



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

Mears Park Centre
230 East 5th Street
St. Paul, Minnesota 55101
612/292-8789

Meeting of the
REGIONAL TRANSIT BOARD
Monday, April 8, 1991
Mears Park Centre, Room A
Immediately Following the 4:00 p.m. Meeting
of the Administration and Finance Committee

AMENDED AGENDA

- A. Call to Order and Roll Call
- B. Approval of Agenda
- C. Report of the Joint Light Rail Transit Advisory Committee
John Derus, Chair
- D. Legislative Briefing
- E. Public Comment

Michael J. Ehrlichmann
Chair

E+D.



7600 Executive Drive
Eden Prairie, MN 55344
(612) 934-7928

EXECUTIVE SUMMARY

House File 1021
Senate File 1140

Re: Amendments to opt-out transit bill, providing for financial assistance to and the administration of opt-out transit service programs.

BACKGROUND

The original opt-out transit bill was passed to provide for the creation of local transit services in those parts of the metropolitan area that were either lightly served or not served by the regional transit system. It provided that up to ninety percent of the transit taxes collected within the jurisdiction of the opt-out area could be used to fund the local opt-out transit system. It further provided for the Regional Transit Board (RTB) to provide regional oversight of opt-out transit systems.

To date five opt-out systems have been established. They are: Southwest Metro Transit (Eden Prairie, Chanhassen and Chaska); Shakopee Area Transportation (Shakopee); Plymouth Metrolink (Plymouth); Maple Grove Area Transportation (Maple Grove); and Minnesota Valley Transit Authority (Apple Valley, Rosemont, Burnsville, Eagan, Savage and Prior Lake).

PROPOSAL

The amendments proposed in HF 1021 and companion SF 1140 are for the purpose of clarifying the role between the RTB and the various opt-out transit systems. The original act which authorized opt-out was creative, and has allowed for major improvements in transit programs in each of the opt-out communities.

All of the opt-out systems implemented to date have achieved dramatic ridership increases through the operation of efficient and cost effective transit programs. However, as time has passed, more and more difficulties have arisen between the autonomous operation of opt-out systems, which is necessary for continued efficient and effective transit service, and the administrative and budgetary controls being placed by the RTB on the opt-out systems.

Specifically, from the perspective of Southwest Metro Transit, there is a need to define the oversight and coordination authorities of the RTB as they relate to funds availability to and operational management of opt-out systems. We feel that the lack of such definition will ultimately result in the loss of autonomous operation of opt-

out systems, will increase administrative and operating costs, and will further the implementation of policies on the part of the RTB that do not follow the intent of the original opt-out bill. HF 1021 and SF 1140 will place the necessary definition into the existing legislation on opt-out transit.

It is important that our intent in seeking these changes is not misunderstood. We fully recognize the need for regional transit oversight and coordination. Our intent is to better define this oversight and coordination in a way that allows opt-out transit to work as the Legislature originally intended it to work.

SUMMARY

Southwest Metro Transit strongly urges your support of HF 1021 and SF 1140 to assure the ongoing success of opt-out transit in the metropolitan area. Your support of this legislation will aid in bringing definition to the administrative and fiscal relationship between the RTB and the opt-out transit systems, a relationship that the original legislation was intended to foster.

We would like to meet with as many members of the Legislature as possible to explain our proposal in more detail. Obviously, it is not possible to meet with everyone, but we would welcome any questions or comments that you may have regarding HF 1021 and SF 1140. Please contact one of the individuals listed below and we will be happy to assist you in any way we can.

George Bentley
Lobbyist

Office phone: (612)897-1919
Home phone: (612)944-2486

Diane Harberts
Transit Administrator
Southwest Metro Transit

Office phone: (612)934-7928

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

DATE: 4/8/91

BOARD OR COMMITTEE: RTB

<u>Member Name</u>	<u>Present</u>	<u>Vote</u>							
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ISSUE

Mike Ehrlichmann	✓								
Doris Caranicas (P)	•								
John Finley (A&F)	✓								
Ruth Franklin, Chair (P)	✓								
Ed Kranz (A&F)	✓								
Sandra Hilary (P)									
Terry O'Toole (P)	✓								
Open (P)									
Norbert Theis (P)	✓								
El Tinklenberg (Chair-P)	✓								
Richard Wedell (A&F)	✓								

Visitors

Staff

see A&F



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Michael J. Ehrlichmann
Chair

3rd draft

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund light rail transit. The sales tax is to be used first to fund the Central Corridor pursuant to the RTB plan. Also, it shall be used to provide the local share for any federal overmatch funds that assume local funding in the Central Corridor. In the event that state funds are not available in time to meet federal timelines, then any unit of government within the Metropolitan Area that could assure and provide the local overmatch funds could pursue federal funding for light rail transit.

DRAFT ONLY,--DO NOT DUPLICATE

JAMES P. LARKIN
ROBERT L. HOFFMAN
JACK F. DALY
D. KENNETH LINDGREN
WENDELL R. ANDERSON
GERALD H. FRIEDEL
ALLAN E. MULLIGAN
ROBERT J. HENNESSEY
JAMES C. ERICKSON
EDWARD J. DRISCOLL
GENE N. FULLER
DAVID C. SELLERGRN
RICHARD J. KEENAN
JOHN D. FULLMER
ROBERT E. BOYLE
FRANK I. HARVEY
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JEROME H. KAHNKE
SHERRILL R. OMAN
GERALD L. SECK
JOHN B. LUNDQUIST
DAYLE NOLAN*
THOMAS B. HUMPHREY, JR.
MICHAEL T. MCKIM
CHARLES R. WEAVER
HERMAN L. TALLE
VINCENT G. ELLA
ANDREW J. MITCHELL
JOHN A. COTTER*
BEATRICE A. ROTHWEILER

LARKIN, HOFFMAN, DALY & LINDGREN, LTD.

ATTORNEYS AT LAW

1500 NORTHWESTERN FINANCIAL CENTER 2000 PIPER JAFFRAY TOWER
7900 XERXES AVENUE SOUTH 222 SOUTH NINTH STREET
BLOOMINGTON, MINNESOTA 55431 MINNEAPOLIS, MINNESOTA 55402
TELEPHONE (612) 835-3800 TELEPHONE (612) 338-6610
FAX (612) 896-3333 FAX (612) 336-9760

NORTH SUBURBAN OFFICE
8990 SPRINGBROOK DRIVE, SUITE 250
COON RAPIDS, MINNESOTA 55433
TELEPHONE (612) 786-7117
FAX (612) 786-6711

PAUL B. PLUNKETT
ALAN L. KILDOW
KATHLEEN M. PICOTTE NEWMAN
MICHAEL B. LE BARON
GREGORY E. KORSTAD
AMY DARR GRADY
CATHERINE BARNETT WILSON*
JEFFREY C. ANDERSON
DANIEL L. BOWLES
TODD M. VLATKOVICH
TIMOTHY J. MCMANUS
LISA A. GRAY
GARY A. RENNEKE
THOMAS H. WEAVER
SHANNON K. MCCAMBRIDGE
GARY A. VAN CLEVE
MICHAEL B. BRAMAN
GAYLEN L. KNACK
JULIE A. WRASE
CHRISTOPHER J. HARRISTHAL
SHARON L. BRENNA
MARIKAY CANAGA LITZAU
TIMOTHY J. KEANE
WILLIAM C. GRIFFITH, JR.
THEODORE A. MONDALE
JOHN J. STEFFENHAGEN
DANIEL W. VOSS
MARK A. RURIK
JOHN R. HILL
JAMES K. MARTIN
STEVEN P. KATKOV
THOMAS J. SEYMOUR
MICHAEL J. SMITH
RENAY W. LEONE
FREDERICK K. HAUSER III
MARY E. VOS
LOREN A. SINGER

OF COUNSEL
JOSEPH GITIS
RICHARD A. NORDBYE
DAVID J. PEAT

*ALSO ADMITTED IN
WISCONSIN

Reply to Bloomington

TO: Gregory Andrews, Executive Director
Regional Transit Board

FROM: Gregory E. Korstad 

DATE: April 5, 1991

RE: Minnesota Statute §473.388
Replacement Service Program

This memorandum addresses seven concerns which have arisen in the RTB administration of the Opt Out Transit Funding Program. The Opt Out Program was begun as a limited component of the regional transit system. In the last year it has grown in scope to encompass a substantial part of the metropolitan area. Initially the Opt Out Program was used to replace Metropolitan Transit Commission (MTC) service to a single city (Plymouth). Now programs are funded in eleven of the fastest growing suburbs.

With the substantial growth in projects sought to be funded under the Opt Out Program, there is a potential re-direction of transit funding. Because of this, an analysis of the statutory framework for the current Opt Out Program makes sense. This memo addresses each of the seven propositions raised in your request for advice relating to the eligible recipients, type of expenditures that can be funded, amounts of available funds and formalities for funded programs.

1. Funding under the Opt Out Program is available for both capital and operating costs under Minnesota Statute §473.388 but only for services that replace an existing MTC service.

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Gregory Andrews, Executive Director

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Replacement of existing service.

In determining what service may be funded under the Opt Out Program, the relevant statutory provision is found in Minnesota Statute §473.388, Subd. 4. This statute provides that the RTB must determine that the proposed service, among other things is intended to replace the service by the MTC. This is contrasted with the provision in Minnesota Statutes 1982 Section 174.265 which authorized assistance for replacement service. The original opt out statute appears to have contemplated funding programs that could replace future or existing MTC service. Minnesota Statutes 1982, Section 174.265, Subd. 4 provided standards for granting financial assistance to a community not served by the MTC. Those standards were removed from the statute when responsibility for the Opt Out Program was transferred to the RTB and Minnesota Statute §174.265 was repealed and replaced with Minnesota Statute §473.388. Based on this specific action by the legislature, we conclude it was intended to delete the ability to establish opt out service that did not replace existing MTC service. The restrictions on programs that may be funded should not be confused with requirements applicable to communities seeking funding. A community not served by MTC can still be eligible for transit assistance under the current opt out program (Minnesota Statute §473.388, Subd. 2(b)); however the program that is funded out of that communities available local transit fund must replace some existing MTC service. This provision could be relied on to authorize a community that is not served by MTC to join with a community that is served by MTC and jointly develop a transit system that can be funded under the Opt Out Program.

Capital and Operating Cost Funding

Generally, transit funding statutes have distinguished between capital and operating expense funding. Typically, capital expenses are paid out of bond proceeds rather than current tax revenues. Whether to differentiate between capital expenses and operating expenses has not been addressed in the opt out statutes. The funds to be provided under the Opt Out Program are described in Minnesota Statute §473.388 as "financial assistance" or just "assistance". Accordingly, the activities for which expenses may be paid under the Opt Out Program are not restricted merely to the subsidy of the cost of running the service.

Other restrictions on the RTB's use of funds and specifically the disbursement of transit property tax proceeds are, however, more restrictive. One requirement is found in Minnesota Statute §473.375, Subd. 13 which prohibits the RTB from using the proceeds of bonds issued for funding capital costs to for-profit operators. This, in

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essence, means that the only funds that may be available for capital funding in opt out jurisdictions subcontracting with for-profit operators are the funds authorized to be disbursed under the Opt Out Program.

The other significant provision relating to funding is found in Minnesota Statute §473.446, Subd. 1 authorizing the levy of transit taxes. Under this statute, the proceeds of the transit tax may be used for "expenses of operating" transit. What constitutes expenses of operating is undefined in these statutes, however, because of the inability to operate transit without equipment, it is difficult to construe this provision as excluding some portion of payment for the use of equipment either in the form of acquisition or lease of rolling stock and other equipment, as opposed to permanent improvements of the transit service.

2. Additional service funding for communities receiving funding under the opt out program is available under Minn. Stat. §473.384 regardless whether the service funded is a replacement of existing MTC service.

Clearly under Minnesota Statute §473.388, Subd. 5 a jurisdiction that receives funding under the opt out program is in no way prevented from participating in other transit funding programs. To the extent that available local transit funds (90% of transit tax revenue) raised in the applicant community have not been applied to service funded under the opt out program, those funds are available to apply to any required local match of funds for the additional service. The advantage opt out communities receive is that they can take transit tax funds to apply to reduce the local community share of transit service funded under Minnesota Statute §473.384.

3. Funding of additional services under Minn. Stat. §473.384 beyond the services provided under the opt out program is subject to RTB cost sharing ratios and other policies.

RTB's program subsidy activities are discretionary, based on a management plan consistent with the implementation and financing plan component of its regional transit plan as required by Minn. Stat. §473.377. Additional pre-conditions to the receipt of funding may be imposed in order that the funded service will be consistent with that plan and to enforce performance standards per Minnesota Statute §473.375, Subd. 15 and obtaining the objectives of the service plan per Minnesota Statute §473.384, Subd. 5.

4. Minnesota Statute 473.388 grants authority for the use of local transit funds for capital costs under the opt out program.

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Minnesota Statute §473.388 authorizes the RTB to "provide assistance under the program...". No description of the type of assistance contemplated or what comprises the program or restrictions on the use of funds under the opt out program are stated. The opt out program was somewhat more specifically described in Minnesota Statute §174.265 (1982) (repealed 1984) which described the original opt out funding program. As originally constituted, the opt out program did not include restrictions on what types of service expenditures the funds provided could be used for. As discussed above, the current statute, Minnesota Statute §473.388 continues this policy and does not differentiate between capital and other expenditures.

5. "Available local transit funds" clearly include 90% of the tax revenue generated in a community by the transit tax levy under Minnesota Statutes §473.446 (subject to the maximums contained therein).

An important consideration in identifying funds that may be disbursed under the Opt Out Program is the concept of "available local transit funds". This is a portion of the real property taxes levied for the transit system in the metropolitan area. Available local transit funds are the maximum amount of transit tax proceeds that can be used for the Opt Out Program. The total transit tax proceeds in each community are divided 90-10 between the Opt Out Program and other authorized expenditures.

The statute, Minnesota Statute §473.388, Subd. 4 is unambiguous in stating that available local transit funds are 90% of transit tax revenues. In order to precisely determine what that amount is, it is necessary to identify the transit tax revenues from which the 90% is derived.

The statute describes available local transit funds as a portion of "revenues...from the tax [RTB] levies..." Minn. Stat. §473.388, Subd. 4, which clearly means the 90% is applied against the tax amount as reduced by the mandatory reductions to the tax that may be levied. This issue is described in Minnesota Statutes §473.446, Subd. 1(a-c)

Available local transit funds only comprises a portion of the maximum opt out funding under Minnesota Statutes §473.388, however the balance of the formula of the statute is indiscernible and ambiguous and provides no clear guidance.

6. Replacement services funded under Minnesota Statute §473.388 are subject to performance standards as established in the approved RTB implementation plan.

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Minnesota Statute §473.375, Subd. 13 clearly restricts the services which may receive financial assistance from the Regional Transit Board. This provision only authorizes financial assistance "in furtherance of and in conformance with the implementation plan of the board." In addition, Minnesota Statute §473.375, Subd. 15 authorizes the RTB to establish performance standards for recipients of financial assistance. This would apply to all recipients of financial assistance. Even though the contract requirement of Minn. Stat. §473.384, Subd. 1 is not applicable, there is no similar exemption from performance standards provided for opt out programs.

The statutes contemplate an interactive process for the establishment of the implementation plan whereby the RTB proposed plan is submitted to local communities for comment and local communities are invited to testify at a public hearing on the plan.

7. Additional services funded from remaining available local transit funds are funded on Minnesota Statute §473.384; accordingly, a transit needs assessment is required.

Minnesota Statute §473.384, Subd. 1 provides that contracts for assistance and financial assistance to a transit provider (except MTC) must be done under a subsidy contract. Minnesota Statute §473.384, Subd. 4 further provides that a transit needs assessment must be completed prior to issuing financial assistance by contract. This provision does not, however, apply to contracts made under Minnesota Statute §473.388, the opt out program. The exception eliminating the transit needs assessment is only effective for the assistance authorized to be provided under the opt out program. Minnesota Statute §473.388 authorizes additional assistance to an opt out community, however that statute clearly excludes that additional assistance from the opt out program. Accordingly, the general transit assistance requirements of Minnesota Statute §473.384, Subd. 4 do apply.

1 imposed an additional excise tax of one-half of one percent of
2 the gross receipts from sales at retail made by any person in
3 the metropolitan area of this state, as defined in section
4 473.121.

5 Sec. 3. Minnesota Statutes 1990, section 297A.02,
6 subdivision 3, is amended to read:

7 Subd. 3. [LIQUOR AND BEER SALES.] ~~Notwithstanding the~~
8 ~~provisions of subdivision 1,~~ The rate of the excise tax imposed
9 upon sales of intoxicating liquor, as defined in section
10 340A.101, subdivision 14, and nonintoxicating malt liquor, as
11 defined in section 340A.101, subdivision 19, shall be 8.5
12 percent the rate imposed under subdivision 1 plus 2.5 percentage
13 points. Nonintoxicating malt liquor is subject to taxation
14 under this subdivision only when sold at an on-sale or off-sale
15 municipal liquor store or other establishment licensed to sell
16 any type of intoxicating liquor.

17 Sec. 4. Minnesota Statutes 1990, section 297A.14,
18 subdivision 1, is amended to read:

19 Subdivision 1. [IMPOSITION.] For the privilege of using,
20 storing or consuming in Minnesota tangible personal property or
21 taxable services purchased for use, storage, or consumption in
22 this state, a use tax is imposed on every person in this state
23 at the rate of tax imposed under section 297A.02 on the sales
24 price of sales at retail of the items, unless the tax imposed by
25 section 297A.02 was paid on the sales price. The use tax at the
26 rate of tax imposed under section 297A.02, subdivision 1,
27 paragraph (b) applies only to use in the metropolitan area of
28 this state, as defined in section 473.121.

29 Sec. 5. Minnesota Statutes 1990, section 297A.44,
30 subdivision 1, is amended to read:

31 Subdivision 1. (a) Except as provided in paragraphs (b),
32 (c), ~~and~~ (d), and (e), all revenues, including interest and
33 penalties, derived from the excise and use taxes imposed by
34 sections 297A.01 to 297A.44 shall be deposited by the
35 commissioner in the state treasury and credited to the general
36 fund.

1 (b) All excise and use taxes derived from sales and use of
2 property and services purchased for the construction and
3 operation of an agricultural resource project, from and after
4 the date on which a conditional commitment for a loan guaranty
5 for the project is made pursuant to section 41A.04, subdivision
6 3, shall be deposited in the Minnesota agricultural and economic
7 account in the special revenue fund. The commissioner of
8 finance shall certify to the commissioner the date on which the
9 project received the conditional commitment. The amount
10 deposited in the loan guaranty account shall be reduced by any
11 refunds and by the costs incurred by the department of revenue
12 to administer and enforce the assessment and collection of the
13 taxes.

14 (c) All revenues, including interest and penalties, derived
15 from the excise and use taxes imposed on sales and purchases
16 included in section 297A.01, subdivision 3, paragraphs (d) and
17 (1), clauses (1) and (2), must be deposited by the commissioner
18 in the state treasury, and credited as follows:

19 (1) first to the general obligation special tax bond debt
20 service account in each fiscal year the amount required by
21 section 16A.661, subdivision 3, paragraph (b); and

22 (2) after the requirements of clause (1) have been met, the
23 balance must be credited to the general fund.

24 (d) The revenues, including interest and penalties, derived
25 from the taxes imposed on solid waste collection services as
26 described in section 297A.45 shall be deposited by the
27 commissioner in the state treasury and credited to the general
28 fund to be used for funding solid waste reduction and recycling
29 programs.

30 (e) The revenues, including interest and penalties, derived
31 from the taxes imposed under section 297A.02, subdivision 1,
32 paragraph (b), must be deposited by the commissioner in the
33 state treasury to be used as follows:

34 (1) 50 percent to the commissioner of transportation and
35 the regional transit board for purposes related to light rail
36 transit and coordination of transit within the metropolitan

1 counties;

2 (2) 25 percent to housing and redevelopment authorities in
3 the metropolitan counties for housing assistance purposes;

4 (3) five percent of the revenue to the metropolitan parks
5 and open space commission; and

6 (4) 20 percent of the revenue to the board of the arts for
7 use in the metropolitan counties.

8 Money made available under clause (2) shall first be used
9 to assist in the development of replacement housing for any
10 homeowners or renters who are displaced by the construction of a
11 light rail transit facility. The replacement housing must, to
12 the maximum extent possible, be located within one-half mile of
13 the light rail transit alignment. The replacement housing must
14 also be as affordable or more affordable than the housing that
15 was displaced.

16 Sec. 6. Minnesota Statutes 1990, section 297A.45, is
17 amended by adding a subdivision to read:

18 Subd. 5. [METROPOLITAN SALES TAX NOT
19 APPLICABLE.] Notwithstanding section 297A.02, subdivision 1, the
20 additional metropolitan area excise tax of one-half of one
21 percent does not apply to this section.

22 Sec. 7. Minnesota Statutes 1990, section 398A.04, is
23 amended by adding a subdivision to read:

24 Subd. 8a. [RESTRICTION.] Notwithstanding subdivision 8, an
25 authority in the metropolitan area as defined in section
26 473.121, subdivision 2, may not levy a property tax for any
27 purposes relating to light rail transit.

28 Sec. 8. Minnesota Statutes 1990, section 473.399, is
29 amended by adding a subdivision to read:

30 Subd. 4. [FEDERAL FUNDING.] The regional transit board and
31 the commissioner of transportation shall jointly seek federal
32 assistance for light rail transit facilities in the metropolitan
33 area in accordance with the board's regional transit plan. A
34 political subdivision in the metropolitan area may not apply for
35 or be a recipient of federal assistance for light rail transit
36 planning or facilities, except in conjunction with an

1 application for assistance by the board and the commissioner.

2 Sec. 9. Minnesota Statutes 1990, section 473.3993,
3 subdivision 2, is amended to read:

4 Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design
5 plan" means a light rail transit plan that ~~identifies~~ includes:

6 (1) preliminary plans for the physical design of
7 facilities, at approximately the ten percent engineering level,
8 including location, length, and termini of routes; general
9 dimension, elevation, alignment, and character of routes and
10 crossings; whether the track is elevated, on the surface, or
11 below ground; approximate station locations; and related park
12 and ride, parking, and other transportation facilities; and a
13 plan for handicapped access; and

14 (2) preliminary plans for intermodal coordination with bus
15 operations and routes; ridership; capital costs; operating costs
16 and revenues; and funding for-final-design, construction, and
17 operation, and an implementation method.

18 Sec. 10. Minnesota Statutes 1990, section 473.3993, is
19 amended by adding a subdivision to read:

20 Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "Preliminary
21 engineering plan" means a light rail transit engineering plan
22 that includes the items in the preliminary design plan, but with
23 greater detail and specificity including, at a minimum:

24 (1) preliminary engineering plans for the physical design
25 of the facilities, at approximately the 30 percent engineering
26 level, and appropriate performance specifications for all of the
27 elements required for final design plans under subdivision 3,
28 clause (1); and

29 (2) plans for the physical design of facilities, at
30 approximately the 30 percent level, and appropriate
31 specifications for all elements required for final design plans
32 under subdivision 3, clause (2); a funding plan for final
33 design, construction, and operation; and an implementation
34 method.

35 Sec. 11. Minnesota Statutes 1990, section 473.3993,
36 subdivision 3, is amended to read:

1 Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a
2 light rail transit plan that includes the items in the
3 preliminary design and preliminary engineering plan for the
4 facilities proposed for construction, but with greater detail
5 and specificity. The final design plan must include, at a
6 minimum:

7 (1) final plans for the physical design of facilities,
8 including the right-of-way definition; environmental impacts and
9 mitigation measures; intermodal coordination with bus operations
10 and routes; and civil engineering plans for vehicles, track,
11 stations, parking, and access, including handicapped access; and

12 (2) final plans for civil engineering for electrification,
13 communication, and other similar facilities; operational rules,
14 procedures, and strategies; capital costs; ridership; operating
15 costs and revenues; financing for construction and operation; an
16 implementation method; and other similar matters.

17 The final design plan must be stated with sufficient
18 particularity and detail to allow the proposer to begin the
19 acquisition and construction of operable facilities. If a
20 turn-key implementation method is proposed, instead of civil
21 engineering plans the final design plan must state detailed
22 design criteria and performance standards for the facilities.

23 Sec. 12. Minnesota Statutes 1990, section 473.3994, is
24 amended to read:

25 473.3994 [LIGHT RAIL TRANSIT; DESIGN FACILITY PLANS.]

26 Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit
27 board shall establish a procedure for preparing preliminary
28 design plans for light rail transit facilities in the
29 metropolitan area. The board shall ensure the completion of
30 preliminary design plans that are needed to implement the
31 board's regional transit plan, to qualify for federal funds in
32 accordance with the board's plan, and to prepare proposals for
33 engineering and construction projects in a timely and
34 cost-effective manner. To the greatest practicable extent, the
35 board shall use the joint light rail transit advisory committee
36 and the regional railroad authorities to prepare the preliminary

1 design plans. The board shall use the money available under
2 section 5 to finance the preparation of the plans.

3 Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.]
4 ~~Before-preparing-final-design-plans-for-a-light-rail-transit~~
5 ~~facility, the~~ A political subdivision ~~proposing the~~ that has
6 prepared preliminary design plans for a proposed facility must
7 hold a public hearing on the physical design component of the
8 preliminary design plans. The proposer must provide appropriate
9 public notice of the hearing and publicity to ensure that
10 affected parties have an opportunity to present their views at
11 the hearing.

12 Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At
13 least 30 days before the hearing under subdivision 2, the
14 proposer shall submit the physical design component of the
15 preliminary design plans to the governing body of each statutory
16 and home rule charter city, county, and town in which the route
17 is proposed to be located. The city, county, or town shall hold
18 a public hearing, except that a county board need not hold a
19 hearing if the county board membership is identical to the
20 membership of the regional railroad authority submitting the
21 plan for review. Within 45 days after the hearing under
22 subdivision 2, the city, county, or town shall review and
23 approve or disapprove the plans for the route to be located in
24 the city, county, or town. A local unit of government that
25 disapproves the plans shall describe specific amendments to the
26 plans that, if adopted, would cause the local unit to withdraw
27 its disapproval. Failure to approve or disapprove the plans in
28 writing within 45 days after the hearing is deemed to be
29 approval, unless an extension of time is agreed to by the city,
30 county, or town and the proposer.

31 Subd. 4. [PRELIMINARY DESIGN PLANS; REGIONAL TRANSIT BOARD
32 REFERRAL.] If the governing body of one or more cities,
33 counties, or towns disapproves the preliminary design plans
34 within the period allowed under subdivision 3, the proposer may
35 refer the plans, along with any comments of local jurisdictions,
36 to the regional transit board. The board shall hold a hearing

1 on the plans, giving the proposer, any disapproving local
2 governmental units, and other persons an opportunity to present
3 their views on the plans. The board may conduct independent
4 study as it deems desirable and may mediate and attempt to
5 resolve disagreements about the plans. Within 90 days after the
6 referral, the board shall review the plans submitted by the
7 proposer and may recommend amended plans to accommodate the
8 objections presented by the disapproving local governmental
9 units.

10 Subd. 4a. [PRELIMINARY ENGINEERING PLANS.] (a) Before
11 beginning final design of a proposed facility, the commissioner
12 shall submit the physical design part of the preliminary
13 engineering plans to the governing body of each statutory and
14 home rule charter city, county, and town in which the route is
15 proposed to be located. Within 60 days after the submission,
16 the city, county, or town shall review and approve or disapprove
17 the plans for the route located in the city, county, or town. A
18 local unit of government that disapproves the plans shall
19 describe specific amendments to the plans that, if adopted,
20 would cause the local unit to approve the plans. Failure to
21 approve or disapprove the plans in writing within the time
22 allowed is deemed to be approval, unless an extension is agreed
23 to by the city, county, or town and the commissioner.

24 (b) If the governing body of one or more cities, counties,
25 or towns disapproves the plans within the time allowed under
26 paragraph (a), the commissioner may refer the plans, along with
27 any comments of local jurisdictions, to the regional transit
28 board. The board shall review the preliminary engineering plans
29 under the same procedure and with the same effect as provided in
30 subdivision 4 for preliminary design plans.

31 Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning
32 construction, the ~~proposer~~ commissioner shall submit the
33 physical design component of final design plans to the governing
34 body of each statutory and home rule city, county, and town in
35 which the route is proposed to be located. Within 60 days after
36 the submission of the plans, the city, county, or town shall

1 review and approve or disapprove the plans for the route located
 2 in the city, county, or town. A local unit of government that
 3 disapproves the plans shall describe specific amendments to the
 4 plans that, if adopted, would cause the local unit to withdraw
 5 its disapproval. Failure to approve or disapprove the plans in
 6 writing within the time period is deemed to be approval, unless
 7 an extension is agreed to by the city, county, or town and the
 8 proposer commissioner.

9 (b) If the governing body of one or more cities, counties,
 10 or towns disapproves the plans within the period allowed under
 11 paragraph (a), the proposer commissioner may refer the plans,
 12 along with any comments of local jurisdictions, to the regional
 13 transit board. The board shall review the final design plans
 14 under the same procedure and with the same effect as provided in
 15 subdivision 4 for preliminary design plans.

16 ~~Subd. 6. [COUNTY-APPROVAL.] The proposer of a light rail~~
 17 ~~transit facility in the metropolitan area must submit the~~
 18 ~~preliminary and final design plans for the facility to the~~
 19 ~~governing board of the county in which the route is proposed to~~
 20 ~~be located for approval or disapproval. The proposer of the~~
 21 ~~facility may not proceed with construction of the facility~~
 22 ~~without the approval of the county.~~

23 Subd. 7. [COUNCIL REVIEW.] Before proceeding with
 24 construction of a light rail transit facility, ~~a regional rail~~
 25 ~~authority established under chapter 398A~~ the proposer of the
 26 facility must submit preliminary design plans, preliminary
 27 engineering plans, and final design plans to the metropolitan
 28 council. The council must review the plans for consistency with
 29 the council's development guide and comment on the plans.

30 Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does
 31 not diminish or replace the authority of the council under
 32 section 473.173.

33 Sec. 13. Minnesota Statutes 1990, section 473.3996, is
 34 amended to read:

35 473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS;
 36 REVIEW BY BOARD.]

1 Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS;
2 BOARD REVIEW.] Before submitting the physical design component
3 of final design plans of a light rail transit facility for local
4 review under section 473.3994, subdivision 5, the proposer shall
5 submit preliminary design and preliminary engineering plans to
6 the regional transit board for review. The board shall review
7 the preliminary-design plans to determine the compatibility of
8 the plans with other light rail transit plans and facilities in
9 the metropolitan area, the adequacy of the plans for operation
10 and maintenance of facilities, the adequacy of the plans for
11 handicapped accessibility, and the conformity of the plans with
12 the council's transportation policy plan and the board's
13 regional light rail transit plan prepared under section 473.399.
14 The board shall submit the plans to the transit commission for
15 review and recommendations on specifications and other matters
16 affecting operation and maintenance of facilities. The board
17 shall submit the plans to the council for review and
18 recommendations on the conformity of the plans with the
19 council's transportation policies. The board may comment on any
20 aspect of the plans. The board has 90 days to complete its
21 review, unless an extension of time is agreed to by the
22 proposer. If the board determines that the plans do not satisfy
23 the standards stated in this subdivision, the board shall
24 recommend modifications in the plans that are necessary in order
25 to satisfy the board. After adopting or amending the regional
26 plan required by section 473.399, the board may again review any
27 previously reviewed preliminary design plans and recommend
28 modifications that are necessary to satisfy the board.

29 Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before
30 acquiring or constructing light rail transit facilities, other
31 than land for right of way, the proposer shall submit final
32 design plans to the regional transit board for review. The
33 board shall review the final design plans under the
34 same procedure and schedule and according to the same standards
35 as provided for its review of preliminary design plans. The
36 board shall either approve the plans, or if it determines that

1 the plans do not satisfy the standards, disapprove the plans, in
2 whole or in part, and recommend modifications in the plans that
3 are necessary to secure approval. A proposer may not proceed
4 with acquisition or construction of a light rail transit
5 facility, other than land for right of way, unless the final
6 design plans for the facility have been approved by the
7 board. ~~Following approval of final design plans by the board,~~
8 ~~if a regional railroad authority wishes to select a bid or a~~
9 ~~response to a request for proposal that is more than ten percent~~
10 ~~higher than the capital costs indicated in the final design~~
11 ~~plans for the facility, the authority may not proceed with~~
12 ~~construction until it has resubmitted the final design plans to~~
13 ~~the transit board for further review and approval or~~
14 ~~disapproval. The board has ten working days to review and~~
15 ~~approve or disapprove and recommend modification, unless an~~
16 ~~extension of time is agreed to by the authority.~~

17 Subd. 3. [PRELIMINARY DESIGN PLANS; DEPARTMENT
18 REVIEW.] Preliminary design plans adopted after the effective
19 date of this subdivision must be submitted to the commissioner
20 for review. The commissioner shall review the plans for
21 engineering and financial feasibility and may recommend
22 modifications. The commissioner shall complete the review
23 within 90 days, unless the agency submitting the plan agrees to
24 an extension of time.

25 Sec. 14. [473.3997] [LIGHT RAIL DESIGN AND CONSTRUCTION;
26 DEPARTMENT OF TRANSPORTATION.]

27 Subdivision 1. [RESPONSIBILITY.] All light rail transit
28 facilities in the metropolitan area must be constructed by or
29 under contract with the commissioner. The commissioner shall
30 prepare all preliminary engineering plans and final design plans
31 for light rail transit facilities in the metropolitan area. The
32 commissioner may authorize a regional railroad authority in the
33 metropolitan area to prepare preliminary engineering plans for
34 light rail transit facilities projects approved by the regional
35 transit board. A regional railroad authority may not prepare
36 final design plans for or construct light rail transit

1 facilities except under a contract with the commissioner.

2 Subd. 2. [INTERGOVERNMENTAL COORDINATION.] The
3 commissioner shall incorporate into the engineering and final
4 design plans appropriate elements of the preliminary design
5 plans of regional railroad authorities. The commissioner shall
6 consult with regional and local agencies of government in
7 preparing the plans. The commissioner may enter into agreements
8 for engineering, design, and construction services with a
9 regional railroad authority, a city, or a regional agency. The
10 commissioner shall include the metropolitan transit commission
11 in planning and engineering decisions, particularly the system
12 components of light rail facilities. The commissioner may by
13 agreement authorize the transit commission to complete project
14 components, including acquisition and testing of vehicles or
15 system components.

16 Sec. 15. [473.3998] [CENTRAL CORRIDOR DEMONSTRATION
17 PROJECT.]

18 Subdivision 1. [SCHEDULE.] The commissioner of
19 transportation shall construct, at a total cost not exceeding
20 \$350,000,000, a demonstration light rail transit facility and
21 associated yards, shops, and system support facilities in the
22 central corridor between the downtowns of St. Paul and
23 Minneapolis. By November 15, 1991, the commissioner shall
24 report to the legislature on the status of the preliminary
25 engineering plans, including cost estimates, for the central
26 corridor. By July 1, 1992, the commissioner shall submit plans
27 for review in the manner provided under sections 473.3994 and
28 473.3996. By July 1, 1993, the commissioner shall present to
29 the legislature a plan for transferring or sharing ownership in
30 the land and facilities for light rail in the corridor and
31 maintaining the facilities. The plan must be prepared in
32 consultation with the regional transit board, the metropolitan
33 transit commission, and affected local government units. The
34 commissioner shall include in the plan specific strategies and
35 incentives to reduce reliance on single-occupancy passenger cars
36 and increase use of transit; the convenience, cost, comfort, and

1 speed of light rail as an incentive to increase use of transit;
2 and timelines for implementing the strategies and incentives.

3 Subd. 2. [IMPACT ON DEVELOPMENT.] In acquiring
4 rights-of-way and constructing the central corridor facility,
5 the commissioner shall attempt to mitigate negative impacts on
6 business affected by the construction and shall cooperate with
7 the governing bodies of St. Paul and Minneapolis in coordinating
8 economic development along the corridor resulting from
9 construction of the facility.

10 Subd. 3. [DEVELOPMENT ASSISTANCE.] Before beginning
11 construction, the commissioner shall conduct a survey of all
12 businesses located immediately adjacent to the proposed
13 right-of-way for the project. The survey must collect
14 information on the current sales volume, current number of
15 employees, and other indicators of business activity. Six
16 months after the opening of the light rail line for revenue
17 service, the commissioner shall resurvey each business
18 previously surveyed. The second survey must collect, at a
19 minimum, the same information that was collected in the first
20 survey. The commissioner may request the assistance of the
21 commissioner of trade and economic development in designing the
22 surveys and interpreting the results of the surveys.

23 Any business which has suffered a significant decrease in
24 business activity, as determined by the commissioner in
25 consultation with the commissioner of trade and economic
26 development and as indicated by the survey results, shall be
27 eligible for grants or loans to assist in the redevelopment of
28 the business. A business which failed in the period between the
29 beginning of construction and six months after the opening of
30 the light rail line for revenue service shall also be eligible
31 for similar grants or loans, provided that analysis indicates
32 the business's failure was directly related to the construction
33 project.

34 The commissioner shall set aside \$35,000,000 of the money
35 to be spent for construction of the demonstration project for
36 the purposes of this subdivision. Any of the money which is not

1 spent to assist the surveyed businesses shall be used to assist
2 in developing new businesses along the right-of-way of the
3 project.

4 Subd. 4. [EMPLOYMENT OPPORTUNITIES.] The commissioner of
5 transportation, in cooperation with the commissioners of labor
6 and industry and jobs and training, shall develop a plan to
7 ensure employment of local residents and economically
8 disadvantaged and unskilled persons in the construction of the
9 central corridor light rail facilities. The commissioner shall
10 require all contractors and subcontractors to:

11 (1) employ at least 25 percent of its work force from
12 persons residing within one mile of the central corridor
13 right-of-way;

14 (2) employ at least 25 percent of its work force from
15 unskilled, uneducated, and unemployed persons;

16 (3) provide on the job training and apprenticeship programs
17 for its unskilled labor designed to enhance job skills and
18 employability following completion of the project; and

19 (4) have an affirmative action plan for the project and a
20 prior history of success in meeting affirmative action goals.

21 Subd. 5. [CONTINUATION OF BUS SERVICE.] The metropolitan
22 transit commission shall ensure that, for a period of two years
23 immediately following the opening of the central corridor light
24 rail line for revenue service, bus service provided to and
25 within the central corridor area be at least as frequent as the
26 bus service in existence prior to the construction of the light
27 rail line. The commission may make exceptions to this
28 requirement for the number 94 bus routes, or their successor bus
29 routes.

30 Sec. 16. Minnesota Statutes 1990, section 473.4051, is
31 amended to read:

32 473.4051 [LIGHT RAIL TRANSIT OPERATION.]

33 The transit commission shall operate ~~regional-railroad~~
34 authority light rail transit facilities and services upon
35 completion of construction of the facilities and the
36 commencement of revenue service using the facilities. The

1 speed of light rail as an incentive to increase use of transit;
2 and timelines for implementing the strategies and incentives.

3 Subd. 2. [IMPACT ON DEVELOPMENT.] In acquiring
4 rights-of-way and constructing the central corridor facility,
5 the commissioner shall attempt to mitigate negative impacts on
6 business affected by the construction and shall cooperate with
7 the governing bodies of St. Paul and Minneapolis in coordinating
8 economic development along the corridor resulting from
9 construction of the facility.

10 Subd. 3. [DEVELOPMENT ASSISTANCE.] Before beginning
11 construction, the commissioner shall conduct a survey of all
12 businesses located immediately adjacent to the proposed
13 right-of-way for the project. The survey must collect
14 information on the current sales volume, current number of
15 employees, and other indicators of business activity. Six
16 months after the opening of the light rail line for revenue
17 service, the commissioner shall resurvey each business
18 previously surveyed. The second survey must collect, at a
19 minimum, the same information that was collected in the first
20 survey. The commissioner may request the assistance of the
21 commissioner of trade and economic development in designing the
22 surveys and interpreting the results of the surveys.

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24 business activity, as determined by the commissioner in
25 consultation with the commissioner of trade and economic
26 development and as indicated by the survey results, shall be
27 eligible for grants or loans to assist in the redevelopment of
28 the business. A business which failed in the period between the
29 beginning of construction and six months after the opening of
30 the light rail line for revenue service shall also be eligible
31 for similar grants or loans, provided that analysis indicates
32 the business's failure was directly related to the construction
33 project.

34 The commissioner shall set aside \$35,000,000 of the money
35 to be spent for construction of the demonstration project for
36 the purposes of this subdivision. Any of the money which is not

1 spent to assist the surveyed businesses shall be used to assist
2 in developing new businesses along the right-of-way of the
3 project.

4 Subd. 4. [EMPLOYMENT OPPORTUNITIES.] The commissioner of
5 transportation, in cooperation with the commissioners of labor
6 and industry and jobs and training, shall develop a plan to
7 ensure employment of local residents and economically
8 disadvantaged and unskilled persons in the construction of the
9 central corridor light rail facilities. The commissioner shall
10 require all contractors and subcontractors to:

11 (1) employ at least 25 percent of its work force from
12 persons residing within one mile of the central corridor
13 right-of-way;

14 (2) employ at least 25 percent of its work force from
15 unskilled, uneducated, and unemployed persons;

16 (3) provide on the job training and apprenticeship programs
17 for its unskilled labor designed to enhance job skills and
18 employability following completion of the project; and

19 (4) have an affirmative action plan for the project and a
20 prior history of success in meeting affirmative action goals.

21 Subd. 5. [CONTINUATION OF BUS SERVICE.] The metropolitan
22 transit commission shall ensure that, for a period of two years
23 immediately following the opening of the central corridor light
24 rail line for revenue service, bus service provided to and
25 within the central corridor area be at least as frequent as the
26 bus service in existence prior to the construction of the light
27 rail line. The commission may make exceptions to this
28 requirement for the number 94 bus routes, or their successor bus
29 routes.

30 Sec. 16. Minnesota Statutes 1990, section 473.4051, is
31 amended to read:

32 473.4051 [LIGHT RAIL TRANSIT OPERATION.]

33 The transit commission shall operate ~~regional-railroad~~
34 authority light rail transit facilities and services upon
35 completion of construction of the facilities and the
36 commencement of revenue service using the facilities. The

1 ~~regional-railroad-authority~~ commissioner and the commission may
2 not allow the commencement of revenue service until after an
3 appropriate period of acceptance testing to ensure satisfactory
4 performance. In assuming the operation of the system, the
5 transit commission must comply with section 473.415. The
6 commission shall coordinate operation of the light rail transit
7 system with bus service to avoid duplication of service on a
8 route served by light rail transit and to ensure the widest
9 possible access to light rail transit lines in both suburban and
10 urban areas by means of a feeder bus system. If the regional
11 plan prepared by the transit board under section 473.399 calls
12 for construction and operation of light rail transit facilities
13 in a jurisdiction whose governing body has chosen not to
14 organize and proceed under chapter 398A, the board may authorize
15 the transit commission to implement the plan in that area.

16 Sec. 17. [APPLICATION.]

17 This act applies in the counties of Anoka, Carver, Dakota,
18 Hennepin, Ramsey, Scott, and Washington.

19 Sec. 18. [REPEALER.]

20 Laws 1989, chapter 339, section 21, is repealed.

21 Sec. 19. [EFFECTIVE DATE.]

22 Sections 2 to 5 are effective for sales made after June 30,
23 1991.

03/12/91

[REVISOR] XX/DJ

91-2006

Introduced by *Kelso, Pardy, Balah*, Limmer

March 21, 1991

Referred to Committee on TRANSPORTATION

H.F. No. 1021

Companion S.F. No. _____

Reproduced by PHILLIPS LEGISLATIVE SERVICE

1 A bill for an act

2 relating to metropolitan transit; providing for
3 financial assistance to and the administration of
4 opt-out transit service programs; amending Minnesota
5 Statutes 1990, sections 473.375, subdivisions 13 and
6 15; 473.377, subdivision 1; and 473.388.

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

8 Section 1. Minnesota Statutes 1990, section 473.375,
9 subdivision 13, is amended to read:

10 Subd. 13. [FINANCIAL ASSISTANCE.] The board may provide
11 financial assistance to the commission and other providers as
12 provided in sections 473.371 to 473.377 and 473.382 to 473.449
13 in furtherance of and in conformance with the implementation
14 plan of the board, and shall provide financial assistance to
15 transit service programs as provided in section 473.388. The
16 board may not use the proceeds of bonds issued by the council
17 under section 473.39 to provide capital assistance to private,
18 for-profit operators of public transit.

19 Sec. 2. Minnesota Statutes 1990, section 473.375,
20 subdivision 15, is amended to read:

21 Subd. 15. [PERFORMANCE STANDARDS.] The board may establish
22 performance standards for recipients of financial assistance,
23 except for recipients of financial assistance under section
24 473.388.

25 Sec. 3. Minnesota Statutes 1990, section 473.377,
26 subdivision 1, is amended to read:

1 Subdivision 1. [REQUIREMENT.] The transit board shall
2 prepare, submit to the council, and adopt an implementation plan
3 as provided in section 473.161. The services and systems
4 management component of the board's plan must include a
5 description of the special transportation service provided under
6 section 473.386. The board shall prepare an implementation plan
7 meeting the requirements of this section and submit the plan to
8 the council by August 1, 1986, and thereafter at a time
9 prescribed by the council. The provisions of this section do
10 not apply to recipients of financial assistance under section
11 473.388.

12 Sec. 4. Minnesota Statutes 1990, section 473.388, is
13 amended to read:

14 473.388 [REPLACEMENT OPT-OUT TRANSIT SERVICE PROGRAM.]

15 Subdivision 1. [PROGRAM ESTABLISHED.] A-replacement An
16 opt-out transit service program is established to continue the
17 metropolitan transit service demonstration program established
18 in Minnesota Statutes 1982, section 174.265, as provided in this
19 section.

20 Subd. 2. [REPLACEMENT OPT-OUT TRANSIT SERVICE;
21 ELIGIBILITY.] The transit board ~~may~~ shall provide assistance
22 under the program to a statutory or home rule charter city or
23 town or combination thereof, that:

24 (a) is located in the metropolitan transit taxing district;

25 (b) is not served by the transit commission or is served
26 only with transit commission bus routes which begin or end
27 within the applying city or town or combination thereof; and

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

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

34 The board may not provide assistance under this section to
35 a statutory or home rule charter city or town unless the city or
36 town,

1 (i) was receiving assistance under Minnesota Statutes 1982,
2 section 174.265 by July 1, 1984,

3 (ii) had submitted an application for assistance under that
4 section by July 1, 1984, or

5 (iii) had submitted a letter of intent to apply for
6 assistance under that section by July 1, 1984, and submits an
7 application for assistance under this section by July 1, 1988.
8 A statutory or home rule charter city or town has an additional
9 12-month extension if it has notified the board before July 1,
10 1988, that the city or town is in the process of completing a
11 transportation evaluation study that includes an assessment of
12 the local transit needs of the city or town.

13 Subd. 3. [APPLICATION FOR ASSISTANCE.] An application for
14 assistance under this section must:

15 (a) describe the existing service provided to the applicant
16 by the transit commission, including the estimated number of
17 passengers carried and the routes, schedules, and fares;

18 (b) describe the transit service proposed for funding under
19 the demonstration program, including the anticipated number of
20 passengers and the routes, schedules, and fares; and

21 (c) indicate the total amount of available local transit
22 funds, the portion of the available local transit funds proposed
23 to be used to subsidize replacement opt-out services, and the
24 amount of assistance requested for the replacement opt-out
25 services.

26 Subd. 4. [FINANCIAL ASSISTANCE.] The board may shall grant
27 the requested financial assistance if it determines that the
28 proposed service is ~~consistent with the approved implementation~~
29 ~~plan and is~~ intended to replace the service to the applying city
30 or town or combination thereof by the transit commission and
31 ~~that the proposed service will meet the needs of the applicant~~
32 ~~at least as efficiently and effectively as the existing service,~~
33 if any, and that the proposed service will provide for the
34 transportation of persons for hire, or that the assistance will
35 be used for transit-related purposes.

36 The amount of assistance which the board may shall provide

1 under this section may not exceed the sum of:

2 (a) the portion of the available local transit funds which
3 the applicant proposes to use to subsidize the costs of the
4 proposed service, including, but not limited to, costs of
5 operations, personnel, administration, equipment, and property;
6 and

7 (b) an amount of financial assistance bearing an identical
8 proportional relationship to the amount under clause (a) as the
9 total amount of financial assistance to the transit commission
10 bears to the total amount of taxes collected by the board under
11 section 473.446. The board shall pay the amount to be provided
12 to the recipient from the assistance the board would otherwise
13 pay to the transit commission.

14 Assistance provided by the board to the recipient must be
15 spent for transit-related purposes. Assistance that is not
16 spent in the budget year in which it is provided may be retained
17 by the recipient and carried over to the next budget year.
18 Assistance that is not spent in the budget year in which it is
19 provided may not be retained for more than two additional
20 years. After that time, the recipient must deposit any unspent
21 assistance in the state general fund.

22 For purposes of this section "available local transit funds"
23 means 90 percent of the tax revenues which would accrue to the
24 board from the tax it levies under section 473.446 in the
25 applicant city or town or combination thereof.

26 Subd. 5. [OTHER ASSISTANCE.] A city or town receiving
27 assistance under this section may also receive assistance from
28 the board under section 473.384. In applying for assistance
29 under that section an applicant must describe the portion of the
30 available local transit funds which are not obligated to
31 subsidize replacement service and which the applicant proposes
32 to use to subsidize additional service. An applicant which has
33 exhausted its available local transit funds may use any other
34 local subsidy funds to complete the required local share.

35 Subd. 6. [ASSUMPTION OF PROGRAM.] The board shall certify
36 to the commissioner of transportation when it has-adopted-an

1 approved-interim-implementation-plan-and is ready to assume
2 responsibility for the metropolitan transit service
3 demonstration program administered by the commissioner under
4 Minnesota Statutes 1982, section 174.265. On receipt of the
5 certification the commissioner shall make no further contracts
6 under that program and shall assign all contracts then in effect
7 under that program to the board, and the contracts at that time
8 become obligations of the board.

9 Subd. 7. [ANNUAL REPORTS.] Before December 1 of each year,
10 the recipient of assistance under this section shall prepare a
11 report for the preceding fiscal year containing, in addition to
12 other matters as the recipient may consider proper, the
13 following:

14 (a) the activities of the recipient during the period
15 covered by the report; and

16 (b) a complete accounting of the financial accounts and
17 affairs of the recipient during the fiscal year.

18 A copy of each report must be filed with the board, the
19 metropolitan council, the legislature, and the governor by
20 November 30 of each year.

21 Sec. 5. [APPLICATION.]

22 Sections 1 to 4 apply in the counties of Anoka, Carver,
23 Dakota, Hennepin, Ramsey, Scott, and Washington.

1 imposed an additional excise tax of one-half of one percent of
2 the gross receipts from sales at retail made by any person in
3 the metropolitan area of this state, as defined in section
4 473.121.

5 Sec. 3. Minnesota Statutes 1990, section 297A.02,
6 subdivision 3, is amended to read:

7 Subd. 3. [LIQUOR AND BEER SALES.] ~~Notwithstanding the~~
8 ~~provisions of subdivision 1,~~ The rate of the excise tax imposed
9 upon sales of intoxicating liquor, as defined in section
10 340A.101, subdivision 14, and nonintoxicating malt liquor, as
11 defined in section 340A.101, subdivision 19, shall be 8+5
12 percent the rate imposed under subdivision 1 plus 2.5 percentage
13 points. Nonintoxicating malt liquor is subject to taxation
14 under this subdivision only when sold at an on-sale or off-sale
15 municipal liquor store or other establishment licensed to sell
16 any type of intoxicating liquor.

17 Sec. 4. Minnesota Statutes 1990, section 297A.14,
18 subdivision 1, is amended to read:

19 Subdivision 1. [IMPOSITION.] For the privilege of using,
20 storing or consuming in Minnesota tangible personal property or
21 taxable services purchased for use, storage, or consumption in
22 this state, a use tax is imposed on every person in this state
23 at the rate of tax imposed under section 297A.02 on the sales
24 price of sales at retail of the items, unless the tax imposed by
25 section 297A.02 was paid on the sales price. The use tax at the
26 rate of tax imposed under section 297A.02, subdivision 1,
27 paragraph (b) applies only to use in the metropolitan area of
28 this state, as defined in section 473.121.

29 Sec. 5. Minnesota Statutes 1990, section 297A.44,
30 subdivision 1, is amended to read:

31 Subdivision 1. (a) Except as provided in paragraphs (b),
32 (c), and (d), and (e), all revenues, including interest and
33 penalties, derived from the excise and use taxes imposed by
34 sections 297A.01 to 297A.44 shall be deposited by the
35 commissioner in the state treasury and credited to the general
36 fund.

1 (b) All excise and use taxes derived from sales and use of
2 property and services purchased for the construction and
3 operation of an agricultural resource project, from and after
4 the date on which a conditional commitment for a loan guaranty
5 for the project is made pursuant to section 41A.04, subdivision
6 3, shall be deposited in the Minnesota agricultural and economic
7 account in the special revenue fund. The commissioner of
8 finance shall certify to the commissioner the date on which the
9 project received the conditional commitment. The amount
10 deposited in the loan guaranty account shall be reduced by any
11 refunds and by the costs incurred by the department of revenue
12 to administer and enforce the assessment and collection of the
13 taxes.

14 (c) All revenues, including interest and penalties, derived
15 from the excise and use taxes imposed on sales and purchases
16 included in section 297A.01, subdivision 3, paragraphs (d) and
17 (1), clauses (1) and (2), must be deposited by the commissioner
18 in the state treasury, and credited as follows:

19 (1) first to the general obligation special tax bond debt
20 service account in each fiscal year the amount required by
21 section 16A.661, subdivision 3, paragraph (b); and

22 (2) after the requirements of clause (1) have been met, the
23 balance must be credited to the general fund.

24 (d) The revenues, including interest and penalties, derived
25 from the taxes imposed on solid waste collection services as
26 described in section 297A.45 shall be deposited by the
27 commissioner in the state treasury and credited to the general
28 fund to be used for funding solid waste reduction and recycling
29 programs.

30 (e) The revenues, including interest and penalties, derived
31 from the taxes imposed under section 297A.02, subdivision 1,
32 paragraph (b), must be deposited by the commissioner in the
33 state treasury to be used as follows:

34 (1) 50 percent to the commissioner of transportation and
35 the regional transit board for purposes related to light rail
36 transit and coordination of transit within the metropolitan

1 counties;

2 (2) 25 percent to housing and redevelopment authorities in
3 the metropolitan counties for housing assistance purposes;

4 (3) five percent of the revenue to the metropolitan parks
5 and open space commission; and

6 (4) 20 percent of the revenue to the board of the arts for
7 use in the metropolitan counties.

8 Money made available under clause (2) shall first be used
9 to assist in the development of replacement housing for any
10 homeowners or renters who are displaced by the construction of a
11 light rail transit facility. The replacement housing must, to
12 the maximum extent possible, be located within one-half mile of
13 the light rail transit alignment. The replacement housing must
14 also be as affordable or more affordable than the housing that
15 was displaced.

16 Sec. 6. Minnesota Statutes 1990, section 297A.45, is
17 amended by adding a subdivision to read:

18 Subd. 5. [METROPOLITAN SALES TAX NOT
19 APPLICABLE.] Notwithstanding section 297A.02, subdivision 1, the
20 additional metropolitan area excise tax of one-half of one
21 percent does not apply to this section.

22 Sec. 7. Minnesota Statutes 1990, section 398A.04, is
23 amended by adding a subdivision to read:

24 Subd. 8a. [RESTRICTION.] Notwithstanding subdivision 8, an
25 authority in the metropolitan area as defined in section
26 473.121, subdivision 2, may not levy a property tax for any
27 purposes relating to light rail transit.

28 Sec. 8. Minnesota Statutes 1990, section 473.399, is
29 amended by adding a subdivision to read:

30 Subd. 4. [FEDERAL FUNDING.] The regional transit board and
31 the commissioner of transportation shall jointly seek federal
32 assistance for light rail transit facilities in the metropolitan
33 area in accordance with the board's regional transit plan. A
34 political subdivision in the metropolitan area may not apply for
35 or be a recipient of federal assistance for light rail transit
36 planning or facilities, except in conjunction with an

1 application for assistance by the board and the commissioner.

2 Sec. 9. Minnesota Statutes 1990, section 473.3993,
3 subdivision 2, is amended to read:

4 Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design
5 plan" means a light rail transit plan that ~~identifies~~ includes:

6 (1) preliminary plans for the physical design of
7 facilities, at approximately the ten percent engineering level,
8 including location, length, and termini of routes; general
9 dimension, elevation, alignment, and character of routes and
10 crossings; whether the track is elevated, on the surface, or
11 below ground; approximate station locations; and related park
12 and ride, parking, and other transportation facilities; and a
13 plan for handicapped access; and

14 (2) preliminary plans for intermodal coordination with bus
15 operations and routes; ridership; capital costs; operating costs
16 and revenues; and funding for-final-design, construction, and
17 operation, and an implementation method.

18 Sec. 10. Minnesota Statutes 1990, section 473.3993, is
19 amended by adding a subdivision to read:

20 Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "Preliminary
21 engineering plan" means a light rail transit engineering plan
22 that includes the items in the preliminary design plan, but with
23 greater detail and specificity including, at a minimum:

24 (1) preliminary engineering plans for the physical design
25 of the facilities, at approximately the 30 percent engineering
26 level, and appropriate performance specifications for all of the
27 elements required for final design plans under subdivision 3,
28 clause (1); and

29 (2) plans for the physical design of facilities, at
30 approximately the 30 percent level, and appropriate
31 specifications for all elements required for final design plans
32 under subdivision 3, clause (2); a funding plan for final
33 design, construction, and operation; and an implementation
34 method.

35 Sec. 11. Minnesota Statutes 1990, section 473.3993,
36 subdivision 3, is amended to read:

1 Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a
2 light rail transit plan that includes the items in the
3 preliminary design and preliminary engineering plan for the
4 facilities proposed for construction, but with greater detail
5 and specificity. The final design plan must include, at a
6 minimum:

7 (1) final plans for the physical design of facilities,
8 including the right-of-way definition; environmental impacts and
9 mitigation measures; intermodal coordination with bus operations
10 and routes; and civil engineering plans for vehicles, track,
11 stations, parking, and access, including handicapped access; and

12 (2) final plans for civil engineering for electrification,
13 communication, and other similar facilities; operational rules,
14 procedures, and strategies; capital costs; ridership; operating
15 costs and revenues; financing for construction and operation; an
16 implementation method; and other similar matters.

17 The final design plan must be stated with sufficient
18 particularity and detail to allow the proposer to begin the
19 acquisition and construction of operable facilities. If a
20 turn-key implementation method is proposed, instead of civil
21 engineering plans the final design plan must state detailed
22 design criteria and performance standards for the facilities.

23 Sec. 12. Minnesota Statutes 1990, section 473.3994, is
24 amended to read:

25 473.3994 [LIGHT RAIL TRANSIT; DESIGN FACILITY PLANS.]

26 Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit
27 board shall establish a procedure for preparing preliminary
28 design plans for light rail transit facilities in the
29 metropolitan area. The board shall ensure the completion of
30 preliminary design plans that are needed to implement the
31 board's regional transit plan, to qualify for federal funds in
32 accordance with the board's plan, and to prepare proposals for
33 engineering and construction projects in a timely and
34 cost-effective manner. To the greatest practicable extent, the
35 board shall use the joint light rail transit advisory committee
36 and the regional railroad authorities to prepare the preliminary

1 design plans. The board shall use the money available under
2 section 5 to finance the preparation of the plans.

3 Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.]
4 ~~Before preparing final design plans for a light rail transit~~
5 ~~facility, the~~ A political subdivision ~~proposing the~~ that has
6 prepared preliminary design plans for a proposed facility must
7 hold a public hearing on the physical design component of the
8 preliminary design plans. The proposer must provide appropriate
9 public notice of the hearing and publicity to ensure that
10 affected parties have an opportunity to present their views at
11 the hearing.

12 Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At
13 least 30 days before the hearing under subdivision 2, the
14 proposer shall submit the physical design component of the
15 preliminary design plans to the governing body of each statutory
16 and home rule charter city, county, and town in which the route
17 is proposed to be located. The city, county, or town shall hold
18 a public hearing, except that a county board need not hold a
19 hearing if the county board membership is identical to the
20 membership of the regional railroad authority submitting the
21 plan for review. Within 45 days after the hearing under
22 subdivision 2, the city, county, or town shall review and
23 approve or disapprove the plans for the route to be located in
24 the city, county, or town. A local unit of government that
25 disapproves the plans shall describe specific amendments to the
26 plans that, if adopted, would cause the local unit to withdraw
27 its disapproval. Failure to approve or disapprove the plans in
28 writing within 45 days after the hearing is deemed to be
29 approval, unless an extension of time is agreed to by the city,
30 county, or town and the proposer.

31 Subd. 4. [PRELIMINARY DESIGN PLANS; REGIONAL TRANSIT BOARD
32 REFERRAL.] If the governing body of one or more cities,
33 counties, or towns disapproves the preliminary design plans
34 within the period allowed under subdivision 3, the proposer may
35 refer the plans, along with any comments of local jurisdictions,
36 to the regional transit board. The board shall hold a hearing

1 on the plans, giving the proposer, any disapproving local
2 governmental units, and other persons an opportunity to present
3 their views on the plans. The board may conduct independent
4 study as it deems desirable and may mediate and attempt to
5 resolve disagreements about the plans. Within 90 days after the
6 referral, the board shall review the plans submitted by the
7 proposer and may recommend amended plans to accommodate the
8 objections presented by the disapproving local governmental
9 units.

10 Subd. 4a. [PRELIMINARY ENGINEERING PLANS.] (a) Before
11 beginning final design of a proposed facility, the commissioner
12 shall submit the physical design part of the preliminary
13 engineering plans to the governing body of each statutory and
14 home rule charter city, county, and town in which the route is
15 proposed to be located. Within 60 days after the submission,
16 the city, county, or town shall review and approve or disapprove
17 the plans for the route located in the city, county, or town. A
18 local unit of government that disapproves the plans shall
19 describe specific amendments to the plans that, if adopted,
20 would cause the local unit to approve the plans. Failure to
21 approve or disapprove the plans in writing within the time
22 allowed is deemed to be approval, unless an extension is agreed
23 to by the city, county, or town and the commissioner.

24 (b) If the governing body of one or more cities, counties,
25 or towns disapproves the plans within the time allowed under
26 paragraph (a), the commissioner may refer the plans, along with
27 any comments of local jurisdictions, to the regional transit
28 board. The board shall review the preliminary engineering plans
29 under the same procedure and with the same effect as provided in
30 subdivision 4 for preliminary design plans.

31 Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning
32 construction, the proposer commissioner shall submit the
33 physical design component of final design plans to the governing
34 body of each statutory and home rule city, county, and town in
35 which the route is proposed to be located. Within 60 days after
36 the submission of the plans, the city, county, or town shall

1 review and approve or disapprove the plans for the route located
 2 in the city, county, or town. A local unit of government that
 3 disapproves the plans shall describe specific amendments to the
 4 plans that, if adopted, would cause the local unit to withdraw
 5 its disapproval. Failure to approve or disapprove the plans in
 6 writing within the time period is deemed to be approval, unless
 7 an extension is agreed to by the city, county, or town and the
 8 proposer commissioner.

9 (b) If the governing body of one or more cities, counties,
 10 or towns disapproves the plans within the period allowed under
 11 paragraph (a), the proposer commissioner may refer the plans,
 12 along with any comments of local jurisdictions, to the regional
 13 transit board. The board shall review the final design plans
 14 under the same procedure and with the same effect as provided in
 15 subdivision 4 for preliminary design plans.

16 ~~Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail~~
 17 ~~transit facility in the metropolitan area must submit the~~
 18 ~~preliminary and final design plans for the facility to the~~
 19 ~~governing board of the county in which the route is proposed to~~
 20 ~~be located for approval or disapproval. The proposer of the~~
 21 ~~facility may not proceed with construction of the facility~~
 22 ~~without the approval of the county.~~

23 Subd. 7. [COUNCIL REVIEW.] Before proceeding with
 24 construction of a light rail transit facility, ~~a regional rail~~
 25 ~~authority established under chapter 398A~~ the proposer of the
 26 facility must submit preliminary design plans, preliminary
 27 engineering plans, and final design plans to the metropolitan
 28 council. The council must review the plans for consistency with
 29 the council's development guide and comment on the plans.

30 Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does
 31 not diminish or replace the authority of the council under
 32 section 473.173.

33 Sec. 13. Minnesota Statutes 1990, section 473.3996, is
 34 amended to read:

35 473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS;
 36 REVIEW BY-BOARD.]

1 Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS;
2 BOARD REVIEW.] Before submitting the physical design component
3 of final design plans of a light rail transit facility for local
4 review under section 473.3994, subdivision 5, the proposer shall
5 submit preliminary design and preliminary engineering plans to
6 the regional transit board for review. The board shall review
7 the preliminary-design plans to determine the compatibility of
8 the plans with other light rail transit plans and facilities in
9 the metropolitan area, the adequacy of the plans for operation
10 and maintenance of facilities, the adequacy of the plans for
11 handicapped accessibility, and the conformity of the plans with
12 the council's transportation policy plan and the board's
13 regional light rail transit plan prepared under section 473.399.
14 The board shall submit the plans to the transit commission for
15 review and recommendations on specifications and other matters
16 affecting operation and maintenance of facilities. The board
17 shall submit the plans to the council for review and
18 recommendations on the conformity of the plans with the
19 council's transportation policies. The board may comment on any
20 aspect of the plans. The board has 90 days to complete its
21 review, unless an extension of time is agreed to by the
22 proposer. If the board determines that the plans do not satisfy
23 the standards stated in this subdivision, the board shall
24 recommend modifications in the plans that are necessary in order
25 to satisfy the board. After adopting or amending the regional
26 plan required by section 473.399, the board may again review any
27 previously reviewed preliminary design plans and recommend
28 modifications that are necessary to satisfy the board.

29 Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before
30 acquiring or constructing light rail transit facilities, other
31 than land for right of way, the proposer shall submit final
32 design plans to the regional transit board for review. The
33 board shall review the final design plans under the
34 same procedure and schedule and according to the same standards
35 as provided for its review of preliminary design plans. The
36 board shall either approve the plans, or if it determines that

1 the plans do not satisfy the standards, disapprove the plans, in
2 whole or in part, and recommend modifications in the plans that
3 are necessary to secure approval. A proposer may not proceed
4 with acquisition or construction of a light rail transit
5 facility, other than land for right of way, unless the final
6 design plans for the facility have been approved by the
7 board. ~~Following approval of final design plans by the board,
8 if a regional railroad authority wishes to select a bid or a
9 response to a request for proposal that is more than ten percent
10 higher than the capital costs indicated in the final design
11 plans for the facility, the authority may not proceed with
12 construction until it has resubmitted the final design plans to
13 the transit board for further review and approval or
14 disapproval. The board has ten working days to review and
15 approve or disapprove and recommend modification, unless an
16 extension of time is agreed to by the authority.~~

17 Subd. 3. [PRELIMINARY DESIGN PLANS; DEPARTMENT
18 REVIEW.] Preliminary design plans adopted after the effective
19 date of this subdivision must be submitted to the commissioner
20 for review. The commissioner shall review the plans for
21 engineering and financial feasibility and may recommend
22 modifications. The commissioner shall complete the review
23 within 90 days, unless the agency submitting the plan agrees to
24 an extension of time.

25 Sec. 14. [473.3997] [LIGHT RAIL DESIGN AND CONSTRUCTION;
26 DEPARTMENT OF TRANSPORTATION.]

27 Subdivision 1. [RESPONSIBILITY.] All light rail transit
28 facilities in the metropolitan area must be constructed by or
29 under contract with the commissioner. The commissioner shall
30 prepare all preliminary engineering plans and final design plans
31 for light rail transit facilities in the metropolitan area. The
32 commissioner may authorize a regional railroad authority in the
33 metropolitan area to prepare preliminary engineering plans for
34 light rail transit facilities projects approved by the regional
35 transit board. A regional railroad authority may not prepare
36 final design plans for or construct light rail transit

1 facilities except under a contract with the commissioner.

2 Subd. 2. [INTERGOVERNMENTAL COORDINATION.] The
3 commissioner shall incorporate into the engineering and final
4 design plans appropriate elements of the preliminary design
5 plans of regional railroad authorities. The commissioner shall
6 consult with regional and local agencies of government in
7 preparing the plans. The commissioner may enter into agreements
8 for engineering, design, and construction services with a
9 regional railroad authority, a city, or a regional agency. The
10 commissioner shall include the metropolitan transit commission
11 in planning and engineering decisions, particularly the system
12 components of light rail facilities. The commissioner may by
13 agreement authorize the transit commission to complete project
14 components, including acquisition and testing of vehicles or
15 system components.

16 Sec. 15. [473.3998] [CENTRAL CORRIDOR DEMONSTRATION
17 PROJECT.]

18 Subdivision 1. [SCHEDULE.] The commissioner of
19 transportation shall construct, at a total cost not exceeding
20 \$350,000,000, a demonstration light rail transit facility and
21 associated yards, shops, and system support facilities in the
22 central corridor between the downtowns of St. Paul and
23 Minneapolis. By November 15, 1991, the commissioner shall
24 report to the legislature on the status of the preliminary
25 engineering plans, including cost estimates, for the central
26 corridor. By July 1, 1992, the commissioner shall submit plans
27 for review in the manner provided under sections 473.3994 and
28 473.3996. By July 1, 1993, the commissioner shall present to
29 the legislature a plan for transferring or sharing ownership in
30 the land and facilities for light rail in the corridor and
31 maintaining the facilities. The plan must be prepared in
32 consultation with the regional transit board, the metropolitan
33 transit commission, and affected local government units. The
34 commissioner shall include in the plan specific strategies and
35 incentives to reduce reliance on single-occupancy passenger cars
36 and increase use of transit; the convenience, cost, comfort, and

1 speed of light rail as an incentive to increase use of transit;
2 and timelines for implementing the strategies and incentives.

3 Subd. 2. [IMPACT ON DEVELOPMENT.] In acquiring
4 rights-of-way and constructing the central corridor facility,
5 the commissioner shall attempt to mitigate negative impacts on
6 business affected by the construction and shall cooperate with
7 the governing bodies of St. Paul and Minneapolis in coordinating
8 economic development along the corridor resulting from
9 construction of the facility.

10 Subd. 3. [DEVELOPMENT ASSISTANCE.] Before beginning
11 construction, the commissioner shall conduct a survey of all
12 businesses located immediately adjacent to the proposed
13 right-of-way for the project. The survey must collect
14 information on the current sales volume, current number of
15 employees, and other indicators of business activity. Six
16 months after the opening of the light rail line for revenue
17 service, the commissioner shall resurvey each business
18 previously surveyed. The second survey must collect, at a
19 minimum, the same information that was collected in the first
20 survey. The commissioner may request the assistance of the
21 commissioner of trade and economic development in designing the
22 surveys and interpreting the results of the surveys.

23 Any business which has suffered a significant decrease in
24 business activity, as determined by the commissioner in
25 consultation with the commissioner of trade and economic
26 development and as indicated by the survey results, shall be
27 eligible for grants or loans to assist in the redevelopment of
28 the business. A business which failed in the period between the
29 beginning of construction and six months after the opening of
30 the light rail line for revenue service shall also be eligible
31 for similar grants or loans, provided that analysis indicates
32 the business's failure was directly related to the construction
33 project.

34 The commissioner shall set aside \$35,000,000 of the money
35 to be spent for construction of the demonstration project for
36 the purposes of this subdivision. Any of the money which is not

1 spent to assist the surveyed businesses shall be used to assist
2 in developing new businesses along the right-of-way of the
3 project.

4 Subd. 4. [EMPLOYMENT OPPORTUNITIES.] The commissioner of
5 transportation, in cooperation with the commissioners of labor
6 and industry and jobs and training, shall develop a plan to
7 ensure employment of local residents and economically
8 disadvantaged and unskilled persons in the construction of the
9 central corridor light rail facilities. The commissioner shall
10 require all contractors and subcontractors to:

11 (1) employ at least 25 percent of its work force from
12 persons residing within one mile of the central corridor
13 right-of-way;

14 (2) employ at least 25 percent of its work force from
15 unskilled, uneducated, and unemployed persons;

16 (3) provide on the job training and apprenticeship programs
17 for its unskilled labor designed to enhance job skills and
18 employability following completion of the project; and

19 (4) have an affirmative action plan for the project and a
20 prior history of success in meeting affirmative action goals.

21 Subd. 5. [CONTINUATION OF BUS SERVICE.] The metropolitan
22 transit commission shall ensure that, for a period of two years
23 immediately following the opening of the central corridor light
24 rail line for revenue service, bus service provided to and
25 within the central corridor area be at least as frequent as the
26 bus service in existence prior to the construction of the light
27 rail line. The commission may make exceptions to this
28 requirement for the number 94 bus routes, or their successor bus
29 routes.

30 Sec. 16. Minnesota Statutes 1990, section 473.4051, is
31 amended to read:

32 473.4051 [LIGHT RAIL TRANSIT OPERATION.]

33 The transit commission shall operate ~~regional-railroad~~
34 authority light rail transit facilities and services upon
35 completion of construction of the facilities and the
36 commencement of revenue service using the facilities. The

1 speed of light rail as an incentive to increase use of transit;
2 and timelines for implementing the strategies and incentives.

3 Subd. 2. [IMPACT ON DEVELOPMENT.] In acquiring
4 rights-of-way and constructing the central corridor facility,
5 the commissioner shall attempt to mitigate negative impacts on
6 business affected by the construction and shall cooperate with
7 the governing bodies of St. Paul and Minneapolis in coordinating
8 economic development along the corridor resulting from
9 construction of the facility.

10 Subd. 3. [DEVELOPMENT ASSISTANCE.] Before beginning
11 construction, the commissioner shall conduct a survey of all
12 businesses located immediately adjacent to the proposed
13 right-of-way for the project. The survey must collect
14 information on the current sales volume, current number of
15 employees, and other indicators of business activity. Six
16 months after the opening of the light rail line for revenue
17 service, the commissioner shall resurvey each business
18 previously surveyed. The second survey must collect, at a
19 minimum, the same information that was collected in the first
20 survey. The commissioner may request the assistance of the
21 commissioner of trade and economic development in designing the
22 surveys and interpreting the results of the surveys.

23 Any business which has suffered a significant decrease in
24 business activity, as determined by the commissioner in
25 consultation with the commissioner of trade and economic
26 development and as indicated by the survey results, shall be
27 eligible for grants or loans to assist in the redevelopment of
28 the business. A business which failed in the period between the
29 beginning of construction and six months after the opening of
30 the light rail line for revenue service shall also be eligible
31 for similar grants or loans, provided that analysis indicates
32 the business's failure was directly related to the construction
33 project.

34 The commissioner shall set aside \$35,000,000 of the money
35 to be spent for construction of the demonstration project for
36 the purposes of this subdivision. Any of the money which is not

1 spent to assist the surveyed businesses shall be used to assist
2 in developing new businesses along the right-of-way of the
3 project.

4 Subd. 4. [EMPLOYMENT OPPORTUNITIES.] The commissioner of
5 transportation, in cooperation with the commissioners of labor
6 and industry and jobs and training, shall develop a plan to
7 ensure employment of local residents and economically
8 disadvantaged and unskilled persons in the construction of the
9 central corridor light rail facilities. The commissioner shall
10 require all contractors and subcontractors to:

11 (1) employ at least 25 percent of its work force from
12 persons residing within one mile of the central corridor
13 right-of-way;

14 (2) employ at least 25 percent of its work force from
15 unskilled, uneducated, and unemployed persons;

16 (3) provide on the job training and apprenticeship programs
17 for its unskilled labor designed to enhance job skills and
18 employability following completion of the project; and

19 (4) have an affirmative action plan for the project and a
20 prior history of success in meeting affirmative action goals.

21 Subd. 5. [CONTINUATION OF BUS SERVICE.] The metropolitan
22 transit commission shall ensure that, for a period of two years
23 immediately following the opening of the central corridor light
24 rail line for revenue service, bus service provided to and
25 within the central corridor area be at least as frequent as the
26 bus service in existence prior to the construction of the light
27 rail line. The commission may make exceptions to this
28 requirement for the number 94 bus routes, or their successor bus
29 routes.

30 Sec. 16. Minnesota Statutes 1990, section 473.4051, is
31 amended to read:

32 473.4051 [LIGHT RAIL TRANSIT OPERATION.]

33 The transit commission shall operate ~~regional-railroad~~
34 authority light rail transit facilities and services upon
35 completion of construction of the facilities and the
36 commencement of revenue service using the facilities. The

1 ~~regional-railroad-authority~~ commissioner and the commission may
2 not allow the commencement of revenue service until after an
3 appropriate period of acceptance testing to ensure satisfactory
4 performance. In assuming the operation of the system, the
5 transit commission must comply with section 473.415. The
6 commission shall coordinate operation of the light rail transit
7 system with bus service to avoid duplication of service on a
8 route served by light rail transit and to ensure the widest
9 possible access to light rail transit lines in both suburban and
10 urban areas by means of a feeder bus system. If the regional
11 plan prepared by the transit board under section 473.399 calls
12 for construction and operation of light rail transit facilities
13 in a jurisdiction whose governing body has chosen not to
14 organize and proceed under chapter 398A, the board may authorize
15 the transit commission to implement the plan in that area.

16 Sec. 17. [APPLICATION.]

17 This act applies in the counties of Anoka, Carver, Dakota,
18 Hennepin, Ramsey, Scott, and Washington.

19 Sec. 18. [REPEALER.]

20 Laws 1989, chapter 339, section 21, is repealed.

21 Sec. 19. [EFFECTIVE DATE.]

22 Sections 2 to 5 are effective for sales made after June 30,
23 1991.

PROPOSED LEGISLATION:
PARKING SPACE TAX

Minnesota Statutes 1990 is amended by addition of a new chapter 297E to read as follows:

297E.01. Definitions.

Subd. 1. Terms. For purposes of this chapter, the following terms have the meaning given them unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. Commissioner. "Commissioner" is the Commissioner of Revenue.

Subd. 3. Parking Space. "Parking space" means property or an improvement to property used primarily for parking passenger automobiles.

Subd. 4. Public Transit Vehicle. "Public transit vehicle" means buses and other motor vehicles used for the delivery of public transit service.

Subd. 5. HOV Parking Spaces. "High occupancy vehicle parking spaces" means parking spaces restricted for exclusive use by passenger automobiles transporting two or more persons either during specific hours or at reduced fees.

Subd. 6. Metropolitan Transit Taxing District. "Metropolitan transit taxing district" shall mean the district designated in Minnesota Statutes Section 473.446, Subd. 2.

297E.02. Transit Excise Tax

Subd. 1. Tax Imposed. There is imposed on all parking spaces within the metropolitan transit taxing district a public transit excise tax in an annual amount not to exceed

_____ Dollars per parking space.

Subd. 2. Amount of Tax. The Regional Transit Board shall, determine the amount of the transit tax for each year. The Board shall certify to the Commissioner the amount of the tax for the current year by the first day of January.

Subd. 3. HOV Credit. The transit excise tax for each facility containing parking spaces shall be reduced by a percentage equal to the percentage of HOV parking spaces in the facility.

297E.04. Payment of Tax

Subd. 1. Owner and Operator. The public transit excise tax imposed in this chapter is the obligation of the owner and operator of the parking space jointly and severally. Payment of the parking tax shall be made on or before the 15th day of February in each year for parking spaces in existence during the previous year.

Subd. 2. Informational Return. All owners and operators of real property not exclusively used for residential purposes shall prepare and remit an informational return describing the number, type and use of parking spaces owned or operated by it within the metropolitan transit taxing district.

Subd. 3. Rules for Payment. The Commissioner is authorized to promulgate rules in order to implement an effective payment and reporting method for collection of the transit tax.

297E.04. Enforcement and Penalty

Subd. 1. Commissioner's Duties. The Commissioner shall enforce the provisions of this chapter and collect the tax.

Subd. 2. Gross Misdemeanor. It shall be a gross misdemeanor to violate any provision of this chapter or rules promulgated thereunder.

Subd. 3. Interest. The amount of tax not timely paid together with any penalty imposed by this chapter shall bear interest at the rate specified in Section 270.75 from the time such tax and penalty should have been until paid.

Subd. 4. Penalty. If a tax imposed by this chapter or any part thereof not be paid when due, there shall be added to the tax a penalty equal to three percent (3%) of the unpaid amount with an additional penalty of one percent (1%) of the amount of tax unpaid during each subsequent calendar month not exceeding twenty-four percent (24%) total.

297E.05. Use of Tax Proceeds

The proceeds of the public transit excise tax imposed in this chapter shall be paid to the Regional Transit board for use to fund public transit within the metropolitan transit taxing district.



MOTIONS OF THE
JOINT LIGHT RAIL TRANSIT ADVISORY COMMITTEE

At its April 3, 1991 meeting, the committee made the following motions:

- Chapdelaine moved and Ahrens seconded a motion that:

The Joint LRT Advisory Committee reaffirm the regional LRT plan previously adopted by the committee and the Regional Transit Board.

Motion carried unanimously.

- Ahrens moved and Hauser seconded a motion that

The Joint LRT Advisory Committee recommend to the Regional Transit Board that federal funds be sought through Congress for the Central Corridor and that the Regional Transit Board seek legislation to provide the local match for federal funds through the regional sales tax.

After further discussion, the motion was withdrawn.

- Chapdelaine moved and McCarron seconded a motion that:

The Joint LRT Advisory Committee urges the Regional Transit Board to vigorously seek legislation for a regional sales tax to fund the Central Corridor and provide the local overmatch for federal funds; in the event that such is not available by the time necessary under the federal guidelines, any unit of government within the metropolitan area could pursue federal funding for construction of light rail transit.

Motion carried unanimously.

- Ahrens moved and Andrew seconded a motion that:

As the regional plans call for development of light rail transit in the I-35W corridor in conjunction with planned highway improvements in the corridor, the Joint LRT Advisory Committee supports entering I-35W in the traditional UMTA Alternatives Analysis process which could be completed in time for the anticipated reconstruction of I-35W, now expected to occur in the late 1990's.

Motion carried unanimously.

- Keefe moved and McCarron seconded a motion that:

The Joint LRT Advisory Committee opposes Article 7, S.F. No. 598 dated 04/02/91 (SCS0598A11), page 31, line 34 through page 41, line 22 and supports instead the incorporation of the recommendations of the Regional Transit Board.

Motion carried (Halvorson abstaining.)

The sales tax is to be used

also, it shall be used to

timelines

Eileen suggest

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summit

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DELETE EVERYTHING AMENDMENT

S.F. No. 598 is amended as follows:

Delete Article 7 and insert:

ARTICLE 7

METROPOLITAN TRANSPORTATION DEVELOPMENT

Sec. 1. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [METROPOLITAN SALES TAX.] Notwithstanding subdivision 1, effective 30 days after the Commissioner receives the certification authorized in section 473.3997^{5403 1,} there is imposed an additional sales tax of one percent on sales at retail that occur within the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and an additional compensating use tax of up to one-half of one percent on uses of property within those metropolitan counties, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the metropolitan counties.

For purposes of this subdivision, sales that occur within the metropolitan counties do not include:

(1) the sale of tangible personal property that:

(i) without intermediate use, is shipped or transported outside the metropolitan counties by the purchaser and thereafter used in a trade or business or that is stored, processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property transported or shipped

outside the metropolitan counties and thereafter used in a trade or business outside of the metropolitan counties, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce (storage does not constitute immediate use); or

(ii) the seller delivers to a common carrier for delivery outside the metropolitan counties, places in the United States mail or parcel post directed to the purchaser outside the metropolitan counties, or delivers to the purchaser outside the metropolitan counties by means of the seller's own delivery vehicles, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce; or

(2) sales that would be described in section 297A.25, subdivisions 6 and 21, if the words "metropolitan counties" were substituted for the words "Minnesota" or "state of Minnesota" in those clauses.

Sec. 2. Minnesota Statutes 1990, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d),^(e) all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commission in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the

date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commission of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (1), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (a) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45 shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

(e) The revenues derived from the taxes imposed on sales in the metropolitan counties under section 297A.02, subdivision 5,

shall be deposited by the commissioner in the state treasury to be used as follows:

(1) 50 percent to the regional transit board for purposes related to light rail transit and coordination of transit within the metropolitan counties;

(2) 50 percent to the counties, cities, and towns within the counties in which the tax is collected, ~~to be allocated by the Metropolitan Transit Council and used for transportation purposes.~~

Sec. 5. Minnesota Statutes 1990, is amended by adding a section to read:

[473.____] LIGHT RAIL FUNDING.

Subd. 1. [FEDERAL FUNDING.] The regional transit board shall seek federal financial assistance for light rail transit facilities in the metropolitan area in accordance with the board's regional transit plan, and is authorized to take such actions as may be necessary to obtain federal financial assistance.

Subd. 2. [DISBURSEMENT OF TAX] The regional transit board shall create a separate fund into which the proceeds of the tax created in Minnesota Statutes section 297A.02, subd. 5 shall be deposited. The RTB shall also deposit any federal financial assistance into this fund. The RTB is authorized to make disbursements from this fund to a regional rail authorities joint powers board created by ^{and approved by} the Metropolitan Transit Commission, the Department of Transportation, the Regional Transit Board and the Regional Rail Authorities of Hennepin, Ramsey, Anoka, Washington, Scott, and Carver Counties.

to fund
R.T. just

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passover
the RTB plan

That the Regional Transit Board vigorously seek legislation for a regional sales tax. The sales tax is to be used to fund the Central Corridor. Also it shall be used to provide the local overmatch for federal funds. In the event that such is not available by the time necessary under the federal timelines, any unit of government //within the Metropolitan Area that could provide the local overmatch funds could pursue federal funding, for ~~construction~~ of light rail transit.

available in
the Central
Corridor

assemble + provide

Draft only - do not duplicate.
Mary L

292-6689

Post-It™ brand fax transmittal memo 7671		# of pages	①
To	Mary Fitzgerald	From	John Finley
Co.		Co.	
Dept.		Phone	
Fax #		Fax #	

Call if need clarification.
Send a second draft please.

①

Second draft:

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund light rail transit. The sales tax is to be used first to fund the Central Corridor pursuant to the RTB plan. Also, it shall be used to provide the local overmatch for any federal funds that require assurance of funding available in the Central Corridor (?). In the event that such is not available by the time necessary under the federal timelines, any unit of government within the Metropolitan Area that could assure and provide (?) the local overmatch funds could pursue federal funding for light rail transit.

DRAFT ONLY,--DO NOT DUPLICATE

To John Linley
From Mary Fitzgerald

(2)

Second draft:

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund light rail transit. The sales tax is to be used first to fund the Central Corridor pursuant to the RTB plan. Also, it shall be used to provide the local ~~overmatch~~ ^{share} ~~overmatch~~ for any federal funds that require assurance of funding available in the Central Corridor ~~X1~~. In the event that such is not available by the time necessary under the federal timelines, any unit of government within the Metropolitan Area that could assure and provide ~~X2~~ the local overmatch funds could pursue federal funding for light rail transit.

assume local funding

overmatch share state funds are

To meet

DRAFT ONLY, -DO NOT DUPLICATE

then

To John Linley
From Mary Fitzgerald

Post-It™ brand fax transmittal memo 7671 # of pages 2

To <i>Mary Fitzgerald</i>	From <i>Kathy D</i>
Co.	Co. <i>John F</i>
Dept.	Phone #
Fax #	Fax #

3

Second draft:

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund light rail transit. The sales tax is to be used first to fund the Central Corridor pursuant to the RTB plan. Also, it shall be used to provide the local ^{overmatch} ~~overmatch~~ for any federal funds that ~~require~~ ^{show} ~~assurance of funding available in the Central Corridor~~ ^{in order to} ~~(?)~~ ^{State funds}. In the event that ~~such is~~ ^{to} ~~not~~ ^{meet} available ^{can} ~~by the~~ ^{time} necessary ~~under the~~ federal timelines, ^{then} any unit of government within the Metropolitan Area that could assure and provide (?) the local overmatch funds could pursue federal funding for light rail transit.

Change name board

show in order to State funds are

DRAFT ONLY,-DO NOT DUPLICATE

To John Linley
From Mary Fitzgerald

4



REGIONAL TRANSIT BOARD

Mears Park Centre, 230 East 5th Street
St. Paul, Minnesota 55101
612/229-2700

Minutes of the Special Meeting of the
REGIONAL TRANSIT BOARD
Mears Park Centre, Room A
April 8, 1991

*1st draft
- not edited*

MEMBERS PRESENT: Michael J. Ehrlichmann, Chair; John T. Finley; Ruth Franklin; Ed Kranz; Terrance O'Toole; Norbert Theis and Elwyn Tinklenberg

MEMBERS EXCUSED: Doris Caranicas, Sandra Hilary and Richard Wedell

OTHERS PRESENT: Greg Korstad, legal counsel; Emil Brandt, Karen Lyons and Nacho Diaz, Metropolitan Council; Arnie Entzel, Amalgamated Transit Union; Mary O'Hara Anderson; Carole Faricy, Michael Christenson, Beverly Auld and Greg Failor, Metropolitan Transit Commission; Beverley Miller, Southwest Metro Transit; Sherry Munyon, Gregory Andrews, Judy Hollander, Stefanie Eilers, Suzanne Hanson, Becky Scudder and Mary Fitzgerald, Regional Transit Board staff

APPROVAL OF AGENDA

O'Toole moved and Tinklenberg seconded approval of the amended agenda that had been distributed before the meeting.

Parking Space Tax

The chair distributed a draft of a bill (Exhibit A) that would impose a parking tax in the Metropolitan Area with the proceeds dedicated to funding transit activities and asked the board members to consider exploring this initiative. There has never been a thorough study of parking in the Metro Area, but staff has roughly estimated that there are approximately half a million spaces. An annual \$25 tax on each space would raise approximately \$12.5 million, enough to balance our levy shortfall for the biennium and enable the RTB to operate its programs. Members discussed the issues of fairness, local governments' responsibility and creating disincentives to use of single-occupant vehicles. The chair said he is requesting that the board allow him to seek an author for the bill. O'Toole moved and Theis seconded:

That the Regional Transit Board authorize the chair to include a parking space tax as part of the board's legislative program.

The motion was approved (Tinklenberg and Finley voted nay).

Amendments to Opt-Out Transit Bill

Andrews distributed the executive summary prepared by Southwest Metro (Exhibit D). (Discussion was interrupted and resumed later in the meeting.)

Light Rail Transit

Advisory

Munyon distributed copies of a bill authored by Reps. Dawkins, Mariani, and Hausman and the report on the actions taken by the Joint Light Rail Transit Advisory Committee at its meeting of April 3, 1991, along with a draft of proposed language to amend Article 7 of S. F. 598. Finley said the advisory committee indicated the effect would be that Hennepin County would be the only county that could do it because they can provide the local match. The committee took the position to seek a sales tax and use it for the Central Corridor. If federal funds are available they would be used for the Central Corridor. If the state money is available it would be used as a match. Munyon said the sales tax would go into effect if the federal match is secured. The revisor is working on the final draft.

Finley said it was never the intention that the Central Corridor would be built only if we get a federal match. The advisory committee's position is totally consistent with what it always was; the only caveat for federal funds is we would use that for local match as opposed to property tax.

Ehrlichmann said the initiative to offer the amendment with joint powers provisions has been tied to the 30 percent federal funding prerequisite. Tinklenberg said that federal funds are contingent on local funds. Munyon said the amendment removes the cap on the demonstration project but ties it to federal funds. Finley said some flexibility is needed to get the project moving and he does not think the board should take a position on any proposals because the situation did not change. The advisory committee reaffirmed it, saying that in addition to the state paying for the Central Corridor, it can (not?) also be used as a match on the overmatch program. Tinklenberg said the local match has to be identified before you get local money. Tinklenberg said he cannot support the amendment since it is not consistent with the Joint Light Rail Advisory Committee's action on our plan. Ehrlichmann said the legislature will only commit itself to one corridor. Finley asked where the language came from. Korstad said he drafted it. In regard to the issue Tinklenberg raised, the intention was that passage of this legislation would set in motion a mechanism that would automatically impose a sales tax upon receipt of certification from the RTB that federal funds were available. The thought is to use this enactment to show the federal government that the local match is there and is unequivocal. It is his understanding the two should be tied together. Munyon said they wrote it in response to the motion of the advisory committee. Finley said those are two different things: funding for the central corridor and providing the overmatch for the Central Corridor. ~~This time~~ the motion says it will be used for the local share of the overmatch. That is the only action the advisory committee took.

John Derus, Chair of the Joint Light Rail Transit Advisory Committee, arrived. Finley asked him for his understanding of what the committee did. Evidently RTB thinks the committee recommended that a sales tax would only be used if federal funds were available. Derus said his understanding was that the sales tax will be requested whether or not federal funding is obtained. Ehrlichmann said that continues to be the RTB position. It is a question of finding a situation where we could get an author for a bill and get this off dead center. He does not know if Hennepin County pursued an amendment to the Langseth bill. Derus said the advisory committee wants the sales tax regardless for LRT in the Central Corridor first. They would also like to have it to use for local overmatch for federal funding. If that can be done, building could start. We could fund the Central Corridor. Hennepin County is lobbying to do it immediately and working on the other recommendations as well. Ehrlichmann said RTB never had a position that the sales tax would be contingent on federal funding.

Regarding concerns about Article 7, Derus said everyone is hesitant to delete an article, but a state law was passed two years ago stating what would be done. The advisory committee and the board did everything they were directed to do. Article 7 of this bill does not even mention that any of this exists. It is the ultimate insult--to be ignored. The article does not address any of the hard work and broad support.

The chair said he would entertain a motion to adopt the recommendations of the Joint Light Rail Advisory Committee. O'Toole moved the recommendations of advisory committee (below); Tinklenberg seconded:

That the Regional Transit Board reaffirm the regional LRT plan previously adopted by the committee and the Regional Transit Board.

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund the Central Corridor and provide the local overmatch for federal funds; in the event that such is not available by the time necessary under the federal guidelines, any unit of government within the metropolitan area could pursue federal funding for construction of light rail transit.

As the regional plans call for development of light rail transit in the I-35W corridor in conjunction with planned highway improvements in the corridor, the Joint LRT advisory committee supports entering I-35W in the traditional UMTA Alternatives Analysis process which could be completed in time for the anticipated reconstruction of I-35W, now expected to occur in the late 1990s.

The Regional Transit Board opposes Article 78, S.F. No. 598 dated 04/02/91 (SCSO598A11), page 31, line 34 through 41, line 22 and supports instead the incorporation of the recommendations of the Regional Transit Board.

Finley said that if a clarifying clause was included, the language would be clearer and ~~and~~ avoid confusion as legislation is sought for a regional sales tax. He offered a friendly amendment to add the phrase shown below (underlined):

That the Regional Transit Board vigorously seek legislation for a regional sales tax to fund the Central Corridor. The sales tax is to be used to fund the Central Corridor. Also, it shall be used to provide the local overmatch for federal funds. In the event that such is not available by the time necessary under the federal timelines, any unit of government that could provide the local overmatch funds within the Metropolitan Area could pursue federal funding for construction of light rail transit.

Derus concurred that it would be helpful. With that understanding, the chair called for a vote on the motion as amended. The motion was unanimously approved.

Derus apologized for not having arrived earlier, but freeway construction has delayed traffic. The chair explained Finley's concern that Section 6 should be deleted. Tinklenberg said questions could be addressed by deleting Subdivision 3. Finley said the board should take no action on any bill because there are so many versions. The chair said he would like the board to have some language that it could accept. He suggested striking the word "only" in Subd. 3 {USE OF TAX PROCEEDS} Everyone wants the federal funds. The federal government would have to accept this as a local match. Tinklenberg said the Regional Transit Board has a position and it is consistent with that of the Joint Light Rail Transit Advisory Committee. Ehrlichmann said we do not have a bill other

than the Langseth bill. This week is the last opportunity to submit a bill to a policy committee. Finley said he thought we had a bill drafted; now there is another bill being introduced. The language, by tomorrow, may not be the same. There is no sense trying to amend it.

Amendments to Opt-Out Transit Bill

Kranz said the term "Opt-Out" incorrectly implies that those communities are no longer in the service area. For the last ten years the Legislature has been saying that something has to be done to improve suburban service. Without the initiative of these communities there would be very limited service. The programs have worked very well, but in the more recent past they have been held back by red tape and attempts were made to cut their funding. While he disagrees with some aspects of the proposed bill, i.e., Page 4, lines 14 through 21, regarding the disposition of unspent assistance, he said the overall intent of the bill is to give communities the ability to manage their own and requested that the board support it. Kranz moved and Tinklenberg seconded:

That the Regional Transit Board supports the passage of H. F. 1021, A bill for an act relating to metropolitan transit; providing for financial assistance to and the administration of opt-out transit service programs; amending Minnesota Statutes 1990, sections 473.375, subdivisions 13 and 15; 473.377, subdivision 1; and 473.388.

Franklin asked which version is intended. At the meeting last week a version was distributed and today she received a fax of amendments to it. The amendments consistently removed the word "replacement." If the motion relates to the Thursday version she would speak against it because ~~the~~ bill completely removes important metropolitan oversight and contains a provision that unspent funds will be kept by the transit agencies for two years and revert to the General Fund. Ehrlichmann said this has to be a regional transit system. Because of failures on someone's part in 1981, some non-Opt-Out suburbs are considering this legislation. He asked if the bill exempts the communities from RTB enforcement of performance standards, fare structure, and reciprocity with other transit systems.

Andrews said the present bill exempts communities from performance standards but the proposed amendments would alter that. They could also set their own fares and grant or withhold reciprocity privileges. Ehrlichmann added that RTB would lose access to the unspent revenue and would be adversely affected. Kranz said the communities were treated so poorly by RTB staff there may not be either suburban transportation or a regional system if this bill is not supported.

Tinklenberg said the Anoka Traveler service is part of the overall transit planning and receiving good return. He expressed concern over this kind of legislation because it tends to piecemeal the system. The ability to provide regular route service into the central cities could be damaged and in the long run everyone would suffer. The RTB does ~~that~~ ^{do -} ^{what} the lawmakers direct it to do and should not take positions on this kind of legislation. This said since Opt-Out the ridership in his area went from nine per day to 260. This bill confirms that those people have a right to get the kind of service they want.

Finley offered an amendment to page 4, lines 20 and 21, that in the event there is unspent assistance it be returned to the RTB rather than the state fund. His support would be contingent upon that. Kranz seconded the Finley amendment. O'Toole moved to table the matter; Tinklenberg seconded the motion. The motion carried with Theis, Kranz and Finley opposed.

Kranz said the official position is that RTB has taken no position on the legislation. He asked if a conflict would be created if a member took a position on parts of the bill as an individual. Ehrlichmann said the board has adopted policies that stand in opposition to these proposals. Franklin said not all the Opt-Out communities support the legislation. Kranz disagreed.

There being no other business, Tinklenberg moved and O'Toole seconded that the meeting be adjourned. The motion was unanimously approved and the meeting was adjourned.

I hereby certify that the foregoing constitutes a true and accurate record of the Regional Transit Board's meeting of ~~August 6, 1990.~~ *April 8*

Respectfully submitted,

Mary Fitzgerald
Secretary

Approved this _____ day of _____ 1991.