



Southwest LRT Community Works Steering Committee

Thursday, March 17, 2016

1:30 – 3:00 PM

Council Chambers, St. Louis Park City Hall

Agenda

- | | | |
|-------------|---|---|
| I. | Welcome and Announcements
<i>Hennepin County Commissioner Jan Callison</i> | 1:30 to 1:35 PM |
| II. | Approval of the January 2016 Meeting Minutes*
<i>Hennepin County Commissioner Jan Callison</i> | 1:35 to 1:40 PM
<i>(Action)</i> |
| III. | Committee Updates
<i>Technical Implementation Committee (TIC)</i>
<i>PLACES committee</i>
<i>Business & Community Advisory Committees (BAC/CAC)</i> | 1:40 to 1:50 PM |
| IV. | Marketing/Communications
<i>Eden Prairie Stations Video</i>
<i>Annual Report</i> | 1:50 to 2:05 PM |
| V. | Legislative Update | 2:05 to 2:25 PM |
| VI. | Resolution: Support SW LRT State Funding | 2:25 to 2:30 PM
<i>(Action)</i> |
| VI. | Finance Tools
<i>Julie Wischnack, Minnetonka</i> | 2:30 to 2:45 PM |
| VII. | Community Development Update | 2:45 to 3:00 PM |

**enclosed*

*The next Southwest Community Works Steering Committee meeting will be held on Thursday, **May 19, 2016** at the St. Louis Park City Hall at 1:30 PM.*



SOUTHWEST LRT
community works

Beyond the Rails
swlrtccommunityworks.org

Southwest LRT Community Works
Steering Committee

2016 Meeting Schedule

Meetings are held on the third Thursday of the month at 1:30 PM at the St. Louis Park City Hall, Council Chambers.

January 21st

March 17th

May 19th

July 21st

September 15th

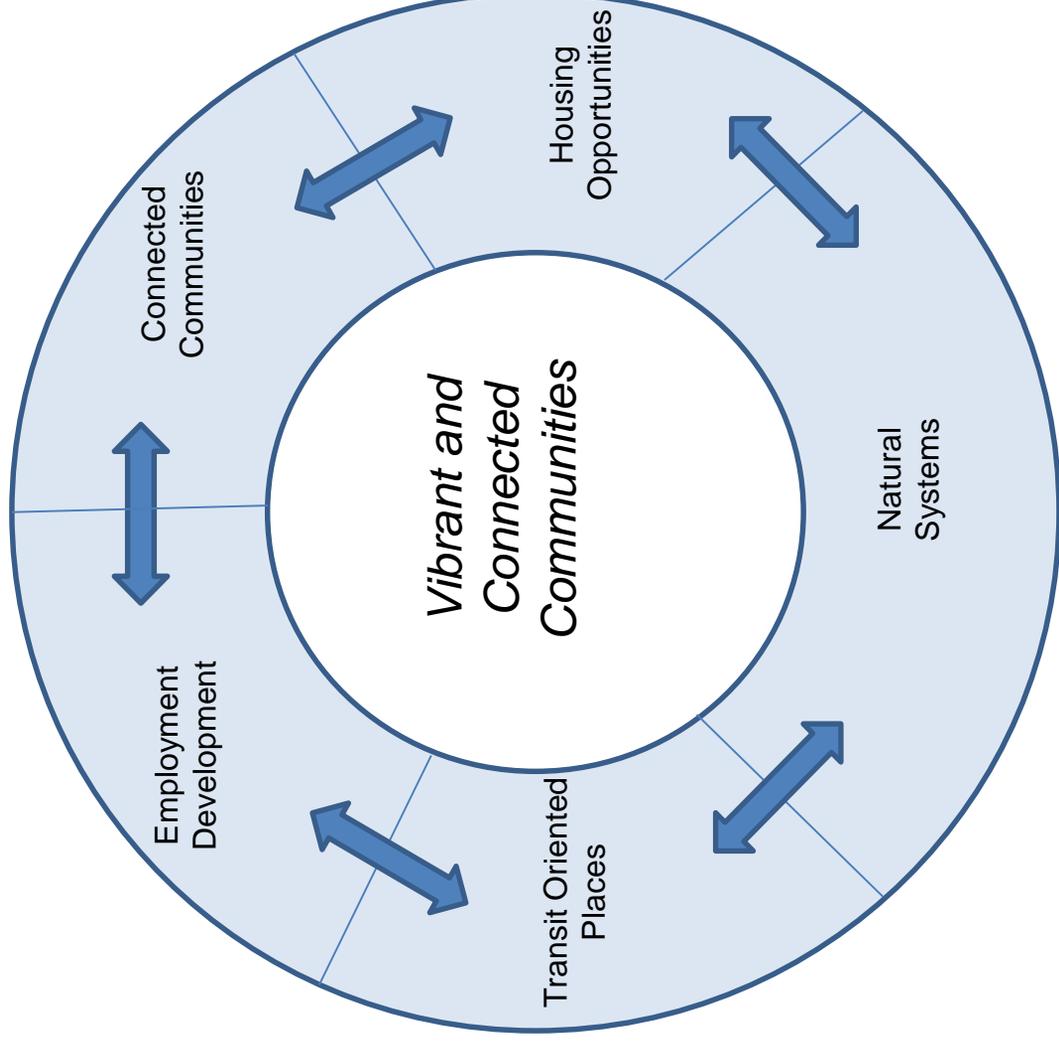
November 17th

**Southwest LRT Community Works Steering Committee
Roster (March 2016)**

Representing	Name	Member	Email Address
Hennepin County	Jan Callison (Chair)	Member	jan.callison@hennepin.us
	Linda Higgins	Member	Linda.higgins@hennepin.us
Hennepin County Regional Railroad Authority	Marion Greene	Member	Marion.greene@hennepin.us
	Peter McLaughlin	Alternate	Peter.mclaughlin@hennepin.us
Metropolitan Council	Jennifer Munt	Member	jennifer.munt@metc.state.mn.us
City of Minneapolis	Linea Palmisano	Member	Linea.palmisano@minneapolismn.gov
	Lisa Goodman	Alternate	Lisa.goodman@minneapolismn.gov
City of St. Louis Park	Anne Mavity	Member	anne@annemavity.org
	Sue Sanger	Alternate	suesanger@comcast.net
City of Edina	James Hovland	Member	jhovland@ci.edina.mn.us
	Mary Brindle	Alternate	mbrindle@comcast.net
City of Hopkins	Kristi Halverson	Member	khalverson@hopkinsmn.com
	Aaron Kuznia	Alternate	akuznia@hopkinsmn.com
City of Minnetonka	Tony Wagner	Member	twagner@eminnetonka.com
	Terry Schneider	Alternate	tschneider@eminnetonka.com
City of Eden Prairie	Kathy Nelson	Member	knelson@edenprairie.org
	Brad Aho	Alternate	baho@edenprairie.org
Minnehaha Creek Watershed District	Dick Miller	Member	dickrmiller@gmail.com
	Kurt Rogness	Alternate	krogness@minnehahacreek.org
Minneapolis Park and Recreation Board	Anita Tabb	Member	atabb@minneapolisparcs.org,
	Meg Forney	Alternate	megf@visi.com
SouthWest Transit	Nancy Tyra-Lukens	Member	ntyra-lukens@edenprairie.org
Urban Land Institute-Minnesota	Caren Dewar	Ex-officio	caren.dewar@uli.org
	Cathy Bennett	Alternate	Cathy.bennett@uli.org
Community Advisory Committee	Russ Adams	Ex-officio	russ@metrostability.org
Business Advisory Council	Will Roach	Ex-officio	Will.Roach@bakertilly.com

Southwest Community Works Vision

“connecting people to jobs, housing, shopping and fun”





Southwest Community Works Steering Committee

Meeting Minutes

Thursday, January 21, 2016– 1:30 – 3:00 PM, St. Louis Park City Hall

Meeting Attendees:

Steering Committee Members and Alternates:

Chair Jan Callison, Hennepin County member

Linda Higgins, Hennepin County member

Marion Greene, HCRRA member

Kathy Nelson, Eden Prairie member

Tony Wagner, Minnetonka member

Anita Tabb, Minneapolis Parks & Recreation Board member

Russ Adams, Community Adv. Comm. (CAC) member

Kurt Rogness, MCWD alternate

Mary Brindle, Edina alternate

Linea Palmisano, Minneapolis member

Anne Mavity, St. Louis Park member

Kristi Halverson, Hopkins member

Cathy Bennett, ULI-MN alternate

Will Roach, Business Adv. Comm. member

Other attendees: Katie Walker (Hennepin County), Meg McMonigal (St. Louis Park), Kerri Pearce Ruch (Hennepin County), Julie Wischnack (Minnetonka), Michele Schnitker (St. Louis Park), Margo Geffen (Hennepin County), Viyda Ditter (Bryn Mawr neighborhood), Tara Beard (Met Council), Tim Thompson (Housing Justice Project), Allyson Lueneburg (Hennepin County), Howard Orenstein (Hennepin County), Kevin Locke (St. Louis Park), John Doan (Hennepin County), Brian Schaffer (Minneapolis), Kersten Elverum (Hopkins), Janet Jeremiah (Eden Prairie), Ryan Kelley (St. Louis Park), Larry Blackstad (MCWD), Robin Kaufman (SPO), Ann Beuch (Blake Road Corridor Collaborative), Ray Hoover (Hennepin County), Sam O'Connell (SPO), Sophia Ginis (SPO)

- Welcome and Announcements:** Chair Callison called the meeting to order at 1:05 PM. He also noted that with legislative session coming up, the chambers are getting together to support bonding for SWLRT, in part through developing key messages and a letter for legislators. Tony Wagner asked that this information be shared with the Steering Committee.
- Approval of November 2015 meeting minutes:** Chair Callison requested action on the March 2015 minutes. Minutes were approved on a voice vote.
- Committee updates:** Will Roach, Business Advisory Committee (BAC) co-chair provided an update on the BAC. The BAC met on January 27th to discuss LRT construction outreach and 2016 scheduling. Russ Adams, Community Advisory Committee (CAC) co-chair provided an update on the CAC. The CAC met on January 26th to discuss construction outreach and 2016 scheduling. He also stated the group will continue to discuss racial and economic equity issues. The group previously sent a letter to the Southwest Corridor Management Committee regarding these issues. Mr. Adams volunteered to share that letter with the group.



4. **Southwest Corridor Housing Strategy:** Members continued discussion on the Corridor Housing Strategy, carried over from the November 2015 meeting. After a thorough discussion the committee considered a resolution to accept the Southwest Corridor Housing Strategy.
5. **Resolution: Corridor Housing Strategy:** Chair Callison asked the committee to consider the draft resolution that was included in their meeting packet. After review, Mary Brindle moved the resolution, seconded by Tony Wagner. The motion was approved unanimously on a voice vote.
6. **Community Development Update:** City staff provided updates on community development activities occurring along the Southwest LRT line. Brian Schaffer (Minneapolis) provided an update on the recently completed West Lake Multimodal Study, which identified infrastructure projects within the W. Lake station area. He also provided information on the Minneapolis housing inventory tool. Meg McMonigal (St. Louis Park) provided an update on the proposed PLACE development at the Wooddale Station; the proposed FTA joint development project at the Beltline Station; and the Japs Olson expansion project between the Louisiana and Blake Stations. Kersten Elverum (Hopkins) provided an update on the Moline development on the former Johnson Building at the Downtown Hopkins Station; the Oxford Village Project for Pride in Living (PPL) project at the Blake Station; and the public plaza planned for the Shady Oak Station. Julie Wischnack (Minnetonka) provided an update on the Cloud Nine and Music Barn developments as well as the sale of the MART at the Opus Stations. Janet Jeremiah (Eden Prairie) provided an update on UHG development at the City West Station; the W. 70th Street roadway improvements at Golden Triangle Station; and redevelopment interest at the SouthWest Station.
7. **Station Renaming Proposal:** Robin Caufman, SPO, presented potential name changes for several SW LRT stations. She indicated the SPO was soliciting input before a final decision was made by the Metropolitan Council on February 24, 2016. Committee members indicated strong support for retaining “Golden Triangle” and “Shady Oak”; support for either retaining “City West” or changing to “Crosstown”; changing “Penn” to “Bryn Mawr”; and retaining “Van White”. In addition, members expressed a preference against adding “Street/Blvd./Ave.” to the station names.
8. **Adjournment:** The Committee adjourned at 3:05 PM. The next Southwest Community Works Steering Committee meeting will be on March 17, 2016.



Agenda Item III – Committee Updates

Steering Committee Action Requested:

Background:

Technical Implementation Committee
PLACES Committee
Business Advisory Committee (BAC)
Community Advisory Committee (CAC)

Previous Action on Request:

Recommendation:

Attachments:

- PLACES Committee information sheet

Comments:



PLACES

PUBLIC ART & COMMUNITY ENGAGEMENT SOUTHWEST

PLACES is an initiative to facilitate public art along the Southwest Light Rail Transit (LRT) Corridor. Public art creates *PLACES* and historically it has been a vital part of our civic spaces and transit amenities in the Twin Cities metro area.

The PLACES Vision

Tell the story, character, heritage and culture of communities along the Southwest Corridor through public art.

The PLACES Approach

Part 1: Art at LRT Station Plazas

- Commission a permanent artwork in each city at an LRT station plaza (off-platform) to celebrate each city's unique identity and create a prominent "meet me there..." destination
- Art to reflect the character, makeup and history of the area and be developed in collaboration with artists, local residents and businesses
- Goal budget: \$5 M



Part 2: Engagement and Collaboration with Artists

- Fund a program similar to Hopkins ArtStreet or the Irrigate model from Central Corridor LRT that connects artists with businesses along the Southwest LRT Corridor
- Goal budget: \$500 K



How you can support PLACES

Join the PLACES Committee! The PLACES Committee is seeking members of the business community, arts patrons and arts organizations to act as champions to support this important initiative. We are looking for ambassadors with an understanding and appreciation for public art along the Southwest Corridor.



PLACES Committee Members (as of 2/29/16)

Linda Higgins (co-chair), Hennepin County Commissioner
Nancy Tyra Lukens (co-chair), Eden Prairie Mayor
Andriana Abariotes, Twin Cities Local Initiative Support Corporation Executive Director
Molly Cummings, Hopkins Mayor
Gail Dorfman, Metropolitan Councilmember
Marion Greene, Hennepin County Commissioner
Jennifer Komar Olivarez, Minneapolis Institute of Art Curator
Jennifer Munt, Metropolitan Councilmember
Pavel Pys, Walker Art Center Curator
Larry Redmond, Redmond Associates
Peter Remes, First&First Chief Executive Officer
Sharon Sayles-Belton, Thomson Reuters Vice President
Terry Schneider, Minnetonka Mayor
Terri Simard, Target Corporation Vice President
Jake Spano, St Louis Park Mayor

Expert Public Art Support

Forecast Public Art, led by Jack Becker, will be leading a team of consultants to support the PLACES committee. Since 1978, Forecast has been a Twin Cities-based, national leader in the area of public art and place making. Forecast's mission is to strengthen and advance the field of public art by expanding participation, supporting artists, informing audiences and assisting communities. Additional staff support from the cities of Eden Prairie, Minnetonka, Hopkins, St Louis Park and Minneapolis combined with Hennepin County, Metropolitan Council and other project partners will be provided.

For additional information, contact John Doan at john.doan@hennepin.us or 763-355-8746.



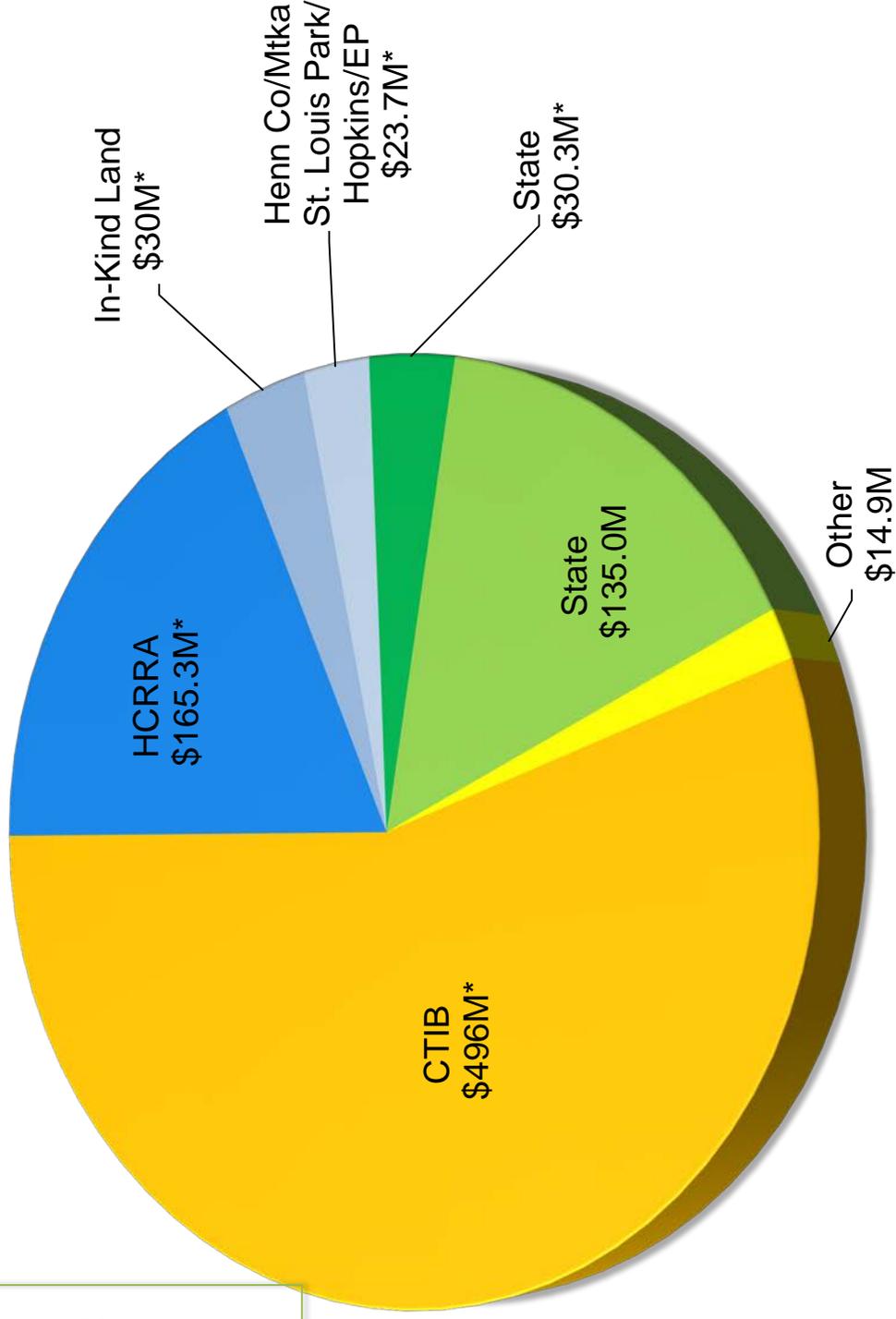
Agenda Item V – Legislative Update	
	Steering Committee Action Requested:
Background:	
Previous Action on Request:	
Recommendation:	
Attachments: <ul style="list-style-type: none"> • MINNPOST, "With 2016 budget, feds remain committed to funding Southwest LRT – now it's up to the Legislature", 2/11/2016 • Finance and Commerce, "Business groups differ on Transportation Funding", 3/1/2016 • Minneapolis Downtown Council Resolution (2/9/2016) to support funding for SW LRT • Hennepin County 2016 State Legislative Platform 	
Comments:	



Local Funding Sources

\$1.79 Billion

**\$745M
Committed out
of \$895 Million
Local Funds
Needed**



*** Committed**

With 2016 budget, feds remain committed to funding Southwest LRT — now it's up to the Legislature

By [Sam Brodey](#) | 02/11/16 MINNPOST



Courtesy of Metro Transit/Eric Wheeler

Minnesota transit authorities have successfully secured federal New Starts funding for three major projects — the Blue and Green light rail lines, and the Northstar rail line.

WASHINGTON — On Tuesday, President Barack Obama released his eighth and final annual budget request — and there's good news in the sprawling document for backers of mass transit in the Twin Cities area.

The federal Department of Transportation maintained its commitment to funding half the total cost of a marquee Minnesota mass transit goal: the proposed Southwest Light Rail Transit project, which would span a 14.5-mile route from Eden Prairie to Target Field.

This year's \$20 billion mass-transit package includes \$125 million for Southwest LRT, but local authorities read that more as a sign of federal commitment to the project rather than a hard appropriation at this stage.

Transit authorities and advocates in the Twin Cities are optimistic that the long-awaited project is closer than ever to getting off the ground, but the year ahead will be a critical one: legislators in St. Paul **still need to come up with the final \$135 million in state funds needed to match the feds' money and move the project ahead.** If they fail to do that this session, federal funding won't materialize, and Southwest LRT could veer off the tracks for good.

Full steam ahead

Southwest LRT has been on the federal government's radar since at least 2011, when the Federal Transit Administration, the mass transit division of the Department of Transportation, approved it as part of its "New Starts" program. That initiative is designed to identify and expedite what federal officials see as the most promising mass transit projects around the country.

Back then, the FTA identified Southwest LRT as a "medium" priority project, but as local funding has come together for the project, it's been bumped up to a "medium-high" rating. As with last year's budget, the FTA wants to fund 50 percent of Southwest LRT's total construction cost. This year, the feds estimated that cost at \$1.77 billion, so they would plan to contribute \$882 million over the life of the project.

Southwest LRT sits on a shortlist with six other New Starts projects, all of which are a step or two away from full-funding grant agreement status — the point of the process where the federal cash actually starts to roll in. That list includes a light rail project in the Maryland suburbs of D.C., a trolley line in San Diego, and an extension of an existing subway line in Los Angeles.

Mark Fuhrmann, who directs rail projects at the Metropolitan Council, says the federal government likes all of these projects, but the sooner that one of them has all the ingredients needed for federal funding — environmental impact studies, engineering plans, local funding — it will advance. It's not a stretch to say it's a race between Southwest LRT and its competitors, Fuhrmann says.

The fact that Southwest LRT's project rating didn't change is a big win for local authorities: last year, **they had to trim \$300 million off the total cost of the project without adversely impacting its environmental impact, ridership projections, and other metrics used to determine project rating.**

Consistency out of Washington

This year's numbers, then, don't reveal any change in how the federal government views the Southwest LRT. If anything, the consistency encourages local advocates of the project, who interpret it as another vote of confidence out of Washington that the Southwest LRT is viable.

The 2016 White House budget was met with enthusiasm by Adam Duininck, chair of the Met Council, who called it a "remarkable development" for Southwest LRT. "The president's budget demonstrates the federal government's belief in the strong merits of this project," he said in a press release.

And, to the delight of transit authorities, **last December Congress passed a multi-year transportation bill for the first time in ten years.** That law set funding levels for all transportation projects, including a potential Southwest LRT, for the next five years.

It's well-known at this point that congressional Republicans hate Obama's \$4 trillion budget request — so much so that **they're not even granting it the hearings historically afforded to presidents.**

But Republicans' reservations rest more with big-ticket talking-point items, like the White House's proposed \$10 per barrel tax on gasoline, than with relatively obscure items like local light rail projects. So, if the Southwest LRT were to receive the green light from the FTA, it's highly unlikely that Republicans would block it — or any other transit project — out of antipathy toward the president.

Congress would have to agree to appropriate the money for Southwest LRT in an annual transportation spending bill, but Fuhrmann says lawmakers have never failed to abide by New Starts funding recommendations put forth by the FTA.

This newfound consistency from Washington means one thing for the future Southwest LRT: if it's to move forward, the Minnesota Legislature needs to come up with the cash to match the federal contribution.

Eyes turn to St. Paul

Local policymakers, including those at the Met Council, say they're cautiously optimistic that state lawmakers can come up with the \$135 million share of the project they've been tasked to contribute. State and local authorities need to match the feds dollar-for-dollar to get access to any of their money.

But as **MinnPost reported in January**, some Republicans in the Legislature have major reservations about the big-ticket light rail project, and would prefer to allocate state dollars to road and highway improvements.

DFL lawmakers will have to figure out a way to leverage Republicans' desire for road dollars to finally secure funding for Southwest LRT. As transit backers have said over the past few months, if Congress can work out a transportation compromise, the Legislature can do it, too.

But if they don't, the consequences could be dire. Several officials at the Met Council suggested this year's legislative session will be do-or-die for this next phase of light rail in the Twin Cities. "2016 is the critical year to secure the state funding for Southwest LRT," Fuhrmann says, adding that if that happens, officials can apply for full-funding grant status this summer, and potentially get those funds as soon as mid-2017.

If lawmakers head home without having scrounged up the money for Southwest LRT, the federal government would lose confidence in the project — and potentially withdraw its strong commitment to fund it.

Federal officials score the viability of a transit project on several local metrics, like commitment to providing funds and reasonableness of the financial plan put forth by authorities. Right now, Southwest LRT ranks “high” or “medium-high” on all those metrics, but the FTA would downgrade them if St. Paul fails to put up its share of the money. Other projects would then gain priority over it. “The Southwest project risks falling to the very back end of the federal New Starts funding queue,” Fuhrmann says.

Minnesota transit authorities have successfully secured federal New Starts funding for three major projects — the Blue and Green light rail lines, and the Northstar rail line. With a critical mass of federal backing behind the project, officials are not ready to let Southwest LRT slip through the cracks.

“We’re looking forward,” Fuhrmann says, “to being able to continue to build out our regional metro system, which will then include the Southwest LRT project.”

Business groups differ on transportation funding

By: Janice Bitters March 1, 2016 9:17 am 0 Finance and Commerce

Business groups around the state are advocating different approaches to transportation funding as lawmakers gear up to debate a comprehensive transportation bill in the legislative session that begins next week.

In February, the Minneapolis Downtown Council announced its support for additional tax revenue to pay for future transit and transportation investments in the state.

Days earlier, the Dakota County Regional Chamber of Commerce supported making transit investments from existing tax revenues and the state's general fund.

The two business groups are representative of the split around the state as lawmakers and businesses consider their options before the legislative session, which begins March 8.

Two transportation bills, which will be picked up in the coming session, also differ over funding — a disagreement that left Minnesota without a comprehensive transportation bill last year.

The DFL-led Senate aims to fund transportation through new tax revenues, including a metro-area sales tax increase. Meanwhile, a bill coming out of the Republican-led House contends money is already available for transportation within existing revenue sources, but needs to be reallocated.

The resolution passed last month by the Downtown Council's Executive Board points to planned projects in the metro area as catalysts for growth in the state that would be funded by increased tax revenues.

Among them is the planned Southwest light rail transit line, which could be in jeopardy or delayed if the state's remaining \$135 million contribution isn't committed by this summer.

Southwest is a \$1.79 billion project set to open in 2020. The route would extend the Green Line 14.5 miles between Minneapolis and Eden Prairie with stops in St. Louis Park, Hopkins and Minnetonka.

"Today's modern city needs to make it easy for workers and residents to get around town through a variety of reliable transit options," Steve Cramer, president and chief executive officer of the Downtown Council, said in a press release. "It is what employees look for in choosing a city, and it is part of what will keep Minneapolis competitive with peer cities."

For the Dakota County Regional Chamber of Commerce, transportation is a priority, but the organization wants existing tax allocations to reflect its importance.

"We believe through efficiencies and current funding mechanisms that transportation is so important that some of those dollars should be reallocated to transportation," Vicki Stute, president of the Dakota County Regional Chamber of Commerce said in an interview this month.

Meanwhile, the Minnesota Chamber of Commerce, which was integral in passing the state's last transportation bill nearly a decade ago, has backed a plan to use existing taxes to fund transportation.

Regionally, Minneapolis Regional Chamber of Commerce and the Metropolitan Council chair, Adam Duinick, have supported a metro-area sales tax increase.

Transit planners are looking to the state in coming years to help fund millions of dollars for planned light rail and BRT lines around the metro.

State leaders say this is the year for a transportation bill, despite largely holding the same positions they did last year as they head into the 2016 session.



*Adopted by the Executive Committee of the Minneapolis
Downtown Council on February 9, 2016*

* * * * *

Resolution in support of additional funding for transit
and transportation investment

WHEREAS, Downtown Minneapolis is a key economic engine for the City, the Greater MSP Region, and the State of Minnesota; and

WHEREAS, the City, MSP Region, and State will thrive if more people in more places enjoy quality access to more jobs, educational institutions, opportunities, and events; and

WHEREAS, the Minneapolis Downtown Council's (MDC) ***Intersections 2025 Plan*** identifies ten goals which, if achieved, will ensure a thriving, livable, connected, and vibrant Downtown Minneapolis; will ensure that Downtown Minneapolis continues to compare favorably to its peer cities; and will ensure that Downtown Minneapolis is able to retain and attract a talented workforce and growing businesses; and

WHEREAS, one of the essential goals of the 2025 Plan is to "*lead the nation in transportation options in order to encourage new jobs, housing and business vitality*"; and

WHEREAS, to achieve the 2025 Plan's transportation goals, the plan identifies these objectives:

- maintain and improve high capacity for auto and transit commuters;
- increase the daily transit share from 40 percent to 60 percent;

- increase circulation to, from and within Downtown;
- leverage Target Field Station as the metro area’s primary transit hub; and
- secure stable, reliable transit funding; and

WHEREAS, no goal in the 2025 Plan is more critical to the success of Downtown Minneapolis as a place to attract and retain residents, workers, and visitors in an increasingly competitive national and global environment; investments in transit and transportation are investments in the future success of the City, MSP Region, and State;

WHEREAS, an economically strong Downtown Minneapolis depends equally upon a responsibly funded and maintained state-wide road and bridge network;

WHEREAS, unpredictable, piecemeal transportation investment is inefficient, expensive, and undermines our ability to achieve the 2025 Plan’s long-term goals, to the detriment of the City, Greater MSP Region, and State; and

WHEREAS, it is especially important that two significant transit projects receive financial commitments in 2016:

- Green Line LRT Extension – federal funding for the extension of the Green Line LRT from Target Field Station to the communities southwest of Minneapolis is all but assured, and the project is nearly ready to go, but the final portion of the required state/local funding commitment is lagging; if that final funding piece fails to materialize this year, the Green Line LRT extension could face a serious delay in (or loss of) federal funding; and
- Orange Line BRT – the Orange Line Bus Rapid Transit (BRT) now in development will bring fast, frequent, and reliable all-day transit service along the I-35W Corridor between Downtown Minneapolis and communities to the south, will include a two-level transit station at Lake Street, and will be coordinated with construction to rework the connections between I-35W and Lake Street; separately, in 2018, MnDOT is scheduled to begin the re-configuration of connections between I-35W and I-94 and other improvements to I-35W, causing a significant, multi-year disruption to I-35W access into Downtown Minneapolis; if the Orange Line BRT funding piece is not in place this year to permit the BRT improvements to be constructed on a coordinated basis with the larger I-35W/I-94 and I-35W/Lake Street projects, the cost of Orange Line BRT improvements will significantly increase, and the multi-year agony of disruption to I-35W will be needlessly, and unpopularity, prolonged; and

WHEREAS, the planned Blue Line LRT extension (connecting Target Field Station to communities to the north) is currently in the process of receiving municipal consent, and must soon demonstrate matching fund availability to receive a competitive federal funding commitment; legislative inaction on a long-term transportation and transit funding plan will jeopardize our region's ability to demonstrate that financial commitment.

NOW, THEREFORE, BE IT RESOLVED, that to accomplish the goals and objectives of the 2025 Plan, Board leadership of the MDC believes a comprehensive, long-term transportation funding plan should be approved during the 2016 legislative session; specifically, we support the adoption of a new, stable, reliable funding source in order to complete the development of our regional transit plan (including the Green Line and Blue Line LRT extensions, Orange Line BRT, and other BRT lines in high-volume corridors), and to provide sufficient funding for superior operation of the expanding transit system; and

BE IT FURTHER RESOLVED, that all necessary steps be taken in the 2016 legislative session to ensure that sufficient funding is available on a timely basis:

- to provide the financing commitment required to take full advantage of the federal funding available for the extension of the Green Line LRT from Target Field Station to the communities southwest of Minneapolis; and
- to provide sufficient funding to permit the construction of the Orange Line BRT improvements in coordination with the planned reconstruction of the I-35W/I-94 and the I-35W/Lake Street connections; and

BE IT FURTHER RESOLVED, that any transportation package include a plan for both transit investment and the responsible funding of our state-wide road and bridge network, so that transit and transportation quality in Minneapolis and throughout Minnesota become competitive assets, not a looming liability.



Hennepin County

2016 State Legislative Platform

February 2016

BONDING

- Regional Medical Examiner's Facility—\$25.9 million
- Bottineau LRT/Metro Blue Line Extension—\$20 million
- Access to I-35W from Lake Street—\$25 million
- Ramsey Joint Juvenile Facility—\$18.7 million

Support others:

- Artspace/Hennepin Center for the Arts—\$6 million
- Cedar Cultural Center—\$3 million
- Local bridge and historic bridge bonding
- Local road improvement bonding

CRIMINAL JUSTICE AND PUBLIC SAFETY

Preserve and protect public safety through state funding that covers counties' costs and enables counties to implement state mandates.

- Support increased funding to the Minnesota Bureau of Criminal Apprehension to meet its obligations for timely processing of drug chemistry evidence to expedite the execution of justice at the county level.
- Oppose cost shifting to local governments for sex offenders released from the Minnesota Sex Offender Program (MSOP).
- Support the restoration of voting rights to persons on probation or parole for a felony conviction.
- Increase Community Corrections Act funding to assure adequate state funding for supervision of offenders in the community.
- Support legislation and continued funding for offender reentry, including transitional housing, work opportunities and community-based treatment.
- Support full funding of the state No Wrong Door plan to address the identification, recovery, and safety of children who are victims of sexual exploitation.
- Support legislation that improves access to behavioral health services for pre-adjudicated clients detained in jail in order to reduce costly crisis interventions and produce better outcomes.

DATA PRACTICES

- Support legislation that promotes streamlined service coordination and sharing of data across health, education, public safety and human services organizations.

ENVIRONMENT AND ENERGY

Protect the environment and conserve resources through responsible management of waste and natural resources and promotion of environmental stewardship.

- Restore SCORE funding to its original purpose (funding county waste reduction, recycling and composting efforts to meet state solid waste goals) by eliminating the diversion of SCORE revenues to the General Fund.
- Support legislation and state funding for planning and response to the loss of trees due to invasive pests and pathogens.
- Support the Solid Waste Management Coordinating Board (SWMCB) 2016 legislative package adopted by SWMCB.
- Ensure that Hennepin County receives a fair share of revenues from the Clean Water, Land and Legacy Amendment.
- Support the efficient, transparent and accountable management of water resources, which maximizes the use of financial and technical resources.
- Extend Hennepin County's energy forward pricing authority from 24 months to 60 months.

GENERAL GOVERNMENT

Partner with the State of Minnesota to improve the delivery of government services, reduce mandates on local government, re-prioritize government spending and promote effective management of county programs by allowing local control.

- Allow Hennepin County to have the same contracting and purchasing authority as the State of Minnesota, including job order contracting and construction manager at-risk.
- Require PERA to provide Hennepin County with employee retirement eligibility data.
- Increase the population threshold to 80,000 for determining which cities should be subjected to campaign finance and disclosure of economic interest requirements at the county level.
- Remove obligations and liabilities created by easements and other encumbrances on properties when in tax forfeiture that result in costs to the county or taxpayers.
- Support improved efficiency of election administration through early voting, strengthen the integrity of Minnesota voting laws, and enhance voter accessibility, including e-Pollbooks with an electronic signature.
- Amend state statute to allow local governments to publish official documents electronically rather than in print.
- Support renewal of the allocation of Legacy/ Arts and Cultural Heritage funding for libraries with a priority on technology and collection.
- Oppose any attempt to prohibit publicly owned broadband systems for governmental purposes.
- Remove outdated five-day waiting period before a marriage license is effective and valid.

HCMC

Assure access to the full continuum of health care services for all.

- Support the comprehensive reform of the state's mental health system to ensure patients receive the appropriate level of care and to improve patient outcomes.
- Target increased payments to safety-net hospitals with the largest uncompensated and undercompensated care burden.
- Support Medicaid payment reform demonstration projects that benefit safety-net providers.

- Support funding and the development of policies that encourage the state's adoption of best practices in health disparities reduction.
- Create a mechanism to reduce the burden of uncompensated and undercompensated care created by changes to Emergency Medical Assistance (EMA).
- Maintain or increase current state investment in medical education and health care workforce development funding for HCMC.
- Secure ongoing funding that promotes organ donations and transplant services and outreach.
- Obtain funding to support the Addiction Medicine Fellowship program and secure funding for the implementation costs related to the creation of care models that integrate addiction medicine.
- Eliminate the mandatory managed care intergovernmental transfer (IGT II), and modify existing IGTs to better reach upper payment limits.

HEALTH AND HUMAN SERVICES

Enhance safety-net services and invest in programs that strengthen communities and improve the lives of residents.

- Create an efficient and effective system
 - Support modernization of Minnesota's state and county computerized systems used for human services and health care eligibility.
 - Ensure adequate funding for essential health and human services without reliance on maintenance of effort requirements or shifts in funding obligations from the state budget to county property tax dollars.
- Protect children and support their development
 - Substantially invest in early childhood development programs (including basic sliding fee child care, foster care child care, early learning scholarships, evidence-based targeted home visiting, etc.) to support low-income and high-risk families whose children are at risk of poor educational and health outcomes and to address disparities affecting targeted populations.
 - Support reforms to and increase investment in the child protection and foster care systems to ensure positive outcomes for county-involved youth.

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Health and Human Services *continued*

- Address mental and chemical health needs
 - Support state funding to meet the needs of individuals with mental illness in state-operated services and in the process of civil commitment, and to develop an array of supportive housing options and services required for placement of these individuals back in the community.
 - Support efforts to improve our children and adult systems of chemical health treatment, such as detox services, to leverage federal funding and assure timely access to effective care.
 - Support efforts to reform the state's children and adult mental health system in ways that reduce gaps in services, facilitate connections to appropriate care settings and promote access and integration with substance abuse and supportive services.
 - Support efforts to integrate behavioral health and criminal justice interventions, data, funding and policy to address mental health and chemical dependency needs for justice-involved persons, lower costs, eliminate redundancy and reduce recidivism.
- Improve health and advance public health initiatives
 - Support legislation that promotes and sustains efforts to develop a comprehensive and integrated model of health care delivery to assure access to county health and human services safety net providers, as well as quality and cost effective care for low-income, uninsured residents.
 - Support resources for public health interventions that focus on prevention, treatment and recovery in order to reduce accidental drug fatalities, such as those associated with opiate abuse.

HOUSING

Meet housing needs for residents, including preventing and ending homelessness, providing affordable and supportive housing.

- Support investments that provide affordable, permanent housing options for vulnerable persons and families receiving county services.
- Maintain funding for homeless prevention, outreach and emergency shelters to meet the goals established under Heading Home Hennepin.
- Support legislation and administrative reforms that provide a continuum of services and housing options in our communities, including 24-hour supervised care options, for persons with acute and chronic care needs.

TAXES

Protect state funding for mandated services and assure flexibility to serve our residents without undue reliance on property taxes.

- Protect essential state funding that supports county-mandated services and reduces reliance on property tax.
- Support Hennepin County cities in the acquisition of tax-forfeited properties that are authorized for public use and that border public waters when the law requires consent of the Minnesota Department of Natural Resources or the Minnesota Legislature.
- Revise inconsistent state statute that refers to “targeted neighborhoods” to the more widely used term “targeted communities”.

TRANSPORTATION

Strengthen the long-term value of neighborhoods and communities through strategic public investments in infrastructure.

- Support a comprehensive transportation package that provides increased revenue for highways, bridges and related infrastructure and includes a metropolitan transit sales tax increase for major transitways and bus system expansion.
- Support existing Counties Transit Improvement Board (CTIB) statutory authority, governance and revenue structure, which provides critically important authority for metro counties to advance regional transitway development. This statutory authority has been implemented and does not require any changes.
- Modify the special distribution of leased vehicle sales tax in the metro area to fairly include Hennepin and Ramsey Counties in the distribution.
- Oppose changes in the CSAH formula that reduce funding to Hennepin County.
- Provide funding for infrastructure improvements for safe routes for schools and seniors to promote safe, physically active modes of transportation for seniors and schools.
- Oppose any increase in weight or size limits for commercial trucks and other motor vehicles.

WORKFORCE DEVELOPMENT

Meet the future workforce needs of Hennepin County and other employers in our community by connecting well trained and qualified individuals with high demand jobs in our regions

- Increase funding for regional training partnerships among employers, Minnesota State Colleges and Universities and community-based organizations to create demand-driven career pathways into employment.
- Seek expansion and increase flexibility for existing programs (e.g. Pathways to Prosperity, Minnesota Job Skills Partnership) to provide more training and employment opportunities to better address the persistent employment disparities that exist in our community.
- Seek funding to increase vocational training and employment services to clients in correctional programs such as Sentencing to Service (STS), STS homes, probation and electronic home monitoring.



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Agenda Item VI – Finance Tools

Steering Committee Action Requested:

Background:

In 2012, Hennepin County provided funding for the Southwest Community Works to retain Ehlers and Associates to evaluate current market conditions for transit oriented development (TOD) and identify existing tools, enhancement to tools, or new tools which would encourage private investment in the Southwest Light Rail Transit (LRT) corridor. The planned Shady Oak station was used as a case study for the challenges and opportunities for development along the LRT line. The final report offers recommendations for policy changes that will further assist the line’s sponsors with maximizing ridership, housing choices, services, and employment opportunities. Partner agency staff are meeting to revisit the Ehler’s recommendations and provide a staff recommendation for a 2017 legislative strategy.

Previous Action on Request:

Recommendation:

Attachments:

- Summary of Ehler’s Recommendations
- Executive Summary, *New and Enhanced Tools to Promote Effective Transit Oriented Development: A case study for Minnesota, Ehlers 2012*

Comments:



Summary of Ehler's Recommendations

Issue #1: Land acquisition is expensive & cumbersome, especially when adjacent to a valuable piece of infrastructure.

Option 1a: Narrowly Targeted Eminent Domain.
Option 1b: Fund A Large and Low Cost Land Bank.

Issue #2: There exist a multiplicity of voices & government funding sources for TOD, each with its own set of priorities.

Option 2a: Establish RFP process for TOD projects similar to the "Super RFP" process for affordable housing.
Option 2b: Increase scoring for TOD rental housing developments in Minnesota Housing Finance Agency (MHFA)'s allocation of low income housing tax credit application and in state law governing allocations of tax-exempt bonds
Option 2c: Change the state law for tax-exempt private activity bonds to enable housing bonds and the associated 4% tax credits to be a priority similar to how senior housing bonds are authorized.

Issue #3: Parking Ramps are expensive and may be constructed, potentially in the wrong place or with the wrong design for TOD use, before development plans are known

Option 3a: Overbuild one ramp as an anchor and assess part of ramp cost to adjacent properties..
Option 3b: Enable ramps to be financed with state G.O. Bond dollars, and potentially federal funds, similar to the State of Minnesota's transportation revolving loan fund.
Option 3c: Find flexibility to have federal funds to design and build a smaller ramp that can be added to vertically or horizontally be located in two separate places near the station to better serve TOD
Option 3d: Hire ramp operational expertise to fit the design, signage, and entrances to meet the development that is planned or occurring adjacent to the ramp.

Issue #4: When investments are planned to be made in areas surrounding a transit stop, there is no tool to ensure fair and secure methods of spreading and collecting costs of parking ramp maintenance, public space maintenance, and higher levels of service around a transit station.

Option 4a: Renew and expand special service district law.
Option 4b: Expand use of special assessments.

Issue #5: It is difficult to establish TIF districts and to finance TIF bonds due to several uncertainties

Option 5a: Authorize the cities and the county to work cooperatively to establish a single "value capture" zone within 1/2 miles of the station area, as a hybrid of a redevelopment TIF district and a property tax abatement area, but automatically include the school's portion of the tax bill.
Option 5b: Renew the provisions in the 2010/2011 Jobs Bill for Chapter 469 to allow cash from existing TIF districts to be spent in the TOD project.
If option 5a is not possible, the next best options would be to change authorities on a piecemeal basis including the following: Option 5c: Create TOD TIF district only for TIA designated sites as listed in the DEED website. If any area within 1/2 mile of a station could be placed in a 26 year district with each development allowed the full 26 years, many of the concerns listed above could be addressed. Option 5d: Increase the time limit for a TOD/redevelopment district's first increment receipt from 4 to 10 years on a parcel by parcel basis, clarify the blight test, and change the five year rule to 15 years. Option 5e: Create a long-term loan fund with the ability to pool risk among all TIF districts along the Southwest LRT. If one development is successful, the TIF from that district could be utilized in another development. Option 5f: Enable DEED to participate in a redevelopment/TOD "Super RFP" (Option 2a) with more targeted funding of state resources such as the commercial property tax.

Executive Summary

Southwest Corridor Community Works with funding from Hennepin County requested that Ehlers evaluate current market conditions for transit oriented development (TOD) and identify existing tools, enhancement to tools, or new tools which would encourage private investment in the Southwest Light Rail Transit (LRT) corridor. This report uses the planned Shady Oak station as a case study for the challenges and opportunities for development along the LRT line and offers recommendations for policy changes that will further assist the line's sponsors with maximizing ridership, housing choices, services, and employment opportunities.

Suggested Tools to Enhance TOD

Below is a list of issues identified in this study and tools to mitigate those impediments. The options are not mutually exclusive. The first two issues are recommended to be addressed first.

Issue #1: Land acquisition process is expensive and cumbersome, especially when adjacent to a valuable piece of infrastructure.

Land is the largest cost of each piece of the TOD equation. Unless a private or public entity is willing to undertake an acquisition strategy that spans five to 10 years and properties can be purchased when a seller is willing, land acquisition for large scale redevelopment will be too expensive and/or too cumbersome for a profit motivated private developer without some form of public intervention. This is particularly true with a site such as the Shady Oak station where other development factors would enable development to happen on a piecemeal basis without public assistance. To address the land acquisition challenge, we suggest the following considerations:

Option 1a: Narrowly Targeted Eminent Domain. Eminent domain was a key tool for many redevelopment projects in the Twin Cities before it was restricted to only public use and for extremely blighted property. New legislation could restrict the use to within ¼ mile of transit stations and only for Transit Improvement Areas (TIAs) pursuant to 2008 legislation (in 2010, DEED designated 53 areas as TIAs.)¹ There is no question that this is a controversial topic. However, if TOD is necessary for enhancing the efficacy of a public infrastructure investment like light rail, a narrowly defined tool would be effective in speeding redevelopment and ensuring that public dollars to assist development will not simply be spent on high acquisition costs. As a first step, this tool could be used only for the SW LRT, and later expanded to the TIAs.

Option 1b: Fund A Large and Low Cost Land Bank. It will be very difficult for the private sector to assemble property at reasonable prices given the expectations of TOD and the realities of the market.

¹ For information on DEED TIA, see

http://www.positivelyminnesota.com/Government/Financial_Assistance/Site_Cleanup,_Redevelopment,_Transit_Funding/Transit_Improvement_Areas_2.aspx

Without eminent domain a public agency, non-profit, or joint public/private body will likely need to land bank the property for several years with very low carrying costs (less than 3% interest per year). Given the scale of the acquisition needs in the development scenarios, we would recommend a bank with a capitalization of at least \$50 million and preferably over \$100 million.

Issue #2: There exist a multiplicity of voices and government funding sources for TOD, each with its own set of priorities.

There exists a lack of consensus over what TOD in Minnesota should be, including appropriate levels of density, types of development, and amount of affordable housing.

Option 2a: Establish RFP process for TOD projects similar to the “Super RFP” process for affordable housing.

This model, pioneered in the state by the Minnesota Housing Finance Agency, together with the Metropolitan Council, the Family Housing Fund, the Greater Minnesota Housing Fund, and other partners, clearly identifies the funders’ priorities for where and what types of housing are constructed using the most valuable funding sources. A similar partnership could also be formed for TOD among the State, Metropolitan Council, Hennepin County, and philanthropic/non-profit partners to agree on priorities, fund projects that augment local government investments, and ensure successful projects.

In addition, other funding opportunities that may not be included in the RFP process could be modified to favor TOD. These include:

Option 2b: Increase scoring for TOD rental housing developments in Minnesota Housing Finance Agency (MHFA)’s allocation of low income housing tax credit application and in state law governing allocations of tax-exempt bonds. Low income housing tax credits are the most potent source of financing for affordable housing by means of generating equity for a rental housing project through the sale of federal income tax credits².

Option 2c: Change the state law for tax-exempt private activity bonds under Chapter 474A to prioritize the use of housing bonds and the associated 4% tax credits to be used in the TIAs. The tax-exempt allocation process is administered by Minnesota Management and Budget³.

² See details of MHFA low income housing tax credit applications and priorities at http://www.mnhousing.gov/housing/tax-credits/allocation/MHFA_012471.aspx.

³ See details of the bond allocation process at <http://www.mmb.state.mn.us/bond-allocation>

Issue #3: Parking Ramps are expensive and may be constructed, potentially in the wrong place or with the wrong design for TOD use, before development plans are known

Parking ramps are a key asset to a successful TOD. In the Shady Oak Station, a 350 stall ramp is included in the project budget. Without knowing the potential site layout and adjacent uses, building a ramp may impede the development potential in the area. It may be that two smaller ramps may better serve the transit riders and the real estate development than one larger ramp. To avoid these issues, the following could be considered:

Option 3a: Overbuild one ramp as an anchor and assess part of ramp cost to adjacent properties.

Option 3b: Enable ramps to be financed with state G.O. Bond dollars, and potentially federal funds, similar to the State of Minnesota's transportation revolving loan fund. These funding sources are usually below market interest rates, administered through the State's Public Facilities Authority, and can be repaid over 20 to 30 years.

Option 3c: Find flexibility to have federal funds to design and build a smaller ramp that can be added to vertically or horizontally be located in two separate places near the station to better serve TOD

Option 3d: Hire ramp operational expertise to fit the design, signage, and entrances to meet the development that is planned or occurring adjacent to the ramp.

Issue #4: When investments are planned to be made in areas surrounding a transit stop, there is no tool to ensure fair and secure methods of spreading and collecting costs of parking ramp maintenance, public space maintenance, and higher levels of service around a transit station.

Option 4a: Renew and expand special service district law.

The special service district (SSD) law enables a group of property owners to petition a city to create a special taxing district. Codified as Minnesota Statutes Chapter 428A, the SSD law is scheduled to sunset on June 30, 2013. The benefit of a SSD is that it allows a private group of landowners to ensure that all fees applied for higher levels of streetscape or extra snowplowing are collected on the property tax bill. This eliminates common problems of fee delinquency that exist in many downtown associations.

We recommend that the SSD law be amended to enable residential, public, and commercial entities to all contribute to the maintenance and potential construction of common area costs that are above and beyond typical municipal services.

Option 4b: Expand use of special assessments.

Special assessments have a benefit test. Chapter 429 requires that the value of the property will increase by at least the cost of the special assessment. A major impediment in redevelopment is the

inability to defer assessments until future development occurs. Minnetonka has used a variation on this option in its Bren Road area improvements with its powers as a charter city, which most cities do not enjoy. Minnesota Statutes, Chapter 429 allow communities to defer special assessments on greenfield sites but not for redevelopment sites.

Issue #5: It is difficult to establish TIF districts and to finance TIF bonds due to several uncertainties

Tax Increment financing (TIF) remains a major funding source for redevelopment and TOD by redirecting property taxes from a new development to eligible project costs rather than to the typical jurisdictions. But qualifications for redevelopment TIF districts are often subject to challenge due to a lack of clarity in the existing law. In addition, it often takes 6 to 10 years to fully build out a site. Since 2001, redevelopment has been driven more by residential property than commercial property because the statewide property tax, which cannot be captured by TIF districts, applies primarily to commercial and industrial properties.

Option 5a: Authorize the cities and the county to work cooperatively to establish a single “value capture” zone within 1/2 miles of the station area, as a hybrid of a redevelopment TIF district and a property tax abatement area, but automatically include the school’s portion of the tax bill. The zone could be administered by a joint powers board of the local governments and could be empowered like a port authority or an economic development authority.

Value capture in this context is primarily property taxes, although special assessments and impact fees could also be included in the joint powers board. The maximum term could be 25 years per station area or per group of parcels as identified by the local governments. The State’s share of the commercial property tax could be exempted for the first 10 years of the zone to spur development more quickly. The resources from the value capture zone could be used to fund land and infrastructure costs, be used to credit enhance revenue bonds issued to minimize risk, and be used across city borders.

Option 5b: Renew the provisions in the 2010/2011 Jobs Bill for Chapter 469 to allow cash from existing TIF districts to be spent in the TOD project. The temporary TIF law change spurred many new developments in a difficult real estate market. Existing TIF districts provides a stable base of income and cash for immediate needs.

If option 5a is not possible, the next best options would be to change authorities on a piecemeal basis, including the following:

Option 5c: Create TOD TIF district only for TIA designated sites as listed in the DEED website. If any area within 1/2 mile of a station could be placed in a 26 year district with each development allowed the full 26 years, many of the concerns listed above could be addressed.

Option 5d: Increase the time limit for a TOD and/or redevelopment district’s first increment receipt from 4 to 10 years on a parcel by parcel basis, clarify the blight test, and change the five year rule to 15 years.

Option 5e: Create a long-term loan fund with the ability to pool risk among all TIF districts along the Southwest LRT. If one development is successful, the TIF from that district could be utilized in another development.

Option 5f: Enable DEED to participate in a redevelopment/TOD “Super RFP” (Option 2a) with more targeted funding of state resources such as the commercial property tax. If a concern is the amount of state revenue lost with a change in the TIF law, DEED could be empowered to approve a certain number of TOD projects with TIF undiminished by the State property tax.

These recommendations are based upon several sources of data, including local and national expertise in development and transit planning. The rationale for identifying the issues addressed above is as follows:

Developer Feedback and Current Situation for TOD and Real Estate Generally

For this study, we interviewed several developers experienced in residential and commercial development in other parts of the country and in Minnesota. The interviews yielded the following opinions:

- ✓ Minnesota is still a car-oriented market. Living near a transit station in the suburbs here is viewed as an amenity, on par with other amenities such as being adjacent to recreation, restaurants, or freeway access.
- ✓ Transit results in, at most, a 10% increase in rents – not a “game changing” factor in today’s difficult real estate economy.
- ✓ While the general economy is emerging from a recession, the “built” environment is still slow. There are fewer developers, construction prices remain fairly high, and public and private financing options for redevelopment and TOD have diminished.
- ✓ Today’s real estate capital seeks the path of least resistance. Vertical mixed use buildings are extremely challenging in today’s financing environment, in addition to the difficulties of renting first floor service/retail.
- ✓ Private capital will seek not only rail infrastructure, but also road, sewer, water, and parking infrastructure that is either in place or it is funded and can start immediately.

Based upon the current market feedback, our position is that it is better to focus on this station site as a redevelopment area rather than solely as TOD for purposes of financing options. The challenges and the economics are the same between redevelopment and TOD. Minnesota cities and counties are well-versed with the challenges, and benefits, of redevelopment. But Minnesota tools are inadequate for today’s economics and pale in comparison to other parts of the country. Other states have local sales taxes, tax abatement for all property taxes, and/or significant cash balances to fund acquisition and site preparations. Given the financial condition of the State of Minnesota and most municipalities, it is unlikely that we can reproduce these tools on a large scale here. There can be modifications to redevelopment tools that can be targeted specifically to TOD areas.

TOD Goals

The most important goals of TOD we recommend, without priority attached to the list, are:

1. Boost transit ridership with increased access to jobs and housing opportunities
2. Provide value for new tenants, new owners and existing residents
3. Increase tax base for local governments
4. Create a sense of place

Another goal of most TOD is to construct public parking ramps that are used by commuters during the day and then occupied by a complementary use at night. These complementary uses could be a restaurant/entertainment/institutional development drawing evening patrons. Design and operation of a well functioning ramp is a complex endeavor and requires careful forethought.