

Will business back Southwest LRT money?

by Bill Clements

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Met Council seeks help in wooing rail-wary GOP lawmakers

With a bruising battle expected at the Legislature this fall, the Metropolitan Council plans to rally business owners and Chamber of Commerce officials to help convince rail-transit opponents of the economic importance of building the \$1.25 billion Southwest light rail transit line.

They'd better hope it works.

Getting wary GOP legislative leaders onboard the Southwest LRT bandwagon is critical, because the Federal Transit Administration has said it won't pay for half the project unless the state's \$125 million share of the project is fully committed by 2014.

The vibe from many lawmakers has been anything but positive.

"We just keep building these lines, and we don't know how to pay for operating them," Rep. Mary Liz Holberg, the Lakeville Republican who is chairwoman of the House Ways and Means committee, said in an interview Thursday.

The Met Council is seeking \$25 million in the governor's 2012 bonding bill, and plans to ask during the 2013 session for \$95 million to be included in the 2014 governor's bonding bill to supply most of that.

Judd Schetnan, the Met Council's government affairs director, said it's one thing for the Met Council to argue that the Southwest LRT is a good idea. "But if we can get all the businesses advocating for it, that's the area where we will have the most sway over legislators — at least those in charge."

Among the plans: taking GOP leaders on a tour of the Southwest LRT corridor this fall, ending with a reception — maybe at UnitedHealth Group headquarters in Eden Prairie — at which local business leaders could work on convincing the reluctant Republican legislators.

That will have to be one impressive reception to land millions from a cash-strapped state, especially considering the GOP leadership's strong opposition to using state dollars to finance the Southwest LRT project.

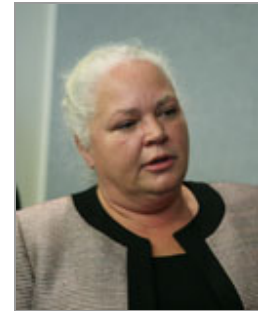
Holberg, an all-important behind-the-scenes architect of the GOP's anti-Southwest stance, repeatedly emphasized that the Met Council has not yet figured out how to pay for the expected \$26 million or so annual operating costs of the under-construction Central Corridor LRT line, after it opens in early 2014.

"Given the economic conditions, I don't think people are ready to jump on board another transit line — the biggest ever — without knowing the operating costs of the ones we already have," Holberg said.

While she said GOP leaders will listen to what business owners and chamber leaders have to say,

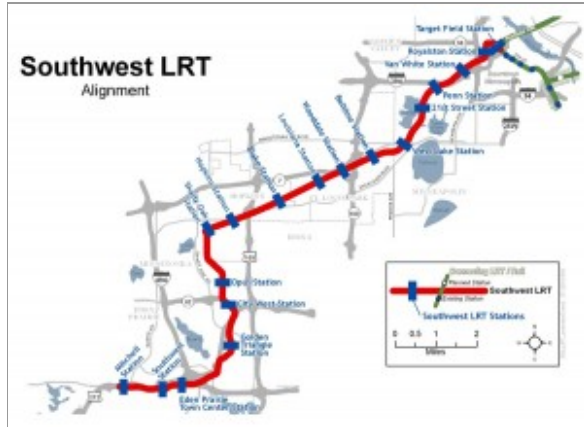
"the reality of the budget situation and numbers are pretty grim."

According to Mark Fuhrmann, head of transit projects for Metro Transit, passenger fares will cover about \$11.6 million of the Central Corridor LRT's annual operating costs. More than \$12 million of a projected \$14.4 million in operating subsidies would be split between the Counties Transit Improvement Board, the state general fund and Met Council. The remainder, or \$2.3



"We just keep building these lines, and we don't know how to pay for operating them." - Rep. Mary Liz Holberg

million, would come from a federal air quality grant.



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On Thursday, Todd Klingel, president of the Minneapolis Regional Chamber of Commerce, said that right now, listening would be great. "It's all about jobs, and we need to make that case with the Legislature and we will do that."

Schetnan acknowledged rail supporters have a lot of work to do. "I have some reservations about how next session will go — a lot of concerns. ... It will be very busy and probably get very partisan."

But, Schetnan added, a project like the Southwest "doesn't have to be partisan — we just have to really talk about the positive economic impact of the Southwest LRT."

Met Council Chair Susan Haigh told the Southwest management committee this past week that an ROI (return-on-investment) study of the Southwest LRT from the Itasca Group should be coming out in mid-November.

"That will provide good and really thorough metrics about the anticipated job growth" of the Southwest project, Haigh said.

Holberg said that the Met Council is expected to report to the Legislature by Jan. 15 on "the anticipated costs of the operations and the capital expenditures for all of the rail transit lines."

The Southwest LRT would pass through the cities of Eden Prairie, Minnetonka, Hopkins and St. Louis Park and link with the Central Corridor line in Minneapolis, becoming the 26-mile Green LRT Line.

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, from the 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 Federal Transit Administration (50 percent).

In an interview on Thursday, Rep. Frank Hornstein, DFL-Minneapolis and former transportation committee chairman, said he thought GOP legislative leaders are "out of step."

"I think we can expect more chipping away at the viability of the Southwest corridor from the legislative majority — but not from the people and businesses along the line," Hornstein said.

"I think the majority is out of step and out of touch with the direction of transportation in this state."