

METRO Orange Line Bus Rapid Transit
Minneapolis, Minnesota
Small Starts Project Development
(Rating Assigned November 2016)

Summary Description	
Proposed Project:	Bus Rapid Transit 17.3 Miles, 12 Stations
Total Capital Cost (\$YOE):	\$150.70 Million
Section 5309 Small Starts Share (\$YOE):	\$74.08 Million (49.2%)
Annual Operating Cost (opening year 2019):	\$7.80 Million
Existing Corridor Ridership (Warranted):	14,400 Daily Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	High

Project Description: The Metropolitan Council (MC) is planning a bus rapid transit (BRT) line connecting downtown Minneapolis with neighborhoods in south Minneapolis and the suburban municipalities of Richfield, Bloomington and Burnsville. The project alignment generally follows Interstate 35W (I-35W), along which BRT service will operate in existing managed lanes and bus-only shoulders. The project includes 12 new or improved stations, one new park-and-ride facility, two short segments of new dedicated transit lanes, signal priority, off-board fare collection at all stations, and the purchase of 12 articulated buses. Service is planned to operate from 5:00 a.m. to 1:00 a.m. daily with service every 10 minutes during weekday peak periods and every 15 minutes during weekday off-peak periods, weekday evenings and weekends.

Project Purpose: The I-35W corridor south of downtown Minneapolis is the Twin Cities metropolitan area's busiest commuter bus corridor. However, much of the current service solely serves peak-hour downtown commuters and most of the existing stops and park-and-ride facilities in the corridor offer limited passenger amenities. The project would provide high-quality stations, reduce transit travel times and establish frequent bi-directional, all-day service in a corridor that includes major employment sites and densifying neighborhoods outside of the downtown area. The project would also support continued higher-density, walkable infill development in the corridor. In downtown Minneapolis, the project would connect to the existing METRO Blue and Green LRT lines.

Project Development History, Status and Next Steps: A feasibility study completed in 2005 recommended implementation of BRT in the corridor. Since then, MC and the Minnesota Department of Transportation have implemented incremental highway and transit improvements in the corridor, including managed lanes along portions of I-35W, a station in the median of I-35W at 46th Street, and upgraded dedicated lanes for express bus service in downtown Minneapolis. MC added the project to the region's fiscally constrained long-range transportation plan in November 2010 and adopted a refined locally preferred alternative in July 2014. The project entered Small Starts Project Development in November 2014. A Finding of No Significant Impact for a new median station at I-35W and Lake Street was issued in August 2016, followed by a documented Categorical Exclusion for the overall project in December 2016. MC anticipates receipt of a Small Starts Grant Agreement in early 2018, and the start of revenue service in December 2019.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 Small Starts	\$74.08	49.2%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$7.00	4.6%
Section 5307 Urbanized Area Formula Program	\$1.80	1.2%
State:		
Minnesota Legislature General Obligation Bonds and General Fund Revenues	\$15.10	10.0%
Local:		
Counties Transit Improvement Board Sales Tax and Motor Vehicle Excise Tax Revenues	\$37.50	24.9%
Hennepin County Regional Railroad Authority Property Tax Revenues	\$12.79	8.5%
Dakota County Regional Railroad Authority Property Tax Revenues	\$2.08	1.4%
Metropolitan Council Property Tax Bonds	\$0.35	0.2%
Total:	\$150.70	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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LAND USE RATING: Medium-High

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding counties.

- An estimated 152,000 jobs would be served by the project, which corresponds to a Medium-High rating according to FTA benchmarks. Average population density across all station areas is 6,500 persons per square mile, corresponding to a Medium rating. In the downtown Minneapolis core, daily parking fees averaged \$13 in 2012, which rates Medium-High on FTA benchmarks. The proportion of LBAR housing in the project corridor compared to the proportion in the counties through which the project travels is 4.14, which rates High on FTA benchmarks.
- Station areas in Minneapolis are urban in character, with four stations located in the city's central business district and two others located in urban residential and mixed-use neighborhoods. Most suburban stations are in commercial districts where development is auto-oriented but where a number of recent developments demonstrate more transit-supportive mixed-use patterns.
- Pedestrian facilities are complete in station areas in Minneapolis and Richfield, less so in station areas further to the south.

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: Medium-High

- *Transit-Supportive Corridor Policies:* Most Orange Line stations are located in areas identified by the local jurisdictions as centers for multi-use, dense development. In addition to downtown Minneapolis, plans have been developed covering four areas, and the special districts in the station areas support higher densities and transit-oriented development (TOD) principles. Additional station area planning is underway for three station areas.
- *Supportive Zoning Regulations Near Transit Stations:* Minneapolis has adopted strong TOD-supportive zoning, including a pedestrian overlay district that applies to transit station areas and sets a minimum floor area ratio (FAR). Maximum by-right FARs in Minneapolis, and a recent rezoning in a Bloomington station area, allow high densities. Most of the immediate station areas in Richfield, Bloomington, and Burnsville allow medium-to high-density residential development, although commercial and mixed-use centers are bordered by neighborhoods with lower-density residential zoning. Some portions of the outlying station areas are zoned for planned development that emphasizes TOD. Minneapolis has the most transit-supportive parking policies; other communities along the corridor apply modest parking reductions in transit station areas.
- *Tools to Implement Land Use Policies:* The Metropolitan Council has worked with a range of stakeholders to identify and pursue redevelopment opportunities. Regional and county agencies have funding programs for TOD implementation projects.

Performance and Impacts of Policies: Medium-High

- *Performance of Land Use Policies:* Four development districts along the Orange Line corridor have seen significant development in the past decade, with more expected. Good performance of TOD tools and policies has been demonstrated along existing light rail corridors in the region.
- *Potential Impact of Transit Investment on Regional Land Use:* The Twin Cities region is experiencing a healthy economy, with development trends shifting to favor the central cities and developed (inner-ring) suburbs. Project corridor communities are experiencing strong growth. More than 260 sites totaling 375 acres were identified as suitable for transit-supportive, higher-density development or redevelopment in nine of the 12 station areas.

Tools to Maintain or Increase Share of Affordable Housing: Medium-High

- There have been strong regional and local efforts to evaluate affordable housing needs and develop policies to link affordable housing and transit, and a number of funding and financing tools are

available. Seven examples were provided of recent affordable housing projects in Orange Line station areas.

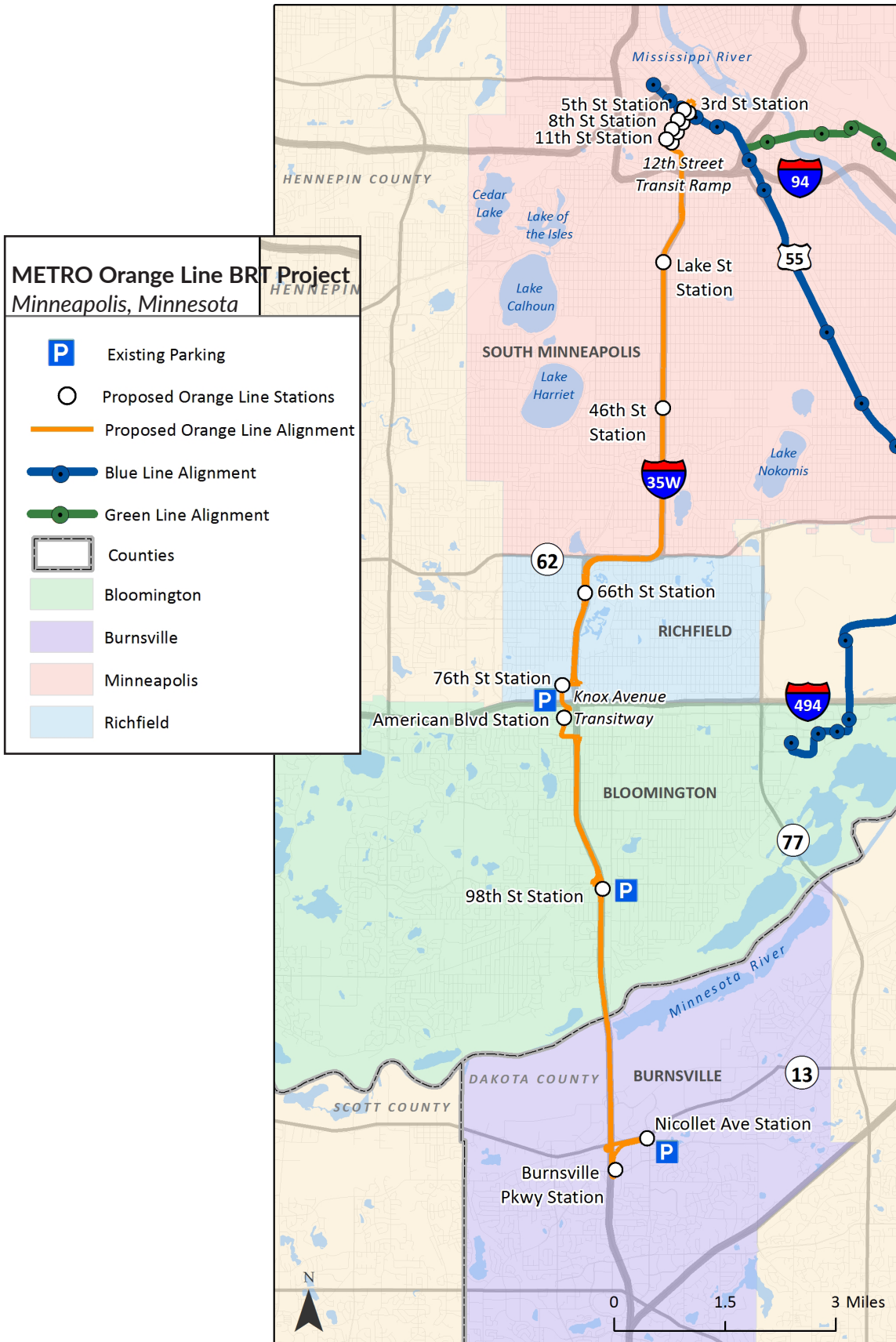


Figure A-3. Orange Line Project Cities and Counties Map