

ACTION TRANSMITTAL No. 2013-48

DATE: November 25, 2013
TO: Technical Advisory Committee
FROM: TAC Planning Committee
REQUESTED BY: City of Minneapolis
Metropolitan Council
PREPARED BY: Cole Hiniker, Metropolitan Council MTS (651-602-1748)
SUBJECT: 2030 Transportation Policy Plan administrative modification to include status updates and policy questions relating to modern streetcar projects.
MOTION: That the TAB recommend adoption of administrative modifications to the 2030 Transportation Policy Plan to incorporate the attached text updates on the status of various modern streetcar studies, corridors, and policy considerations, including the City of Minneapolis alternatives analysis for the Nicollet-Central Corridor.

BACKGROUND AND PURPOSE OF ACTION: When the previous major update to the transit chapter of the Transportation Policy Plan was adopted in 2009, the concept of modern streetcars was still in the early stages of development. The update acknowledged the potential benefits of streetcars and the steps and considerations needed to advance a project. In 2007, the City of Minneapolis' completed a streetcar feasibility study that set the stage for additional analysis on specific corridors in the future. The feasibility study recommended a long-range network of modern streetcars to the City of Minneapolis and, after further study on possible funding options, that network was approved in 2010.

The first corridor to be analyzed out of the study was the Nicollet-Central corridor through the Nicollet-Central Transit Alternatives Study (Alternatives Analysis). This project was funded by an FTA grant with the City providing matching funds. The Alternatives Analysis concluded with an official action by the City of Minneapolis on October 4, 2013 recommending modern streetcar as the Locally Preferred Alternative for an initial 3.4-mile segment of the corridor on Nicollet Avenue, Nicollet Mall and Hennepin/1st Avenues from Lake Street to at least 5th Street NE, and recommending the project for inclusion in the Transportation Policy Plan. (The Minneapolis City Council resolution is attached.) The project has a preliminary capital cost of \$180-200 million, an annual operating cost of \$10.6 million, and estimated ridership of 9,200 average weekday boardings in 2030. The City of Minneapolis and the Metropolitan Council are now collaborating to advance the environmental review process and pre-project development activities for the project in 2014.

In addition to the Nicollet-Central Modern Streetcar recommendation, several other ongoing corridor studies are considering modern streetcar in the detailed evaluation of alternatives, including Robert Street and Midtown. Many of these studies are expected to

conclude in 2014 and may arrive at conclusions similar to the Nicollet-Central project. The City of Saint Paul is also conducting a citywide feasibility analysis of a long-range streetcar network similar to the analysis and recommendations developed by Minneapolis.

The Metropolitan Council has worked with project partners in these studies to coordinate the relationship between modern streetcars and the Transportation Policy Plan. In doing so, many outstanding policy issues have been identified. These issues are beginning to be addressed through discussions with policy partners and potential funding partners. In the event that a modern streetcar project begins seeking federal funding, it will need to be identified in the Transportation Policy Plan.

Currently, the Transportation Policy Plan does not discuss modern streetcar projects as transitways. How streetcars are discussed in regional policy relative to transitways will need to be determined in order to understand and incorporate a funded project into the Transportation Policy Plan.

RELATIONSHIP TO REGIONAL POLICY: The Metropolitan Council and its Transportation Advisory Board is required, under both state and federal law, to develop a multi-modal regional transportation plan that identifies transportation system goals, needs, and investment priorities over a 20-year period. Federal law and regional policy requires the plan to explicitly include the Locally Preferred Alternative, which consists of mode and alignment, for all transit projects seeking and receiving federal and state funds. The Transportation Policy Plan is the region's guiding document for transportation system planning in which CTIB, state, and federal funded transit projects are identified. While this request is not officially adding projects to the Transportation Policy Plan, it is acknowledging the significant work that is completed or ongoing regarding modern streetcars. This is an important step in regional transportation planning and will help guide policy discussions on modern streetcar that are expected to be addressed in more detail in a future Transportation Policy Plan update.

In the event that a project is to seek CTIB, state, or federal funds for a modern streetcar project, the project will need to be amended into the Transportation Policy Plan and undergo the more significant process of air quality conformance and fiscal constraint demonstration.

Comments from Committees: TAC-Planning recommends approval.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Planning Committee	Review & Recommend	November 14, 2013
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Recommend	
Metropolitan Council Transportation Committee	Review & Recommend	
Metropolitan Council	Review & Adopt	

PROPOSED MODIFICATION TO THE 2030 TRANSPORTATION POLICY PLAN

Modification

Chapter 7: *Other Modes*, Page 151-152, revise language to read (revisions noted below):

Streetcars are a type of rail transit that can be operated with vintage, replica or modern cars. Modern streetcars are under consideration through a number of studies as a possible new transit mode in the region. Modern Streetcars typically operate in mixed traffic and are subject to traffic congestion similar to a local bus route, although they may be given priority at intersections. They typically stop every few blocks and operate at shorter distances than LRT with an emphasis on high-frequency service with high accessibility. Typical modern streetcar lines are less than three four miles long while light rail lines are typically around ten miles long. They travel more slowly than light rail transit because light rail operates primarily in its own dedicated right-of-way and stops approximately every mile while streetcars operate in mixed traffic and stop more frequently. Modern Streetcars attract new transit riders and may offer some travel time advantages over local buses, such as faster boarding, faster fare collection, and intersection signal priority, though similar to the transportation benefits BRT can offer, these benefits at lower cost and with greater flexibility. Modern Streetcar service is particularly suitable for high-density, mixed-use areas with short average passenger trip lengths, areas where improved transit will benefit a high number of existing riders, and to as an attraction for new or infrequent transit users like shoppers or visitors. Modern Streetcars may also have been appropriate demonstrated promise as for supporting high-density, mixed-use, walkable development in urban cores where people can live without a car and become regular and frequent transit users tool for local units of government.

A number of recent and ongoing studies are considering modern streetcars for further planning or implementation.

- The City of Minneapolis completed a *Streetcar Feasibility Study* in 2008 that resulted in a recommendation for a streetcar network as a long-range 20-50 year vision for the city. The study recommended modern streetcar on seven corridors: West Broadway/Washington Ave, Hennepin Ave S, Midtown Corridor, Nicollet Ave S, University Ave SE/4th Street SE, Chicago Ave S, and Central Avenue NE.
- In October 2013, the City of Minneapolis completed an Alternatives Analysis for the Nicollet-Central Corridor, which concluded with the City of Minneapolis approving a 3.4-mile modern streetcar line, running between Lake Street and at least 5th Street NE on Nicollet Ave, Nicollet Mall, and Hennepin Ave/1st Ave, using the Hennepin Ave Bridge to cross the Mississippi River, as the recommended Locally Preferred Alternative for inclusion in the Transportation Policy Plan. This recommendation represents the first modern streetcar project requesting inclusion in the regional Transportation Policy Plan and the initial analysis illustrated modern streetcar as a mode that could be competitive for federal funding for major transit capital investments. The City of Minneapolis and the Metropolitan Council are collaborating to advance the environmental review process and pre-project development activities for the project for completion in 2014, with the intent of pursuing federal transportation funds in the future.

The City of Minneapolis also began addressing possible local funding sources for the project. During the 2013 State Legislative session, a law was established that gave the city the ability to create a Value Capture District for the Nicollet-Central Modern Streetcar project that captures increased property tax revenues from five specified blocks with active development projects in the corridor and apply those revenues to the capital costs of a modern streetcar. The City of Minneapolis officially established that value

capture district in June 2013 and forecasts that the district will allow the city to issue construction bonds for up to \$60 million toward the project.

- The City of Saint Paul is conducting a *Streetcar Feasibility Study* that will identify a long-term vision for a streetcar network. Initial phases of the study have identified seven corridors for the long-term network: East 7th Street, Payne Ave, Rice Street, Selby Ave/Snelling Ave, Grand Ave/Cretin Ave, West 7th Street, and Robert Street. The final phase of the feasibility study will identify a starter network of prioritized lines, and will recommend a first line to be pursued for more detailed study. The feasibility study is expected to be completed by the end of 2013. Ramsey Council Regional Railroad Authority (RCRRA) is leading corridor studies that will include West 7th Street (Riverview corridor) and East 7th/Payne (Rush Line corridor) and modern streetcar will be considered. As studies continue, RCRRA, City of St. Paul, and Metro Transit are coordinating the implementation of Arterial BRT on West 7th Street in the near term and have secured partial funding for implementation through federal and state sources.
- Metro Transit is leading a study evaluating transit options in a 4.4 mile corridor on Lake Street or along the Midtown Greenway corridor from West Lake to Hiawatha Avenue. Modes still under consideration include bus improvements on Lake Street, rail improvements in the Greenway, or a combination of the two modes. The rail alternative includes a combination of single- and double-track segments and could be operated with light rail vehicles or modern streetcar vehicles. Metro Transit expects to complete the Midtown Corridor Alternatives Analysis in early 2014.
- Dakota County Regional Railroad Authority and Ramsey County Regional Railroad Authority are partnering on the *Robert Street Transitway Alternatives Study*. The study has narrowed the list of build alternatives down to three, including an alternative for modern streetcar on Robert Street. The study is expected to be completed in early 2014 with a recommendation for a Locally Preferred Alternative from the Regional Railroad Authorities.
- Metro Transit, the City of Minneapolis, and Hennepin County are partnering on a detailed corridor study of West Broadway that is expected to begin in 2014. The project will analyze transit options along West Broadway and options to connect to downtown Minneapolis and to the planned Bottineau LRT corridor. The study will include modern streetcar and arterial BRT options.

The number of completed or active studies considering modern streetcar, and specifically the recommendation for a starter line in the Nicollet-Central corridor, illustrates the positive support for modern streetcar as a new transit mode in the region. The addition of this new mode into the transit system poses a number of questions that need to be addressed through a future update of the Transportation Policy Plan and prior to beginning construction on a first line. The questions include:

- What is the role of modern streetcars in local and regional transit systems as a transportation investment, an economic development investment, and an investment that supports regional growth forecasts?
- How do these roles affect the viability of potential funding sources for the capital and operating costs of modern streetcars?

- Should there be typical funding sources for modern streetcar and what would be appropriate sources and shares?
- Should modern streetcars be a transitway mode in the Transportation Policy Plan, which is a requirement for eligibility of certain funding sources?
- How might modern streetcar projects or a system be prioritized with the region? Within a community as part of a long-term network?
- What is the appropriate role for modern streetcar projects and arterial BRT projects already identified in the Transportation Policy Plan within the same broader corridor and how might this determination be made?
- How can modern streetcar and bus service be designed to complement each other, rather than compete with each other or rather than introduce negative impacts for existing bus riders?

The Council ~~will~~ is continuing to collaborate with local units of government and regional transit planning partners to address these questions and determine where and when modern streetcars may be an appropriate transportation investment. Modern streetcars have the potential to support significant regional growth in the highly developed areas of the region, where transportation systems are limited in physical space and transit is a means to add significant transportation capacity. However, the eligibility and use of transportation funding sources, including regional, state, and federal, for modern streetcars will need to be considered relative to the expected availability of funds and the role and expected benefits of the projects, and local participation in the funding of these projects will be an important part of the discussion. If it is determined that streetcars provide positive, significant, and cost-effective transportation benefits beyond alternative bus, BRT, or LRT investments, capital costs for streetcars might be funded by a combination of local and regional funds and may compete for federal transportation funding. If streetcars do not provide an optimal transportation solution and are pursued primarily for development outcomes they should be funded locally and should not compete with other regional priorities for federal and state transportation funding sources. Regardless of funding source, modern streetcar service would be expected to integrate seamlessly with the regional transit system.