Central Corridor LRT

St. Paul-Minneapolis, Minnesota

(November 2009)

The Metropolitan Council (MC), in cooperation with the Ramsey and Hennepin Counties Regional Rail Authorities (RCRRA and HCRRA), proposes to construct a 9.8-mile, double-track light rail transit (LRT) line that would link the downtowns of St. Paul and Minneapolis. The LRT line would also serve a number of major activity centers, including the University of Minnesota-St. Paul, the State Capitol, and major event venues (Target Center, Metrodome). From Minneapolis, the LRT line would share 1.2 miles of existing track with the Hiawatha LRT line before turning east in its own right of way across the Mississippi River on the existing Washington Avenue Bridge to St. Paul, and generally follow University Avenue to the State Capitol area and terminate at the Union Depot in downtown St. Paul. The MC would procure 31 light rail vehicles that would operate at 7.5-minute peak period frequencies. A vehicle maintenance facility would be constructed in St. Paul.

The Central Corridor links two central business districts (CBD). Existing corridor transit service includes express buses operating on Interstate 94 serving both downtowns, limited-stop local buses on University Avenue, and a local bus route with stops every few blocks on a parallel arterial. Current transit service utilizes reverse-flow lanes in downtown Minneapolis, bus-only freeway shoulder lanes and freeway entrance bypass ramps. Ridership on the routes totals nearly 40,600 each weekday, with roughly equal directional travel during peak periods. However, these services are impacted by high traffic volumes at major intersections along University Avenue during peak periods. On-time reliability in 2007 for the local bus services on University Avenue and the parallel arterial was 88 percent. Roadway expansion is not included in the region's long-range transportation plans.

Summary Description	
Proposed Project:	Light Rail Transit 9.8 Miles 15 Stations
Total Capital Cost ($YOE):	$941.32 Million (includes $17.9 million in finance charges)
Section 5309 New Starts Share ($YOE):	$466.16 Million (49.5%)
Annual Forecast Year Operating Cost:	$39.29 Million
Ridership Forecast (2030):	41,700 Average Weekday Boardings 6,300 Daily New Riders
Opening Year Ridership Forecast (2014):	36,600 Average Weekday Boardings
FY 2011 Local Financial Commitment Rating:	**Medium-High**
FY 2011 Project Justification Rating:	**Medium-High**
FY 2011 Overall Project Rating:	**Medium-High**

The MC may add one or more stations to the project in St. Paul, although the current cost estimate does not reflect this. Additional station(s) would impact the project scope, schedule and budget. As of late November 2009, local officials had not decided whether additional stations would be added.[1]

[1] As of January 2010, the Metropolitan Council has announced its intent to add three infill stations to better serve all communities along the alignment. Such changes will be reflected when the project is evaluated and rated for entry into Final Design.

Project Development History and Current Status

The RCRRA, in cooperation with the MC, completed an alternatives analysis / Draft Environmental Impact Statement (AA/DEIS) in April 2006. LRT was chosen as the locally preferred alternative. FTA approved the Central Corridor LRT project into preliminary engineering in December 2006. During 2008, local officials analyzed several scope changes to reduce the project's budget. A supplemental DEIS that examined the environmental impacts of these scope changes was completed in July 2008. A Final EIS was released in June 2009. An environmental Record of Decision was issued in August 2009. Final design approval is anticipated in early 2010.

The project's scope has not been finalized. Uncertainty remains for major work items including: traffic mitigations; integration into the existing Hiawatha LRT line; LRT run times; real estate; and a University of Minnesota Memorandum of Understanding. Significant risks also remain in the areas of escalation and contingency.

Significant Changes Since FY 2010 Evaluation (November 2008)

The project's cost estimate increased from $914.9 million to $941.3 million due to several scope changes. In April 2009, the MC and Minnesota Public Radio (MPR) agreed to a mitigation plan to address the noise and vibration impacts of the LRT to MPR's Broadcast Center in St. Paul. The agreement includes a new 700-foot "floating slab" to mitigate vibration and noise impacts to MPR and two historic churches. In summer 2009, local officials decided to purchase the property near the proposed 4th Street / Cedar Street station and surrounding parcels. The previous scope only included the demolition of the building and surrounding structures in that area.

Project Justification Rating: Medium-High

The project justification rating is based on the weighted average of the ratings assigned to each of the following criteria: the cost-effectiveness criterion is weighted 20 percent; the transit supportive land use criterion is weighted 20 percent; the economic development criterion is weighted 20 percent; the mobility improvements criterion is weighted 20 percent; the environmental benefits criterion is weighted 10 percent; and the operating efficiencies criterion is weighted 10 percent.

Cost Effectiveness Rating: Medium

The cost effectiveness rating reflects the level of travel-time benefits (8,200 hours each weekday) relative to the project's capital and operating costs based upon a comparison to a baseline alternative.

Cost Effectiveness	
	New Start vs. Baseline
Cost per Hour of Transportation System User Benefit	$24.81*
Incremental Cost per Incremental Trip	$32.54

*****Indicates that measure is a component of Cost Effectiveness rating.

Transit-Supportive Land Use Rating: Medium-High

The land use rating reflects the population and employment densities within ½-mile of proposed station areas.

- Population density is approximately 8,600 people per square mile in the corridor, and total employment in project station areas is approximately 280,100 jobs. In 2000, employment in the Minneapolis CBD was 146,500 and is expected to increase to 193,600 by 2030. CBD employment in St. Paul was estimated at 47,500 and is anticipated to increase to 77,900 by 2030.

The corridor serves the region's largest job centers including the Minneapolis and St. Paul CBDs, Target Center, State Capitol complex, and the University of Minnesota-St. Paul, among others.

- In both CBDs, virtually all streets are fully equipped with curb cuts and Americans with Disabilities Act compliant sidewalks. Most major streets, including those with bridges, include pedestrian accommodations. The majority of major streets also have designated bicycle and pedestrian lanes.

Economic Development Rating: High

The economic development rating is based upon the average of the ratings assigned to the subfactors below.

Transit-Supportive Plans and Policies: High

- Throughout the corridor numerous station area, small area, and neighborhood plans have been adopted and contain numerous growth management strategies as a result of the 2030 Regional Development Framework Plan.
- Established regional growth boundaries (known locally as urban service boundaries), including regional investments in programs such as Livable Communities, have helped to encourage investment in higher intensity, mixed-use transit-supportive land development.
- The adopted Regional Development and Transportation Plan, the Regional Transit-Oriented Development (TOD) Handbook, the Metropolitan Council's land use grant program, and the LRT/Land Use Coordination process all support increased corridor and station area development, including pedestrian facilities and transit-friendly character.
- Numerous regulatory and financial incentives also promote transit-supportive development throughout the corridor.

Performance and Impacts of Policies: Medium-High

- There are numerous projects planned or under construction in the station areas, including mixed uses and urban villages that include increased housing densities and other transit-supportive elements.
- In 2002 a study was completed that assessed the potential for redevelopment within a ¼-mile of each proposed station area along the corridor. The report detailed redevelopment and infill development opportunities station by station. The findings revealed that the majority of planned station areas have strong TOD potential.

Other Project Justification Criteria

Mobility Improvements Rating: Medium	
	New Start vs. Baseline
Transportation System User Benefit Per Passenger Mile (Minutes)	2.6
Number of Transit Dependents Using the Project	17,700
Transit Dependent User Benefits per Passenger Mile (Minutes)	2.6

Environmental Benefits Rating: Medium	
Criteria Pollutant Status	**EPA Designation** Maintenance or Attainment Area for all pollutants

Operating Efficiencies Rating: Medium		
	Baseline	**New Start**
System Operating Cost per Passenger Mile (current year dollars)	$0.86	$0.75

Local Financial Commitment Rating: Medium-High

The local financial commitment rating is based on the weighted average of the ratings assigned to each of the following criteria: the New Starts share of project costs is weighted 20 percent; the strength of the capital finance plan is weighted 50 percent; and the strength of the operating finance plan is weighted 30 percent.

Section 5309 New Starts Share of Total Project Costs: 49.5%
Rating: Medium

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$466.16	49.5%
Congestion Mitigation Air Quality	$4.50	0.5%
State:		
General Obligation Bonds	$94.14	10.0%
Local:		
Counties Transit Improv. Board	$282.39	30.0%
RCRRA	$65.89	7.0%
HCRRA	$28.24	3.0%
Total:	**$941.32**	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

Capital Finance Plan Rating: Medium-High

The capital finance plan rating is based on the weighted average of the ratings assigned to each of the subfactors listed below. The agency capital condition is weighted 25 percent, the commitment of capital funds is weighted 25 percent, and the capital cost estimate, planning assumptions and capital funding capacity subfactor is weighted 50 percent.

Agency Capital Condition: Medium-High

- The average age of the bus fleet is 7.3 years, which is in line with the industry average.
- The very good bond ratings, which were issued in 2009, are as follows: Moody's Investors Service Aaa and Standard & Poor's Corporation AAA.

Commitment of Capital Funds: High

- Nearly all (98 percent) of the non-Section 5309 New Starts funds are committed. Sources of funds include CMAQ funds, General Obligation bond revenues from the State, dedicated sales tax and sales tax bond revenues from the Counties Transit Improvement Board (CTIB), and property tax bond revenues from RCRRA and HCRRA.

Capital Cost Estimate, Planning Assumptions, and Financial Capacity: Medium

- Revenue assumptions are in line with historical data, including State General Obligation bonds, and CTIB and property tax bond revenues from the local regional rail authorities.
- The capital cost estimate is considered optimistic. Significant risks remain for major cost drivers, including project scope and environmental mitigation. The MC may add at least one station in St. Paul to address local environmental justice concerns, which would impact the project's schedule and budget. The MC and the University are negotiating an agreement on electromagnetic interference mitigation and trackwork mitigation through the University's campus, which could result in an increase to the capital cost estimate.

Operating Finance Plan Rating: Medium-High

The operating finance plan rating is based upon the weighted average of the ratings assigned to each of the subfactors listed below. The agency operating condition is weighted 25 percent, the commitment of operating funds is weighted 25 percent, and the operating cost estimates, planning assumptions and operating funding capacity subfactor is weighted 50 percent.

Agency Operating Condition: High

- The MC's current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.4.

Commitment of Operating and Maintenance Funding: High

- Over 80 percent of operating funding is committed, while the remainder is budgeted. The main revenue sources are fares, motor vehicle sales tax revenues, State/local operating assistance and other transit-related revenue.

Operating Cost Estimates, Planning Assumptions, and Financial Capacity: Medium

- Assumed growth in operating expenses is optimistic compared to historical experience. However, assumed farebox collections and sales tax revenues are in line with historical experience.

Map