



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

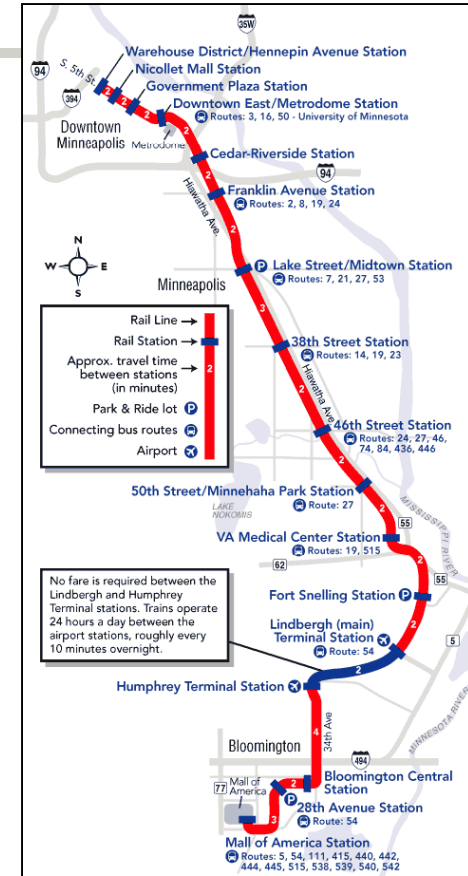
- No consensus
- 35 years of fighting
 - Freeway fight
 - Intra-regional fights
 - Partisanship
 - Opposition of Met Council, newspapers, Citizens League
- Heavy reliance on property tax
- No dedicated funding source for transit

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

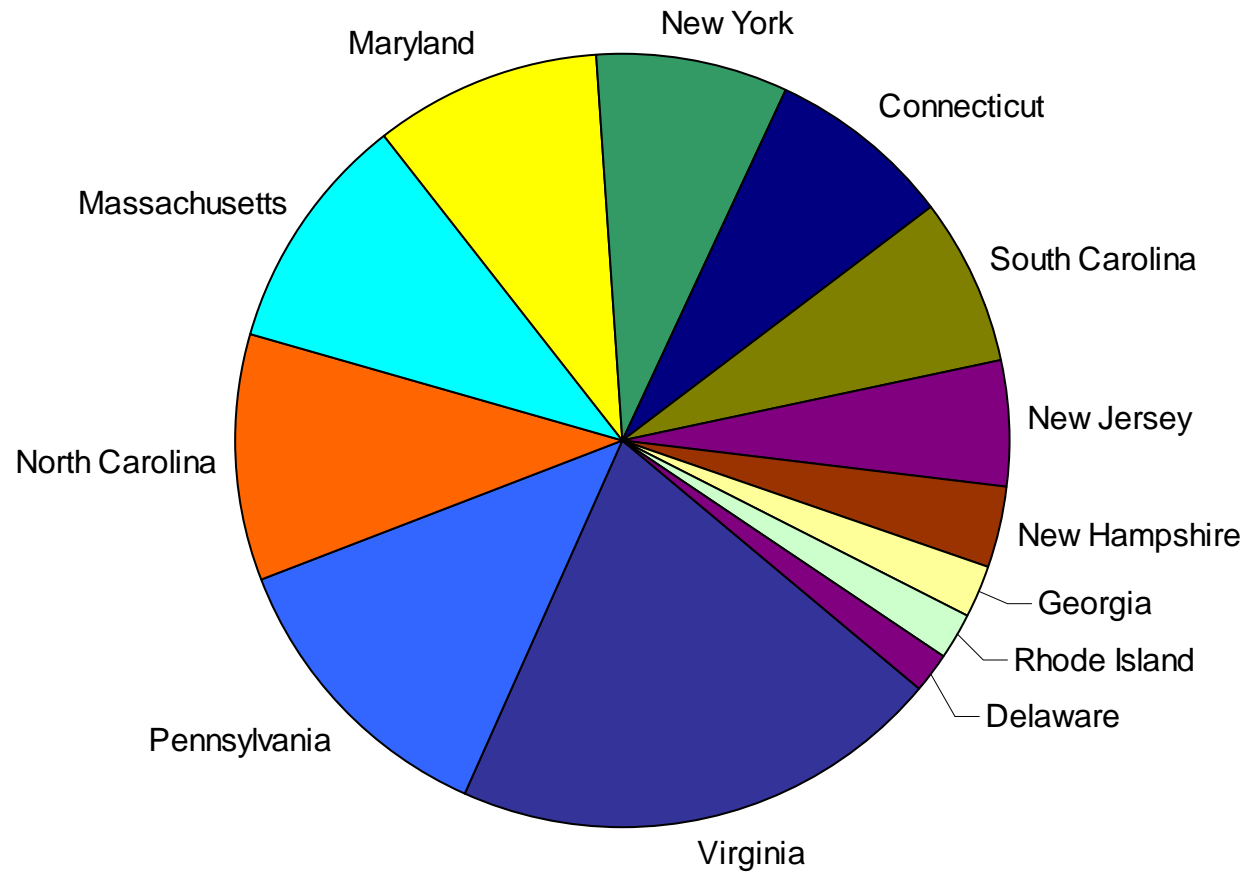
CTIB's 2-Armed Approach

- **Grants for transitways from sales tax**
- **Advocacy for transit policy & investment**

Counties Transit Improvement Board (Minn. Stat. Section 297A.992)

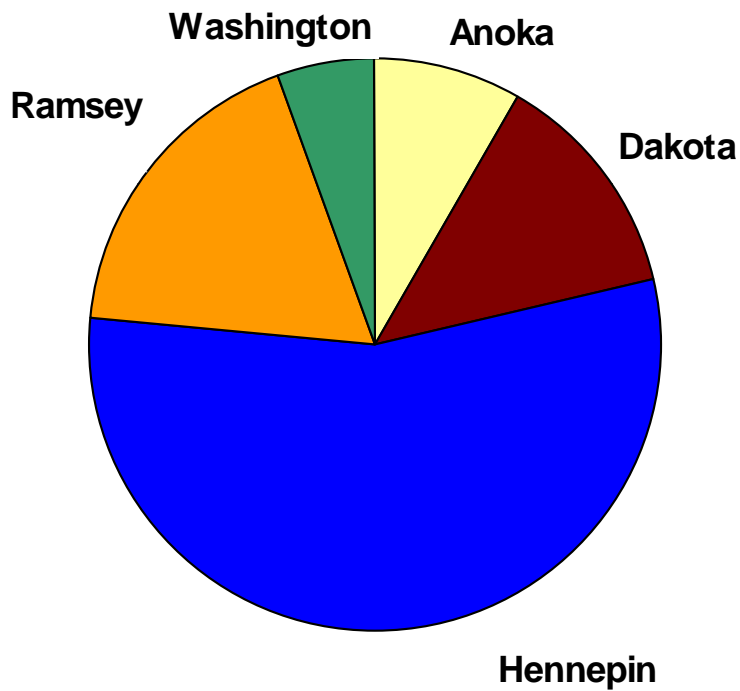
- Five Counties & Met Council Collaboratively Drafted & Adopted a Joint Powers Agreement
- Five Counties Enacted ¼-Cent Sales Tax
- CTIB sets Criteria & Awards Grants from Transit Improvement Sales Tax Revenues
- *A Grant Evaluation and Ranking Systems (GEARS) Committee* advises CTIB
- Annual Capital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

13 Colonies Population (1780)

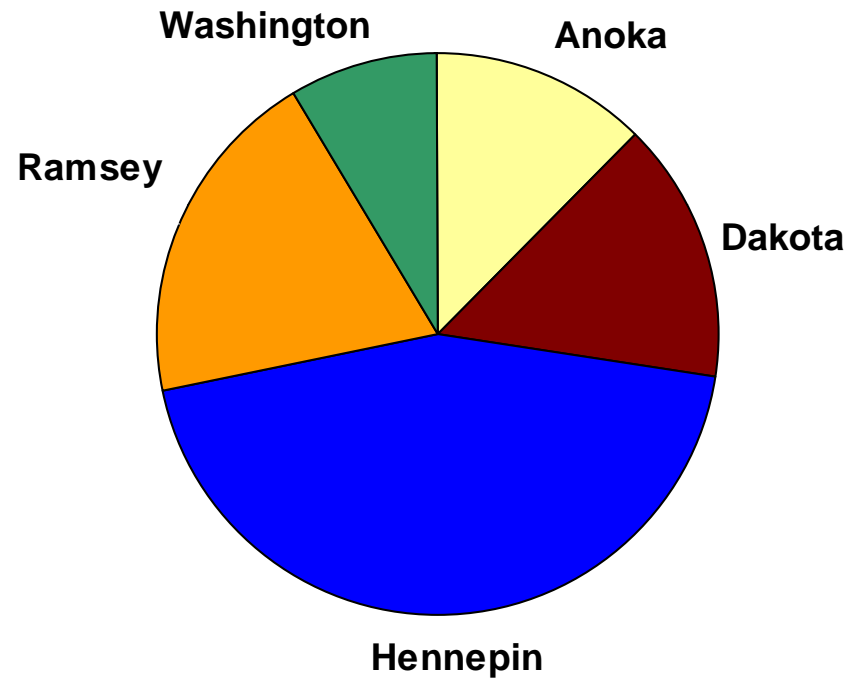


5 Counties

Sales Tax



Population



Voting Distribution

P= Population
S= Sales Tax

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

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

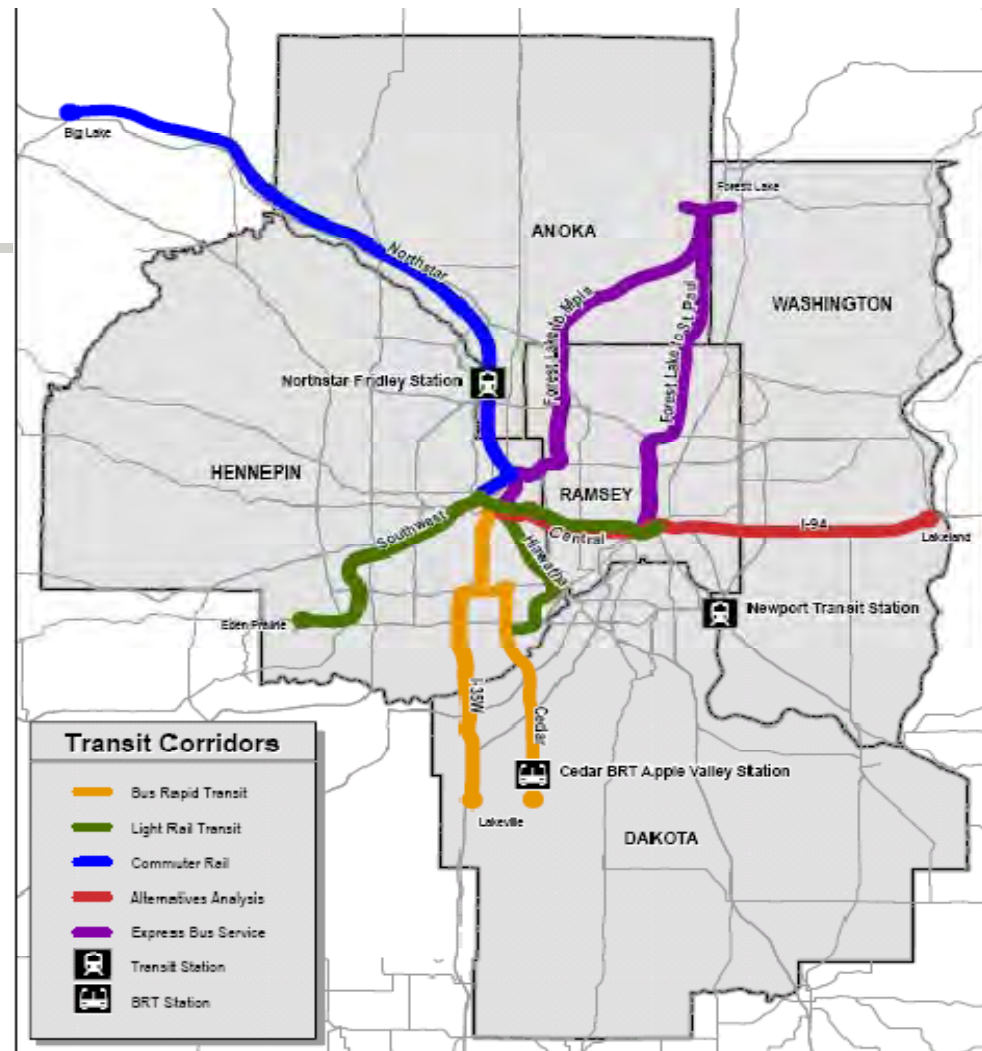
CTIB Grants Awarded to Date: \$316.82 Million

	Capital*	Operating
2008 Awards	\$31.83 m	\$42.14 m **
2009 Awards	\$80.6 m	\$13.29 m
2010 Awards	\$135.46 m	\$13.5 m
Total	\$247.89 m	\$68.93 m

* 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)

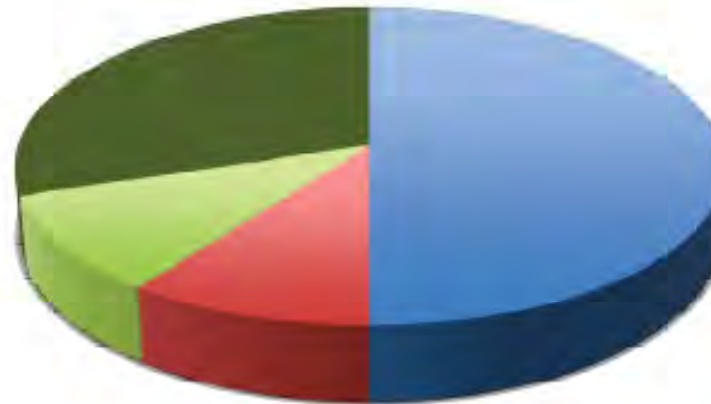
New Starts Projects – Capital Funding Overview

Before
Counties Transit
Improvement Board
Established:



- Federal - 50%
- State - 33%
- Counties/RRAs - 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%: HCRRA
 - 2%: Other Local
- **Northstar Model**
 - 50%: Federal
 - 33%: State
 - 17%: County Rail Auth.
- **Central Corridor Model**
 - 50%: Federal
 - 30%: CTIB (up to \$300m)
 - 10%: County Rail Auth.
 - 10%: State
- **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

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

Legislative/Stakeholder Expectations

- Property Tax Relief (Operating Costs)
- Reduced Reliance on State Bonding (Capital Costs)
- No Supplantating 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!



peter.mclaughlin@co.hennepin.mn.us

(612) 348-7884

www.hennepin.us
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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

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





Thank You!



[peter.mclaughlin
@co.hennepin.mn.us](mailto:peter.mclaughlin@co.hennepin.mn.us)

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www.hennepin.us
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