



August 20, 2021

Mr. Jim Hovland
Chair, Transportation Advisory Board
Metropolitan Council
390 North Robert Street
Saint Paul, Minnesota 55101

Dear Mr. Hovland:

I am writing regarding the federal grant for the I-94 & Manning Park & Ride project, federal grants MN-95-X038 and MN-95-X041. The project was awarded \$7,280,000 in federal CMAQ funds through the Regional Solicitation to acquire property, build 550 park-and-ride spaces, purchase buses, and fund demonstration express bus operations for three years in the I-94 east corridor between Manning Avenue and downtown Minneapolis in program years 2013, 2014.

Expenditure of federal CMAQ grant funds to date includes the purchase of four 60' buses received in 2015 and added for I-94 east express Route 375 serving the Guardian Angels Park & Ride, and eligible expenses for preliminary engineering and design and pre-acquisition real estate services.

Despite significant work to advance the project through a variety of challenges and delays, not seeing a reasonable path forward, Metro Transit decided in late 2020 to cancel the project and notified TAB of our intention to return the remaining CMAQ grant funds via a letter to you on November 11, 2020.

Based on subsequent communications with the Federal Transit Administration about closing out the grant, Metro Transit requests that TAB approves the expenditure of \$2,235,600 in CMAQ grant funds for the purchase of buses, which have been used in the same I-94 East corridor since 2015, and \$540,041 in CMAQ grant funds for eligible park-and-ride development expenses. With this approval, the \$4,504,359 in remaining CMAQ grant funds may be returned to TAB for reallocation to other projects.

This project has a complicated history over many years. A summary of the project history and funding is attached. Thank you for your support for this project.

Sincerely,

A handwritten signature in blue ink that reads 'Marilyn J Porter'.

[Marilyn J Porter \(Aug 20, 2021 15:00 CDT\)](#)

Marilyn Porter

Director, Engineering and Facilities

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I-94 & Manning Park & Ride Project History

TAB selected the Manning Avenue project (CMT0905) to receive funding in the 2009 Regional Solicitation. The project was awarded \$7,280,000 in federal CMAQ funds for a \$11,428,823 project that included a 550-space park-and-ride lot, three buses, and transit operations. The project was approved in the 2011-2014 TIP.

On August 15, 2012, TAB approved the 2013-2016 TIP, which separated the project into four line items and increased the number of buses to four buses:

Description	Project Total	FHWA	Other
CMAQ: ON I-94 NEAR MANNING AVE IN LAKE ELMO-PARK & RIDE LAND ACQUISITION, DESIGN & PHASE 1 CONSTRUCTION	\$4,435,350	\$3,548,280	\$887,070
CMAQ: ON I-94 NEAR MANNING AVE IN LAKE ELMO-PARK & RIDE PHASE II CONSTRUCTION	\$912,033	\$729,626	\$182,407
CMAQ: ON I-94 NEAR MANNING AVE IN LAKE ELMO-FOUR 60 FT BUSES FOR EXPRESS SERVICE	\$2,794,500	\$2,235,600	\$558,900
CMAQ: ON I-94 NEAR MANNING AVE IN LAKE ELMO-EXPRESS SERVICE FOR 3 YEARS	\$958,117	\$766,494	\$191,623
Total	\$9,100,000	\$7,280,000	\$1,820,000

Since 2013, the project has experienced multiple delays. The original location identified for the park-and-ride was at the southwest intersection of I-94 and Manning Ave in the City of Woodbury. In a letter dated May 9, 2014, the City of Woodbury requested that “Metro Transit delay a decision on the Manning Avenue Area Park and Ride facility until an analysis of alignment options for the Gateway Corridor EIS is released. Anticipated release is the spring of 2016.” The Woodbury site was also determined to be infeasible due to a realignment of Hudson Road that resulted in inefficient transit circulation and increased project cost.

In 2015 Metro Transit identified a new site at the northwest quadrant of I-94 & Manning Ave in the City of Lake Elmo. Metro Transit purchased four buses and began operating on I-94 East express Route 375 (Guardian Angels Park and Ride).

Between 2016 and 2019, Metro Transit coordinated with the City of Lake Elmo and the developer of the property to complete the design, environmental documentation, FTA submittals, preliminary real estate activities, and preliminary plat submitted by the developer.

There were additional delays during this time for the developer to obtain the necessary City approvals for Metro Transit being able to complete the property acquisition.

Unfortunately, during the years of project development, park-and-ride demand in the corridor weakened. Between 2004 and 2014, the I-94 east corridor park-and-ride market showed consistent growth serving downtown Minneapolis and St. Paul employment. However, park-and-ride usage and express bus ridership in the I-94 east corridor peaked in 2014, and ridership declined through early 2020.

With the onset of the COVID-19 pandemic in March 2020 and following Executive Orders to stay home and work remotely, if possible, most downtown offices closed temporarily, and many commuter express bus routes were

suspended. This further softened the commuter express market to the downtown office environment, reducing the need for additional parking programmed at Manning Avenue and I-94, near term.

Because commuters typically favor park-and-ride locations with frequent, all-day service, serving large market areas, we expect the park-and-ride at Woodbury Theatre (currently operating Route 353) will be more successful in attracting post-pandemic riders, especially once the Gold Line BRT station is developed in the Valley Creek Shopping Center area (future I-494 Station).

Due to these factors, in November 2020 Metro Transit informed the property owner that the Council was rescinding its offer to purchase the property, withdrawing its Conditional Use Permit (CUP) application for the site, and cancelled its engineering and design contract with SRF. Metro Transit notified TAB and FTA of its intention to cancel the project in November 2020 and January 2021, respectively.

CMAQ Grant Budget, Expenditures, and Balance

Project	Fund	Grant	Description	Total	BUDGET	
					Federal	Match
62222	8F5	MN-95-X038	CMAQ I-94 & Manning P&R	5,347,383	4,277,906	1,069,477
65402	8M7	MN-95-X041	2014 MT Buses CMAQ	2,794,500	2,235,600	558,900
44401	702	MN-95-X041	Operating Assistance	958,117	766,494	191,623
Total				9,100,000	7,280,000	1,820,000

Project	Fund	Grant	Description	Total	EXPENDITURES	
					Federal	Match
62222	8F5	MN-95-X038	CMAQ I-94 & Manning P&R	675,056	540,041	135,015
65402	8M7	MN-95-X041	2014 MT Buses CMAQ	2,794,500	2,235,600	558,900
44401	702	MN-95-X041	Operating Assistance		-	-
Total				3,469,556	2,775,641	693,915

Project	Fund	Grant	Description	Total	BALANCE	
					Federal	Match
62222	8F5	MN-95-X038	CMAQ I-94 & Manning P&R	4,672,327	3,737,865	934,462
65402	8M7	MN-95-X041	2014 MT Buses CMAQ	-	-	-
44401	702	MN-95-X041	Operating Assistance	958,117	766,494	191,623
Total				5,630,444	4,504,359	1,126,085



08-20-2021 TAB Letter

Final Audit Report

2021-08-20

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