

Economic Recovery and Reinvestment Program (ERRP) Overview

Metropolitan Council
February 25, 2009



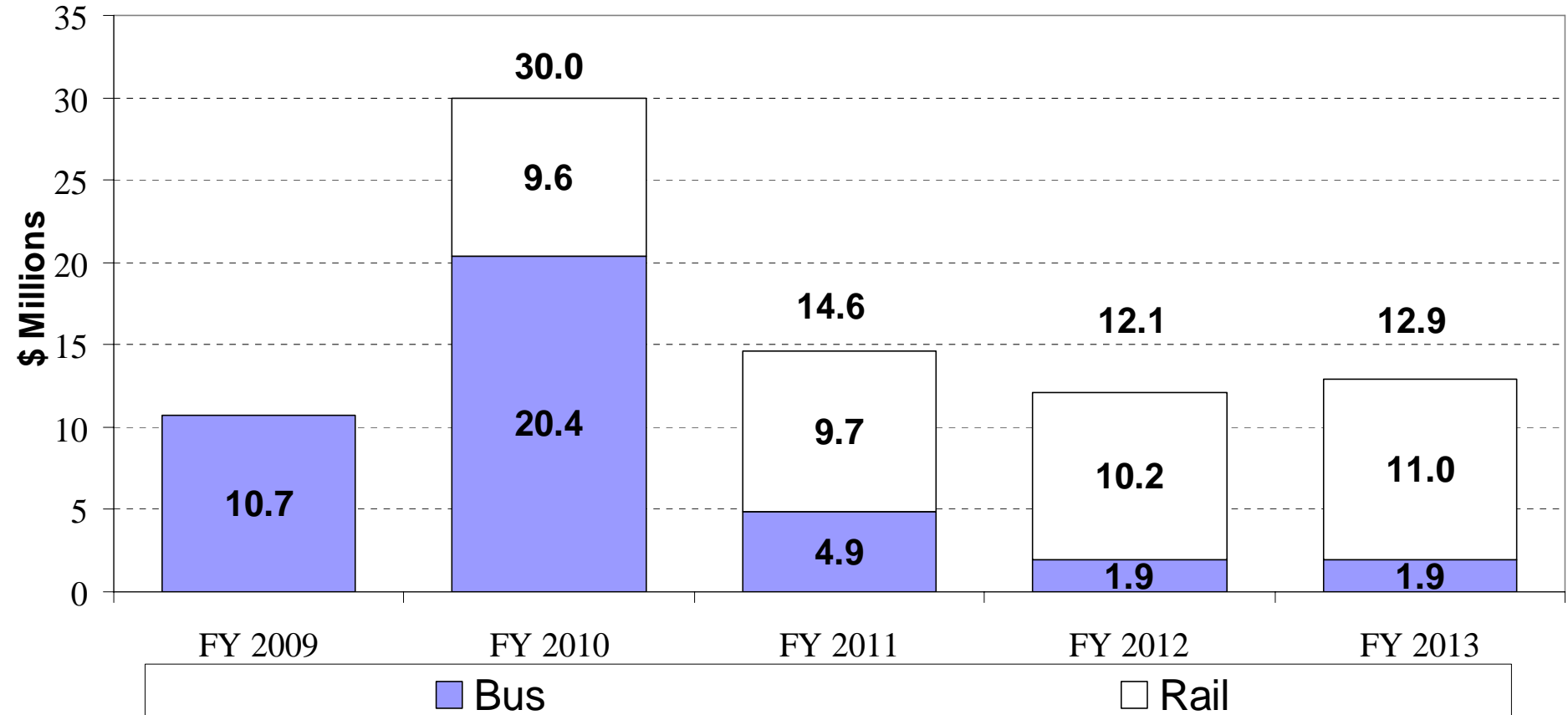
ERRP Budget Context:

Transit and Environmental Services Budget Imbalances



December 2008

Regional Transit System Bus and Rail Imbalances



SFY 09 Transit Deficit Interventions

Under Consideration:

- ❖ Administrative Efficiencies (\$2.45 M)
 - Calendar 2008 Operating Surplus (\$1.7 M)
 - Admin. Reductions / Route Adjustments (\$0.75 M)
- ❖ Draw Down of Reserves (\$8.4 M)
 - MT Rail (\$0.5 M)
 - MTS (\$2.0 M)
 - General Fund (\$4.7 M)
 - General Fund Appropriation Interest Earnings (\$0.6 M)
 - MVST Reserve Share of Forecast Reduction (\$0.6)

Possible SFY 2010-11 Interventions

❖ Alternative Uses of Met Council Levies

Livable Communities

TBRA

Highway Right of Way

❖ Economic Recovery Projects

Planned Capital Projects

Reinvest Existing Capital Funding (Operations / Capital Projects)

Attention to Operating Tails

❖ Administrative Interventions

Administrative Interventions

- ❖ Administrative Efficiencies / Reductions
- ❖ Route and Other Service Efficiencies
- ❖ Draw Down of Reserves
- ❖ Reduction of Discretionary Funding to Other Providers
- ❖ Service Reductions
- ❖ Fare Increases

ES- SAC Receipt Declines

- ❖ SAC (Service Availability Charge) Funds Capital Projects
- ❖ Housing and Commercial Development Declines
- ❖ Reduction in Service Availability Charge Receipts
- ❖ Continued Decline = Insufficient 2010 Reserves
- ❖ Interventions Under Consideration:
 - ❖ Raising SAC Rates
 - ❖ Shift of Capital Funding from SAC to Current Users

General Funding Priorities

Capital Projects That:

- ❖ Retain or Create Jobs
- ❖ Secure Available Funds
- ❖ Address Budget Imbalances
- ❖ Improve Operating Efficiency
- ❖ Minimize Operating Tails

ERRP Community Development



Housing and Redevelopment Authority

- ❖ \$4 Billion Available Nationally
- ❖ 75% Formula / 25% Competitive
- ❖ Energy Efficiency Projects and Critical Repairs
- ❖ Estimated Council Share of Formula: \$235,000

Brownfields Program

- ❖ \$100 Million Available Nationally
- ❖ 100% Competitive
- ❖ Site Assessments and Clean-up
- ❖ Waiting on Additional Information
 - Implemented by U.S. EPA
 - Minnesota PCA & DEED

Clean Water State Revolving Fund (SRF)

- ❖ \$4 B Available Nationally
- ❖ Clean Water SRF Funds for Minnesota → Minnesota Public Facilities Authority (PFA)
- ❖ \$73 M Expected for MN Clean Water Projects
- ❖ “Priority” to State wastewater project lists ready to proceed to construction within 12 months
 - 50% for grants, principle forgiveness, neg. interest loans
 - 20% for green infrastructure, efficiency and innovation projects
 - Preference to projects initiated within 120 days

Green Infrastructure...

- ❖ EPA guidance not yet finalized
- ❖ EPA will require State to solicit projects
- ❖ Matching MCES projects to “Green” categories
 - Retrofit programs to keep wet weather out of sewer systems
 - Reuse projects that reduce energy consumption
 - Projects that demonstrate climate change improvement

PFA/Council Communications

- ❖ 12/2/08: MCES sends 5 stimulus-ready projects to PFA
- ❖ 2/13/08: PFA distributes board packet
 - Excludes MCES from stimulus funds
 - Increases subsidized loan from \$50 M to \$80 M (\$3 M benefit)
- ❖ 2/19/09 PFA Board meeting:
 - Peter Bell and Bill Moore testified
 - Exclusion of MCES projects modified (but unclear)
 - MCES still limited to \$80 million loan (at 1.5% discount)
 - May include 5% grant
- ❖ 2/24/09: Letter to PFA renewing request and seeking clarification

Other Wastewater Funding Possibilities

1. Energy Projects by State and Local Governments
2. Low Interest Bonding Possibilities
3. U.S. Dept. of Agricultural – Rural Utility Services

ERRP Transportation



ERRP Transportation Funds

- ❖ Nationwide \$48 B for Transportation:
 - Highways & Bridges (3% Enhancements): \$27.5 B
 - Transit Specific: \$6.9 B
- ❖ Minnesota's Share:
 - Highways & Bridges: \$502 M
 - Transit Specific: \$94 M (Urban and Rural)
 - Nationwide Competitive Funds: ?

Metro Share - Highways and Bridges

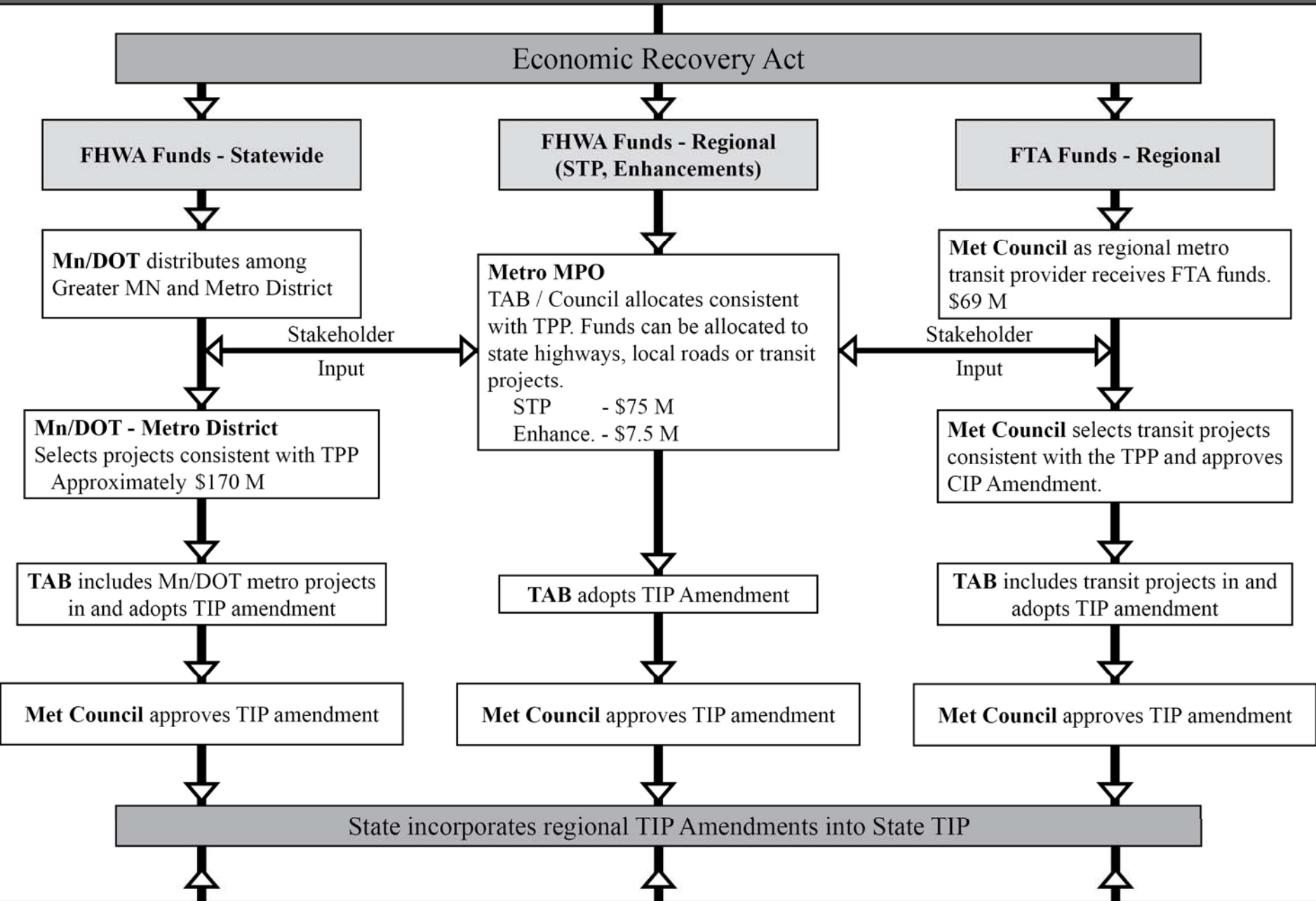
- ❖ 50% of \$502 M to Metro Area
- ❖ Metro Area Split
 - 70% to MnDOT: \$170 M
 - 30% to Council/TAB: \$75 M
- ❖ 50% of Enhancements to Metro Area
- ❖ Funds Can Be Used for Transit Projects

Transit Specific

- ❖ Rural 5311 Funds: \$19 M
- ❖ Greater Minnesota Urban Transit Funds: \$6 M
- ❖ Metro Area Transit Funds:
 - Capital Assistance Formula Funds (5307): \$67 M
 - Fixed Guideway Infrastructure Funds (5309): \$2 M

Competitive Funds

- ❖ **Surface Transportation Grants: \$1.5 B**
 - National or Regional Impact Required
 - Funds Projects With Costs Between \$20 M and \$300 M
 - Highway, Transit and Freight Projects Eligible
- ❖ **High Speed Rail / Intercity Passenger Rail: \$8 B**
- ❖ **Competitive Funds for Fuel Efficient Transit Vehicles**
 - Energy Efficiency Block Grants (EEBG) (\$400 M nationwide)
 - Alternative Buses and Trucks (\$300 M)
 - Diesel Emissions Reduction (\$300 M)



Any project in the Adopted TIP which will be funded with Economic Recovery Funding will need to be “Backfilled” with new projects

ERRP Funds Schedule

- ❖ Initial MnDOT TIP Amendment: Full Council Today
- ❖ March Amendment for MnDOT Projects ~ \$100 M
- ❖ Later Amendments for Transit and Local Projects
- ❖ Obligation Requirements:
 - MnDOT Projects: 50% by 120 Days, 100% by 1 Year
 - Transit projects: 50% by 180 Days, 100% by 1 Year
 - MPO Projects: 100% by 1 Year

Priorities for Transit Specific \$\$

Projects That:

- ❖ Retain or Create Jobs
- ❖ Secure All Available Funds
- ❖ Address Operations Funding Imbalances
- ❖ Improve Operating Efficiency
- ❖ Minimize Operating Tails

Potential Transit Projects

- ❖ Bus Procurement – Large Replacement Buses
- ❖ Metro Mobility Bus Procurement
- ❖ Bus Preventive Maintenance and Capital Cost of Contracting
- ❖ Hiawatha 3 Car Train Acceleration
- ❖ Northstar Commuter Rail Car & Locomotive
- ❖ Metro Transit Bus Operating Facility
- ❖ Park and Ride Expansion – Maplewood or Woodbury
- ❖ Silver Leaf Station – Maple Grove
- ❖ Apple Valley Transit Station Ramp – Additional Deck
- ❖ SW Bus Garage Remodel - Chaska
- ❖ Bus Only Ramp TH 169 to Stagecoach Road - Shakopee