

Transportation Committee

For the Metropolitan Council meeting of October 13, 2021

Subject: 2022 Operating Grant Applications to the Funding Transitway Counties

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to apply for calendar 2022 grants from the counties of Anoka, Hennepin, Dakota and Ramsey.

Operating (Base and Non-Annual Share)

- METRO Blue Line LRT Est. \$14.5M
 - Hennepin County - Est. \$14.5M
- METRO Green Line LRT Est. \$15.0M
 - Hennepin County – Est. \$9.0M
 - Ramsey County – Est. \$6.0M
- Northstar Commuter Rail Est. \$5.8M
 - Anoka County – Est. \$4.7M
 - Hennepin County – Est. \$1.1M
- METRO Orange Line BRT Est. \$2.55M
 - Hennepin County – Est. \$2.2M
 - Dakota County – Est. \$350K

Summary of Committee Discussion/Questions

Metro Transit Finance Director Ed Petrie presented this item. Zeran asked if we anticipate any issues going forward from the participating counties. Petrie stated the biggest challenge will be Anoka County, as they haven't paid us since July 2020 but we do have a 5-year master funding agreement with the counties for funding through December 31, 2022. Metro Transit General Manager Wes Kooistra added that the lack of payment is a huge risk to the Northstar Corridor as Anoka County represents 81.4% of the counties' share and that Metropolitan Council Chair Zelle is having discussions with Commissioner Schulte who has been the point person from Anoka County on the issue. Zeran added that the Northstar line is an asset/public good and we should figure out to maintain the service.

Motion by Zeran, seconded by Chamblis. Motion carried, CONSENT to Council.

Transportation Committee

Meeting date: September 27, 2021

For the Metropolitan Council meeting of October 13, 2021

Subject: 2022 Operating Grant Applications to the Funding Transitway Counties

District(s), Member(s): All

Policy/Legal Reference: Metropolitan Council 3-2-2

Staff Prepared/Presented: Wes Kooistra, General Manager, (612-349-7510); Edwin D. Petrie, Director Finance, (612-349-7624)

Division/Department: Metro Transit

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Background

CTIB was created in 2008 by enabling state legislation and the concurrence of five counties in the region (Anoka, Dakota, Hennepin, Ramsey, and Washington). Its purpose was to provide a dedicated source for capital and operating funds for transitway projects serving the five participating counties. CTIB first awarded grants in 2009.

Under CTIB Resolution #35-2017, the CTIB counties voluntarily dissolved CTIB and terminated the Joint Powers Agreement establishing CTIB so each participating county may impose a transportation sales tax and an excise tax of \$20.00 per motor vehicle for transportation purposes pursuant to Minnesota Statutes section 297A.993.

Subsequent to the CTIB dissolution, the counties of Anoka, Dakota, Hennepin, Ramsey and Washington adopted resolutions to impose up to a one-half percent sales and use tax and a \$20.00 per motor vehicle excise tax for transportation purposes pursuant to Minnesota Statutes section 297A.993.

Council action is a prerequisite for all grant applications in excess of \$500,000 or for applications that staff deem appropriate to bring before the Council.

Rationale

County grant funds will contribute to the proposed 2022 operating budgets for Light Rail, Commuter Rail and BRT operations. State law limits state contributions to LRT operations for 50% of the net operating cost with the assumption that County funds will be used to pay the remaining up to the 50% of the net operating cost. County funds will also be used to pay 41.95% of the net operating cost of Northstar commuter rail operations. County funds will also be used to pay 50% of the net operating cost of Orange Line BRT operations.

Thrive Lens Analysis

Prosperity

- This business item adds operating funding and reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

Funding

The funding and commitment requests listed above total an estimated \$37.85M requested for operating grants for METRO Green Line, METRO Blue Line, METRO Orange Line and Northstar Commuter Rail. The listed grant amounts are estimates and will be finalized prior to the application deadlines.

Known Support / Opposition

No known opposition.