

Subject: MEDIA UPDATE - Finance & Commerce

Bill Clements covered today's SWLRT management committee meeting in Hopkins where finances were discussed. He interviewed Mark afterward about CCLRT's temporary and permanent easements. I caught just the last few minutes of the SWLRT meeting. Here is Bill's story:

Feds open to next step for Southwest LRT



The chosen route of the Southwest LRT would be almost 15 miles long and extend from Minneapolis to Eden Prairie. This photo shows an LRT train on the existing Hiawatha Corridor. (File photo: Bill Klotz)

Closer to home, support a concern

Metropolitan Council Chair Susan Haigh said Wednesday that a top federal official has given her a “fairly strong” indication that the Southwest Corridor light rail transit project will soon get key permission to move forward.

But, Haigh added, Federal Transit Administrator Peter Rogoff, the official, also emphasized how important it is for the Southwest project to overcome two local hurdles in the next two years: financial support from a skeptical GOP-led Minnesota Legislature, and a contested freight rail line relocation in St. Louis Park.

Entering what's known as “preliminary engineering” is no small thing: The estimated price tag of that part of the Southwest project alone is \$100 million. Projected total cost of the project is \$1.3 billion.

FTA permission is one of several key “go-or-no-go” junctures for any proposed transit project. For the Southwest LRT, the next would be “final design” permission in two years.

By then, all local and state financing arrangements have to be set in stone—no wiggle room.

Haigh told those assembled at a meeting Wednesday morning in Hopkins of the Southwest LRT Management Committee that she met with Rogoff during a visit to Washington, D.C., two weeks ago.

“He indicated to me fairly strong support that [the Southwest LRT would] be moving into preliminary engineering,” Haigh told the committee, of which she is chairwoman.

But Rogoff also “had a lot of questions about” the Minnesota Legislature’s commitment to paying for its share of transit projects like the Southwest LRT, Haigh said. (Rogoff also posed numerous questions about the state shutdown that lasted more than three weeks, she added.)

Rogoff told Haigh that the letter from the FTA granting the Southwest LRT project permission to enter preliminary engineering “would strongly urge us to address the long-term operating costs of the Southwest LRT and of the transit system in general,” Haigh said.

In addition, Rogoff made it clear that the FTA was concerned about resolution of the freight-rail line relocation issue, according to Haigh.

“We will have to address both these issues if we want to be successful,” she said.

The chosen route of the Southwest LRT would be almost 15 miles long and extend from Minneapolis to Eden Prairie. The route would pass through St. Louis Park, Hopkins and Minnetonka and come close to Edina.

Officials hope Southwest LRT construction would start in 2014; trains would roll in late 2017 or early 2018.

Financing for the planning and construction of the Southwest LRT would come from the same four sources (and in the same proportion) that are paying for the Central Corridor LRT: the Counties Transit Improvement Board, through the 0.25-cent transit sales tax in the metro area (30 percent), the Hennepin County Regional Railroad Authority (10 percent), the state of Minnesota (10 percent), and the FTA (50 percent).

Planning has started for several other transit corridors, including the Bottineau Corridor out to the northwest suburbs and the Gateway Corridor east along I-94 into Wisconsin.

But the member of the Southwest LRT Management Committee on Wednesday kept returning to the issue of state financial support of transit.

The concern is well-founded, given that the head of the transportation committee in the Minnesota House—Rep. Michael Beard, R-Shakopee—has said repeatedly that he’d like to see the Southwest LRT stopped in its tracks.

And the Legislature this year, in the special session that ended to state shutdown two weeks ago, reduced by more than 40 percent the money the state will give the Met Council for transit in the 2012-2013 biennium.

Haigh reminded the committee on Wednesday how the \$500 million bonding bill that the Legislature passed in the special session in July contained no money for the Southwest LRT project.

That leaves the bonding bills of 2012 and 2014 for Southwest LRT to nail down the \$125 million to \$130 million in state support the project will need—if the project is to stay on track and start construction in 2014, Haigh said.

“For us to secure the state [financial support] we’ll need, we have to accelerate our advocacy throughout the project—with the communities involved, with the state Legislature and with the business people,” Haigh said.

Management committee member Cheryl Youakim, who is a member of the Hopkins City Council as well as a legislative aide to DFL State Sen. Ron Latz, said it would be a very good idea for the Southwest LRT project to get on the schedule of the legislator bus tour of the project seeking bonding bill support.

“Because—how can I put this diplomatically?—there are a lot of hurdles to getting funding for this project next year in the bonding bill,” Youakim said.

Hennepin County Commissioner Gail Dorfman, who is also a member of the management committee, said in one sense the Southwest LRT project came out ahead at the end of the recent special session.

“We are lucky coming out of the session that we are not prohibited from spending any money this year on this [the Southwest LRT] project,” Dorfman said. “It looked like it was going in that direction at one point.”