



Transitway Advancement

Metropolitan Council Transportation Committee



November 2022

Transitway advancement



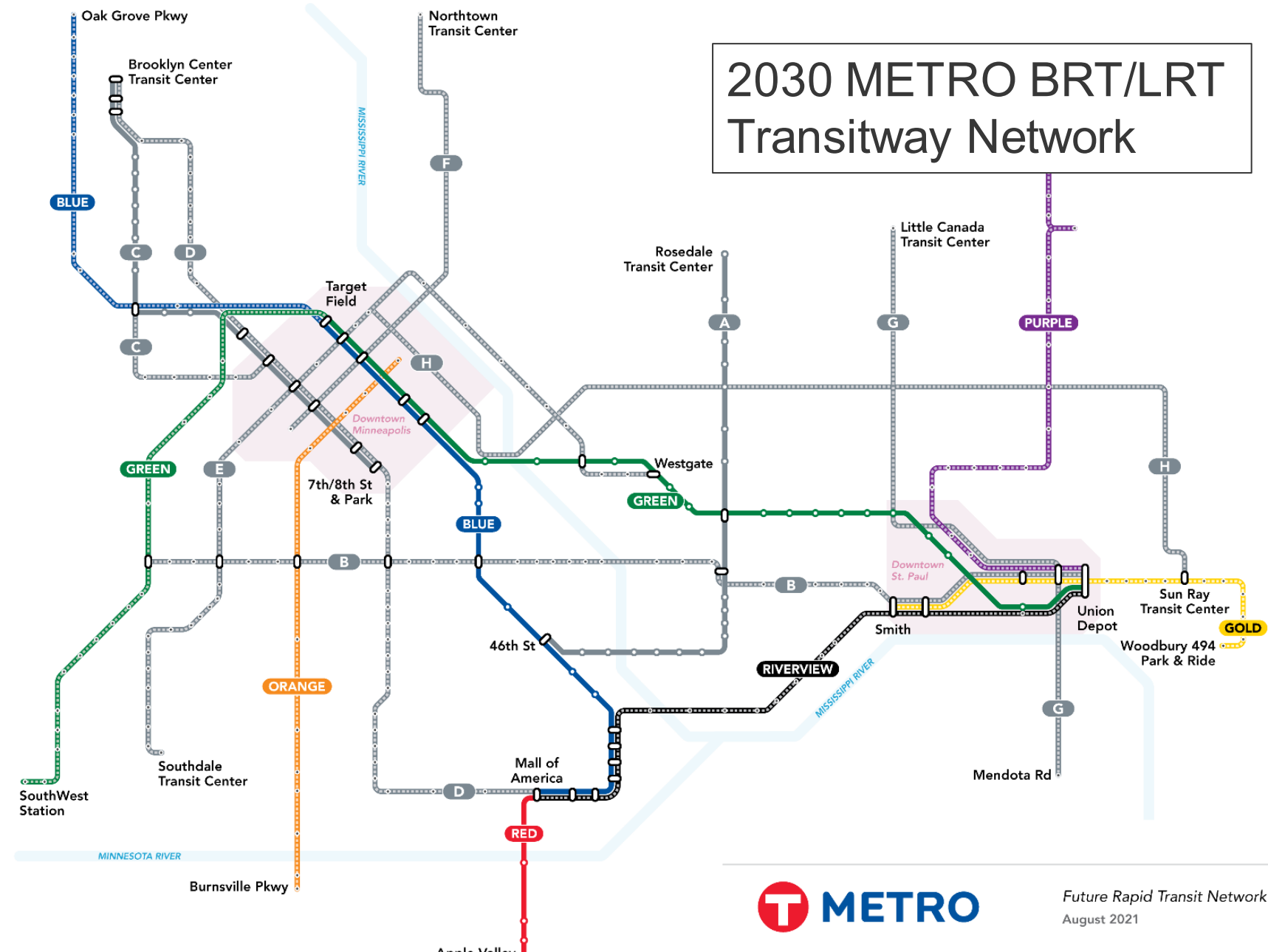
Topics

- Review key Council decision points in transitway project planning and implementation
- Discuss risk management through the project implementation process
- Proposed policy to clarify expectations and manage transitway project risk as projects advance through planning and implementation

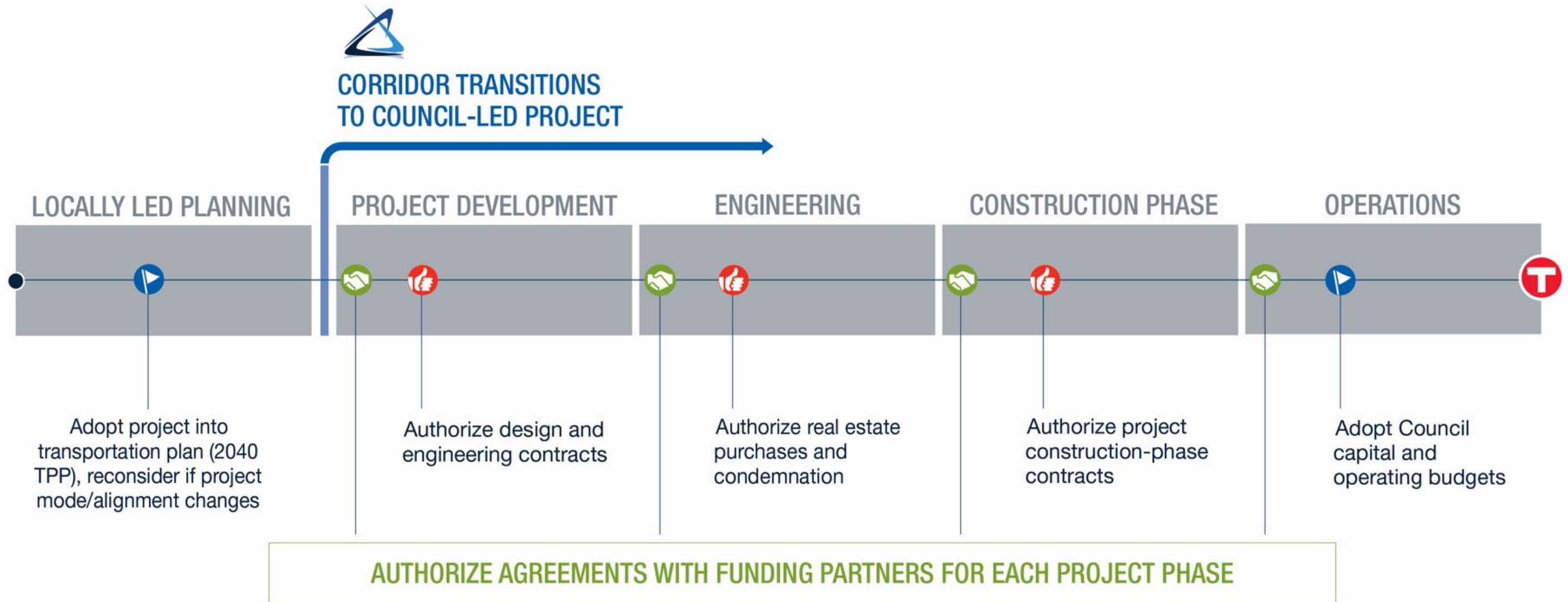
Implementing the METRO system

Transitways

- Provide high-capacity, frequent, all-day regional transit service
- Connect people and places, drives regional economic prosperity
- Advance the Council's mission as regional planning agency, MPO, and transit operator
- Product of significant partnerships led by the Council with federal, state, and local governments
- Stations enable cities to shape land use, guides Council investment in TOD and other programs



Transitways: When does the Council decide?



The governing body of the Metropolitan Council approves the advancement of transitway projects through approval decisions in three areas:

- Planning approval (2040 TPP)
- Interagency agreements
- Budget and expenditure approvals

Council and partner roles in transitways



Council role in transitway corridors

- Leads regional long-range transportation planning
- Develops and operates transitway projects
 - Federal project development and funding processes
 - Design, construct, operate, maintain, renew

Council partner roles (typically counties)

- Lead early planning, including evaluation and recommendation of projects' "Locally Preferred Alternative" (mode and alignment)
- Environmental evaluation: preliminary or full initial evaluation of project effects during projects' local planning phase
- Capital investment funding: share of non-federal funds
- Operating funding: share of annual net operating subsidy
- Ongoing capital maintenance: role not currently defined

Transitway project issues and risks

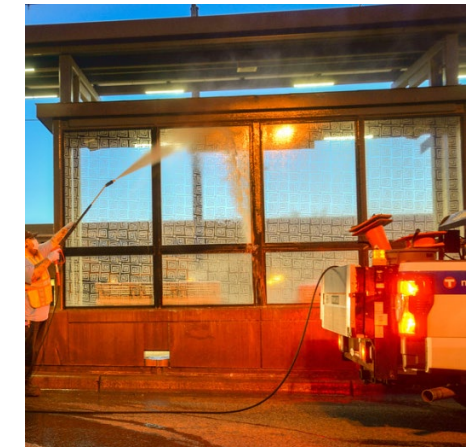
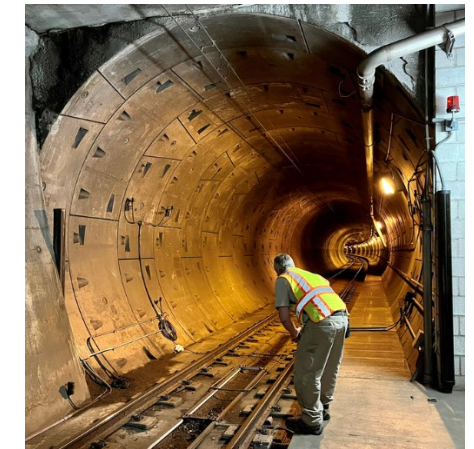
Project setbacks and unresolved issues pose system-level risks during and after project implementation

Individual projects have faced implementation challenges

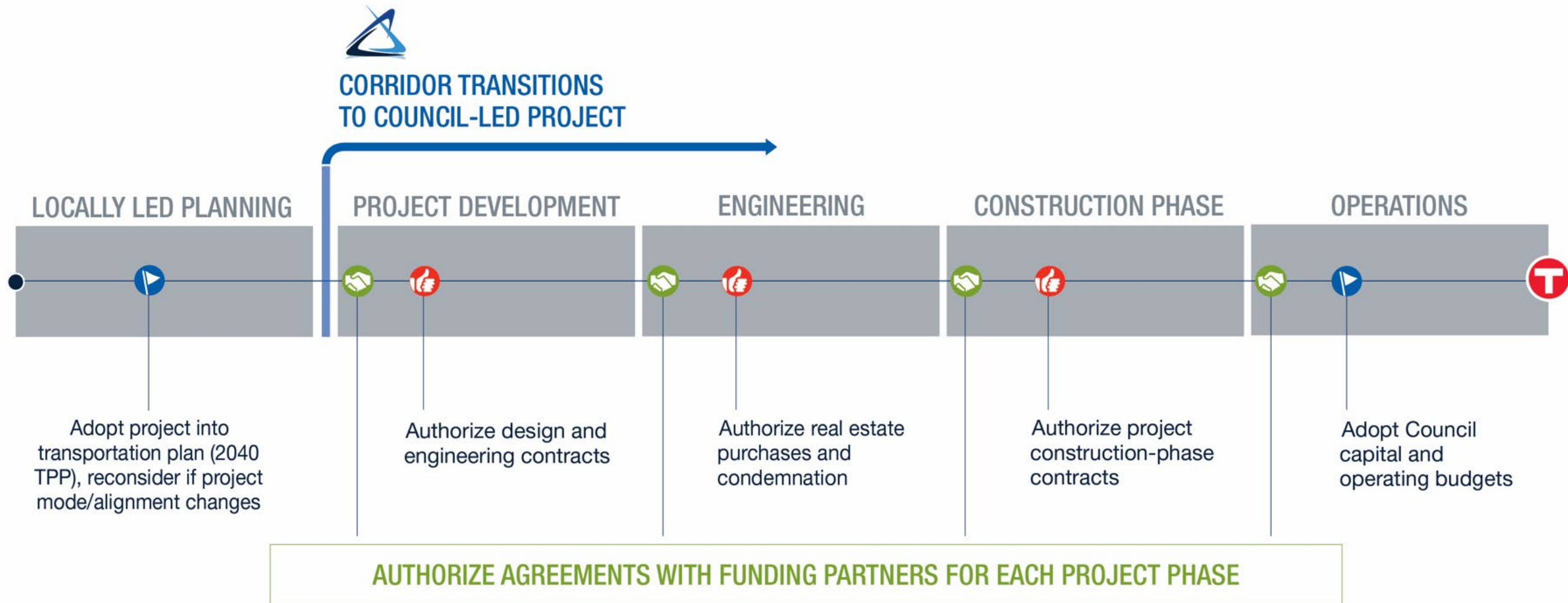
- Local community support
- Construction challenges
- Cost increases beyond project budgets and contingency plans
- Undefined roles or expectations for local partners in issue resolution

Cumulative system-level operations and capital maintenance risks

- Undefined roles for operations and maintenance of project assets
- Capital maintenance has emerged as a significant financial issue for the region, particularly for rail lines.
 - Long-term needs are not currently defined during projects' planning and design phases
- Transitway operations require significant staffing additions



Metropolitan Council decision points



Policy challenge: Decisions are *individually incremental* and *cumulatively significant*. Interest to avoid project delays can lead to deferral of important risks and issues as projects develop.

Recent changes to project development



Recent Council and partner practices

- Clearer expectations for planning phase data and inputs
- Increased efforts and participation in risk management work
- Development of ownership, operating, and maintenance responsibilities throughout phases of project implementation
- Promising results include increased understanding between all project partners, informed decisions before construction
- Some unresolved risks remain- including planning for capital maintenance of project and system assets, other risks

Proposal: Adopt a new Metropolitan Council administrative policy to clarify and strengthen the advancement process by requiring specific information at key project planning and implementation decision points.

Policy overview

As the region's Metropolitan Planning Organization (MPO), the Council requires and compares information on critical aspects of a proposed transitway with standards established by the *2040 Transportation Policy Plan*. Required information will be detailed in a subsequent Plan modification.

At the point that Metro Transit is implementing the transitway, the policy would require the Council and local project sponsors to develop a risk register, establish roles and responsibilities that address project risks, and reflect these in agreements.

Risk Management at the Council

What is a Risk?

Anything that can prevent an organization from meeting its objectives

Example objectives:

Successful transit project implementation

Success in operating and maintaining the system

Orderly and economical development of the region

Categories of Risk

Project-level risks

- Requirements
- Design
- Market
- Construction

Enterprise-level

- Procurement
- Operational
- Legal/contractual
- Financial

Risk Management

- Discipline that seeks to resolve or mitigate risks
- Strategies entail
 - Evaluation of risks
 - Development and management of risk registers to quantify
 - Executing strategies to reduce exposure
 - Assignment of risk to responsible parties
- **Required by FTA**

[Reference: FTA Risk Management Oversight Procedure](#)

Proposed policy summary:

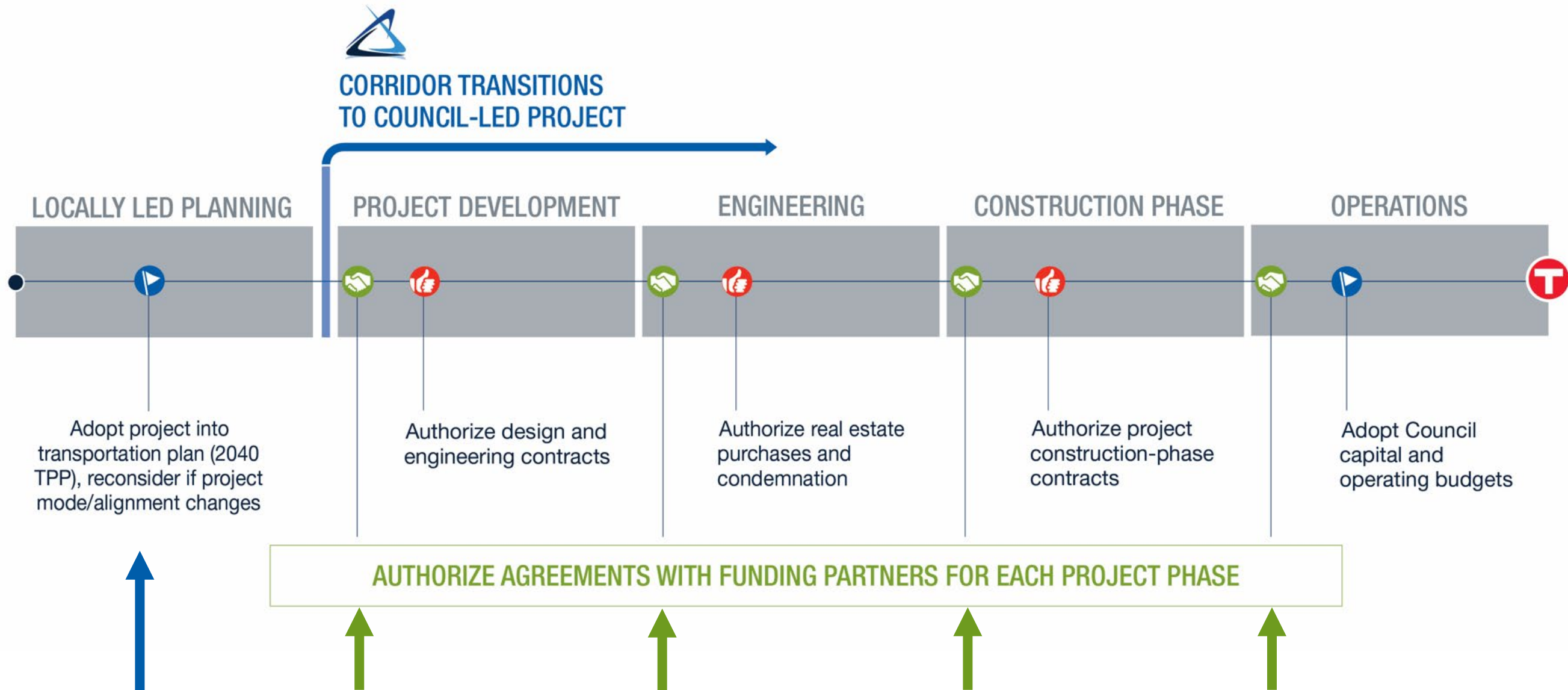
Planning Role:

- Formalizes required project information for plan adoption or modification:
 - Local support for the project
 - Capital costs and revenues
 - Operating costs and revenues
 - Regional fiscal constraint
- Requires new information based on system needs and identified risks
 - Lifecycle cost and revenue information
 - Operating plans
- Compares project information to existing *2040 TPP* standards
- **Implemented through TPP Modification**

Developer-Operator Role:

- Risk Management
 - Participation in risk management process and development of risk registers
 - Identify risks to reduce or resolve prior to Council-led project advancement
 - Define partner and Council roles and responsibilities in ongoing risks
- **Implemented through project agreements with local partners/funders**
- Conducted for each phase of transitway project development and for operations
- Anticipates greater levels of detail and issue resolution as projects move toward opening

Application of new policy



Application of proposed new policy occurs **at plan amendment/adoption** and **at each project phase agreement**
Each phase's risk assessment will consider all subsequent phases of implementation and operation/maintenance

What the proposed policy does NOT do:

Planning Role:

- Implementing TPP Modification would not:
 - Change any project's status in the TPP
 - Change performance standards, guidelines, or set new expectations for project performance
 - Change other regional transportation policies related to transitways
- These changes may be considered in future plans through ongoing planning and *2050TPP* work developed in collaboration with regional transportation partners and with the Transportation Advisory Board

Developer-Operator Role:

- Does not create new decision points or approvals for projects' advancement
- Does not change or modify existing agreements for projects in development
- Does not prioritize projects for implementation
- Does not single out any transitway projects or project sponsors; applies to all projects including projects initiated by the Council

Summary



Desired Outcome: Informed decisions, managed risks for transitways

Next Steps:

1. November 30, 2022: Consider adoption of new Council administrative policy guiding transitway advancement
2. Q1 2023: Adopt 2040 TPP Administrative Modification to define expected project information for planning review
3. Ongoing: Manage risk through Council's developer-operator role in project funding agreements that:
 - Incorporate proactive risk management practices
 - Define Metropolitan Council and partner roles and responsibilities in the management of project and system-level risks
 - Develop these roles at and for each phase of transitway implementation and for ongoing operations and maintenance