Southwest LRT Project
Minneapolis, Minnesota
New Starts Engineering
(Rating Assigned November 2017)

Summary Description	
Proposed Project:	Light Rail Transit 14.5 Miles, 15 Stations
Total Capital Cost ($YOE):	$1,857.68 Million (includes $55.0 million in finance charges)
Section 5309 New Starts Share ($YOE):	$928.84 Million (50.0%)
Annual Operating Cost (opening year 2022):	$29.43 Million
Current Year Ridership Forecast (2014):	18,900 Daily Linked Trips 6,286,000 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	28,800 Daily Linked Trips 9,546,700 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Project Description: The Metropolitan Council (MC) is planning a light rail transit (LRT) extension of the METRO Green Line from the existing Target Field LRT station in downtown Minneapolis to Eden Prairie in suburban Hennepin County. The line would also serve the suburban municipalities of Minnetonka, Hopkins and St. Louis Park. The proposed alignment generally parallels freight rail and roadway rights-of-way, with several grade-separated crossings and a short tunnel segment. The project includes construction of nine park-and-ride facilities with approximately 2,500 total spaces and a new railcar light maintenance facility as well as the purchase of 27 light rail vehicles. Service is planned to operate from 4:00 a.m. to 2:00 a.m. daily with trains every 10 minutes during the day on weekdays, every 10 to 30 minutes during the evening on weekdays, and every 10 to 15 minutes on weekends.

Project Purpose: Population, employment and congestion are growing rapidly in the project corridor. Downtown Minneapolis has the region's largest concentration of employment and a growing population, while several large corporate campuses and business parks are located in the western end of the corridor. Although the corridor has extensive bus service, particularly express service oriented toward commuters to downtown Minneapolis, growing congestion on the roadway network slows travel speeds. The project would provide more efficient access to and from major employment centers and especially improve transit access to suburban employment sites. As an extension of the METRO Green Line, the project would provide through service to and from the University of Minnesota campus, the State Capitol complex, and downtown St. Paul. The Project would connect to the existing METRO Blue Line LRT and Northstar commuter rail lines at Target Field.

Project Development History, Status and Next Steps: Following completion of an alternatives analysis for the corridor in May 2010, MC selected LRT as the locally preferred alternative and adopted it into the region's fiscally constrained long-range transportation plan. Under SAFETEA-LU, FTA approved the project into Preliminary Engineering in September 2011. When MAP-21 took effect, the project was considered to be in the Project Development phase since the environmental review process was not yet complete. A Draft Environmental Impact Statement (EIS) was released in October 2012, followed by a Supplemental Draft EIS in May 2015 that accounted for changes to the western end of the project alignment, the relocation of the operation and maintenance facility, and a revised configuration for the Kenilworth Corridor segment of the line in Minneapolis. The Final EIS was released in May 2016, followed by FTA's issuance of a Record of Decision in July 2016. FTA approved the project into Engineering in December 2016. MC anticipates receipt of a Full Funding Grant Agreement in late 2018, and the start of revenue service in late 2022.

Significant Changes Since Last Evaluation (November 2016): No significant changes to the project cost or scope.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$928.84	50.0%
FHWA Flexible Funds (Surface Transportation Program)	$3.70	0.2%
State:		
Motor Vehicle Sales Tax Reserves	$16.00	0.9%
Minnesota Legislature General Obligation Bonds and General Fund Revenues	$14.30	0.8%
Local:		
Hennepin County Sales Tax Revenues	$393.66	21.2%
Counties Transit Improvement Board Sales Tax and Motor Vehicle Excise Tax Revenues	$226.40	12.2%
Hennepin County Regional Railroad Authority Property Tax Revenues	$185.80	10.0%
Hennepin County Land Contribution	$66.25	3.6%
Cash Contributions from Hennepin County	$10.90	0.6%
Cash Contribution from the City of St. Louis Park	$4.06	0.2%
Cash Contribution from the City of Eden Prairie	$2.50	0.1%
City of Eden Prairie Land Contribution	$2.45	0.1%
Cash Contribution from the City of Minnetonka	$2.00	0.1%
Cash Contribution from the City of Hopkins	$0.50	0.0%
City of Hopkins Land Contribution	$0.16	0.0%
City of Minnetonka Land Contribution	$0.10	0.0%
City of St. Louis Park Land Contribution	$0.06	0.0%
Total:	**$1,857.68**	**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.

MN, Minneapolis, Southwest Light Rail Transit
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Factor	Rating	Comments
Local Financial Commitment Rating	**Medium-High**	
Non-Section 5309 New Starts Share	**N/A**	The New Starts share of the project is 50.0 percent.
Project Financial Plan	**Medium-High**	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	• The average age of the bus fleet is 5.9 years, which is younger than the industry average. • The most recent bond ratings for Metropolitan Council, issued in May 2017, are as follows: Moody’s Investors Service Aaa, and Standard & Poor’s Corporation AAA. • Metropolitan Council’s current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.8 (FY2016). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	• All of the non-Section 5309 New Starts funds are committed or budgeted. Sources of funds include FHWA Surface Transportation Program funds, State general obligation bonds and general fund revenues, State motor vehicle sales tax (MVST) revenues, sales tax and motor vehicle excise tax revenues from the Counties Transit Improvement Board, sales and use and excise tax revenues from Hennepin County, property tax revenues from the Hennepin County Regional Railroad Authority, a Hennepin County land contribution, cash contributions from Hennepin County and the cities of Saint Louis Park, Eden Prairie, Minnetonka and Hopkins, and in-kind land contributions from the cities of Eden Prairie, Hopkins, Minnetonka and Saint Louis Park. • Approximately 91.4 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include FTA Section 5307 Urbanized Area Formula funds, State Motor Vehicle Sales Tax (MVST) receipts, State general fund revenues, MnDOT revenues, sales and use and motor vehicle excise tax revenues from Hennepin, Anoka, Dakota, and Ramsey counties, property tax revenues from the Sherburne County Regional Rail Authority, fare revenues, advertising income, and investment income.

Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	• Growth in capital revenue assumptions is reasonable compared to recent historical experience. • The capital cost estimate is optimistic. • Regarding growth in operating revenue assumptions, farebox collections, MVST receipts, and State operating assistance are optimistic compared with recent historical experience. • Operating cost estimates are reasonable compared to recent historical experience. • Metropolitan Council has access to funds via additional debt capacity, cash reserves, or other committed funds to cover cost increases or funding shortfalls equal to at least 2.6 percent of estimated project cost and 13.6 percent of annual system wide operating expenses.

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LAND USE RATING: Medium

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 county.

- An estimated 310,000 jobs would be served by the project, which corresponds to a High rating by FTA benchmarks. Average population density across all station areas is 3,300 persons per square mile, corresponding to a Medium-Low rating. In the downtown Minneapolis core, daily parking fees averaged $13 in 2012, which corresponds to a Medium-High rating. The proportion of LBAR housing in the project corridor compared to the proportion in the county through which the project travels is 1.52, which corresponds to a Medium rating.
- Downtown Minneapolis features dense development. Other station areas in Minneapolis and the inner suburbs feature moderate-density development and industrial and warehousing uses that could be redeveloped in the future, while the outer-suburban station areas generally include large office park developments.
- Most of the stations have full pedestrian system coverage throughout the entire station area.

ECONOMIC DEVELOPMENT RATING: Medium-High

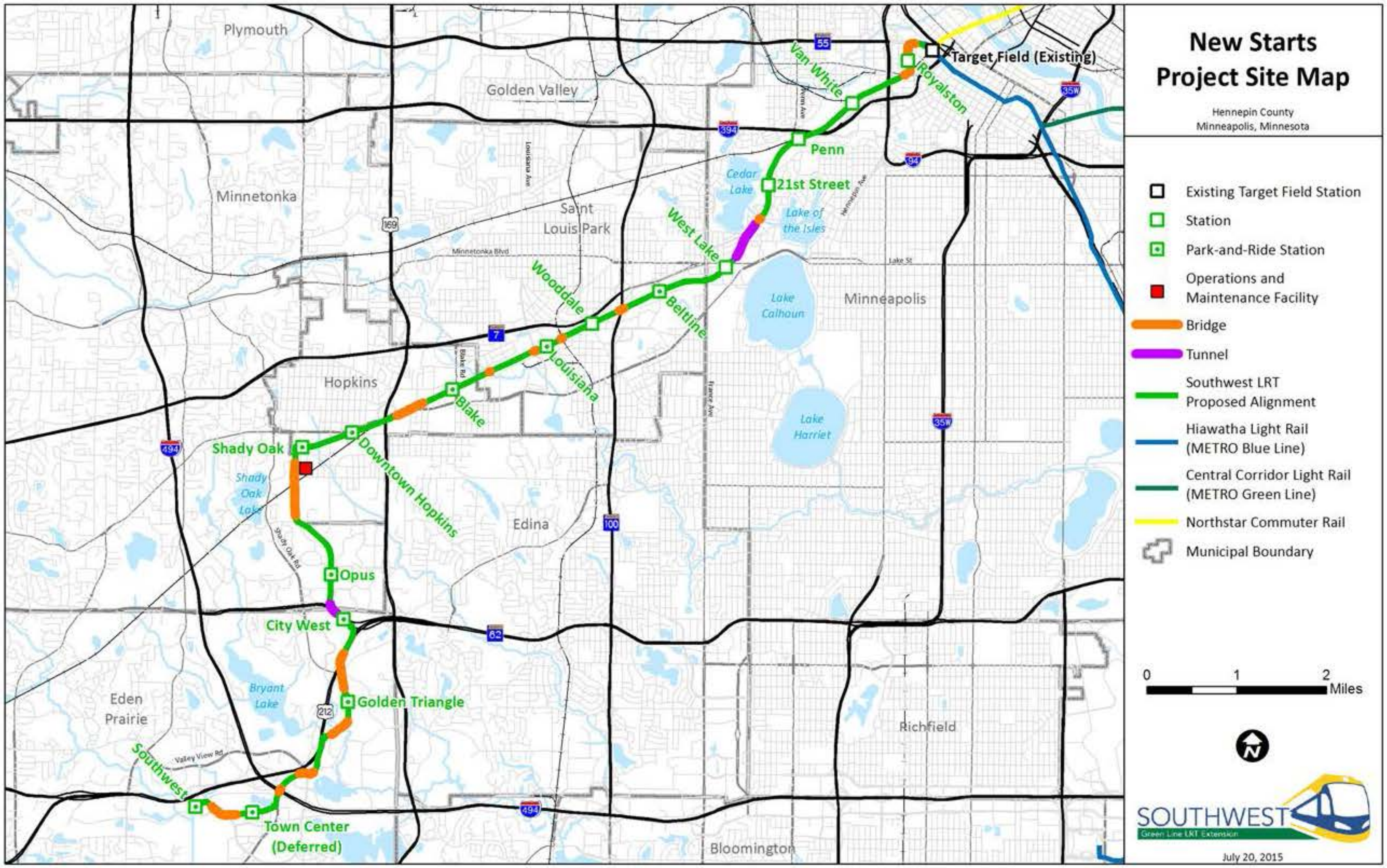
Transit-Supportive Plans and Policies: Medium-High

- *Growth Management:* The Metropolitan Council's regional development framework provides policy guidance for the region that municipalities will implement through updated local comprehensive plans. The latest framework sets more aggressive expectations for development in transit corridors than prior frameworks.
- *Transit-Supportive Corridor Policies:* Both conceptual and more detailed station area plans have been prepared for each station area. Adopted plans typically call for mixed-use higher density development, and include guidelines directed at achieving walkable, pedestrian-oriented development. An investment framework for public investments is in place for the corridor, while preparation of a transit-oriented development (TOD) implementation strategy is underway.
- *Supportive Zoning Regulations Near Transit Stations:* Minneapolis and Hopkins have adopted strong TOD-supportive zoning. Eden Prairie and Saint Louis Park have TOD-supportive regulations but are working to further improve their ordinances in order to better catalyze implementation of TOD. Many of these zoning regulations set minimum as well as maximum densities.
- *Tools to Implement Land Use Policies:* The Metropolitan Council and Hennepin County have worked with a range of stakeholders to identify and pursue redevelopment opportunities. Regional and county agencies have a number of funding programs for TOD projects, and these programs are being used to support projects in the corridor.

Performance and Impacts of Policies: Medium-High

- *Performance of Land Use Policies:* Several major residential and mixed-use projects that are underway in the eastern portion of the project corridor demonstrate TOD characteristics. Recent projects in the western segment of the corridor tend to exhibit campus-like suburban design principles although there is evidence that proposed projects will become more urban in character. A number of TOD projects, many supported by regional and local TOD initiatives, have been implemented along the two existing LRT corridors in the region.
- *Potential Impact of Transit Investment on Regional Land Use:* The corridor, particularly the middle segment, has strong redevelopment potential. Current zoning is likely to result in redevelopment at higher densities. The Twin Cities region's economy is healthy and the project corridor is one of the strongest growth areas in the region.

Tools to Maintain or Increase Share of Affordable Housing: High
• The communities in the project corridor have extensive policies, plans, programs and partnerships to increase the affordable housing supply that are integrated throughout planning processes and many levels of government. The region has an especially extensive set of affordable housing incentives, and there is good evidence of affordable housing development and preservation in the project corridor.


New Starts
Project Site Map
Hennepin County
Minneapolis, Minnesota
Existing Target Field Station
Station
Park-and-Ride Station
Operations and Maintenance Facility
Bridge
Tunnel
Southwest LRT Proposed Alignment
Hiawatha Light Rail (METRO Blue Line)
Central Corridor Light Rail (METRO Green Line)
Northstar Commuter Rail
Municipal Boundary
0
1
2
Miles
SOUTHWEST
Green Line LRT Extension
July 20, 2015
Target Field (Existing)
Royalston
Van White
Penn
21st Street
West Lake
Beltline
Wooddale
Louisiana
Blake
Downtown Hopkins
Shady Oak
Opus
City West
Golden Triangle
Southwest
Town Center
(Deferred)
Plymouth
Golden Valley
Minnetonka
Saint Louis Park
Hopkins
Edina
Minneapolis
Eden Prairie
Richfield
Bloomington
Cedar Lake
Lake of the Isles
Lake Calhoun
Lake Harriet
Shady Oak Lake
Bryant Lake