Presentation to
Mayors Innovation Project
Annual Meeting

January 21, 2011

Peter McLaughlin
Hennepin County (MN) Commissioner
&
Counties Transit Improvement Board Chair
It is/ was a New Day

- “The Great Reset” --- Richard Florida
- Resources tight
- Vision changing – transit, bikes, alternative fuels, complete streets, sustainability, land use connections
- Pressure to change back
The Twin Cities

- >3 million people in 7-county metro area
- Nearly 60% of state population
- Substantial growth expected
- Emerging markets, immigrants, aging population & millennials
The Twin Cities

Mpls. & St. Paul: Fraternal **not** identical

Transit investment

- >600 miles of streetcar; shut down in 1954
- Freeway building
- 1st LRT line opens 2004
- LRT, BRT, commuter rail & more coming
The Twin Cities: Our Problem

- No consensus
- 35 years of fighting
  - Freeway fight
  - Intra-regional fights
  - Partisanship
  - Opposition of Met Council, newspapers, Citizens League
- Heavy reliance on property tax
- No dedicated funding source for transit
Counties’ Vision

A network of connected transitways fully integrated with other transportation elements

- Move users efficiently & safely
- Mitigate congestion
- Enhance development & competitiveness
- Improve sustainability & livability
From Hiawatha to a System
Counties Transit Improvement Board

- Anoka, Dakota, Hennepin, Ramsey & Washington Counties
  - >90% of metro population
  - >95% of metro sales tax revenues
- Quarter-cent sales tax for expanding transitways: LRT, BRT & Commuter Rail
- Current projections: $89 million/year
- Since 2008, nearly $317 million in grants awarded for transitway development, construction and operations
CTIB’s 2-Armed Approach

• Grants for transitways from sales tax

• Advocacy for transit policy & investment
Counties Transit Improvement Board
(Minn. Stat. Section 297A.992)

- Five Counties & Met Council Collaboratively Drafted & Adopted a Joint Powers Agreement
- Five Counties Enacted ¼-Cent Sales Tax
- CTIB sets Criteria & Awards Grants from Transit Improvement Sales Tax Revenues
- A Grant Evaluation and Ranking Systems (GEARS) Committee advises CTIB
- Annual Capital & Operating Grants Awarded for Transitways (LRT, BRT, Commuter Rail)
13 Colonies Population (1780)

- Virginia
- Pennsylvania
- New York
- Maryland
- Massachusetts
- Connecticut
- South Carolina
- New Jersey
- New Hampshire
- Georgia
- Rhode Island
- Delaware
- North Carolina
- Pennsylvania
- New York
5 Counties

Sales Tax

Population

[Diagrams showing proportional pie charts for counties: Washington, Anoka, Ramsey, Dakota, Hennepin]
# Voting Distribution

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>% Population</th>
<th>% Sales Tax</th>
<th>VOTES: 50% P + 50% S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anoka</td>
<td>12.6%</td>
<td>8.4%</td>
<td>10</td>
</tr>
<tr>
<td>Dakota</td>
<td>15.0%</td>
<td>12.8%</td>
<td>13</td>
</tr>
<tr>
<td>Hennepin</td>
<td>44.1%</td>
<td>55.0%</td>
<td>47</td>
</tr>
<tr>
<td>Ramsey</td>
<td>19.7%</td>
<td>18.2%</td>
<td>18</td>
</tr>
<tr>
<td>Washington</td>
<td>8.7%</td>
<td>5.5%</td>
<td>7</td>
</tr>
<tr>
<td>Met Council</td>
<td>N/ A</td>
<td>N/ A</td>
<td>5</td>
</tr>
</tbody>
</table>

Notes:

- P = Population
- S = Sales Tax

VOTES:

- 50% P + 50% S
CTIB Voting Structure

- 100 votes
  - 95 among 5 counties; 5 to Metro Council
- 63 votes & votes of 3 counties required to pass anything
- 75 votes & votes of 3 counties required to make long-term financial commitments
CTIB Grants Awarded to Date: $316.82 Million

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital*</th>
<th>Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 Awards</td>
<td>$31.83 m</td>
<td>$42.14 m</td>
</tr>
<tr>
<td>2009 Awards</td>
<td>$80.6 m</td>
<td>$13.29 m</td>
</tr>
<tr>
<td>2010 Awards</td>
<td>$135.46 m</td>
<td>$13.5 m</td>
</tr>
<tr>
<td>Total</td>
<td>$247.89 m</td>
<td>$68.93 m</td>
</tr>
</tbody>
</table>

*Includes Washington County 3% Guaranteed Grant
**Includes statutorily required one-time grant to Metropolitan Council of $30.78 Million.
Investments to Date
Bonds

• $110 million in Bonds – Dec. 2010
• Overall Rate: 3.9%
• Saved nearly $3 million (PV) through issuance by Hennepin County for CTIB
• Meet 2011-12 Commitments
• Keep Central LRT on Time & on Budget
Legislative & Stakeholder Expectations

- Property Tax Relief (Operating Costs)
- Reduced Reliance on State Bonding (Capital Costs)
New Starts Projects – Capital Funding Overview

Before
Counties Transit Improvement Board Established:
- Federal: 50%
- State: 33%
- Counties/RR As: 17%

After
Counties Transit Improvement Board Established:
- Federal: 50%
- State: 10%
- Counties/RRAs: 10%
- Counties/Sales Tax: 30%
Funding Shares: Capital Costs

- **Hiawatha Model**
  - 57%: Federal
  - 17%: State (incl MN-DOT)
  - 12%: MAC
  - 12%: HCRRRA
  - 2%: Other Local

- **Central Corridor Model**
  - 50%: Federal
  - 30%: CTIB (up to $300m)
  - 10%: County Rail Auth.
  - 10%: State

- **Northstar Model**
  - 50%: Federal
  - 33%: State
  - 17%: County Rail Auth.

- **New Model w/ Counties Transit Improvement Board:**
  - Counties provide 80% of non-federal share
  - State share reduced by 2/3
  - Property tax reduced 41%
Legislative/Stakeholder Expectations

- Property Tax Relief (Operating Costs)
- Reduced Reliance on State Bonding (Capital Costs)
- No Supplanting of Existing Funding
- Federal Funding
> $900m in federal funds to MN

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Avenue Bus Rapid Transit</td>
<td>$45,004,899</td>
</tr>
<tr>
<td>Central Corridor LRT</td>
<td>$35,175,225</td>
</tr>
<tr>
<td>Bottineau Corridor (NW Corridor)</td>
<td>$9,520,830</td>
</tr>
<tr>
<td>Northstar Corridor</td>
<td>$178,701,661</td>
</tr>
<tr>
<td>Northstar Corridor Phase 2 (incl bus demo.)</td>
<td>$3,097,400</td>
</tr>
<tr>
<td>Rush Line Corridor</td>
<td>$2,654,000</td>
</tr>
<tr>
<td>Red Rock Corridor</td>
<td>$6,135,000</td>
</tr>
<tr>
<td>Union Depot</td>
<td>$124,000,000</td>
</tr>
<tr>
<td>Hiawatha Avenue LRT</td>
<td>$412,500,000</td>
</tr>
<tr>
<td>Southwest LRT</td>
<td>$534,275</td>
</tr>
<tr>
<td>Urban Partnership Grant</td>
<td>$133,300,000</td>
</tr>
<tr>
<td>Northern Lights Express</td>
<td>$2,075,000</td>
</tr>
<tr>
<td>Gateway Transit Corridor</td>
<td>$250,000</td>
</tr>
<tr>
<td>Minneapolis Transportation Interchange</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Total federal funding through 2010</strong></td>
<td><strong>$953,448,290</strong></td>
</tr>
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</table>
Legislative/Stakeholder Expectations

• Property Tax Relief (Operating Costs)
• Reduced Reliance on State Bonding (Capital Costs)
• No Supplanting of Existing Funding
• Federal Funding
• Expansion of Transit System!
CTIB Accomplishments to Date

Kept promises / Met expectations
- Advanced consensus priority projects with sales tax revenue
- Expanded transit ridership & system
- Contributed to economic competitiveness of region & state
- Delivered good value
Evolving Approaches: Transportation + Land Use

• Hiawatha: Catching up
• Central: Just in time
• Southwest & future corridors: Ahead of the curve
New Era in Federal Partnerships

• HUD Office of Sustainable Housing & Communities
• Sustainable Communities Partnership: HUD, DOT & EPA
New Partnerships with Philanthropy

- Building on support from regionally-focused funders: McKnight Foundation, CCFC, others
- Living Cities Integration Initiative
- Ford Foundation’s Metropolitan Opportunity Initiative
- State Smart Transportation Initiative: USDOT & Rockefeller Foundation
New Collaborations Working to Link Transportation & Economic Opportunity

- **Central Corridor Funders Collaborative**
  - 12 local & national foundations
  - Significant investments over next decade to advance planning & implementation strategies

- **TOD Investment Framework & Working Group**
  - A comprehensive public investment framework that includes strategies to leverage the public investment to attract, shape, and accelerate appropriate private investment in the Central Corridor.
  - A coordinated voice to support future corridor wide funding needs and strategies for various funding partners
Twin Cities “Corridors of Opportunity”

- Living Cities Integration Initiative: $16 million in grants, loans & financing tools
- HUD Sustainable Communities Regional Planning Grant: $5 million
  - Program of Projects study to accelerate transitway buildout
Bending Investment Curves

- Existing funding streams harnessed to a new model of regional development
  - TOD
  - AHIF
  - ERF
  - MHFA
  - Active Living
  - CDBG
  - Bikes
  - Livable Communities
  - Public Works
  - Etc.
Challenge: Embedding Elements into an Ongoing Regional Approach

- Beyond muddling through
- Embracing the federal vision to create 21st century multi-modal systems in our regions & states
- Building locally on the federal Sustainable Communities Principles
Sustaining the Momentum

• Optimism
• Big Vision - Tie to Economic Competitiveness
• Additional Resources
• Ruby & the Romantics: “Our Day Will Come”
Thank You!

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Infrastructural Determinism

- Definition: Infrastructure investments guide the nature of subsequent investments and behavior.
- Common sense
- Beyond ideological defeatism
  - Government not only couldn't do anything about problems
  - But actually made problems worse
- Huge step
  - Beyond a march to mediocrity
  - Return to a march toward excellence
## Counties Transit Improvement Board: Great Progress in Three Years

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<th>Event</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Legislature Overrides Veto</td>
<td>Feb. 25, 2008</td>
</tr>
<tr>
<td>5 Counties Approve Joint Powers Agreement &amp; Sales Tax</td>
<td>April 1, 2008</td>
</tr>
<tr>
<td>Sales Tax Collection Begins</td>
<td>July 1, 2008</td>
</tr>
<tr>
<td>First Grant Awards: $72.8 m; Commitment to Central Corridor: up to $300m</td>
<td>Oct. 29, 2008</td>
</tr>
<tr>
<td>Long-Term Investment Framework Adopted</td>
<td>May 20, 2009</td>
</tr>
<tr>
<td>Second Grant Awards: $93.8 m</td>
<td>Dec. 16, 2009</td>
</tr>
<tr>
<td>Third Round of Grants Awarded: $149 m</td>
<td>2010</td>
</tr>
<tr>
<td>Partner in Federal Sustainable Communities</td>
<td>2010</td>
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