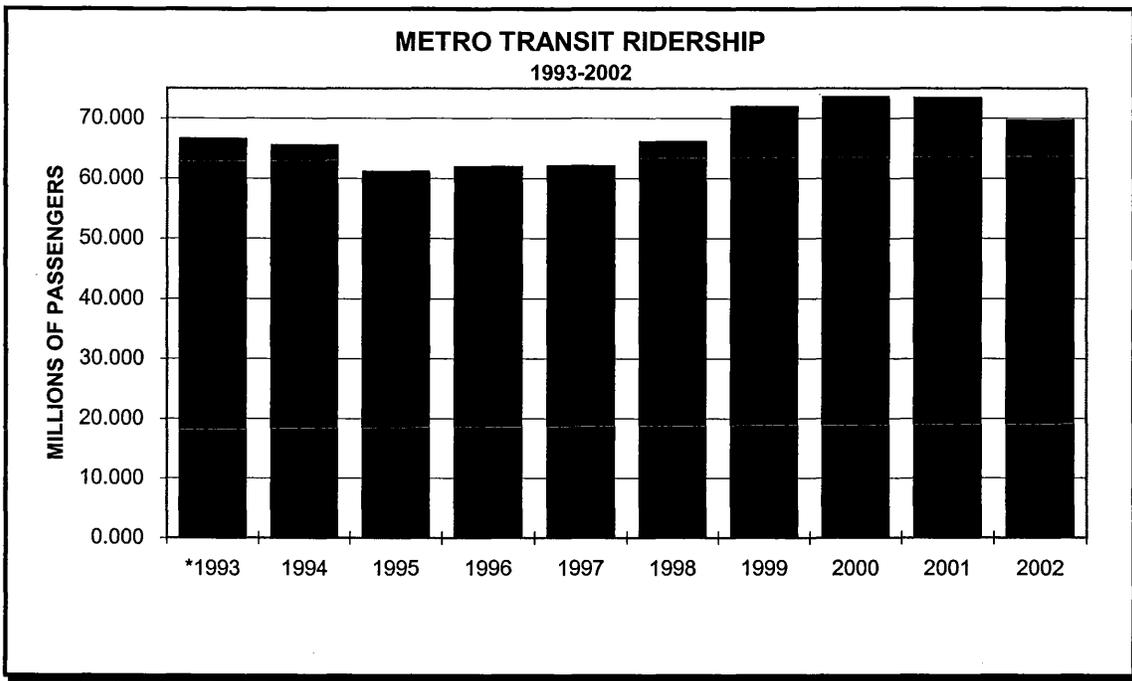
- **On-line Trip Planning.** Customers plan their own bus trips more than 100,000 times per month at metrotransit.org. Customers simply enter their starting point, destination and times, and the computer plans the trip instantly. That feature helped rank the website 26th out of nearly 1,000 transit websites evaluated by the U.S. Department of Transportation. Nearly 1.2 million trips were planned by customers on line in 2002, up 74% from 2001. The trip planner and website give customers around-the-clock flexibility to access information rather than calling just when the Transit Information Center is open. Customer use of on-line trip planning was major factor in a 26% reduction in the number of bus schedules printed last year. Printing two million fewer bus schedules saved \$55,000.
- **Call Center Productivity.** The same software used in the on-line trip planner also makes Metro Transit's telephone agents more productive. The Transit Information Center handled 938,277 calls last year, up 7% over 2001, and the highest number of calls handled in history. The ability of call center representatives to handle more calls has increased their productivity 21% since 1999 when the trip planner was implemented.
- **Busline.** Customers who know their routes can access automated departure times by calling BusLine (612-341-4BUS). BusLine, which handled two million calls last year, is slated for a makeover beginning in 2003. Planned enhancements include real-time next-bus information and the ability to both check balances and add value to replenishable faretools.

Customer Well-Being

Transit Police hired its first full-time patrol officers in 2002. The first of the 10 officers took to the streets in April and their impact was immediate. Metro Transit received letters from the Minneapolis Downtown Council and St. Paul Building Owners and

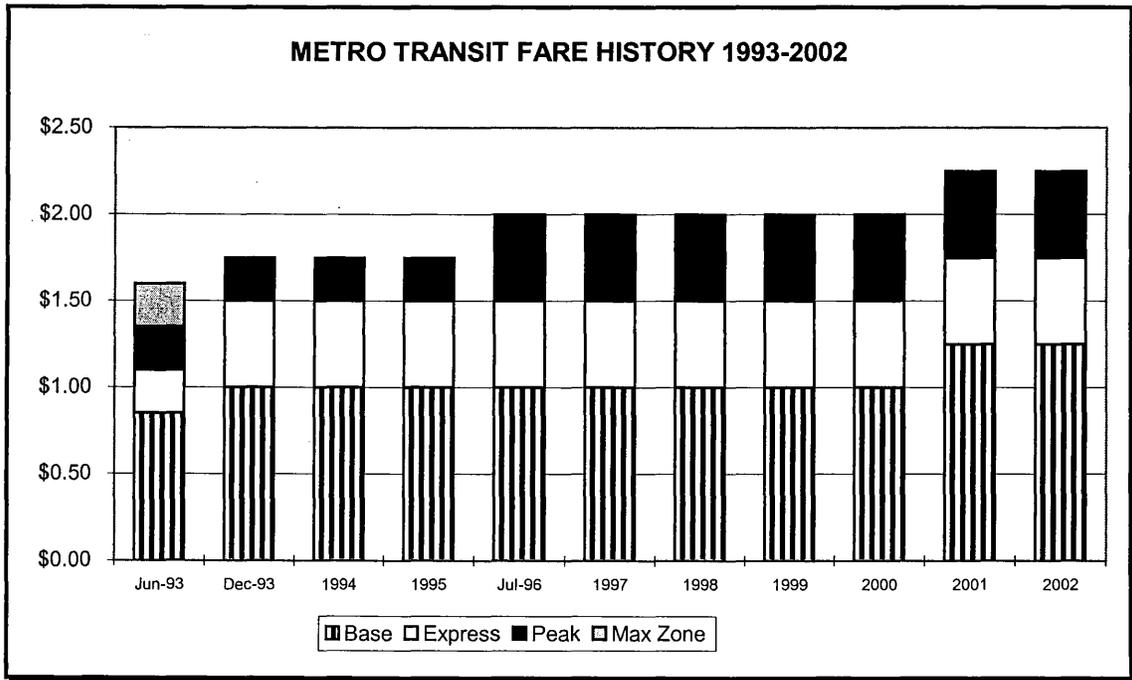
Metropolitan Council 2002 Performance Evaluation Report
Transportation Division

Managers Association about the effectiveness of the officers in patrolling bus stops and transit centers to improve the quality of downtown transit environment. Statistically, the number of arrests made by Transit Police increased in 2002 by 49% and the number of citations issued increased by 42%.

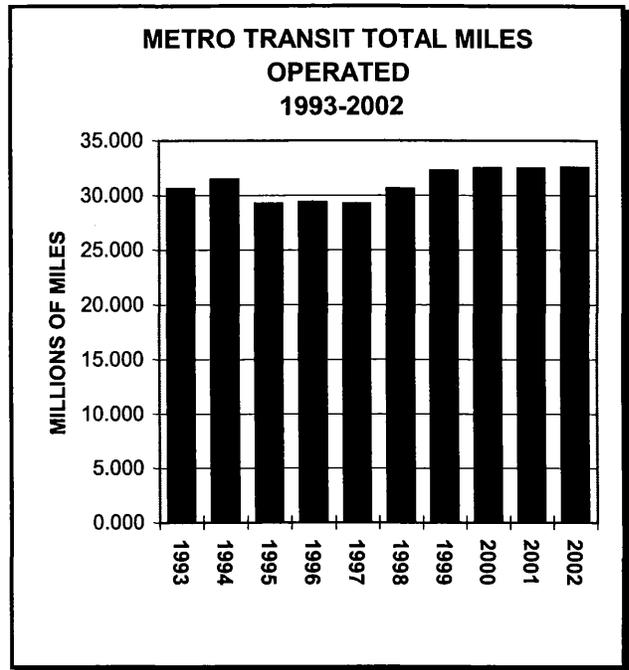
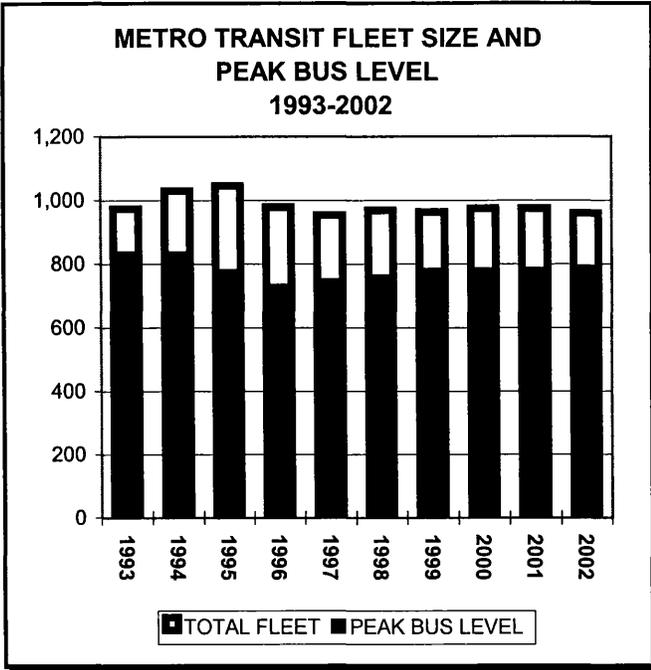


| | *1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| TOTAL | 66.512 | 65.467 | 61.059 | 61.888 | 62.045 | 66.027 | 71.874 | 73.478 | 73.348 | 69.579 |

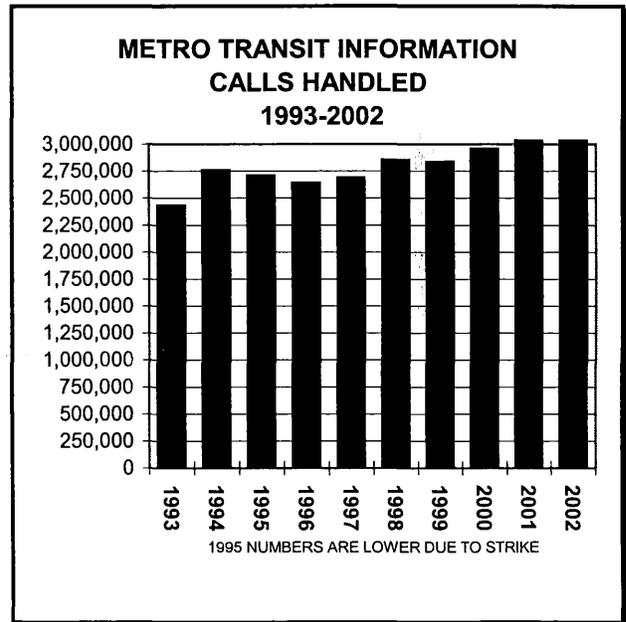
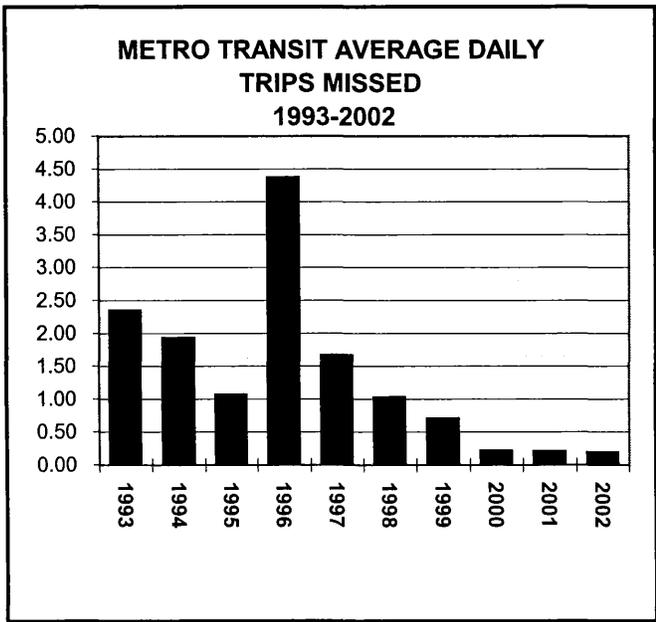
* includes regular route opt-out ridership

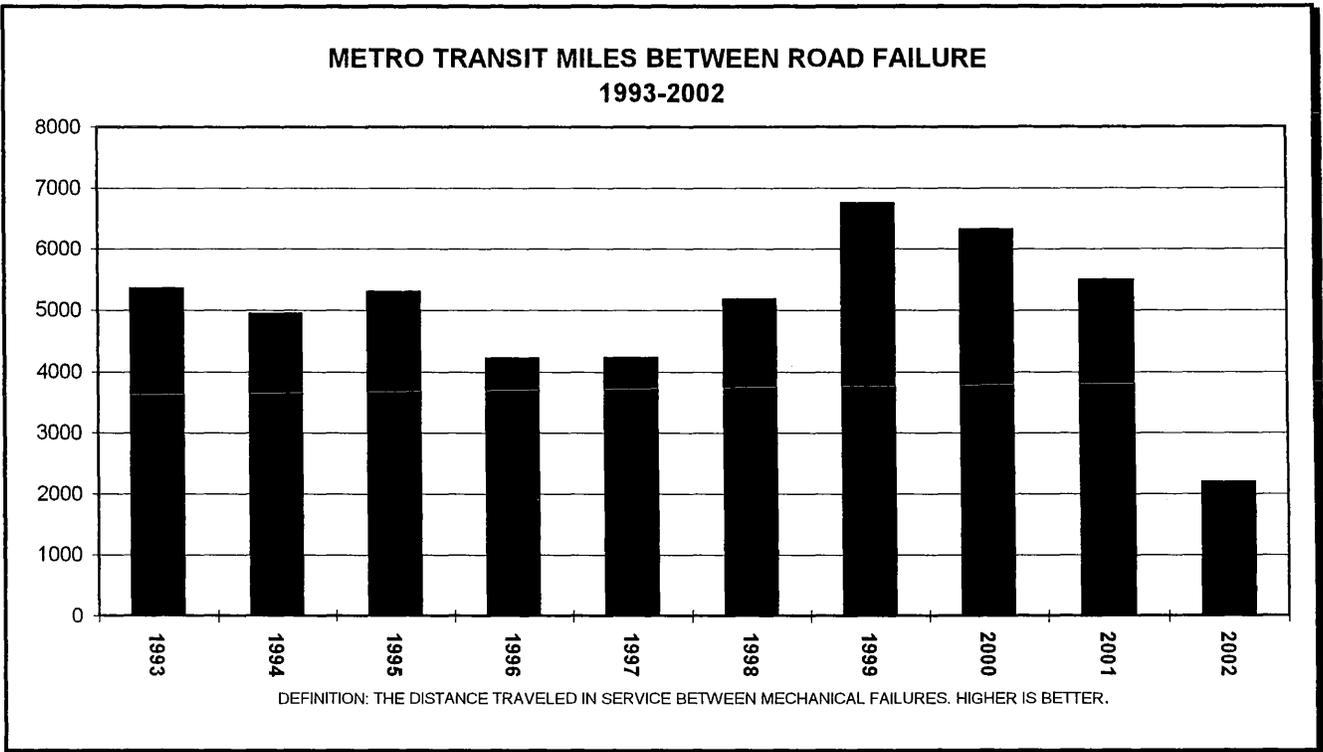


| CHARGES | YEAR OF CHANGE | | | | | | | | | | |
|--------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| | Jun-93 | Dec-93 | 1994 | 1995 | Jul-96 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Regular fare | | | | | | | | | | | |
| Base | \$0.85 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$1.00 | \$ 1.25 | \$ 1.25 |
| Express | \$0.25 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$ 0.50 | \$ 0.50 |
| Peak | \$0.25 | \$0.25 | \$0.25 | \$0.25 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$ 0.50 | \$ 0.50 |
| Max Zone | \$0.25 | | | | | | | | | | |



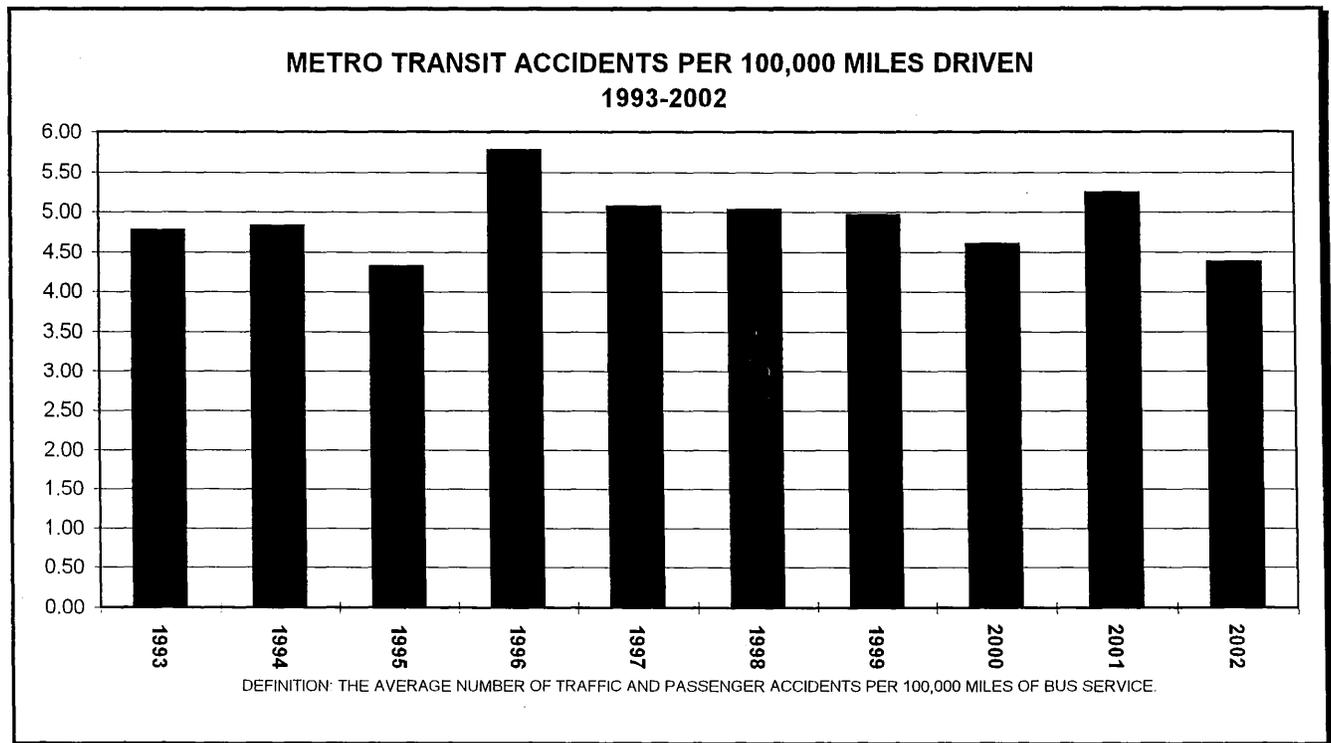
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| TOTAL FLEET | 973 | 1,029 | 1,045 | 978 | 953 | 968 | 963 | 974 | 974 | 959 |
| PEAK BUS LEVEL | 837 | 837 | 781 | 735 | 751 | 764 | 784 | 785 | 786 | 793 |
| MILES OPERATED | 30.344 | 31.209 | 28.979 | 29.140 | 29.000 | 30.340 | 32.000 | 32.238 | 32.207 | 32.291 |
| MISSED TRIPS | 2.31 | 1.89 | 1.03 | 4.33 | 1.63 | 0.99 | 0.67 | 0.18 | 0.17 | 0.15 |
| INFORMATION CALLS HANDLED | 2,410,235 | 2,734,305 | 2,685,114 | 2,616,539 | 2,663,621 | 2,830,641 | 2,814,000 | 2,934,272 | 3,610,931 | 4,101,612 |





MECHANICAL FAILURES
 ACCIDENTS

| 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------|------|------|------|------|------|------|------|------|------|
| 5308 | 4889 | 5256 | 4169 | 4176 | 5130 | 6700 | 6269 | 5438 | 2149 |
| 4.73 | 4.79 | 4.29 | 5.74 | 5.03 | 4.99 | 4.93 | 4.57 | 5.21 | 4.34 |

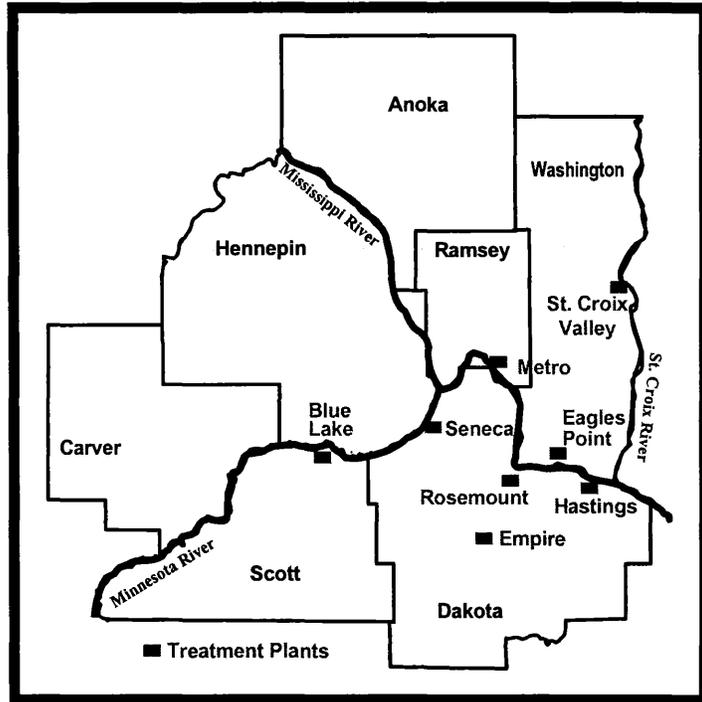


Environmental Services Division

Overview

Metropolitan Council Environmental Services (MCES) is one of three divisions of the Metropolitan Council. MCES collects and treats wastewater at its eight regional treatment plants. Its mission is to “support Council-guided regional development and to protect the public health and environment by providing efficient and effective wastewater services and water resources planning and assessment” In providing this service to the metropolitan area, MCES:

- Owns and maintains approximately 550 miles of regional sewers that connect flow from 5,000 miles of sewers owned by 103 communities,
- Treats up to 300 million gallons of wastewater daily at eight regional treatment plants,
- Continues to achieve near-perfect compliance with federal and state clean water standards,
- Maintains wastewater service rates consistently below the national average,
- Works with approximately 800 industrial clients to substantially reduce the amount of pollution entering the wastewater collection system,
- Provides water resources monitoring and analysis for the region, and
- Partners with numerous public, private and nonprofit groups committed to a clean environment.



This section highlights MCES’s key accomplishments during 2002 in meeting the goals set forth by the Council’s mission and MCES’s mission. Results achieved help set the stage for continued success in the years ahead and are an integral part of the Council’s history and evolution as a regional planning and service delivery agency.

The report is divided into six categories that capture the activity of the organization’s 700+ skilled, experienced employees whose efforts have provided continued success in 2002 with an eye to the future. The categories are 1) Operations Performance, 2) Capital Projects, 3) Water Resources Management, 4) Finance, 5) Customer Service, and 6) Employees in the Workplace.

Operations Performance

MCES's staff operated the wastewater collection and treatment system at a high performance level for 2002.

MCES's plants continued to perform at a high level with clean water discharge permits, and in 2002 received awards from the Association of Metropolitan Sewerage Agencies (AMSA) for 2001 results. The Metro Plant earned the Platinum Award for achieving five consecutive years of complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance. The Blue Lake, Hastings, Seneca, St. Croix Valley and Eagles Point Plants earned the AMSA Gold award for one year of complete NPDES permit compliance and the Empire Plant received the Silver Award for having only two permit exceedances during the calendar year. The Rosemount Plant does not fit the criteria for the award.



99.8 Percent Compliance with NPDES Permits

Wastewater was treated to greater than 99.8 percent compliance with NPDES permit limits in 2002. There were only two minor exceedances due to a construction-related shutdown at the Metro Plant, which caused exceedances of the effluent daily and monthly average mercury concentration. The other seven plants had perfect compliance records for the year. Over 102 billion gallons of wastewater was conveyed and measured with no NPDES permit violations in the interceptor system.

Proactive Maintenance and Repair

The interceptor staff has to respond to collection system problems 24/7 in order to minimize the impacts of equipment breakdowns and/or failures. An example of this responsiveness occurred at the Hopkins Lift Station during the summer of 2002 when discharge valves failed.

A team effort was immediately implemented that included the trades, service workers and the cooperation of the City of Hopkins. Pipefitters and machinists worked in extremely tight quarters, about 30 feet underground, after service workers set up a temporary bypass of the lift station by pumping wastewater through about 700 feet of hose near the Lake Street Northeast and Blake Road intersection. With the bypass in place and the flow isolated from the lift station, crews could safely repair all three of the pumps inside the station. The repair improved operation of the lift station and will make it easier to perform further maintenance work.

Thousands of Water Quality Analyses Completed

On average, over 111,500 analyses must be completed annually and 88 monthly reports must be submitted to the Minnesota Pollution Control Agency (MPCA) from all eight treatment plants. Consistently high quality analysis is performed by the MCES laboratory, which is considered one of the top water quality labs in the country. Lab quality is confirmed through peer review.

Successful Stack Tests Completed

In 2002, the Metro Plant continued to meet the compliance goals (no more than 20 exceedances) on solids feed-rate limitations in the incinerators. The limitations will stay in place until the new solids processing facility is brought on line in 2005.

Six stack tests were conducted at the Metro Plant in 2002, with five passing on the first attempt and the sixth passing on retest.

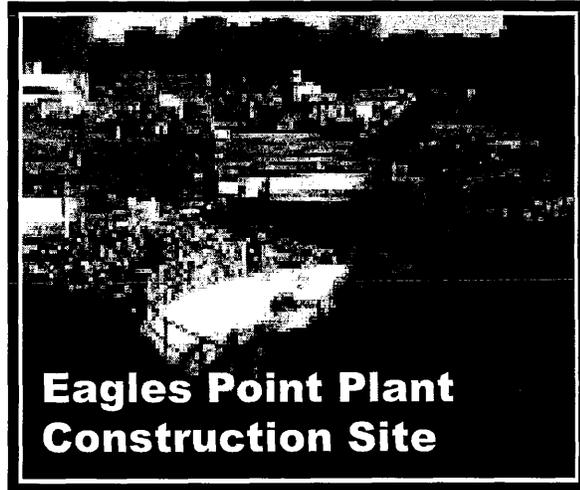
At Seneca, two tests were conducted with one incinerator passing on the first test and the second passing on retest.

The Seneca plant had been experiencing operational problems with incinerators, particularly during 1999 and 2000. Much of the problem was associated with efforts to become Y2K-compliant. In September 2002, MCES did receive a notice of violation and administration penalty order for past operational problems. A corrective action plan had been implemented and incineration performance has been compliant with permit conditions.

Capital Projects

Key capital projects and improvements were implemented in 2002 to support regional growth and meet regulatory compliance goals. Capital projects were completed with an overall 5% savings below facility plan costs.

The liquid treatment phase of the new Eagles Point Plant (on the site of the Cottage Grove Plant) began operation in October. This project is on schedule and when completed, will have an initial capacity of 10 million gallons per day (mgd) that can be expanded to 20 mgd when necessary.



Final site selection for a plant to replace the existing Hastings Wastewater Treatment Plant (located on the Mississippi River in downtown Hastings) has been extended. The revised schedule is for complete site selection by mid-2003. Stakeholders—Department of Natural Resources (DNR), City of Hastings, Trust for Public Land, and Friends of the Mississippi—have requested a complete evaluation of three potential sites.

Metro Plant Construction Projects

The site-preparation contract for the Metro Plant solids management facility was completed and construction was initiated in June. In addition, 15 months after the MPCA issued the construction authorization and proposed permit, the EPA approved the Metro Solids Air Permit amendment. It was issued in November. Construction is on schedule with start-up scheduled for early 2005.

Construction for the Metro Plant phosphorus-removal retrofit is on schedule with completion in 2003.

In addition, installation of new Metro Plant and Minneapolis flow meters was completed. All were operational in June and the projects were completed in December.

Empire Plant Expansion Design

Design of the Empire Plant expansion will be completed in January 2003 and outfall design will continue later into the year. The environmental review process was completed in November and the NPDES permit was placed on public notice in December. The process will continue into early 2003 and the MPCA may issue the NPDES permit by April. Construction is scheduled to begin as soon as the permit is issued.

Interceptor Projects

The following interceptor projects are under way.

- Construction of the Cottage Grove-Woodbury Interceptor scheduled for June began in September after completion of final alignment decisions and easement acquisition. Phase I and the L-73 tunnel were bid in November; the L-73 lift station was bid in December. Phase II will be bid in January 2003.
- The facility plan for the Rosemount Interceptor was initiated and is scheduled for completion in 2003.
- The construction contract for the Elm Creek Interceptor-Medina extension was awarded and construction was initiated in December rather than the proposed July date. Final alignment decisions and easement acquisition delayed the bidding.
- Phase I construction of the Minneapolis Interceptor 1-MN-320 began on June 13 with flow diverted into the new pipe. Project completion is now scheduled for 2003, as the presence of boulders forced changes in the tunneling method and resulted in a slower rate of construction and higher costs.

The following interceptor projects have been delayed or are on hold.

- Design of the Elm Creek Interceptor-Dayton extension was scheduled for May 2002. Updating this facility has required additional analyses and community involvement. The Council adopted the Facility Plan Update in December and design will be initiated in early 2003.
- The facility plan for the Minneapolis Relief Interceptor was scheduled for completion in December. It is now on hold pending decision on an overall Combined Sewer Overflow (CSO) approach.
- The facility plan for the St. Paul Riverview siphon improvements has been delayed until 2003 pending further evaluation in the Master Plan.

Water Resources Management

MCES enhances the quality of life in the region by implementing water-resources management strategies that achieve the Council policy goal of no adverse impact. These strategies impact the regions three major rivers, more than 900 lakes and a large, multilayered groundwater supply.

The following efforts to assess the existing pollution impact on the metro area watersheds and assist in meeting targeted pollution load levels have been achieved.

Water quality data sets have been assembled and reviewed for Brown, Rice, Shingle, Elm, Nine Mile, Bluff, Carver, Bevens, Sand, Valley Branch Creeks and the Vermillion and Credit Rivers. The data have been reviewed and data gaps due to missing values have been filled through statistical techniques. Over 2,600 lab analyses were completed.

Soils and future land use/land coverage for the metro area has been finalized. This includes land cover map, soils layer, future land use map (2020) compiled from local comprehensive plans, and 2020 land uses within two pilot watersheds were translated into a map of imperviousness for input into the Target Pollution Loads model.

Planning for Adequate Water Supply and Preservation of Water Quality

MCES provided financial support to the DNR to complete the terrestrial resources assessment part of the Natural Resources Inventory/Assessment (NRI/A). A final wildlife and habitat assessment was completed in June and a final habitat and wildlife patch and corridor assessment was completed in December. A GIS analysis method to assess the regional importance of aquatic natural resources for recreational, ecological, and water supply purposes was developed and implemented by MCES staff. These data layers have been used in conjunction with the terrestrial and cultural datalayers to identify natural resources of regional significance.

Planning and Collaborative Efforts Preserve and Enhance Regional Resources

The following plans were actively worked on in 2002.

- The draft *Wastewater System Master Plan* was completed in December.
- MCES staff led in developing and completing the draft for the *Environment Policy Plan*, which was reviewed by the Environment Committee and forwarded to the Regional Growth Committee in November. This plan is intended to replace the 1996 *Water Resources Management Policy Plan*.



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Environmental Services Division

- A draft groundwater management plan for the Southwest metro area was submitted to all the communities; approval is expected in early 2003.
- A local quarry operator, several communities and MCES staff are working on an interconnection plan to use water that is pumped out of the quarry to supplement the local water supply system.

The following were also part of the 2002 water resources management efforts.

- Technical support was provided for the Regional Environment Partnership (REP) and subgroups.
- An Upper Vermillion Land Use Study was initiated, which focuses on Elko-New Market-New Market Township and adjacent area.
- MCES transferred the metro groundwater model from MPCA and began assessing groundwater availability in projected rapid growth areas, especially the I-94 Corridor, and contracted with the Minnesota Geological Society to delineate bedrock/aquifers for the I-94 Corridor and Anoka County.
- Staff continued coordination of Council-wide support for Twin Cities Mississippi River communities and participants in the federal American Heritage Rivers Initiative.

Grants Administered to Achieve Water Quality Outcomes

Metro Environment Partnership (MEP) grants totaling \$1,436,330 were awarded and distributed as follows.

- Competitive grants: Education, \$199,630
Implementation, \$716,700
- Targeted grants: Education, \$120,000
Implementation, \$400,000

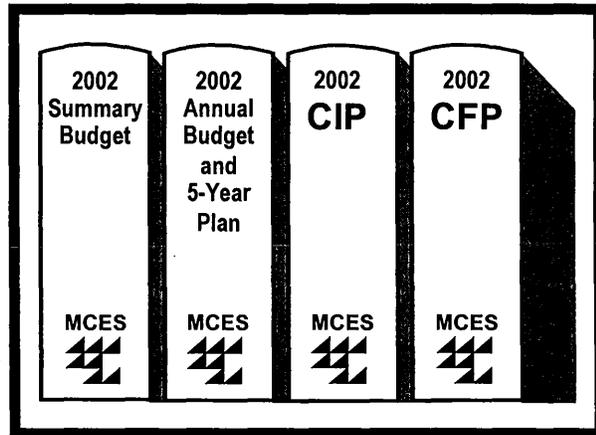
Finance

MCES has an ongoing goal of providing financial management that maintains MCES as a competitive utility within the marketplace. Being competitive means that MCES contributes to the economic vitality of the region by providing high-quality and cost-effective wastewater utility management.

2002 Operating Expenses Maintained to Meet Budget

Wastewater rates for 2002 are still below 1996 rates as a result of the MCES plan to provide high-quality and cost-competitive services.

Expenses for 2002 were managed within the approved operating budget.



The budget was amended in April 2002 to recognize additional security expenses and the transfers of certain water resource management staff and the entire Contracts and Procurement unit to Regional Administration. Revenues were slightly below expenses requiring a transfer from the reserve fund.

Budget documents published included an annual summary budget, the annual budget with projections for future years, a capital budget/CIP, and a capital finance plan. In addition, biennial reports were published on the service availability charge system, industrial revenue system, and the community rate survey.

Reductions Achieved in Capital Expenses

The goal at the beginning of 2002 was to complete capital projects 10% below facility plan costs for such projects as Metro Plant Liquid Treatment, Solids Processing Facilities and the Eagles Point Plant and Interceptor. A 5% savings is projected on these major projects. The interceptor project will cost more than the facility plan estimate, whereas treatment plant projects are achieving the cost-savings goal, resulting in an overall projected savings of about \$19 million.

Improved Market Position in Cost and Quality

The following are part of an ongoing effort to enhance MCES's competitive position within the industry.

- Labor costs continue to be the predominant controllable cost. Attrition goals for 2002 are on target for a reduction of FTEs from 755 at year-end 2001 to approximately 730 at year-end 2002.
- Debt service costs will be somewhat mitigated in the future by 1) the successful sale of a \$32.4 million sewer bond refunding, 2) the negotiation of a substantial subsidy on \$100 million in a new loan from the Public Facilities Authority (PFA), and 3) the implementation of a pay-as-you-go capital financing strategy using funds from the SAC reserve, MCES's capital revolving fund, and pre-funded debt service.

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Environmental Services Division

- Financial data and environmental quality, as measured by a combined average of four effluent measures (BOD, TSS, N63-N and phosphorus) will be compared to peer agencies by the beginning of 2003, using AMSA's triennial survey.
- The Council adopted changes to the load charge system for hauled waste that improve equity and increase revenue. Changes were implemented in January 2003.
- The 2001 gainsharing program was analyzed; an audited savings of over \$500,000 was demonstrated. Fifty percent of the first years' savings was distributed to participating employees with the remainder, including all future year savings, realized by rate payers.
- MCES staff audited the SAC reporting and payments from 70 customer communities during 2002 to ensure consistency and full payment for their demand of new capacity from the wastewater system.
- The Council approved the purchase of an electronic business management system for the Industrial Waste/Pollution Prevention section. This system will provide a framework for over 800 industrial permittees to conduct their permit-related business electronically, including submission of required reports, billing and permit renewals.

Customer Service

Effective communications and community relations are essential to the success of MCES and the region. MCES's primary customers are its 103 municipal and more than 800 industrial ratepayers within the region. Additional stakeholders include federal, state and local agency partners, regulatory and oversight bodies, nonprofit and for-profit groups, and employees.

MCES focuses on its customers in a number of ways, which include partnering on environmental improvement efforts; providing educational programs, meetings and forums, surveys and newsletters; and addressing odor-control issues.

Positive Results Derived from Collaborative and Education Efforts

MCES completed two reports dealing with dental mercury and results were presented to the Environment Committee in April. Staff worked with the Minnesota Dental Association to develop a "Voluntary Dental Office Amalgam Separator Program," which the Council approved in December. The goal is to install amalgam separators in all metro area dental offices by February 1, 2005, which will result in substantial reduction of mercury discharged into the MCES system.

The Environment Education Team revised the strategic plan and will seek approval from the team sponsor and MCES Management Team. Staff represented MCES on WaterShed Partners, Minnesota Environment Education Advisory Board, Grand Excursion 2004 Environment Committee, and the Water Environment Federation Education Committee.

MCES participated in several environmental education events and projects, which included:

- Earth Day events at the Minnesota Zoo and the Living Green Expo at the St. Paul Armory;
- The Mississippi River Relief-Big River Cleanup;
- The statewide 30th anniversary of the Clean Water Act celebration at Harriet Island in St. Paul (MCES co-sponsored this event); and
- The 2002 Metro Children's Water Festival.

Diversity Promoted Externally in Procurement and Contracting Areas

The PFA requirements for meeting diversity goals were followed, improved monitoring was implemented and development of a training program was initiated. Staff is also revising contract language and contracting procedures. As a result, diversity goals on most PFA financed contracts were met and appropriate action is being taken to work with contractors to improve goal achievement.



Metropolitan Council 2002 Performance Evaluation Report

Environmental Services Division

Odor Management Activity

The MCES Odor Control Strategy Team published a brochure that describes MCES's odor prevention efforts in the wastewater service area. They also finalized an odor complaint database that allows staff to compile and geographically portray all external odor complaints received within the service area.

Staff conducted routine odor sampling and testing at various treatment plant and interceptor locations to document the effectiveness of odor control units and to address industrial and process-related odor issues.

Meetings, Forums and Workshops Kept Customers Informed and Involved

Budget Breakfast meetings were held in Apple Valley, North St. Paul and Brooklyn Park in late April and early May, with 42 attendees representing 23 communities and 6 industries. Valuable input to the process of setting our rates was provided and rates were set in June.

An Industrial Waste Customer Forum was held for the first time; the April 16th meeting was well attended by 71 permittees. A second forum, held on August 15, was attended by 28 permittees.

Four community meetings were held in December to inform communities of and solicit members for a task force to develop and recommend an implementation plan to address excessive inflow and infiltration conveyed and treated by the system. Approximately 57 communities sent representatives to one or more of the meetings.

The Industrial Waste/Pollution Prevention (IWPP) section held three workshops to assist new permittees. Staff provides technical and pollution prevention assistance to industrial customers on an ongoing basis. MCES partners with the Minnesota Dental Association, Minnesota Office of Environmental Assistance (MOEA) and other groups, and is a member of the National Metal Finishing Strategic Goals Program. The IWPP staff continues to publish "Open Channel News" three times a year for industrial customers.

Customer Service Surveys Provided Information

Four surveys were conducted in 2002, providing information that will be used to improve the operation and maintenance of the organization. Results for the surveys are being analyzed and final reports will be available in 2003.

1. The Twin Cities Area Survey was conducted in the spring by the University of Minnesota. MCES had a number of questions included in the survey.
2. MCES staff developed a customer service survey that was sent to 103 city governments in the fall.
3. The Industrial Customer Survey was updated and sent out late fall.
4. A sewer rate survey was sent to 103 customer cities in March. This survey ensures compliance with federal rate requirements and provides data for comparison with AMSA's data on other metropolitan areas. Results were published in the fall.

Employees in the Workplace

The MCES workplace was improved during 2002 through a variety of programs and actions that included the positive discipline program, gainsharing program, safety and security assessments and enhancements, and recognition of employee service and performance.

Positive Discipline Program

Training for the new *Positive Discipline Program* was initiated in 2002 with business unit coordinators, trade leads and general leads completing 40 hours of leadership training. Additionally, a joint effort between treatment services and the Learning and Organizational Development unit is underway to further reinforce the learning and application of the positive discipline theory and process. This training effort will continue through the second quarter of 2003.



Gainsharing Program

125 employees participated in the Council's first Gainsharing Program. The program benefited both the participating employees and MCES rate payers. The project is designed to improve performance.

Employee Recognition Program

Highlights of the Employee Recognition Program are as follows:

- 120 MCES Years of Service Awards, ranging from 5 to 30 years, were given out;
- MCES staff recognized outstanding performance by fellow workers with five approved award winners in 2002; and
- Several employee recognition events were held at MCES facilities.

Safety and Security Programs

The Metro 94 Emergency Action Plan and a safety program assessment were completed. The Industrial Waste/Pollution Prevention section is implementing the new Confined Space Entry rules and have addressed all issues identified in a safety audit conducted by Integrated Loss Control. Interceptor Services has initiated an update to the Confined Space Plan.

A security program assessment was completed and security procedures were implemented at the Metro Plant in December.

Business Recovery Plans

The Business Recovery Plan for MCES employees in Mears Park was completed in September and submitted to Regional Administration for inclusion in the Mears Park Plan. The final draft for the Business Recovery Plan for wastewater services was completed in December and a final report is planned for completion by February 2003.

Staff Communications

Numerous revisions were made to the MCES Internet and Intranet sites and a Work Instructions site was added to the Intranet in December. Also, six issues of the *Update* newsletter and several employee meetings provided the workforce with information.

Diversity in the Workplace

Management continued to ensure that complaints were handled in a timely and appropriate manner. Three internal complaints were filed and found to not be substantiated. Zero internal complaints are pending. An external complaint, initially filed in 2001, is still pending and there were no external complaints filed in 2002. Supervisors and managers consult with the Regional Administration's Diversity Department for suggestion on resolving issues before they become complaints and the director of Diversity briefs the MCES management team monthly.

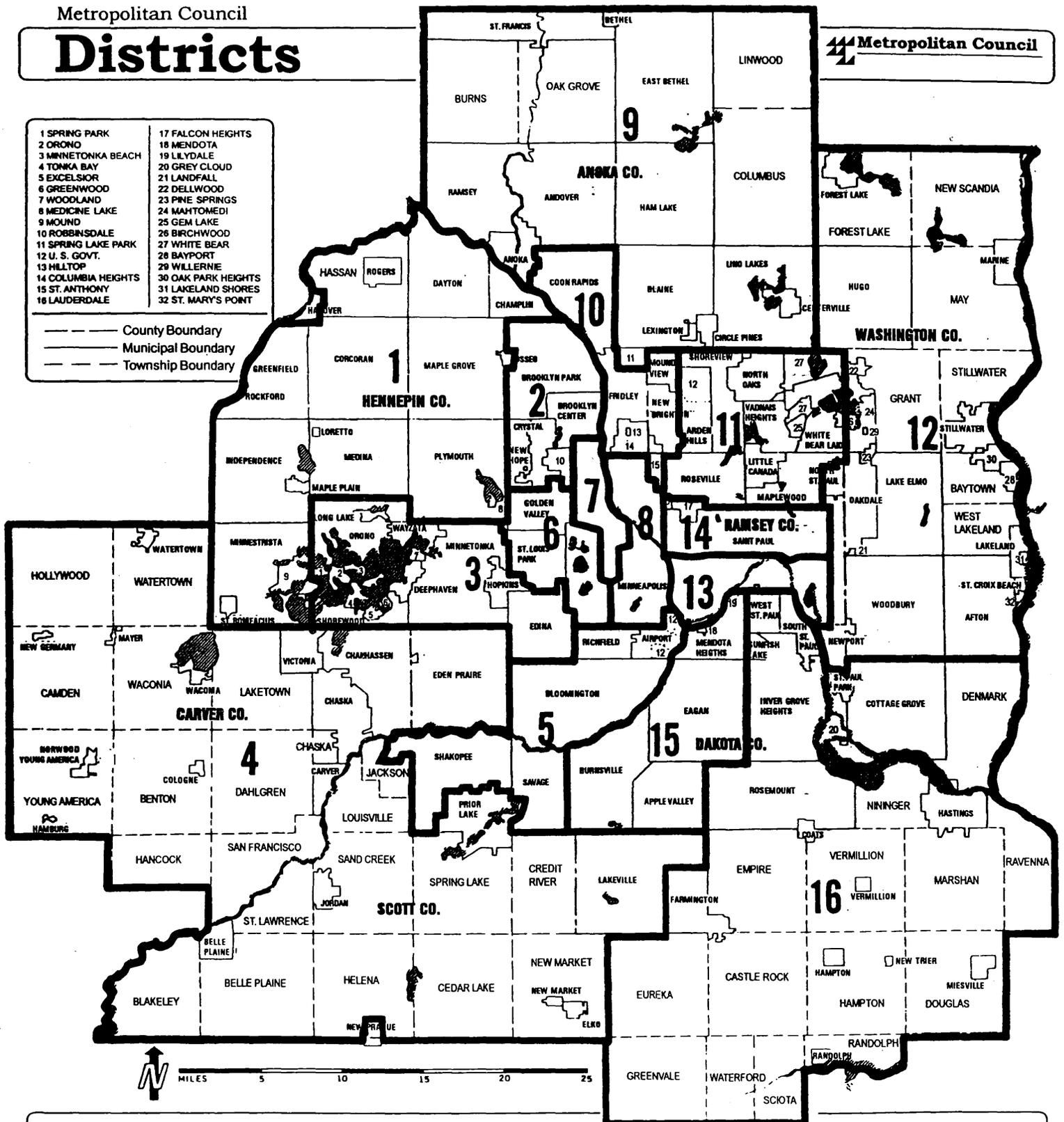
Workshops and training sessions available to MCES employees included Preventing Sexual Harassment, Understanding Hmong Culture, Understanding Chicano Latino Culture, preparing for retirement, computer courses, and professional development courses.

All MCES managers attended the diversity training session "Travel Toward Management Success." Topics discussed included offensive and harassing behavior, dealing with discipline issues, the Americans with Disabilities Act, Family Medical Leave Act, and the impact of racism in the workplace.

Districts

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

- County Boundary
- Municipal Boundary
- Township Boundary



The Council members and their districts are as follows: Chair — Peter Bell

- | | | | |
|-------------------------------------|--------------------------------------|--|--|
| 1 — Roger Scherer, Plymouth | 5 — Russell Susag, Richfield | 9 — Natalie Haas Steffen, Ramsey | 13 — Song Lo Fawcett, St. Paul |
| 2 — Tony Pistilli, Brooklyn Park | 6 — Peggy Leppik, Golden Valley | 10 — Duane Arens, St. Anthony | 14 — Glen Skovholt, St. Paul |
| 3 — Mary H. Smith, Wayzata | 7 — Annette Meeks, Minneapolis | 11 — Marcel Eibensteiner, North Oaks | 15 — Thomas Egan, Eagan |
| 4 — Julius C. Smith, Chaska | 8 — Lynette Wittsack, Minneapolis | 12 — Christopher Georgacas, Mahtomedi | 16 — Richard Aguilar, West St. Paul |

METRO HRA

Participating Communities

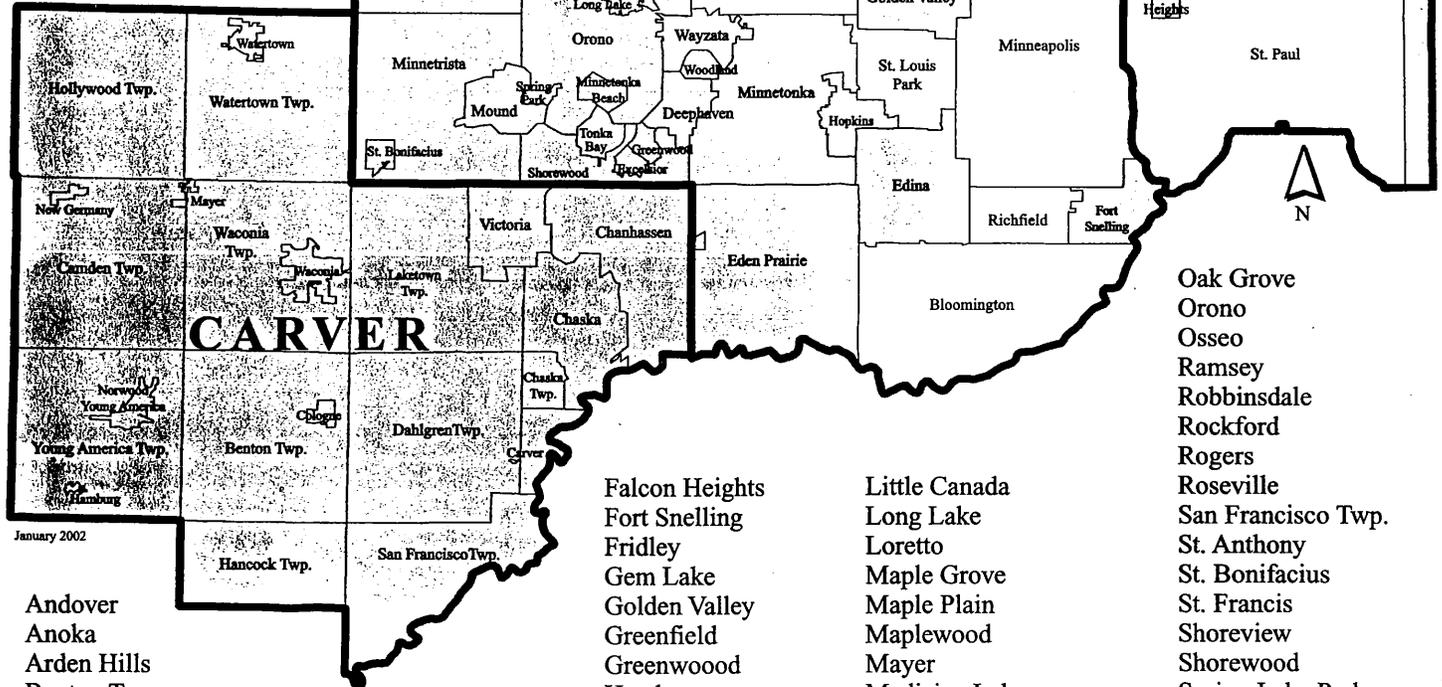
(Revised January 2002)

You may use your Metro HRA Section 8 Housing Choice Voucher in any one of the following shaded communities:



EQUAL HOUSING OPPORTUNITY

Metropolitan Council
Building communities that work



January 2002

Andover
Anoka
Arden Hills
Benton Twp.
Bethel
Blaine
Brooklyn Center
Brooklyn Park
Burns Twp.
Camden Twp.
Carver
Centerville
Champlin
Chanhassen
Chaska
Chaska Twp.
Circle Pines

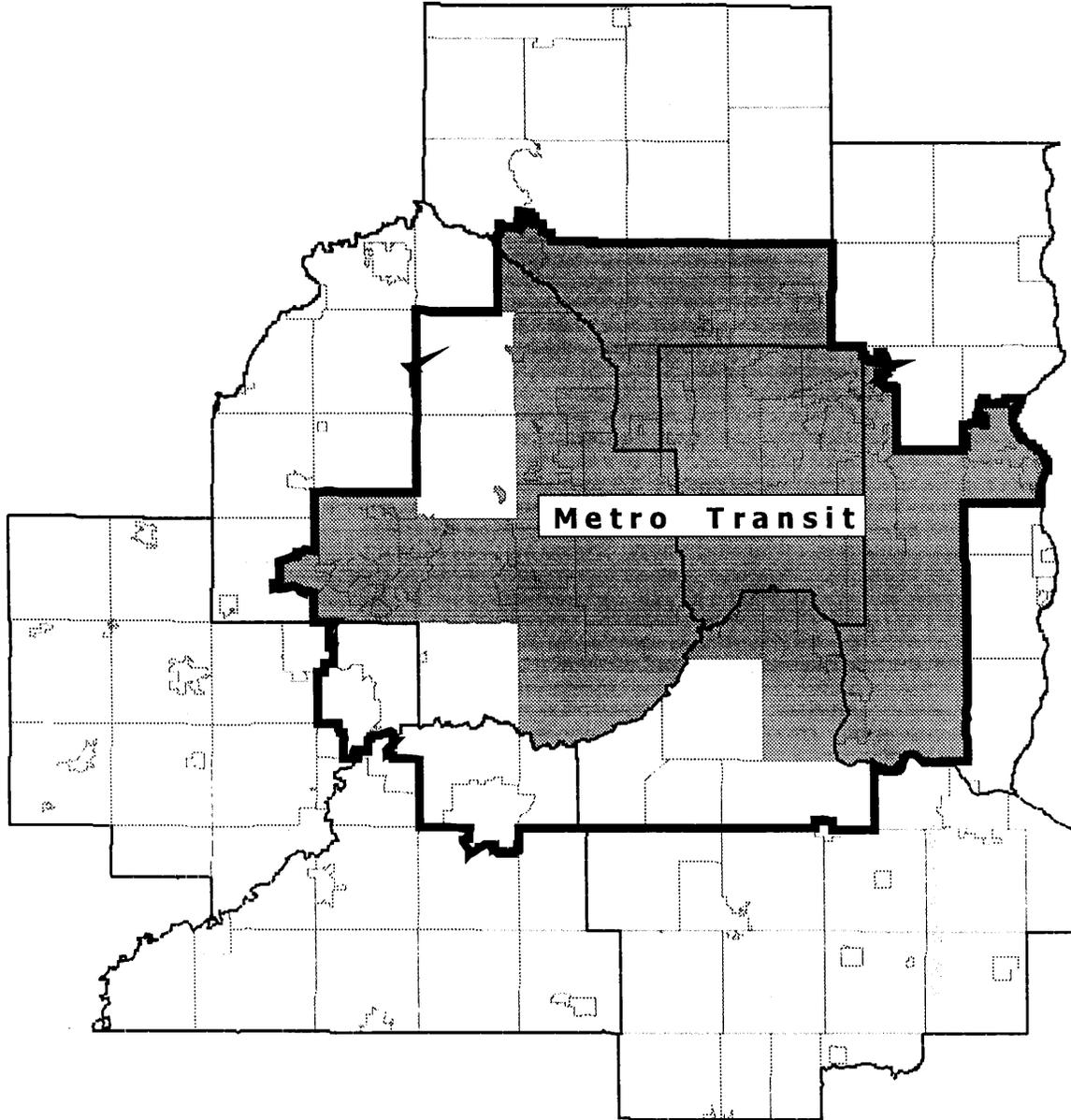
Cologne
Columbia Heights
Columbus Twp.
Coon Rapids
Corcoran
Crystal
Dahlgren Twp.
Dayton
Deephaven
East Bethel
Eden Prairie
Edina
Excelsior

Falcon Heights
Fort Snelling
Fridley
Gem Lake
Golden Valley
Greenfield
Greenwood
Hamburg
Ham Lake
Hanover
Hancock Twp.
Hassan Twp.
Hilltop
Hollywood Twp.
Hopkins
Independence
Laketown Twp.
Lauderdale
Lexington
Lino Lakes
Linwood Twp.

Little Canada
Long Lake
Loretto
Maple Grove
Maple Plain
Maplewood
Mayer
Medicine Lake
Medina
Minnetonka
Minnetonka Beach
Minnetrissa
Mound
Mounds View
New Brighton
New Germany
New Hope
North Oaks
North St. Paul
Norwood -
Young America

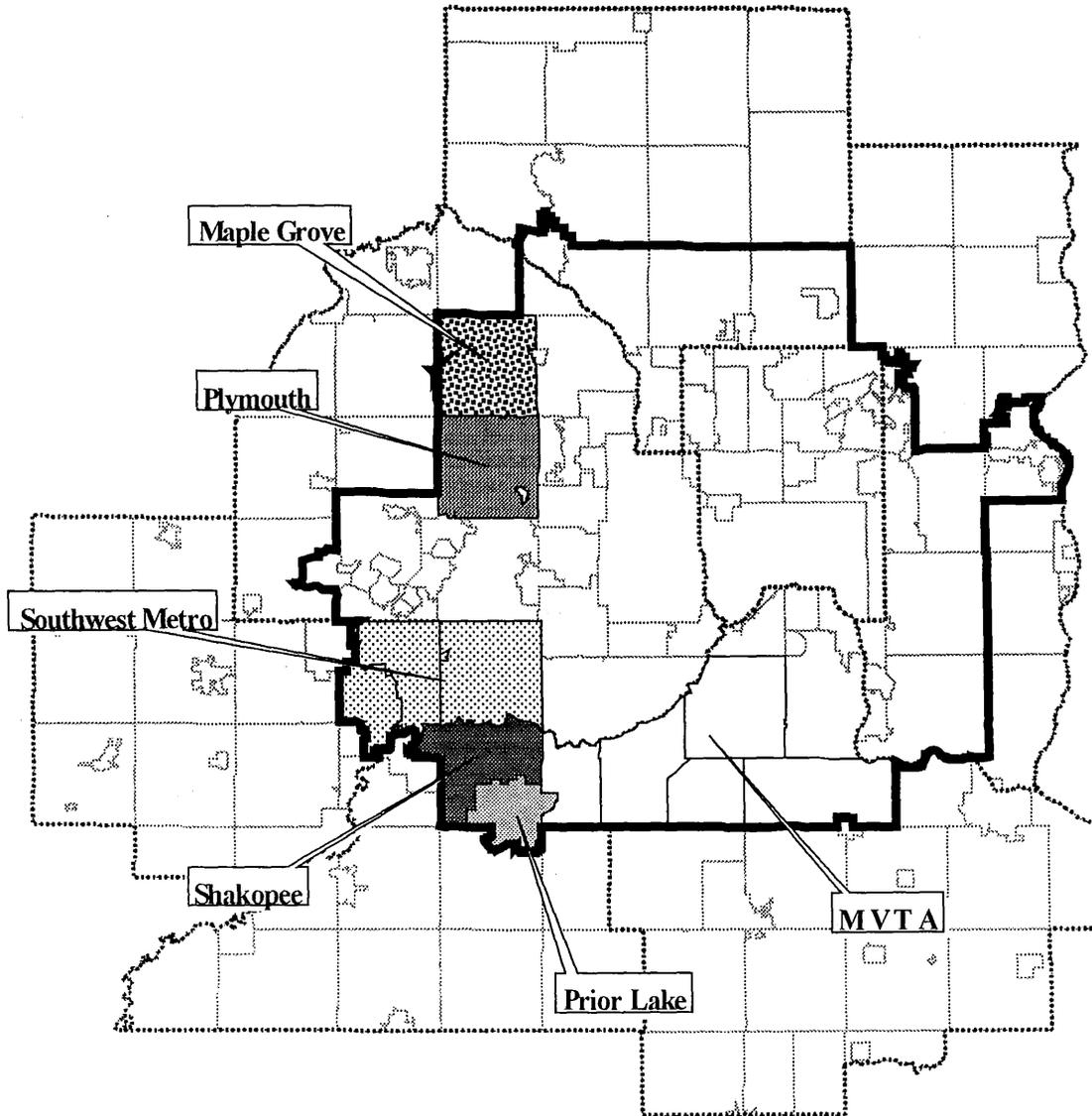
Oak Grove
Orono
Osseo
Ramsey
Robbinsdale
Rockford
Rogers
Roseville
San Francisco Twp.
St. Anthony
St. Bonifacius
St. Francis
Shoreview
Shorewood
Spring Lake Park
Spring Park
Tonka Bay
Vadnais Heights
Victoria
Waconia
Waconia Twp.
Watertown
Watertown Twp.
Wayzata
White Bear Lake
White Bear Twp.
Woodland
Young America Twp.

Metro Transit Service Area

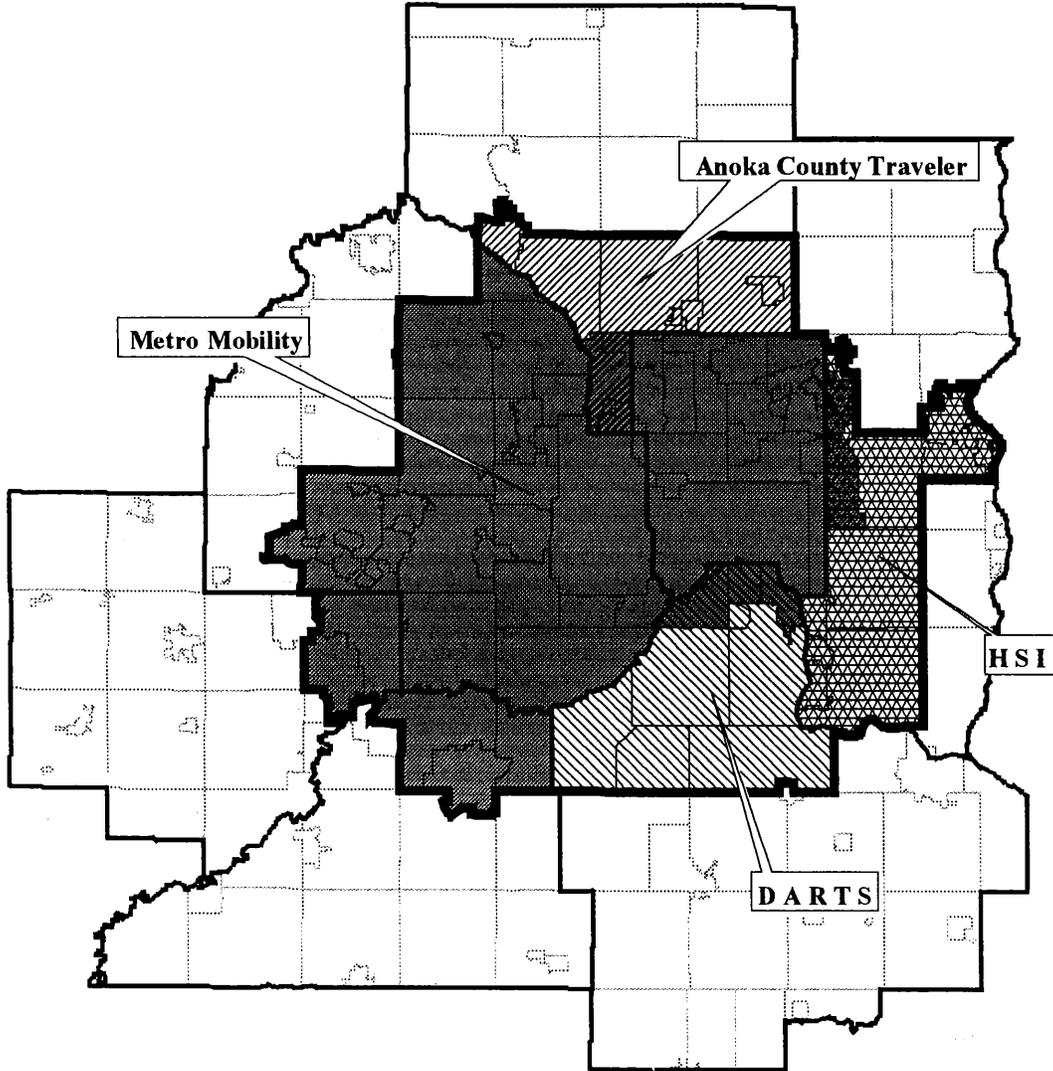


The heavy boundary inside the seven county area is the boundary of the Transit Taxing District. Prior to 2002, this boundary defined the area that the Metropolitan Council and opt out communities levied property taxes for regular route transit service. In 2002, operating costs are no longer funded from property taxes. This boundary currently represents boundaries of regular route service provided in the region.

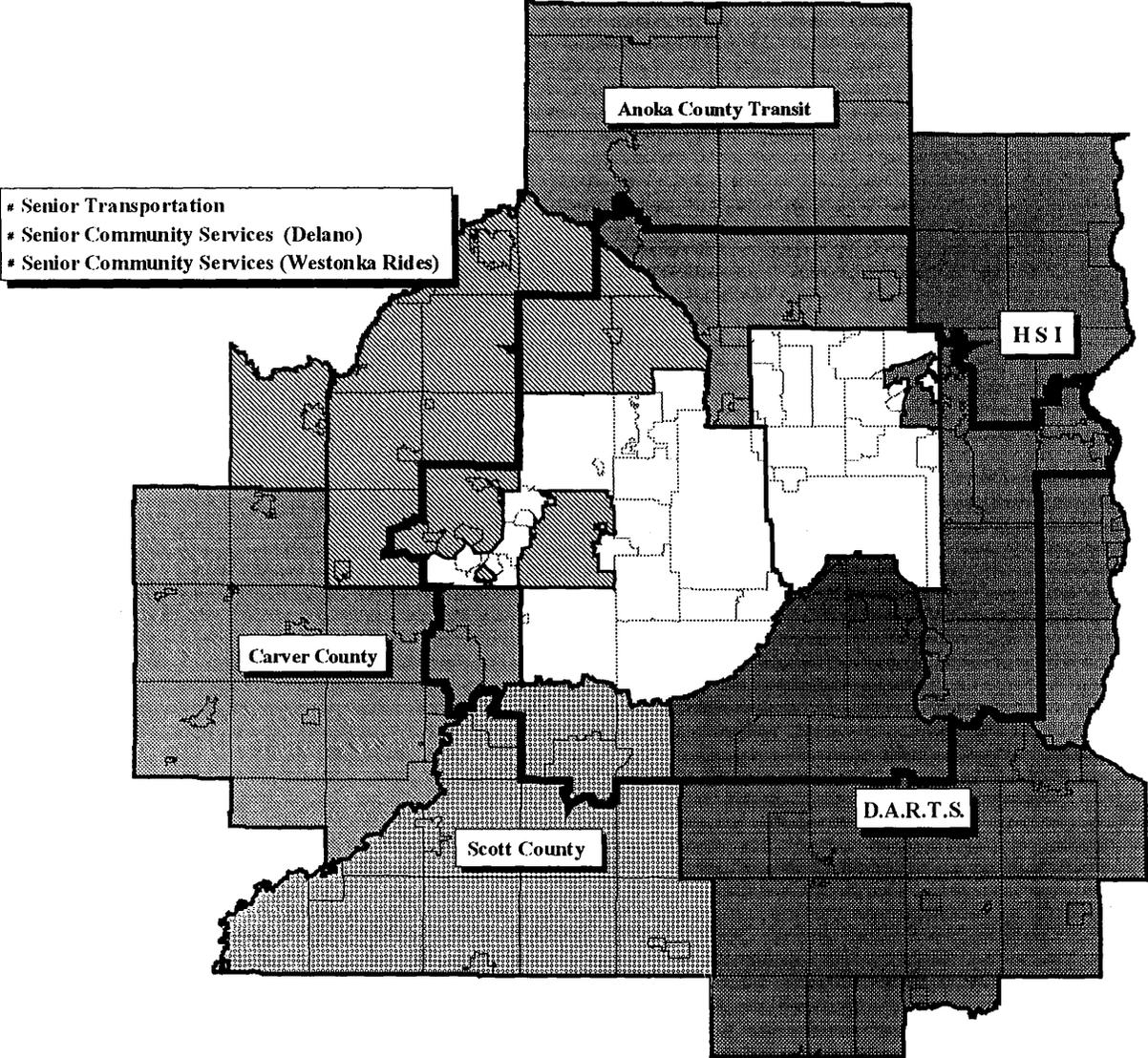
Opt Out Communities



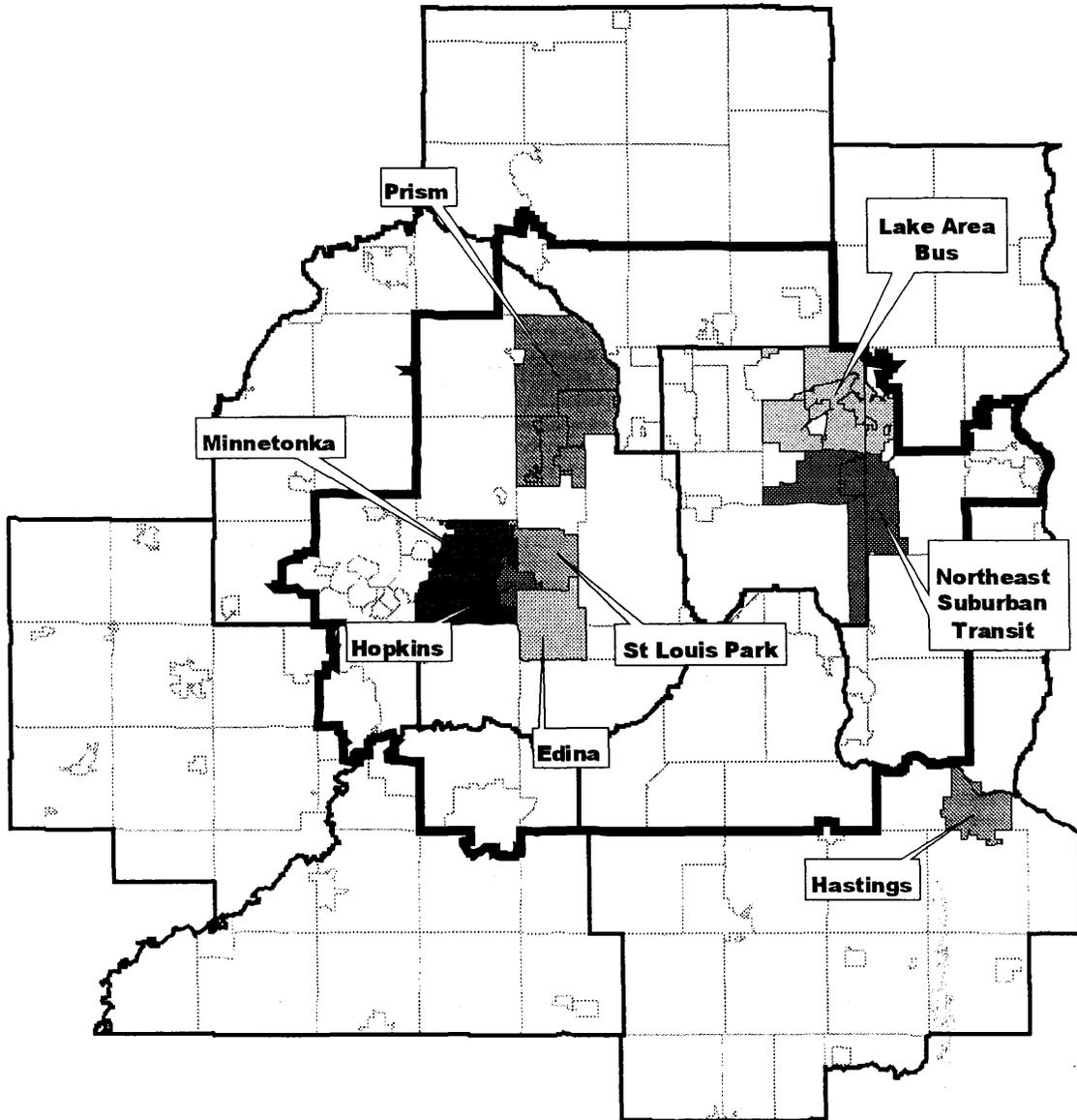
Metro Mobility Service Area



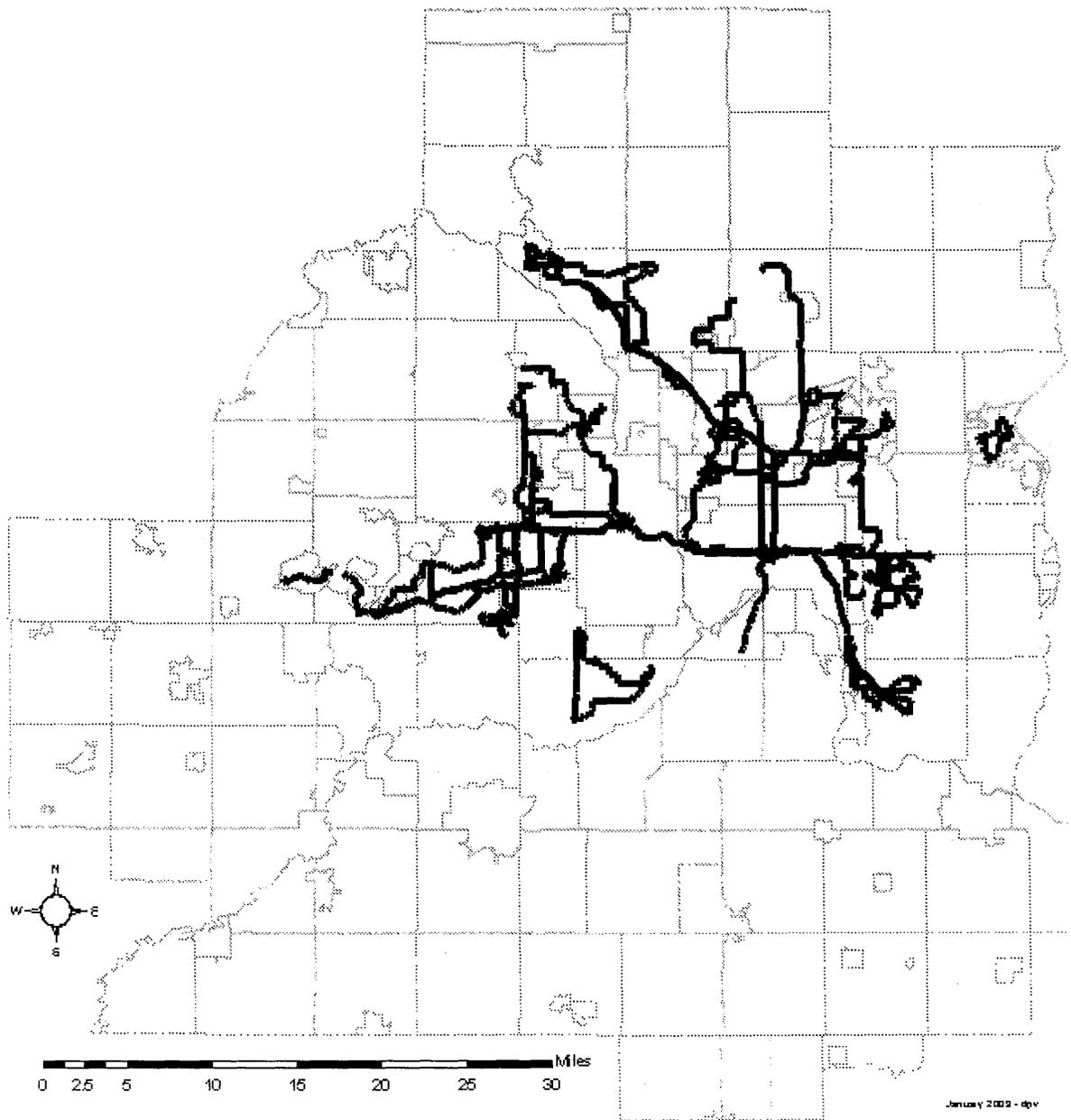
Community-based Rural Programs



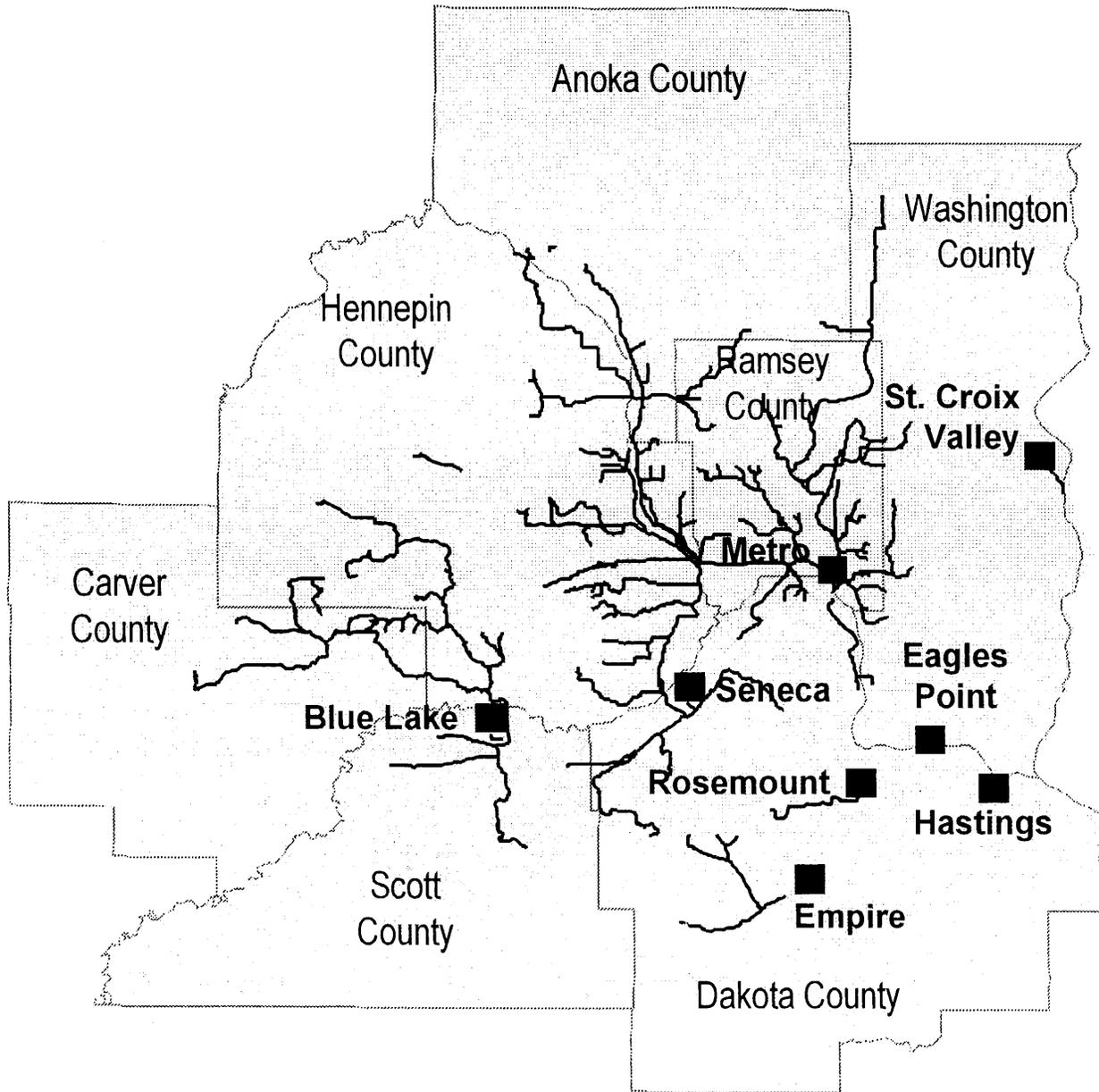
Community-based Urban Programs



Privately Contracted Regular Routes



Metropolitan Council Environmental Services Wastewater Treatment Interceptors and Plants



— Interceptors

■ Plants

APPENDIX

METROPOLITAN COUNCIL ANNUAL PERFORMANCE REPORT
YEAR-END FINANCIAL RESULTS BASED ON (UNAUDITED) QUARTERLY REPORT DATA-2002

| | REGIONAL ADMINISTRATION /COMMUNITY DEVELOPMENT INCLUDING HRA and PARKS | | | ENVIRONMENTAL SERVICES DIVISION INCLUDING DEBT SERVICE | | | TRANSPORTATION DIVISION OPERATING FUND ONLY | | |
|----------------------------------|---|-------------------------------|--|---|-------------------------------|--|--|-------------------------------|--|
| | BUDGET | Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE | BUDGET | Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE | BUDGET | Actual Ledger Year-to-Date | Favorable (Unfavorable) VARIANCE |
| EXTERNAL REVENUE | | | | | | | | | |
| Property Taxes | \$10,563,898 | \$9,821,329 | (\$742,569) | | | | (\$489,812) | \$200,725 | \$690,537 |
| Federal Revenue | \$32,803,809 | \$55,282,944 | \$22,479,135 | \$404,050 | \$342,524 | (\$61,526) | \$17,683,207 | \$12,145,576 | (\$5,537,631) |
| State Revenue | \$10,935,691 | \$11,814,339 | \$878,648 | | | | \$119,057,236 | \$95,732,957 | (\$23,324,279) |
| Local Revenue/Other Govt Revenue | \$1,725,224 | \$1,610,641 | (\$114,583) | | | | \$353,000 | \$435,537 | \$82,537 |
| ES Fees | | | | \$133,369,457 | \$134,424,434 | \$1,054,977 | | | |
| Fares & Related Revenue | | | | | | | \$75,296,486 | \$72,139,228 | (\$3,157,258) |
| Interest | \$525,000 | \$751,401 | \$226,401 | \$1,600,000 | \$1,058,841 | (\$541,159) | \$2,525,000 | \$1,217,667 | (\$1,307,333) |
| Other Revenue | \$2,133,485 | \$2,606,882 | \$473,397 | \$175,000 | \$295,938 | \$120,938 | \$6,579,080 | \$876,057 | (\$5,703,023) |
| Total Revenue | \$58,687,107 | \$81,887,536 | \$23,200,429 | \$135,548,507 | \$136,121,737 | \$573,230 | \$221,004,197 | \$182,747,747 | (\$38,256,450) |

| | | | | | | | | | |
|----------------------------------|---------------------|----------------------|-----------------------|----------------------|----------------------|--------------------|----------------------|----------------------|---------------------|
| EXPENDITURES | | | | | | | | | |
| Salaries, Wages, & Fringes | \$22,603,926 | \$22,702,204 | (\$98,278) | \$51,585,187 | \$51,640,553 | (\$55,366) | \$163,575,975 | \$161,787,548 | \$1,788,427 |
| Consulting & Contractual | \$8,686,464 | \$9,141,186 | (\$454,722) | \$6,947,254 | \$7,745,383 | (\$798,129) | \$65,789,980 | \$46,285,851 | \$19,504,129 |
| Materials, Chemicals & Supplies | \$957,090 | \$1,318,258 | (\$361,168) | \$7,528,696 | \$9,257,411 | (\$1,728,715) | \$20,778,968 | \$17,048,343 | \$3,730,625 |
| Rent & Utilities | \$2,722,667 | \$2,542,204 | \$180,463 | \$13,844,442 | \$12,563,943 | \$1,280,499 | \$4,213,095 | \$3,381,133 | \$831,962 |
| Other Expenses | \$1,225,447 | \$1,326,704 | (\$101,257) | \$1,397,628 | \$952,921 | \$444,707 | \$4,163,664 | \$3,295,461 | \$868,203 |
| General Allocation Expense | \$692,000 | \$648,889 | \$43,111 | \$11,541,530 | \$9,994,919 | \$1,546,611 | \$10,769,775 | \$9,023,744 | \$1,746,031 |
| Capital Outlay/User Charges/Etc. | \$553,876 | \$951,372 | (\$397,496) | \$2,188,461 | \$1,300,029 | \$888,432 | \$174,914 | (\$13,428) | \$188,342 |
| Pass Thru & Other Grants | \$41,717,862 | \$63,062,889 | (\$21,345,027) | \$96,504 | \$181,159 | (\$84,655) | | \$16,911,631 | (\$16,911,631) |
| Debt Service Expense | | | | \$68,020,008 | \$67,857,000 | \$163,008 | | | |
| Total Expenditures | \$79,159,332 | \$101,693,706 | (\$22,534,374) | \$163,149,710 | \$161,493,318 | \$1,656,392 | \$269,466,371 | \$257,720,283 | \$11,746,088 |

| | | | | | | | | | |
|--------------------------------|-----------------------|-----------------------|------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|
| Operating Income/(Loss) | (\$20,472,225) | (\$19,806,170) | \$666,055 | (\$27,601,203) | (\$25,371,581) | \$2,229,622 | (\$48,462,174) | (\$74,972,536) | (\$26,510,362) |
|--------------------------------|-----------------------|-----------------------|------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|

| | | | | | | | | | |
|-------------------------|----------------------|----------------------|------------------|----------------------|--------------------|--------------------|-----------------------|-----------------------|-----------------------|
| Transfers from | \$20,868,624 | \$20,418,431 | (\$450,193) | \$28,636,334 | \$25,025,000 | (\$3,611,334) | \$6,750,745 | \$5,783,282 | (\$967,463) |
| Transfers To | \$2,569,634 | \$1,968,200 | \$601,434 | \$2,472,324 | (\$232,732) | \$2,705,056 | \$6,260,745 | \$5,899,781 | \$360,964 |
| Surplus(Deficit) | (\$2,173,235) | (\$1,355,939) | \$817,296 | (\$1,437,193) | (\$113,849) | \$1,323,344 | (\$47,972,174) | (\$75,089,035) | (\$27,116,861) |