

Detailed background information on Governance can be found in Section B of the Appendix

The purpose of this section is twofold: (1) to outline the various alternatives related to public sector sponsorship of commuter rail services provided throughout the State of Minnesota (2) to recommend a viable organizational approach for the safe, reliable and cost-effective provision of such services.

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2.1 Governance

In light of the passage of recent Minnesota State legislation¹ that establishes Mn/DOT as the state's commuter rail planning and implementation agent, it is recommended that:

1. Mn/DOT serve as the initial sponsor of commuter rail service, and
2. Mn/DOT clearly define the nature and extent of its authority, duties and responsibilities as the state's commuter rail sponsor insofar as they affect the relevant Regional Railroad Authorities and Metro Transit as well as other affected counties, cities, communities, Metropolitan Planning Organizations, and/or transit service providers throughout the region.

Mn/DOT may delegate commuter rail sponsorship to a federated Joint Exercise of Powers Agency (JPA) comprised initially of representatives of affected parties.

An alternative to Mn/DOT would be the creation of "MnTransit," a state-level agency with statewide responsibility for transit planning and operations similar to the New Jersey/NJTransit model. However, this approach seems to conflict with the legislature's intent to specifically empower Mn/DOT with these same duties and responsibilities as they relate to commuter rail. Furthermore, adding to the already lengthy list of Minnesota public agencies with some measure of transit and/or specifically rail-related responsibilities may not be viewed by the current administration as being in the best interest of the public.

Candidates for membership in a JPA include relevant Regional Railroad Authorities and Metro Transit as well as other affected counties, cities, communities, Metropolitan Planning Organizations, and/or transit service providers throughout the region. To the extent that commuter rail Advanced Corridor Plans are initiated outside the seven-county region, the membership of the federated Joint Powers organization could be modified accordingly. This approach is similar to that adopted in the Central Puget Sound Region.

¹ Minnesota Session Laws 1999, Chapter 230 – S.F. No. 1762, Section 20

Another potential alternative would be the delegation of sponsorship status by Mn/DOT to Metro Transit. This alternative would be consistent with Metro Transit's current duties and responsibilities as primary transit service provider throughout the seven-county Twin Cities Metropolitan Area. However, current state law limiting the provision of Metro Transit's services to the seven-county area would have to be amended to allow for the potential provision of commuter rail service outside the region or elsewhere throughout the State of Minnesota. The approach which has been taken in the Central Puget Sound with regard to the role of bus service providers has been to formulate intergovernmental agreements with such agencies (Community, Everett and Pierce Transit) for the provision of feeder bus service to and from LRT and commuter rail stations. Given their long history of providing high-quality bus service throughout the Twin Cities Metropolitan Area, this may also be Metro Transit's "best and highest use" in the context of the provision of commuter rail service as opposed to serving as sponsor of such service.

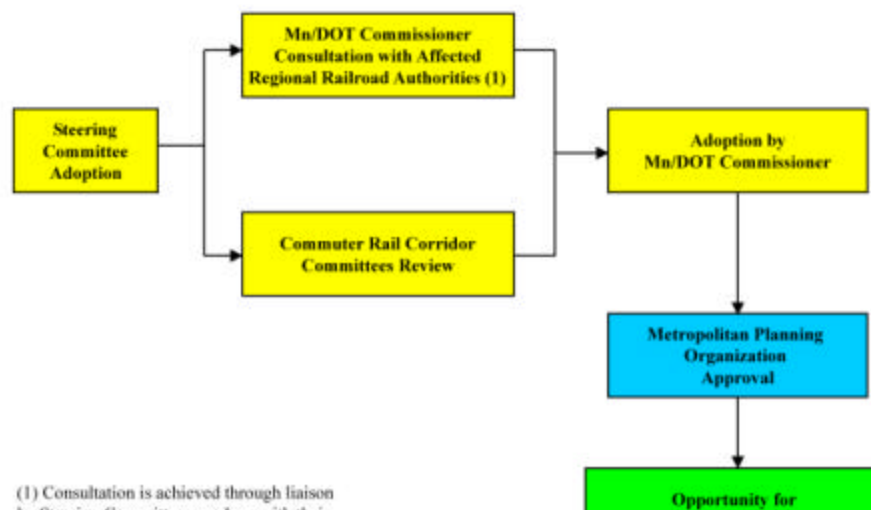
2.2 System Plan Approval Process

Approval by affected Metropolitan Planning Organizations (MPO's) is required prior to the preparation of final design plans. Approval of the System Plan by the Metropolitan Council for the Twin Cities Metropolitan area and the St. Cloud Area Planning Organization for the St. Cloud area is required.

If and when the Commissioner proposes modifications to the System Plan, the modifications will be presented to affected MPO's for approval.

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Approval Process



(1) Consultation is achieved through liaison by Steering Committee members with their

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2.3 System Plan Maintenance

The Twin Cities Commuter Rail System Plan is a living document that will need to be modified, especially as real-life experience with commuter rail is gained. As the organization responsible for all aspects of planning, developing, constructing,



MetroLink – Double-Deck, Diesel-Hauled Cars

operating and maintaining commuter rail, Mn/DOT is the logical organization to maintain the System Plan. Mn/DOT will be responsible for ensuring the commuter rail plan is in compliance with local, state and federal planning and programming requirements. However, the Steering Committee structure that was used during the Twin Cities Metropolitan Commuter Rail Feasibility Study and again to develop the System Plan, presents an opportunity to maintain

communication and coordination among the Regional Rail Authorities and Commuter Rail Corridor Coordinating Committees. It is recommended that the Steering Committee structure be maintained and utilized as a review board for maintaining the System Plan.

2.4 Planning and Programming

Commuter rail service is dependent upon the compatibility between efficient land use policy and transit investments. Commuter rail is most successful when land use policy around stations, neighborhoods, communities, the region and ultimately the state allows for innovative, flexible, and inclusive solutions.



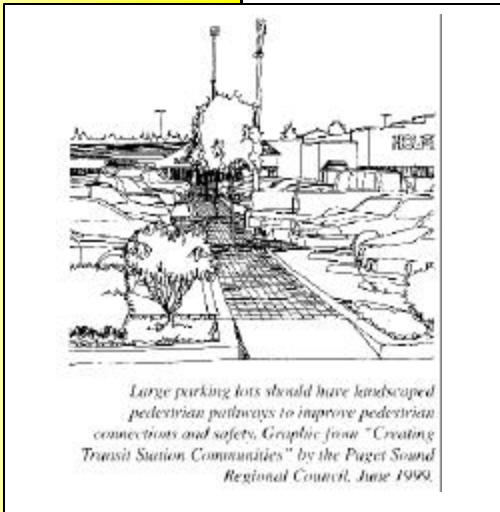
Direct, one-seat rides to the Central Business Districts is crucial

Community Plans

Local communities play a large role in the success or failure of commuter rail service, especially in the initial stages of implementation. It is imperative that communities, along with affected Metropolitan Planning Organizations and Mn/DOT, partner and

"It is imperative that communities, along with affected Metropolitan Planning Organizations and Mn/DOT, partner and address issues that ensure the success of the community and of commuter rail service."

address issues that ensure the success of the community and of commuter rail service. In order to maximize commuter rail service and community opportunities, local land use planning must recognize the potential impacts of commuter rail investments.



Communities that demonstrate a commitment to Smart Growth principles in their land-use planning and transportation planning will be given priority consideration for transportation improvements. Commitment to commuter rail investments should be reflected in comprehensive plans, transportation plans, development strategies and zoning ordinances.

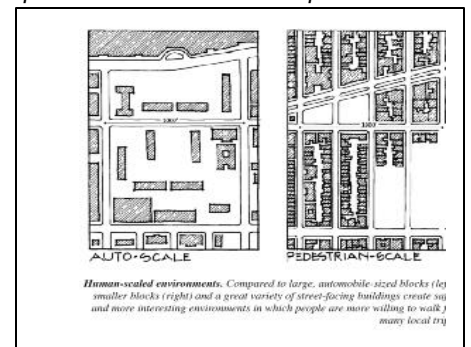
Mn/DOT will work with local units of government to ensure their voice is heard while commuter rail is being explored as an investment option for the people of Minnesota. To meet this commitment, Mn/DOT will:

- Coordinate with local planning process(es),
- Work with Commuter Rail Coordinating Committees in commuter rail corridors, and
- Provide consistent and timely information and feedback.

Mn/DOT will work with communities to use commuter rail as a tool to create more vital, economically sound and livable communities for all to enjoy.

Metropolitan Council

The Commuter Rail System Plan reflects the planning and policy decisions outlined in the Metropolitan Council's *Regional Blueprint*, *Transportation Plan* and *Metropolitan Master Transit Plan* and initiatives such as *Smart Growth*. These plans and initiatives underscore the importance for commuter rail service in the region to be integrated with other transit options, correspond to regional growth strategies,



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promote accessibility, and maximize public investments in livable communities. Mn/DOT will work with the Council to achieve the region's Smart Growth goals which are to maximize economic opportunity, manage natural resources and agricultural land and be fiscally prudent. Transit investments, such as commuter rail, support Smart Growth initiatives by more efficient use of land, lower public facility costs, improved air quality and protection of open space.

The Minnesota Department of Transportation (Mn/DOT) will coordinate with the Metropolitan Council (Council) to address critical policy directions in terms of commuter rail investments for the region that encourage economic growth, foster reinvestment in distressed areas and preserve the natural environment.



Metra – Diesel Hauled, Gallery-Type Cars

Mn/DOT will work cooperatively with the Council to ensure that commuter rail service will support travel-time advantages for transit, improve transit service reliability and increase transit accessibility to jobs.

In addition to the above planning principles, Mn/DOT will work with the Council to achieve the region's smart growth strategies.

Minnesota Department of Transportation

The Minnesota Department of Transportation is committed to making investments that support transportation choices that are important to Minnesota's future. Mn/DOT is committed to improving Minnesota's transportation system to enable greater mobility throughout the state. This commitment is based on maximizing the use of existing infrastructure, creating multi-modal centers and implementing smart growth principals.

"The Mn/DOT Strategic Plan envisions a coordinated transportation network"

- Mn/DOT Strategic Plan – The Mn/DOT Strategic Plan envisions a coordinated transportation network that provides safe, user-friendly access and movement, and responds to the values of Minnesota's citizens. In its mission to develop Minnesota's coordinated transportation network, Mn/DOT is committed to promote and support connections among transportation

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systems, such as light rail, commuter rail and bus transit. In its efforts to promote and support such connections, the department has developed a Commuter Rail System Plan that articulates how this piece of the transportation network will be developed,

- Mn/DOT has four strategic objectives – information, multimodal, inter-regional corridors, and program delivery. The multimodal objective aims to increase travel options for people and for moving goods that enhance the economic vitality of the state' provide safe, timely and efficient movement of people and goods; and improve the quality of life,
- Statewide Transportation Plan – One of several action items related to achieving the multimodal objective specifically states that Mn/DOT will update the Statewide Transportation Plan to place more emphasis on the development and integration of all modes, including commuter rail. Another action item states that Mn/DOT will partner with the Metropolitan Council to develop a regional master plan for transit that integrates LRT, commuter rail, busways and other transit services, and
- District and Office Plans – Business and Strategic – In addition to a Statewide Transportation Plan, each district and office within Mn/DOT has developed a working unit level strategic plan and business plan. These plans focus more locally on how to carry out specific action items, and deliver products and services that best achieve the department's strategic objectives. Mn/DOT will ensure that commuter rail activities are incorporated into strategic plans, business plans as well as Transportation Improvement Plans of affected districts and offices.

Programming of Commuter Rail Projects

- Feasibility Studies – Feasibility studies are generally conducted when further information or detail about a given topic is necessary. In 1997, the Minnesota Legislature required that such a study be conducted to determine the plausibility of a commuter rail system in the Twin Cities Metropolitan

Area. Several factors were evaluated as part of Twin Cities Metropolitan Commuter Rail Feasibility Study, including ridership, capital and operations and maintenance costs, measures of cost-effectiveness, perceived opportunities, and implementation barriers. Upon conclusion of the Twin Cities Metropolitan Commuter Rail Feasibility Study, six corridors were identified as feasible commuter rail routes in the Twin Cities Metropolitan Area, and

- Advanced Corridor Plans – In 1998, the Minnesota Legislature asked Mn/DOT to develop a Commuter Rail System Plan that would articulate necessary engineering standards, as well as provide guidance for advanced corridor planning. Advanced corridor planning is defined by legislation to address the following:
 - Contain a physical design component that identifies the physical design of facilities;
 - Specify track and signal improvements;
 - Address handicapped access;
 - Specify intermodal coordination and connections with bus and light rail transit operation and routes;
 - Project ridership, capital costs, operating costs and revenues;
 - Identify sources of funds for operating subsidies and funding for final design, construction and operation;
 - Describe an implementation method;
 - Describe a plan for public involvement and public information;
 - Define anticipated agreements with the railroads; and,
 - Address land use impacts.
 - From advanced corridor plans, preliminary engineering plans are developed and from there, final design documents are prepared.

Federal Planning Requirements

"To become eligible for federal capital investment funds, the proposed project must emerge from the metropolitan and/or Statewide planning process. In addition, a corridor-level analysis of mode and alignment options must be performed."

Mn/DOT will align the commuter rail planning and programming process to follow the Federal Transit Administration's (FTA's) New Starts Criteria (Title 49, United States Code, Section 5309) for construction of new fixed guideway systems and extensions. The New Starts Program, a capital investment program, will guide planning and programming of commuter rail service in the areas of mobility improvements, environmental benefits, operating efficiencies, and cost effectiveness. To become eligible for federal capital investment funds, the proposed project must emerge from the metropolitan and/or Statewide planning process. In addition, a corridor-level analysis of mode and alignment options must be performed. This alternatives analysis (advanced corridor planning) will provide information on the benefits, costs and impacts of alternative strategies, leading to the selection of a locally-preferred solution to the community's mobility needs. When this work is completed, Mn/DOT will submit the application to the FTA for preliminary engineering that contains documentation of the following items:

- Project justification,
- Mobility improvements,
- Environmental benefits,
- Operating efficiencies,
- Cost-effectiveness,
- Local financial commitment, and
- Land use policies and smart growth initiatives.

FTA will then evaluate the proposed project and determine whether or not to advance the project into preliminary engineering. FTA approval to initiate preliminary engineering is not a commitment to fund final design or construction activities.

Upon approval, project costs, benefits and impacts are further refined. In addition, environmental impact statements are prepared, project management concepts are finalized and required funding sources are put into place. FTA will then evaluate the proposed project and determine whether or not to advance the project into final design.

"The final design stage cannot be initiated until environmental requirements have been satisfied and documented."

Final design is the last phase of project development, and includes right-of-way acquisition, utility relocation, and the preparation of final construction plans and detailed cost estimates, and bid documents. The final design stage cannot be initiated until environmental requirements have been satisfied and documented. Once FTA has approved the final design element of a project, FTA may propose to grant a Full Funding Grant Agreement (FFGA) with the project sponsor.

A FFGA with the federal government is the mechanism for the state to receive funding assistance under the New Starts Program. The FFGA defines the project cost, time lines and outlines the maximum level of federal investment of the project. This agreement with FTA will be managed by Mn/DOT, as the project sponsor.