



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

270 Metro Square Building
St. Paul, Minnesota 55101
612/292-8789

MEETING OF THE REGIONAL TRANSIT BOARD
COMMITTEE OF THE WHOLE

Monday, January 26, 1987
Metropolitan Council Offices, Room E
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Strategy for the 1987 Legislative Session

Elliott Perovich
Chairman

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: January 20, 1987
TO: Regional Transit Board Members
FROM: Elliott Perovich, Chairman
SUBJECT: Strategy for the 1987 Legislative Session

Attached are bill drafts for several legislative initiatives that the board had decided to pursue previously.

The draft language addresses four different initiatives:

- * Sunsetting provisions for Transit Replacement Program (Opt-Out);
- * Short-term borrowing
- * Clarification fo the tax-feathering formula
- * Fare policy suspension

Additional information summarizing each of these initiatives and some possible additional legislative proposals will be available at the January 26 Committee of the Whole meeting.

It is my intention that the board can refine and clarify our precise legislative package at this meeting. Please come prepared with any additional ideas that you may wish to discuss for our legislative program.

Also attached is a draft of the MTC's proposed legislation regarding arrest powers of off-duty peace officers hired for security purposes on MTC buses.

EP/mf
Att.

H&G 12/22/86

Sec. __. Minnesota Statutes 1986, Section 473.388, subdivision 2 is amended to read:

Subd. 2. [Replacement service, eligibility.] The transit board may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;
(b) is not served by the transit commission or is served only with transit commission bus routes which begin or end within the applying city or town or combination thereof, that:

(c) has fewer than four scheduled runs of metropolitan transit commission bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The board may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town (i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984, or (ii) had submitted an application for assistance under that section by July 1, 1984, or (iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984 and submits an application for assistance under this section by January 1, 1988.

12/23/86

A bill for an act

relating to the regional transit board issuing tax or revenue anticipation obligations; amending Minnesota Statutes 1985 Supplement, Section 473.39, as amended; repealing Minnesota Statutes 1985 Supplement, Section 473.436, Subd. 6 and Subd. 7.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1985 Supplement, section 473.39, as amended by Laws 1986, Chapter 460, sections 39 and 40, is amended by adding a subdivision to read:

Subd. 1b. [TEMPORARY BORROWING.] On or after the first day of any fiscal year, the board may borrow money which may be used or expended by the board for any purpose, including but not limited to current expenses, capital expenditures and the discharge of any obligation or indebtedness of the board, or any obligation or indebtedness of the council issued pursuant to section 473.39, subdivision 1 or any obligation or indebtedness of the commission. The indebtedness must be represented by a note or notes which may be issued from time to time in any denomination and sold at public or private sale pursuant to a resolution authorizing the issuance. The resolution must set forth the form and manner of execution of the notes and shall contain other terms and conditions the board deems necessary or desirable to provide security for the holders of the notes. The note or notes are payable from committed or appropriated money from taxes levied by the board under section 473.446, subdivision 1, clause (a), grants or loans of the state or federal government made to the board, or other revenues of the board or, if the commission has given prior approval to the pledge thereof, grants or loans made to, or other revenues of the commission, and the money may be pledged to the payment of the notes. To the extent the notes are not paid from the grant or loan money pledged for the payment thereof, the principal of and interest

on the notes must be paid from any taxes levied by the board pursuant to section 473.446, subdivision 1, clause (a) and any income and revenue received by or accrued to the board during the fiscal year in which the note or notes were issued, or other money of the board lawfully available therefor. Notes issued hereunder are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. Neither the state nor any municipality or political subdivision except the board, nor any member or officer of the board, is liable on the notes.

Section 2. Laws 1986, Chapter 460, section 39, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The council, if requested by vote of at least two-thirds of all of the members of the transit board, may issue general obligation bonds subject to the volume limitation set forth in subdivision 1a of this section to provide funds to the board for expenditure to implement the board's approved implementation plan and may issue general obligation bonds not subject to the volume limitation set forth in subdivision 1a of this section for the refunding of outstanding bonds, or certificates of indebtedness of the council, the board or the commission, and judgments against the board or the commission. The council may not unreasonably withhold the issuance of obligations for an implementation plan that has been approved by the council. The council may not issue obligations pursuant to this subdivision, other than refunding bonds, in excess of the amount specifically authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall provide for the issuance, sale, and security of the bonds in the manner provided in chapter 475, and has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the net debt limitations in chapter 475 do not apply to the bonds. The obligations are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to

those entities. Neither the state, nor any municipality or political subdivision except the council and board, nor any member or officer or employee of the board or council, is liable on the obligations. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1, clause (c). The council shall certify to the transit board before October 1 of each year the amounts necessary to provide full and timely payment of the obligations. As part of its levy made under section 473.446, subdivision 1, clause (c), the board shall levy the amounts certified by the council and transfer the proceeds to the council for payment of the obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness.

Section 3. Laws 1986, chapter 460, section 40, is amended to read:

Subd. 1a. [AMOUNT; I-394 FACILITIES.] The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$8,500,000 for expenditure as prescribed in the implementation plan of the board. Of this amount, no more than \$1,500,000 may be spent for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by the metropolitan transit commission. The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this provision available to all transit providers on a nondiscriminatory basis, as the board defines these terms. The limitation contained in this subdivision does not apply to refunding bonds issued by the council.

Section 4. Minnesota Statutes 1985 Supplement, section 473.39, subd. 2, is amended to read:

Subd. 2. [LEGAL INVESTMENTS.] Certificates of indebtedness, bonds, or other obligations issued by the council or by the board to which tax levies have been pledged pursuant to section 473.446, are proper for investment of any funds by a bank, savings bank, savings and loan association, credit union, trust company, insurance company, or public or municipal corporation, and may be pledged by any bank, savings bank, savings and loan association, credit union, or trust company as security for the deposit of public money.

Section 5. [REPEALER.] Minnesota Statutes 1985 Supplement, section 473.436, subdivision 6 and subdivision 7, are repealed.

Section 6. [EFFECTIVE DATE.] Sections 1, 2, 3, 4 and 5 are effective on the day following final enactment.

H&G 12/23/86

Sec. __. Minnesota Statutes 1986, Section 473.446, subdivision 1 is amended to read:

[Subdivision 1. Taxation within transit taxing district.]
For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission board under section ~~473.436~~, subdivision 6 473.39, subdivision 1b;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to twenty-five percent of the tax levy that would be produced by applying a the rate of 0.5 mills specified in clause (a) above on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to thirty-seven and one-half percent of the tax levy that would be produced by applying the a rate of 0.75 mills specified in clause (a) above on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.13, subdivision 15a, clause (3). There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

H&G 12/23/86

Sec. __. [Fare Restriction Repealed]

The provisions respecting fares of the metropolitan transit commission in Laws 1981, chapter 363, section 55, subdivision 1; Laws 1981, third special session, chapter 2, article 1, section 2, subdivision 2; and Laws 1983, chapter 293, section 2, subdivision 5, are repealed. Laws 1985, first special session, chapter 10, section 122 is repealed.

The recommended language FOR THE PROPOSED LEGISLATION
FOLLOWS:

A BILL FOR AN ACT

Relating to crimes; authorizing the metropolitan transit commission to police its routes and properties; to hire peace officers with powers of arrest for the purpose of protecting the commission's property, equipment, employees and passengers; amending Minnesota Statutes 1986, Section 473.405, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1986, Section 473.405, is amended by adding a subdivision to read:

Subd. 16 [Peace officers; Power of arrest]

The commission in the policing of its properties and routes may appoint and employ persons as peace officers, as defined in section 626.84, subdivision 1, clause (c), who shall have and exercise the same powers of arrest possessed by a peace officer, but said powers shall only be exercised in connection with investigations authorized by the commission, which investigations shall relate to commission property, equipment, employees, and passengers.

Sec. 2. [Effective Date]

Section 1 is effective the day following final enactment.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: January 23, 1987
TO: Members of the Regional Transit Board
FROM: Mike Kuehn, Assistant to the Chair *MK*
SUBJECT: Background on Legislative Initiatives

INTRODUCTION

Several legislative initiatives were discussed last fall by the Regional Transit Board regarding identified issues needing legislative modification. At that time the board approved the development of four legislative initiatives. These initiatives were reviewed for their policy content by the State Planning Agency and have now been drafted into bill language by our legal counsel. This draft bill language was sent to the board last week.

At the Committee of the Whole meeting on January 26 the board will be asked to discuss legislative issues identified in this memorandum, as well as those identified in our budget proposal, and be asked to recommend a legislative program for the RTB. This program will be approved at a board meeting in the near future.

LEGISLATIVE PROPOSALS

1. Establish Transit Replacement Service Application Deadline:

Our enabling legislation required communities to submit a letter of intent for establishing a transit replacement service (opt-out) by July 1, 1984. At that time 15 communities indicated their intent to pursue this option. Many of these communities have not taken any additional action to develop a transit replacement service.

This proposal would require communities that have previously filed a letter of intent to submit an application by January 1, 1988 to opt-out. After this date communities will no longer be able to develop a transit replacement service.

2. Short-Term Borrowing:

In the 1985 legislative session, the RTB's authority to sell bonds was removed. While the debate at the Legislature was about a uniform way for metropolitan agencies to sell general obligation bonds, the bill language also removed our authority for short-term borrowing, but left this authority with the MTC. During the selling of tax anticipation notes in 1986 by the MTC to meet their cash flow needs, bond consultants recommended that from a financing point of view it would be more desirable for the RTB to sell such tax anticipation notes. This is based on the fact that such

notes are backed by property tax collections and since the RTB is the agency that has the authority to levy and collect this tax, it should be selling the notes.

3. Fare Policy Suspension:

The RTB has the authority to set all transit fare policy. Some of the Legislature's previous authority to set certain fares was only suspended from legislative control until July 1, 1987. If this suspension is not extended or this section of law repealed, the Legislature would again be involved with establishing fare policy for express fare surcharges, special fares and others. The RTB is recommending that the section of statute giving the Legislature control of certain fare policies be repealed in its entirety.

4. Modification of Transit Taxing Levies:

Based on concern of local government and legislative intent, this proposal would alter the adjustment for tax-feathered communities from a 0.5 or 0.75 mill reduction to a 25-percent or 37-1/2 percent reduction of the communities' adjustment mill rate.

Since the tax-feathering legislation works like a tax credit that is reimbursed by the state, such legislation would not impact the total dollars received by the RTB in property taxes, but would increase the amount of dollars the state would reimburse the RTB from the general fund.

5. MTC Proposal: Arresting Authority of Peace Officers:

The MTC is requesting that off-duty peace officers who are hired to ride on certain bus routes be given power of arrest in connection with the protection of the commission's property, equipment, employees and passengers. Currently the power of arrest of off-duty peace officers outside their municipal jurisdiction are the same as any citizen, which limits the capacity of this off-duty officer in fulfilling his or her responsibilities.

MK/mf

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

KC
EK
KT
JW
RR
RS

T. Todd
A. Eubank
Werner
Bertland
deVico
Capell
K. Lyons
+ daughter

DATE: Comm of Whole
BOARD OR COMMITTEE 1/26/87

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	✓					
Kenneth Bedeau (P)	✓					
Doris Caranicas (P)	✓					
Ruth Franklin (Chair, A & F)	✓					
Alison Fuhr (P)	✓					
Paul Joyce (A & F)	✓					
Edward Kranz (A & F)	✓					
Todd Lefko (Chair, Policy)	✓					
Bernard Skrebes (A & F)	✓					

1/26/87
Handout to
C. W.

REGIONAL TRANSIT BOARD

Position on Transit Improvements in the University Avenue,
Southwest and Hiawatha Avenue Corridors

On Monday, February 25, 1985, the Regional Transit Board adopted its position on the transit improvements for the University Avenue, Southwest and Hiawatha Avenue corridors. This position is made up of the following elements:

1. University Avenue through the two downtowns is the selected priority corridor for transit improvements.
2. Light rail transit is the preferred fixed guideway alternative in the three corridors.
3. The final decision on implementation of light rail transit will be made after preliminary engineering, additional development planning, regional needs assessments, and financial resource analyses are completed.
4. The following work program for the next 18 months will be conducted:
 - a. Preliminary engineering for light rail transit in the University Avenue corridor, including logical connections to other corridors through the two downtowns and connections to maintenance yards and shops, as well as site specific development planning for corridor stations in the University Avenue corridor (completed by December 1986).
 - b. Preliminary engineering activities to facilitate maximum coordination with the roadway preliminary engineering activities for the Hiawatha corridor. The work will include LRT trackwork definition, civil works engineering, and station development planning (completed as dictated by Hiawatha roadway design activities).
 - c. Service needs assessments in all other major regional transit corridors in the region, including a comprehensive financial resource analysis that includes assessment of the potential for federal/state/regional funds (completed by March 1986).
 - d. Establishment of an intergovernmental advisory committee to guide these activities within the context of the regional planning process.
5. A final decision on implementation of light rail transit, selection of priority corridors for final design, and transit decisions in other regional corridors will be made by December 1986.
6. A specific proposal to the 1987 legislative session will be prepared, describing the priority transit improvements recommended by the Regional Transit Board and recommending the financial mechanisms and organizational structure to carry out the final decision.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, Minnesota 55101
292-8789

DATE: January 26, 1987
TO: Regional Transit Board
FROM: Judith G. Hollander, Director of Planning and Programs
SUBJECT: Light Rail Transit Status Report and Discussion Guide for
Developing RTB Strategy

ACTION REQUESTED:

None, this item is informational only.

BACKGROUND:

The Regional Transit Board (RTB) has included, as part of its 1987 budget and 1987-1989 biennial budget to the legislature, a request of \$3.5 million for the purposes of conducting preliminary engineering on transit improvements in the University Avenue corridor.* The decision to proceed with preliminary engineering was made by both the RTB and the Metropolitan Council in 1985. Although a request for proposal (RFP) for preliminary engineering in this corridor was prepared in 1985, it was never distributed in response to the legislative prohibition on studying light rail transit (LRT) until the RTB's Transit Service Needs Assessment (TSNA) and Implementation Plan were completed and approved.

Since the initial decision to proceed with preliminary engineering was made, both the TSNA and the Long-Range Transit Study, conducted by the Metropolitan Council, have been completed. Each provides conclusions regarding the implementation of LRT in this region. The purpose of this memorandum is to review the results of each of these studies and to provide a guide for discussion on how the conclusions generated from these studies and other ongoing transportation activities relate to the RTB's adopted position. A staff recommendation for the RTB's overall strategy on this topic is also included.

This discussion guide is organized into the following sections:

1. Adopted RTB and Metro Council position on implementing transit improvements in the University Avenue, Southwest and Hiawatha corridors.
2. Definition of terms.

* The University Avenue corridor is defined in this memorandum to include the corridor itself, including logical connections to other corridors through the two downtowns and connections to maintenance yards and shops.

3. Relationship of major tasks associated with implementing light rail transit.
4. Status of existing studies and plans related to light rail transit.
5. Results of major studies.
6. Staff recommendation for general light rail transit strategy.
7. LRT financial feasibility study.
8. Options for design and construction activities.

DISCUSSION GUIDE

Definition of Terms

Federal Scoping Study - A study of all feasible alternatives in a corridor. The objective of the study is to narrow the number of alternatives for subsequent study in a federal EIS. A scoping study is required for projects funded by the U. S. Department of Transportation.

Federal Alternatives Analysis - A transportation study conducted to examine service and hardware alternatives for a particular corridor or subarea. The outcome of such a study is a preferred alternative. An alternatives analysis is required for projects funded by the Urban Mass Transportation Administration.

Federal Environmental Impact Statement (EIS) - A study of possible social, economic, and environmental impacts associated with proposed project alternatives. An EIS is required by the federal government prior to the receipt of federal funds for subsequent steps in the development of a project. A draft EIS (DEIS) is completed at the end of the Alternative Analysis.

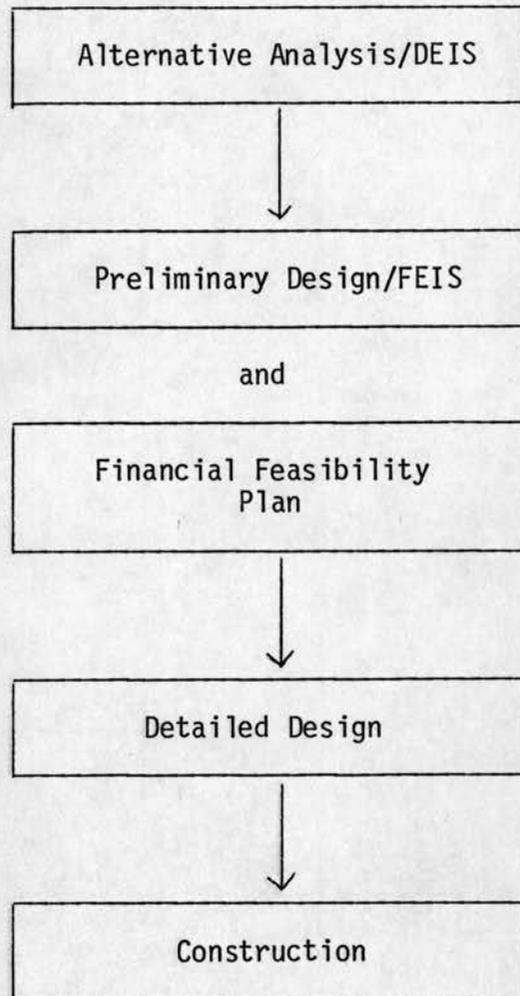
Preliminary Design/Preliminary Engineering - A study conducted to identify general construction, operating and capital requirements to implement transit/transportation improvements. Typically, up to 30 percent of the work required to prepare a project for construction is completed. A final EIS (FEIS) is completed at the end of preliminary design/engineering.

Detailed Design and Engineering - Detailing of the project as defined in preliminary engineering. Specifications for each component in the project are developed.

Financial Feasibility Plan - A plan that is developed to set forth a financial strategy for funding transit/transportation improvements. The level of private and public sector financing is established as are the specific financing techniques and mechanisms. Specific financial commitments are also identified.

State EIS - A study of possible social, economic and environmental impacts associated with proposed project alternatives.

Relationship of Major Tasks Associated with
Implementing Light Rail Transit



Status of Existing Studies and Plans
Related to Light Rail Transit

Study/Plan	Status
Federal Alternative Analysis/Draft Environmental Impact Statement (AA/DEIS) for Transit Improvements on University Avenue and Southwest Corridors, State EIS	Technical work completed by Metro Council; reviewed and approved by RTB and Metro Council; UMTA has not yet approved; Council awaiting UMTA correspondence indicating changes and additional information to be required for approval. UMTA has indicated that they want to approve University Avenue portion only.
Preliminary Engineering for Hiawatha Avenue Transportation Improvements	Final EIS has been completed under Federal Highway Administration rule.
Preliminary Design for Transit Improvements on University Avenue, Southwest and Hiawatha Avenue corridors	RTB and Metro Council adopted a position in 1985 indicating the region should proceed with preliminary engineering for the University Avenue Corridor. An RFP was developed by RTB staff but never distributed in response to legislative requirement that Transit Service Needs Assessment be completed first. RTB is requesting funds from legislature (\$3.5 million) to conduct preliminary engineering effort in the University Avenue corridor.
Transit Service Needs Assessment	Completed and approved by RTB August 1986.
Implementation and Financial Plan	Completed; approved by RTB (November, 1986) and Metro Council (January, 1987).
Long-Range Transit Study	Completed; adopted by Metro Council (December, 1986).

LRT Public/Private Financial
Feasibility Plan

RTB staff will request board authorization to submit a grant application to UMTA to prepare financial feasibility plan. If/when authorization is made, staff will submit grant application in February, 1987.

35W Corridor Study

Mn/DOT and Metro Council are currently conducting the 35W corridor scoping study. The scoping study is expected to be completed in 1987 and will be followed by an EIS on a limited number of alternatives identified in the scoping study.

Hennepin County

Hennepin County is requesting the legislature for legislation permitting Hennepin County to move on its own to pursue construction of a light rail line in the Southwest corridor.

Results of Major Studies Completed Since 1985 RTB/Metro Council Action

* Metropolitan Council Long Range Transit Study

Reaffirms potential for LRT along selected arterial alignments.

Emphasizes potential for high occupancy vehicle treatment along freeway alignments.

Indicates LRT potential along selected railroad alignments because of lower costs.

University Avenue and Minneapolis South (I-35W) corridors are the top priority corridors for transit capital improvements in the region.

Hiawatha Avenue, Northwest, North and Southwest/Nicollet alignments form a second priority category.

* Regional Transit Board Transit Service Needs Assessment

Examined nine radial sectors, six focusing on downtown Minneapolis and three focusing on downtown St. Paul and two crosstown sectors. Sectors were defined as large, pie-shaped areas which instead of focusing on just major highway facilities, encompassed expanded transit service areas. The six sectors with the highest levels of transit need indicators were the Central, Minneapolis West, Minneapolis South, Minneapolis Northwest, Minneapolis North and St. Paul North.

Staff Recommendation for
General LRT Strategy and Implementation Steps

* General Strategy

- o Reiterate RTB and Council's 1985 position.
- o Incorporate potential changes from new evidence/studies.
- o Define strategy and take steps toward implementation.

* Strategy Overview

- o University Avenue corridor continues to be preferred corridor. Proceed with preliminary engineering and financial feasibility study. Separate out Southwest corridor from AA/DEIS to facilitate UMTA approval.
- o Complete I-35W Study. Analyze results and proceed with necessary steps for major transit improvements on this corridor, identified as the next priority following University Avenue.
- o Conduct alternative analysis on North and/or Northwest corridors.
- o Based on results of preliminary engineering, the financial feasibility study and alternatives analysis, the RTB determines the best approach to LRT. This could include the packaging or phasing of LRT in one or more corridors.

* Steps toward carrying out strategy:

1. RTB recommends preliminary engineering study for "University Avenue +" in Implementation Plan.
2. Council approves Implementation Plan.
3. Council recommends alternative analysis study for other high priority corridors according to Long Range Transit Study conclusions.
4. RTB modifies work program/Implementation Plan/Financial Plan accordingly.
5. Request appropriation in 1987 from state legislature to conduct preliminary engineering study beginning in 1987 on University Avenue corridor and to conduct corridor study to be done in 1988 on Northwest and/or North corridors.

6. Apply for UMTA grant to conduct a study to determine the feasibility of a public/private partnership to finance an LRT system.
7. Separate University Avenue and Southwest corridors to complete alternative analysis.
8. Continue participation in I-35W South scoping study.
9. Conduct preliminary design/engineering for University Avenue Corridor.
10. RTB/Council decide go/no go after completion of financial feasibility and preliminary engineering studies.
11. If RTB/Council recommends implementation of LRT, determine board build/manage approach; i.e., determine if traditional, turnkey or some combination of the two approaches is most appropriate.
12. Request approval of public sector financial package at the 1989 legislative session.
13. Work with private sector to implement financial participation, as developed in the Financial Feasibility Plan.

LRT Public/Private Financial Feasibility Plan

There has been interest expressed by the Urban Mass Transportation Administration to approve a grant application from the RTB for the purpose of developing a public/private financial feasibility plan for the design and construction of light rail transit in the Twin Cities metropolitan area.

The Regional Transit Board plans to initiate preliminary engineering in the University Avenue corridor beginning in July, 1987, and to further analyze the potential of a light rail transit application in other corridors requiring major transit improvements.

The results of the RTB's preliminary engineering study will provide critical information about the specific operating and capital requirements to construct light rail transit. The financial feasibility plan will identify the strategy to fund these requirements, with an emphasis on maximizing private sector financial participation. Specific objectives of the financial feasibility plan are:

1. Identify level of private sector financial participation for all elements of LRT capital, operating and maintenance costs;
2. Identify specific financing techniques and mechanisms for private sector financing;
3. Establish different roles and level of public financing for federal, state, regional and local governments;
4. Identify specific techniques and mechanisms for public sector financing; and
5. Identify specific commitments of financial participation from private sector.

The financial feasibility plan will be developed prior to the RTB's preliminary engineering efforts. The plan will focus on the development of a funding strategy for the University Avenue corridor but will also consider how LRT could be funded in other high-priority corridors.

From this grant, it is proposed that funds be targeted for the cities of Minneapolis and St. Paul to conduct specific development analysis. Additionally, it is suggested that an independent evaluation contractor be hired as part of this effort to evaluate findings and recommendations made by the primary contractor.

In addition, work elements would be identified that would allow the Metro Council/RTB to complete the Alternative Analysis/Draft Environmental Impact Statement.

Options for Design and Construction Process

* Public Approach

1. Agencies conduct financial feasibility study with independent consultants including the development aspects of financial plan.
2. Agencies decide to go or not to go ahead.
3. Preliminary engineering request for proposal (RFP).
4. Conduct preliminary engineering.
5. RTB and Metro Council decide go/no go decision.
6. Bid out turnkey operation or hire in-house engineer.

* Private approach (example)

1. Contract out financial feasibility study with consortium for all four aspects with distinctive evaluation points to determine go/no go.
2. Agencies evaluate financial package (at critical points).
3. Contract out preliminary engineering to consortium.
4. RTB and Metro Council evaluate preliminary engineering including cost guarantee and make go/no go decision.
5. Continue forward/initiate final design and construction.

Combinations of these approaches are possible. These two approaches are presented as examples only.