

Transportation Advisory Board
of the Metropolitan Council of the Twin Cities

ACTION TRANSMITTAL No. 2021-07

DATE: September 29, 2021

TO: TAC Funding & Programming Committee

PREPARED BY: Joe Barbeau, Senior Planner (joseph.barbeau@metc.state.mn.us)
Steve Peterson, Manager of Highway Planning (steven.peterson@metc.state.mn.us)
Elaine Koutsoukos, TAB Coordinator (elaine.koutsoukos@metc.state.mn.us)

SUBJECT: Federal Funds Redistribution Amount for Metro Transit's I-94 / Manning Avenue Park-and-Ride Lot.

REQUESTED ACTION: Metro Transit requests retention of \$2,775,641 in federal funds from a 2013 CMAQ award for the purchase of four buses used for express service in the I-94 East corridor and park-and-ride development expenses, and return of the remaining \$4,504,359 in federal funds for redistribution.

RECOMMENDED MOTION: That the Technical Advisory Committee recommend that the Transportation Advisory Board allow Metro Transit to retain \$2,235,600 in federal funds from a 2013 CMAQ award for the purchase of four buses used for express service in the I-94 East, and return of the remaining \$5,044,400 in federal funds for redistribution.

BACKGROUND AND PURPOSE OF ACTION: In the 2009 Regional Solicitation, Metro Transit was awarded \$7,280,000¹ in CMAQ (program year 2013) funding for I-94 express service, purchase of buses and construction of a 550-space park & ride facility near Manning Avenue (TH 95) and I-94 in Woodbury.

The original project cost breakdown is shown in Table 1.

Table 1: Cost Breakdown

Project Component	Units	Total Cost (2009 \$)
Property Acquisition	3 Acres	\$1,000,000
Facility	550 stalls	\$8,250,000
Articulated Buses	Three 40-foot Buses	\$1,220,706
Demonstration Service	Three Years	\$958,117
Total	-	11,428,823

*\$7,280,000 federal and \$4,428,823 non-federal

¹ The application requested \$7,000,000. The federal total increased to \$7,280,000 because in 2009, a small inflation factor was added to the original federal application amount.

The 2013-2016 Transportation Improvement Program (TIP) separated the items into four project line items, shown in Table 2. At which time the local over match was also reduced lowering the project total to \$9.1 million.

Table 2: Award in the 2013-2016 TIP

Project	Total Cost	Federal Funds	Other Funds
Park-and-Ride Land Acquisition, Design & Phase I Construction (2013)	\$4,435,350	\$3,548,280	\$887,070
Park-and-Ride Phase II Construction (2014)	\$912,033	\$729,626	\$182,407
Four 60-foot Buses (2014)	\$2,794,000	\$2,235,600	\$558,900
Express Service (2014)	\$958,117	\$766,494	\$191,623
Total	\$9,100,000	\$7,280,000	\$1,820,000

Metro Transit purchased the four 60-foot buses, received in 2015. The buses were used for express service in the I-94 East corridor (Route 375 serving the Guardian Angels Park & Ride), for which the service was locally funded. Metro Transit also spent \$540,041 in federal funding on the Manning park-and-ride lot development expenses. The project experienced multiple delays, including a 2014 decision to delay the project pending the Gateway Corridor EIS process and subsequent delays in project approvals. In addition, during the years of project development, park-and-ride demand in the corridor weakened, with demand peaking in 2014, followed by a significant decline since the onset of the pandemic. Therefore, in late 2020, Metro Transit decided that a new park-and-ride lot and new express service were no longer needed at this location in the near-term.

In order to close out the federal grant and return the remaining funding to the region, Metro Transit sent a letter (attached) to TAB Chair Hovland on November 11, 2020 notifying TAB of its decision to cancel the project and return the remaining funds. On May 11, 2021, TAB Chair Hovland sent a letter (attached) to the Federal Transit Administration (FTA) acknowledging that Metro Transit purchased the four buses and operated express transit service using local funds and that the I-94 & Manning Park & Ride and new commuter bus service is no longer needed. The FTA asked for TAB approval of the partial use of the federal funds for the bus purchase and park-and-ride lot development expenses. On August 20, 2021, Metro Transit sent a letter (attached) to TAB Chair Hovland asking that it be allowed to retain \$2,775,641 in spent federal funds and return the remaining \$4,504,359 in unspent federal CMAQ funding to the region.

RELATIONSHIP TO REGIONAL POLICY: TAB develops and issues a Regional Solicitation for federal funding. Projects funded through the Regional Solicitation are subject to a scope change policy, though given the length of time that has passed and the unique circumstances surrounding this project, this project is not being reviewed against other 2009 projects.

STAFF ANALYSIS: Highway and bicycle/pedestrian project sponsors work with MnDOT Metro District State-Aid and transit providers work with Metro Transit's federal grants manager to assure that projects are either done as applied for or work through the scope change process to determine whether a project can change from its application and/or whether any federal funding must be returned. When the project was awarded 11 years ago the transit project oversight processes were not well established. Council staff has worked with Metro Transit staff in recent years to improve their understanding of the relationship between Regional Solicitation funds and

project implementation requirements, but most of the activity on this project took place five to ten years ago. A request like this is unlikely to occur in the future.

Possible outcomes include:

1. Allow Metro Transit to retain the \$2,775,641 already spent on the project, leaving \$4,504,359 to be returned to the region for redistribution. This could also include retention of a lesser amount (i.e. only one of the two components that make up the \$2,775,641):
 - a) Retain \$2,235,600 spent on buses, which would result in a return of \$5,044,400.
 - b) Retain \$540,041 spent on park-and-ride development expenses, which would result in a return of \$6,739,959.
2. Require that the entire \$7,280,000 be returned to the region for redistribution.

Following the decision on how much funding will be returned to the region, staff will provide scenarios on how to spend that funding. It is anticipated that an action item will be presented to TAC Funding & Programming at its October meeting to redistribute federal funding to other transit project(s) that were not selected as part of the 2020 Regional Solicitation funding cycle.

COMMITTEE COMMENTS AND ACTION: At its September 16, 2021, meeting, the TAC Funding & Programming Committee, members voted unanimously to allow Metro Transit to retain \$2,235,600 in federal funds from a 2013 CMAQ award for the purchase of four buses used for express service in the I-94 East, and return of the remaining \$5,044,400 in federal funds for redistribution (Option 1a).

Members were not comfortable allowing Metro Transit to retain funds used to develop a project (the park-and-ride) that did not come to fruition, as highway project sponsors are not able to retain such funds.

ROUTING

TO	ACTION REQUESTED	DATE SCHEDULED/COMPLETED
TAC Funding & Programming Committee	Review & Recommend	9/16/2021
Technical Advisory Committee	Review & Recommend	10/6/2021
Transportation Advisory Board	Review & Approve	10/20/2021