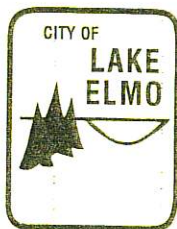


FILE



City of Lake Elmo

651/777-5510

3800 Laverne Avenue North / Lake Elmo, MN 55042

City of Lake Elmo
City Council Workshop
Lake Elmo City Hall
3800 Laverne Avenue North
Lake Elmo, MN 55042

February 10, 2009

6:30 p.m.-8:00 p.m.?

1. AGENDA
2. Review Financing Options for the Street Capital Improvement Program (CIP) and Authorization to Proceed on the 2009 Street Improvements Feasibility Report
3. Overview of Highway 36 Corridor
4. I-94 Corridor Joint Powers Agreement
5. Adjourn



City of Lake Elmo

651/777-5510

3800 Laverne Avenue North / Lake Elmo, MN 55042

MEMORANDUM

TO: City Council
FROM: Craig W. Dawson, Interim City Administrator
DATE: February 5, 2009
SUBJECT: Street CIP and Financial Planning (Work Session Item #2)

The Council began consideration of this item at its January 20 meeting, but adjourned the meeting before the consultants' presentation could be completed.

Jack Griffin and Jonathan North, of Ehlers and Associates) will be at the work session to make their presentations in full. Attached are the materials for this item that were in the agenda packet for the January 20 meeting. At the January 20 meeting, questions were raised about an assumption of financing with special assessments, and a belief that the assessment policy should be reviewed by Council. Also attached is the City's current policy regarding special assessments.

Although we're only about six weeks into the new year, it is already very late in the schedule to be able to do projects this year if the special assessment will be used. It would be helpful for the Council to identify the projects it would most like to be accomplished in 2009, even if some questions remain about the financing options to be pursued, so that those projects can get underway as soon as feasible.



printed on recycled paper

City Council
Date: January 20, 2009
REGULAR
Item: 9
Motion

ITEM: Review Financing Options for the Street Capital Improvement Program (CIP) and Authorization to Proceed on the 2009 Street Improvements Feasibility Report

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Craig Dawson, Interim City Administrator
Ryan Stempski, Assistant City Engineer
Tom Bouthilet, Finance Director

SUMMARY AND ACTION REQUESTED: The city council is being asked to receive options for financing the Street Capital Improvement Program. The council may then be asked to authorize TKDA to proceed with the 2009 Street Improvements Feasibility Report.

The City Engineer will introduce the 5-year street CIP and detail the street improvement process. A breakdown of the local street program and the Municipal State Aid System (MSAS) will be provided.

Ehlers and Associates, Inc. will provide financing options to fund the street program. This will include revenue sources and projected city tax impacts.

Due to the schedule for the 2009 Street Improvements, staff will be recommending proceeding with the feasibility report if the program is to begin in the 2009 construction season.

BACKGROUND:

The Street Capital Improvement Plan historically performed timely improvements to the city's street network. This program included street reconstruction, reclaiming, overlays, sealcoating, and crack sealing. The last project was completed in 2006. Streets that have been identified for improvements have been delayed for 2 years. We recommend that the program be resumed in 2009 and continued in the future to cost-effectively maintain the street network.

RECOMMENDATION:

Initially, staff is looking for direction from council to re-establish the Street Capital Improvement Program.

If directed to proceed, our financial consultant recommends a financing option with a special assessment interest rate that is 2% higher than the related debt interest rate, project costs to be 25% funded by special assessments, and a debt service with 15 year terms.

Furthermore, if the program is to begin in 2009, we recommend that the City Council authorize TKDA to complete the 2009 Street Improvements Feasibility Report.

SUGGESTED MOTION FOR CONSIDERATION

Move to adopt a Street Capital Improvement Plan financing option as recommended by Ehlers and Associates, Inc.


Move to authorize TKDA to complete the 2009 Street Improvements Feasibility Report in the estimated amount of \$9,800.

ATTACHMENTS:

1. 5-Year Street Capital Improvement Plan Map

ORDER OF BUSINESS:

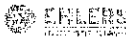
- | | |
|---|--|
| • Introduction | Craig Dawson, Interim City Administrator |
| • Report by staff or other presenter | Jack Griffin, City Engineer |
| | Jon North, Ehlers & Associates |
| • Questions from city council members to the presenter | Mayor and council members |
| • Questions/comments from the public to the city council
(a maximum of three minutes per question/statement) | Mayor facilitates |
| • Action on motion | City Council |




Lake Elmo

Financing the Street Capital Improvement Plan

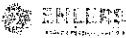
2009 - 2013






Financial Analysis Goals

- Financial impact of street CIP
- Cash financing v. debt financing
- Three policy considerations
- Three recommendations

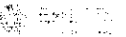




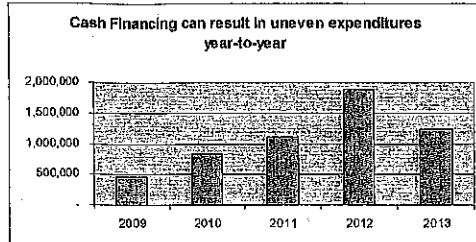
Municipal Expenditures

Operating v. Capital Expenditures

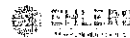
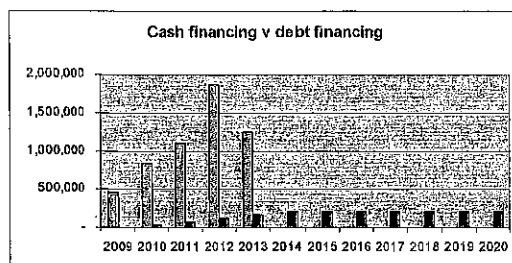
- Operating: predictable, annual costs
 - ie) public safety salaries, utilities
- Capital: timing based on need
 - ie) equipment, street improvements, new buildings or maintenance



Cash Financing overview

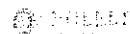


Debt Financing overview

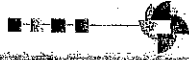


Policy Considerations

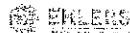
1. Special Assessment Rates
 - ie) 2% over the estimated debt interest rate
2. % Funded by Special Assessments
 - Three options
 1. 20%, 25%, 40%
3. Types of debt



**Analysis Building Blocks
(assumptions)**



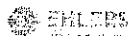
- Street CIP project costs
- 2008 dollar cost inflated 5% / year
- MSA covers 75% of MSAS project costs
- Cash – no more assumptions
- Debt – 15 year terms, 4.5% rates
- Special Assessment – 6.5% rates



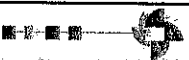
**Consideration 1:
Special Assessment Rates**



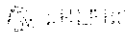
- Most cities have rates above debt interest rates to account for delinquencies, non-payment...
- Lake Elmo's precedence is varied
- Recommend 2% over estimated debt service



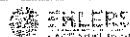
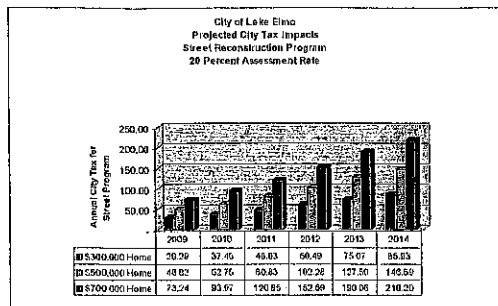
**Consideration 2:
% Funded by Special Assessments**



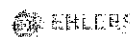
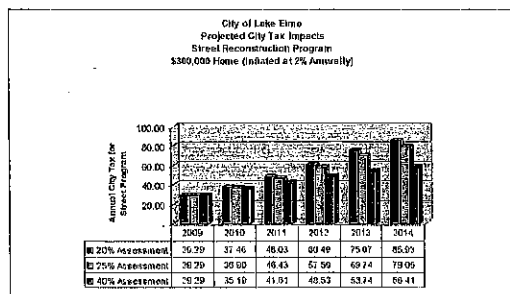
- Options: 20%, 25% and 40%
- G.O. Debt: 20% threshold



Tax levy impact by home value (20% special assessed as example)

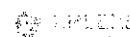


Tax levy impact: \$300K Home



Consideration 3: Types of Debt

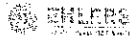
- GO CIP Bonds
- GO Improvement Bonds



Recommendations



- Use a special assessment interest rate that is 200 basis points (2%) higher than the bonds
- Project costs 25% funded by Special Assessments
- General Obligation Improvement Bonds



City of Lake Elmo
Public Improvement and Assessment Policy

I. INTRODUCTION

It has been and will continue to be the policy of the City Council that when public improvements are made which are of special benefit to certain areas, special assessments will be levied for the benefits received. The procedures used by the City are those specified by Minnesota Statutes, Chapter 429, which provide that all, or a part of the cost of the improvements, may be assessed against benefiting properties in accordance with the benefits received. The statute, however, does not provide a guide as to how these benefits are measured or how the costs are to be apportioned. The purpose of this general policy is to establish a consistent standard for the apportionment of special assessments.

II. TYPES OF IMPROVEMENTS

This policy shall relate to those public improvements allowable under Minnesota Statute 429. Generally, the improvements include: street and street lighting improvements; sanitary and water utility improvements; sanitary and water utility improvements; storm sewer and drainage improvements; and bikeway/ped/way improvements.

This policy outlines how new construction, reconstruction, and major maintenance shall be financed under each type of project.

Project costs shall include: the construction costs; engineering; testing; permitting; legal; administrative; land or easement acquisition; fiscal; capitalized interest; data processing and publications fees.

III. SPECIAL ASSESSMENT METHODS

Benefiting properties generally are assessed by one or a combination of four (4) methods; front footage; area; unit and benefit appraisal. Generally, the nature of an improvement lends itself to a particular method. The four (4) methods are described as follows:

- A. Frontage Method:** Frontage is measured at the building setback line. Assessments are determined by multiplying the frontage by the Council-established rate.
- B. Area Method:** Assessments are determined by multiplying the net developable area (gross area less wetland area) by the Council-established assessment rate.
- C. Unit Method:** Assessments are determined by multiplying the particular land unit by the Council established assessment rate, for each particular zoning category.

D. Benefit Appraisal Method: Assessments are determined by assigning the increase in value to a property as determined by the appraisal.

Corner Lots: Corner lots are included in the benefiting area with the exception of single/two family dwellings. If the improvements are along the front lot line of a single/two family dwelling, the parcel shall be included in the benefiting area with each unit assessed separately. If the improvements are along the side lot line of a single/two family dwelling, the parcel shall not be included in the benefiting area, unless the lot can be subdivided. ¹For the purpose of this Assessment Policy, the front lot line is defined as the side of the lot which abuts the street upon which the property is addressed.

Recreational Lots: Recreational lots without a primary living structure, but used for recreational purposes, and not combined with the owner's lot with a primary structure shall be included in the benefiting area and assessed at one-half (1/2) of the rate for a non-recreational lot within the same project.

Agricultural and Rural Residential Property: Property zoned Agricultural or Rural Residential that has not been subdivided will be assessed as one unit for each dwelling on the property. If the property is subdivided after the completion of said improvement, but before the expiration of the assessment period or eight years, whichever is the greater, then the property will pay a total contribution equivalent to the total number of subdivided lots based on the original assessment without interest. (or with interest.)

Cul de Sacs²: Property located on a cul-de-sac will be assessed the same as that of the street providing access to the cul-de-sac. This policy shall apply regardless of the cul-de-sac being included in the street improvement.

IV. IMPROVEMENTS

A. Roadway and Street Lighting Improvements

1. Petitions for roadway and street lighting projects shall be filed and accepted by the Council prior to January 1 of the year of construction. The Council may authorize accepting a petition after January by special consent.
2. Projects may be initiated by petition of at least thirty-five percent (35%) of the property owners measured in area and/or frontage, and requires a majority vote of the City Council.

² Amended by the City Council on 8-21-01

3. Projects may be initiated by the City Council in absence of an adequate petition and requires a four-fifths (4/5) majority vote of the City Council.
4. Street light petitioned projects shall be uniformly spread to the benefiting properties.

B. Reconstruction

1. Petitions for roadway projects shall be filed and accepted by the Council prior to January 1 of the year of construction. The Council may authorize accepting a petition after January 1 by special consent.
2. The scope of project shall be determined by traffic volumes, and reason for pavement deterioration.
3. Abutting property owners, and property obtaining access to a cul-de-sac from the street subject to improvement³ shall be assessed based on zoning category. The Council will set the appropriate rate for each zoning category.
4. The assessment rate with a zoning category shall be equal throughout the community, independent of project scope.
5. The City will assess its share of County Road projects to properties along County roadways in the same manner as City streets.
6. The City participation in projects will be the difference between the project cost and the amount to be assessed. The City's share may include: Municipal State Aids (MSA) on MSA routes, Grants, Capital Improvement Funds, or a Citywide Improvement Utility.
7. Streetlights may be installed as part of a roadway reconstruction project if sixty percent (60%) of the neighborhood signs a petition requesting the installation. The installation costs will be financed as part of the reconstruction project.

C. Major Maintenance

1. Overlays to postpone the reconstruction of a roadway shall be assessed to the abutting property owners based on zoning category. The Council will set the appropriate rates for each zoning category.
2. Sealcoating shall not require abutting property participation.

³ Amended by the City Council on 8-21-01

3. The City's share of project costs shall be determined by deducting the assessable costs from the project costs. The City's share may be financed with MSA, Capital Improvement funds, Maintenance Funds, or funds acquired through a Citywide Improvement Utility.

D. Bikeway/Pedway Improvements

1. The City may install bikeway/pedways according to the Comprehensive bikeway/pedway plan for the community. The bikeway/pedways should be an eight (8) foot wide asphalt surface if separated from the roadway surface a minimum of four (4) feet.
2. Bikeways/Pedways may be financed as part of a roadway reconstruction assessment; park dedication fees; MSA, Capital Improvement funds, or funds acquired through a Citywide Improvement Utility.
3. The City will repair and remove snow from all bikeway/pedways.

E. Street Light Improvements

1. Streetlights may be included as part of reconstruction and overlay projects if sixty percent (60%) of the property owners petition for the installation.
2. Streetlights installed as part of reconstruction or overlay projects shall be financed as part of the assessed roadway project.

F. Utility Improvements (New Construction)

1. Petitions for utility projects shall be filed and accepted by the Council prior to January 1 of the year of construction. The Council may authorize accepting a petition after January 1 by special consent.
2. Projects may be initiated by petition of at least thirty-five percent (35%) of the property owners measured in area and/or frontage, and requires a majority vote of the City Council.
3. Projects may be initiated by the City Council in absence of an adequate petition and requires a four-fifths (4/5) majority vote of the City Council.
4. The City's share may be financed with Water/Sewer Access Charge funds (WAC/SAC).

G. Utility Improvements (Reconstruction and Major Maintenance)

1. The replacement of water mains, sanitary sewer mains and service lines within the right-of-way shall be financed out of the Utility Reserve Fund.
2. The property owner shall pay for the replacement of services on private property.
3. Roadway reconstruction and major maintenance projects accelerated because of utility replacement projects shall be financed through the Utility Reserve Fund in proportion to the remaining design life of the street.

H. Storm Sewer Projects (New Construction)

1. Petitions for storm sewer projects shall be filed and accepted by the Council before January 1 of the year of construction. The Council may authorize accepting a petition after January 1 by special consent.
2. Projects may be initiated by petition of at least thirty-five percent (35%) of the property owners measured in area and/or frontage, and requires a majority vote of the City Council.
3. Projects may be initiated by the City Council in absence of an adequate petition and requires a four-fifths (4/5) majority vote of the City Council.
4. Projects initiated by property owners shall have their participation determined by land use, contributing area and rate of runoff. Project assessments shall be determined by multiplying the accessible area by the Council-established assessment rate taking into account land use and rate of runoff.

I. Storm Sewer Projects (Reconstruction and Major Maintenance)

1. Storm Sewer Projects shall be incorporated and considered as part of roadway reconstruction and major maintenance projects, and assessed as part of the project.

V. ASSESSMENT PERIODS DETERMINED BY TYPE OF PROJECT

New construction projects may be assessed over a five (5) year period, with the exception of street lighting, which shall be limited to three (3) years.

- * Reconstruction projects may be assessed over a ten (10) year period.
- * Trunk water and sewer facilities may be assessed over a twenty (20) year period.
- * Overlay projects may be assessed over a five (5) year period.

VI. HARDSHIP DEFERRALS FOR SPECIAL ASSESSMENTS

The City Council will consider a deferment for the payment of special assessments on any homestead property, owned by a person 65 years of age or older or retired by virtue of permanent and total disability for whom it would be a hardship to make the payments.

A hardship shall be deemed to exist when the annual principle installment of all assessments levied against the property exceeds two percent (2%) of the adjusted gross income of the applicant as evidenced by the applicant's most recent federal income tax return, and total assets (excluding the homestead property) do not exceed six times the adjusted gross income.

The City Council may also determine, on a case by case basis, the existence of a hardship on the basis of exceptional and unusual circumstances not covered by these standards and guidelines, if done in a non-discriminatory manner and without giving the applicant an unreasonable preference or advantage over other property owners.

All assessments will continue to bear interest on the unpaid principle balance at the rate established on the original special assessment.

The deferment shall terminate and all principle and interest becomes due and payable upon the occurrence of any of the following events:

1. The death of the owner when there is no spouse whom is eligible for deferment.
2. The sale, transfer or subdivision of the property or any part thereof.
3. The property should lose its homestead status.
4. The City Council should determine that the hardship no longer exists. A review of the hardship will be conducted every three to five years.



City of Lake Elmo

651/777-5510

3800 Laverne Avenue North / Lake Elmo, MN 55042

MEMORANDUM

TO: City Council
FROM: Craig W. Dawson, Interim City Administrator
DATE: February 5, 2009
SUBJECT: Overview of Highway 36 Corridor (Work Session Item #3)

Jack Griffin will bring large maps of the Highway 36 Corridor (from I-694 to Highway 5,) and provide an overview of a such issues as safety trends, access across and along Highway 36, and changes along the corridor that are being discussed by various jurisdictions along the way. This overview will provide a good context for Council's discussion as it begins consideration of the preferred alternative design for the Highway 36/Lake Elmo Avenue (CR 17) interchange at the March 10 City Council work session.



printed on recycled paper



City of Lake Elmo

651/777-5510

3800 Laverne Avenue North / Lake Elmo, MN 55042

MEMORANDUM

TO: City Council
FROM: Craig W. Dawson, Interim City Administrator
DATE: February 5, 2009
SUBJECT: I-94 Corridor Joint Powers Agreement (Work Session Item #4)

Background: Efforts by numerous parties, primarily with the lead taken by Washington and Ramsey counties, resulted in the designation of I-94 as a transitway corridor in the Metropolitan Council's 2030 Transportation Policy Plan. The specific form of transit – light rail transit (LRT), busway, bus rapid transit (BRT), or commuter rail – is not identified in the plan, but rather all of these forms of transit and others will be considered.

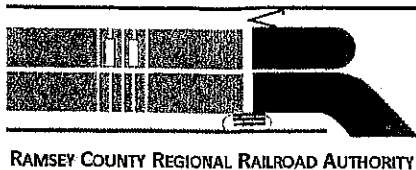
Purpose: To get started on the planning process, the Washington County Regional Railroad Authority and the Ramsey County Regional Railroad Authority have drafted a joint powers agreement (JPA) to create the I-94 Corridor Commission. The Commission would be the forum for "collaborative planning of multi-modal transportation improvements along the Corridor and for the related land use and development impacts." Those invited to be parties to the JPA are the regional railroad authorities, the eight cities, and the one township along the Corridor from the Union Depot in Saint Paul to the Saint Croix River.

In speaking with Washington County staff, the Commission will be formed of the regional railroad authorities and of those municipalities that wish to join. It is not necessary for all of the municipalities along the corridor to become members in order for the Commission to be established.

Highlights of the JPA : The JPA is straightforward and the obligations of the municipalities are relatively few. There will be two types of members: Financial Parties (the two regional railroad authorities), and Non-financial Parties (all of the member cities/township). The financial parties shall each have two votes, and each non-financial party shall have one vote on the Joint Powers Board. The non-financial parties would have no financial obligations unless the JPA is amended, and any amendment needs unanimous approval by the parties (both financial and non-financial). As drafted, all actions of the Commission's Board requiring the expenditure of funds would need a simple majority of the members and the unanimous vote of the financial members. Essentially, the only obligation of any municipality is to invest the time to participate in the Commission's activities.

Discussion by Council: The regional railroad authorities have asked for comments on the draft JPA and an indication of the city's intent to participate by February 13. Given the late date we received this communication, the first date that the City Council can take any formal action is February 17. This item will be placed on the agenda for the Council's February 17 meeting.





RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

Washington
County



January 22, 2009

Mayor Dean Johnston
City of Lake Elmo
3800 Laverne Avenue N.
Lake Elmo, MN 55042

RECEIVED

JAN 28 2009

CITY OF LAKE ELMO

I-94 Corridor Joint Powers Agreement

Dear Mayor Johnston:

On January 14, 2009, the Metropolitan Council adopted its 2030 Transportation Policy Plan. This plan identifies the need to have a more balanced transportation system that includes the completion of multiple transitway corridors. One of the corridors identified for future analysis is the I-94 Corridor. This Corridor is identified as a possible light rail, bus rapid transit, or commuter rail corridor to be determined pending the completion of an Alternatives Analysis for the Corridor. The Regional Railroad Authorities of Ramsey and Washington County have anticipated the adoption of this plan and have met to discuss ways to advance transportation improvements in the I-94 Corridor from the Union Depot in downtown St. Paul east through Washington County. With the endorsement of their Boards, a draft joint powers agreement (JPA) was developed to formalize the I-94 Corridor Commission. A copy of the draft agreement is being distributed to each eligible party for their review. Following the receipt of comments on the draft JPA, a meeting will be organized to finalize the JPA. Following this meeting, all eligible parties will be requested to adopt the JPA.

As a Regional Railroad Authority, city, or township along the I-94 Corridor we request that you review and comment on this Draft Joint Powers Agreement (JPA). Establishment of a JPA is one of the initial steps necessary to position the I-94 Corridor for the receipt of federal and state funds. As drafted, this JPA will provide its members with the opportunity to join together and speak with one voice on issues concerning Corridor advocacy and analysis. Additionally, this JPA will be a significant step forward in allowing an Alternatives Analysis to be completed on the I-94 Corridor.

The timely organization of the I-94 Corridor Commission, created by the establishment of this JPA, is of added significance given the upcoming legislative session and the drafting of the next federal six-year transportation bill. Because of these opportunities to advance the Corridor, we ask that you provide an indication on whether or not your Regional Railroad Authority, City, or Township is interested in becoming a party to the JPA along with any comments you have on the agreement by February 13, 2009. Please provide this information to Michael Rogers of the Ramsey County Regional Railroad Authority, or Ted Schoenecker of Washington County. Their contact information is included at the end of this letter.

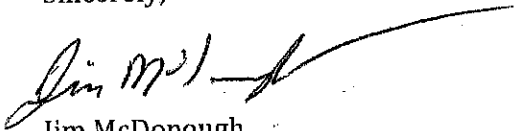
Ramsey County Regional Rail Authority
6560 Ramsey County Government Center West
50 West Kellogg Boulevard • St. Paul, MN 55102
(651) 266-2760 • FAX (651) 266-2761

Washington County Regional Railroad Authority
11660 Myerson Road North
Stillwater, MN 55082
(651) 430-4300 • FAX (651) 430-4350

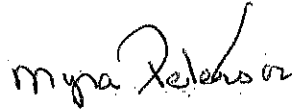
Following the receipt of comments, a meeting will be organized to bring together all those interested in adopting the Joint Powers Agreement (JPA). At this meeting the JPA will be finalized along with its funding formula so it can be distributed for approval. To aid eligible parties in their timely review of this Joint Powers Agreement, staff from the Ramsey and Washington County Regional Railroad Authorities will be available to assist you. We look forward to continuing to work with you to advance transit and transportation options along the I-94 Corridor.

If you have any questions, or would like the assistance of either of our staff please contact Michael Rogers, Senior Transportation Planner Ramsey County Regional Railroad Authority at 651-266-2773, michael.rogers@co.ramsey.mn.us, or Ted Schoenecker, Washington County Transportation Manager at 651-430-4319, ted.schoenecker@co.washington.mn.us.

Sincerely,



Jim McDonough
Chair, Ramsey County RRA



Myra Peterson
Chair, Washington County RRA

Enc.

c: Craig Dawson, Lake Elmo City Administrator
Julie Kleinschmidt, Ramsey County Administrator
Jim Schug, Washington County Administrator
Tim Mayasich, Director, Ramsey County RRA
Don Theisen, Director Washington County Public Works/County Engineer
Mike Rogers, Senior Transportation Planner, RCRRA
Ted Schoenecker, Transportation Manager, Washington County

**JOINT POWERS AGREEMENT
ESTABLISHING THE
INTERSTATE 94 CORRIDOR COMMISSION**

THIS AGREEMENT, is entered into by and between the undersigned Regional Railroad Authorities, Cities, and Townships all being governmental units of the State of Minnesota, pursuant to the authority contained the Minn. Statutes §§471.59 and 398A.

WITNESSETH

WHEREAS, the Interstate 94 Corridor is defined as the transitway corridor originating at the Union Depot in downtown St. Paul and traveling east through Washington County with connections to other multi-modal transportation options; and

WHEREAS, the Interstate 94 Corridor has significant transportation safety, and land use issues; and

WHEREAS, there are opportunities for a variety of multi-modal transportation improvements to the Interstate 94 Corridor, including light rail transit, bus rapid transit, commuter rail, multi-use trails, and Intelligent Transportation Systems (ITS); and

WHEREAS, the parties wish to collaboratively plan for multi-modal transportation improvements to the Interstate 94 Corridor and for the related land use and development impacts; and

WHEREAS, the Interstate 94 Corridor Commission intends to work collaboratively with the Minnesota Department of Transportation and the Metropolitan Council for the planning and development of light rail transit, bus rapid transit, commuter rail, multi-use trails, and Intelligent Transportation Systems (ITS) in the Interstate 94 Corridor.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the parties hereto agree to as follows:

ARTICLE 1

DEFINITIONS

Unless context otherwise requires, the terms defined in this section shall have the meanings stated herein:

Agreement means this Joint Powers Agreement as it now exists and as it may hereafter be amended.

Commission (I-94 Corridor Commission) shall mean the Joint Powers body established herein.

Party shall mean any Regional Railroad Authority, City or Township identified in Article 6 of this Agreement as eligible to participate in this Agreement and which approve and executes this Agreement.

Financial Party shall mean any financially contributing Regional Railroad Authority

Interstate 94 (I-94) Corridor shall be defined as the Interstate 94 transportation corridor originating at the Union Depot in downtown St. Paul and traveling east through Washington County.

Member shall mean an individual appointed to the Commission as provided in Article 4 of this Agreement.

ARTICLE 2.

PURPOSE

The purpose of this Agreement is to form a joint powers board under the provision of Minnesota Statutes Section 471.59 and 398.A to enable the parties to cooperatively analyze the feasibility, environmental impacts, engineering, and construction of multi-modal transportation improvements in the I-94 Corridor including light rail transit, bus rapid transit, commuter rail, multi-use trails, and Intelligent Transportation Systems (ITS) along with the associated land use and development impacts. These activities may include but not be limited to the acquisition and management of federal, state, and local funding in conjunction with the Minnesota Department of Transportation and the Metropolitan Council, and may perform any responsibilities delegated by the Commissioner of Transportation or Metropolitan Council Chair subject to the conditions that sufficient funds are received.

The Parties will communicate and coordinate the Commission's activities as necessary with private corporations, state agencies, counties, municipalities, the Federal Transit Administration, other regulatory, planning, and funding agencies, and other stakeholders for advancement of the Commission's purposes.

The method of accomplishing the purpose of this Agreement is the establishment of a Joint Powers Board to provide a mechanism whereby the Parties jointly address the need for enhanced rail transportation along the Corridor.

ARTICLE 3.

TERM

This Agreement shall be effective (the Effective Date) and the joint powers board established herein may commence exercising the powers and authorized in this Agreement on the day that the Agreement has been approved by resolution and duly executed by the Ramsey County Regional Railroad Authority and the Washington County Regional Railroad Authority by action of its governing board. This Agreement shall remain in full force and effect until terminated by the parties pursuant to Article 10 of the Agreement.

ARTICLE 4.

JOINT POWERS BOARD

- A. There is hereby created a Joint Powers Board as a public entity, to be known as the I-94 Corridor Commission. The Commission shall be an entity separate from its member Parties and shall not be deemed an agent or partner of the member Parties and the member Parties shall not be liable for the actions of the Commission. The Commission shall have full authority to exercise all powers stated herein.
- B. The Commission shall consist of one Member and one alternate appointed by a Party for an initial term commencing with the execution of this Agreement until January 15, 2010. Each Member or alternate must be a member of the governing body, commission, or council which appoints him or her, and must remain so during his or her term.

- C. Thereafter, each Member and alternate shall be appointed for one-year terms, beginning January 15, by resolution of the governing body, commission, or council. In the event that any Member or alternate shall not have been appointed by January 15 in any year, the incumbent Member shall serve until a successor has been appointed. Removal of any Member or alternate during the term for which the Member has been appointed may be done at any time, but shall be done only by resolution of the appointing governing body, commission, or council.

ARTICLE 5.

VOTING

Board voting shall be allocated so that each Financial Party receives two (2) votes and each Party that is not a Financial Party receives one (1) vote.

- A. In the event that the appointed Member is not present at the meeting, their alternate may cast all of their Party's allocated votes.
- B. All actions of the Board require the following:
- a. A simple majority vote of the Board
 - b. A simple majority vote of the Financial Members present
- C. All actions of the Board involving the expenditure of funds require the following in addition to those items listed in Article 5.B:
- a. A unanimous vote of the Financial Members

A simple majority is defined as more than fifty percent (50%) of the Party members present at a meeting.

ARTICLE 6.

MEMBERSHIP

The government units that are eligible for participation in this Commission upon adoption of this agreement by resolution and duly executed by their respective governmental units on or before December 31, 2009 include:

- A. Financial Parties
- a. Ramsey County Regional Railroad Authority
 - b. Washington County Regional Railroad Authority
- B. Non-financial Parties
- a. City of St. Paul
 - b. City of Maplewood
 - c. City of Landfall
 - d. City of Oakdale
 - e. City of Woodbury
 - f. City of Lake Elmo
 - g. City of Afton
 - h. City of Lakeland
 - i. Town of West Lakeland

- C. An entity identified in this Article 6 which does not elect to become a Party by December 31, 2009, may become a Party only by amendment to this Agreement pursuant to Article 11 hereof.
- D. Additional Parties may become members of the Commission by amendment to the Agreement pursuant to Article 11 hereof.
- E. Following the initial term, Commission membership terms shall commence on January 15 of a calendar year and end on January 14 of the next succeeding year, or until a successor is appointed.

ARTICLE 7.

POWERS OF COMMISSION

The Commission has such authority as is necessary and proper to make all decisions to carry out its purpose as described in Article 2. Such powers shall be subject to the provisions of Minn. Stat. § 471.59 and 398.A and will include, but not be limited to, any or all of the following powers to the extent provided by law or not otherwise limited by this Agreement.

- A. Adopt an annual budget, together with a statement of the sources of funding and an estimate of the amounts required of each Financial Party.
- B. Enter into transactions, including contracts or leases, required in furtherance of this Agreement and statutory mandate, and enforce such transactions to the extent available in equity or at law. The contracting and purchasing requirements of one party designated by the Commission shall apply hereto. The Commission may approve any contract relating to this Agreement up to the amount approved in the annual budget, and may authorize the Chair of the Commission to execute those contracts.
- C. The Commission shall have the power to adopt such by-laws and any amendments that it may deem necessary or desirable for the conduct of its business. Such by-laws shall be consistent with this Agreement and any applicable laws or regulations. The by-laws may provide for the appointment of ex officio, non-voting members to the Board by the Commission. The by-laws shall be effective only if approved by unanimous vote of all Financial Parties.
- D. Apply for and accept gifts, grants, loans of money, other property, or assistance on behalf of the contracting parties from the United States government, the State of Minnesota, or any person, corporation, partnership, association, or agency public or private for any of its purposes. Including any grant which may be available, enter into any agreement in connection therewith, and hold, use and dispose of such money, other property, and assistance in accordance with the terms of the gifts, grants, or loans relating thereto.

- E. Acquire and hold such real and personal property as may be required to accomplish the purposes of this Agreement and, upon termination of this Agreement, make distribution of such property as is provided for in this Agreement.
- F. Employ agents and employees, and to fix the compensation and all other terms and conditions of employment thereof.
- G. Incur debts, liabilities, or obligations which do not constitute a debt of any of the Parties. The Joint Powers Board does not have authority to incur debts, liabilities, or obligations which constitute a debt of any of the Parties.
- H. Enter into agreements and non-binding memoranda of understanding between the Commission and the United States government, the State of Minnesota, or any person, corporation, partnership, association, or agency public or private in accordance with applicable law.
- I. Sue and be sued in its own name.

All powers granted herein shall be exercised by the Commission in accordance with the legal requirements applicable to the regional railroad authorities.

ARTICLE 8.

OFFICERS, EMPLOYEES, AND SERVICES

A. Chair and Vice-Chair

The Commission shall elect a Chair and Vice-Chair from its membership at its first regular meeting each year. The Chair and Vice-Chair shall be elected by the Commission from its membership for a term of one (1) year. The Chair shall preside at all meetings of the Commission, may establish such subcommittees as may be needed from time to time and shall perform other duties and functions as may be determined by the Commission. The Vice-Chair shall assume the duties of the Chair during the absence of the Chair and perform such other duties as may be determined by the Commission. If both the Chair and Vice-Chair are absent, the Commission may elect a temporary Chair to conduct its business, provided a quorum is present.

B. Executive Committee

The Commission shall establish an Executive Committee of the Commission consisting of the representative of each Financial Member. The Executive Committee shall develop and make recommendations to the Commission regarding the ongoing responsibilities of the Commission, and shall have such other duties as set forth in the Commission's by-laws.

C. Staff

Any Party may provide staff support to the Commission subject to the approval of the Commission.

D. Vacancies

If an appointment of any Commission member or alternate is vacated before the end of his or her term, the vacancy shall be filled by appointment by the appropriate Party. Vacancies shall be filled within thirty (30) days of their occurrence. A vacancy shall be deemed to have occurred when any of the conditions specified in Minn. Stat. § 351.02 exist.

E. Meetings

The Commission shall meet at regular intervals at such times and places as the Commission shall establish in its by-laws. Special meetings may be held on reasonable notice by the Chair or any two members upon terms and conditions as the Commission may determine and that conform to the Minnesota Open Meeting Law, Minn. Stat. § 13D.

F. Committees

The Commission may establish standing committees of the Commission by providing for such committees by resolution. The Chair may establish ad hoc committees of the Commission.

ARTICLE 9.

FUNDING

It is understood by the Parties that the activities and duties of the Commission are to be funded primarily by grant monies from the United States Government, the State of Minnesota or any other association or agency. Nevertheless, the Financial Parties agree to contribute funding, if necessary, for the feasibility, environmental impacts, engineering, and construction of a multi-modal transportation improvement in the I-94 Corridor including light rail transit, bus rapid transit, commuter rail, multi-use trails, and Intelligent Transportation Systems (ITS) along with the associated land use and development impacts, and administrative expenses of the Commission (to the extent not covered by grant funds). The Contributing Financial Parties will establish an initial budget and allocate as follows any necessary initial contributions:

50%	Ramsey County Regional Railroad Authority
50%	Washington County Regional Railroad Authority

Each Contributing Financial Party shall pay its appropriate initial contribution to the regional railroad authority acting as fiscal agent of the Commission within sixty (60) days of the Commission approving a budget.

A. Annual Budget

For the calendar year next following the calendar year in which the Effective Date occurs and all subsequent years, the Commission shall establish and approve a budget. Each Financial Member shall be assessed for its proportionate share of the budget according to the schedule established above. The Commission shall establish its first budget within sixty (60) days of the commencement of the Commission.

B. Financial Members' Budget Approval

Adoption of the budget shall require unanimous approval of the Financial Parties.

C. Contribution Date

Except for any initial contribution required by this Agreement, assessments made under the provisions of this article shall be paid by each Financial Party by January 15 of each year. The initial contribution shall be made within sixty (60) days of the adoption of the budget pursuant to Article 7(A) hereof.

D. Budgeting, Accounting, Fiscal Agent, and Other Services

The Commission may contract with any Party to provide contract management, legal review, and budgeting and accounting services necessary or convenient for the Commission and otherwise act as the Commission's fiscal agent. Such services shall include, but not be limited to, management of all funds, including contributions and grant monies, payment for contracted services, and relevant bookkeeping and record keeping. The contracting and purchasing requirements of the Party so selected shall apply to transactions of the Commissions. Such Party shall identify the staff person to work as liaison with the Commission.

E. Accountability for Funds

All funds shall be accounted for according to generally acceptable accounting principles. A report on all receipts and disbursements shall be forwarded to the Commission on an annual basis. The Parties have the authority to request reports pertaining to any and all budgeting and accounting services. All interest earned from established Commission funds shall be credited back to that same fund.

ARTICLE 10.

WITHDRAWAL AND TERMINATION

A. Withdrawal

Any Party may withdraw from this Agreement upon 90-days prior written notice evidenced by resolution of the Party's governing body to the Commission. In the event of withdrawal by any Party, this Agreement shall remain in full force and effect as to all remaining Parties.

B. Effect of Withdrawal, Disposition of Property, Funds, and Obligations

A Party withdrawing from this Agreement shall, prior to such withdrawal, pay the full amount of any unpaid assessments to the Commission as defined in Article 9. A Party withdrawing from this Agreement shall not receive a distribution of property or funds until such time as this Agreement is terminated by all Parties pursuant to this Article 10. Such disposition of property shall be in accordance with the provisions of Section D of this Article 10.

Any Party withdrawing shall be liable for any assessment in the year in which the withdrawal becomes final only for the period in such year that the Party remains a party. The Party's assessment shall not exceed the sum of one-twelfth (1/12th) the full assessment multiplied by the number of months or fractions thereof in the year during which the party remains a party.

C. Termination

This Agreement shall terminate upon the occurrence of any one of the following events:

- a. When necessitated by operation of law or as a result of a decision by a court of competent jurisdiction; or
- b. When all of the Financial Parties agree, by resolution adopted by the respective governing bodies, to terminate this Agreement and all obligations of the Commission shall have been paid or otherwise defeased in full.

D. Disposition of Property and Funds

At such time as this Agreement is terminated, any property interest remaining in the Commission, following discharge of all obligations owed by the Commission shall be disposed of and the proceeds of the property shall be returned to the Parties in proportion to their contribution.

E. Effect of Withdrawal of Financial Party on Budget

In the event a Financial Party withdraws, the unpaid assessment allocable to such member in the year of withdrawal and subsequent years shall be reallocated to the remaining Financial Party.

ARTICLE 11.

MISCELLANEOUS

A. Amendments

This Agreement may be amended by unanimous agreement of the Parties as evidenced by resolutions adopted by the respective governing bodies.

B. Records, Accounts, and Reports

The Commission shall establish and maintain such funds and accounts as may be required by good accounting practices. The books and records of the Commission shall be subject to the provisions of Minn. Stat. Ch. 13, the Minnesota Government Data Practices Act, and Minn. Stat. § 16C.05, subd. 5. The Commission, within one hundred twenty (120) days after the close of each fiscal year, which shall be January 1 to December 31, shall give a complete written report of all financial activities for such fiscal year to the Parties.

C. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

D. Severability

The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of the Agreement is for any reason held to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such decision shall not affect the remaining portions of this Agreement.

E. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior written or oral agreements relating to the Commission.

F. Alternative Dispute Resolution

In the event of a dispute arising under this Agreement, the Parties and the Commission agree to attempt to resolve their dispute by following the process described below:

- a. A Party shall provide written notice to the Commission describing perceived conflict, positions, and underlying reasons.
- b. The Commission shall provide written response to notice within seven (7) days of receipt of notice.
- c. The Parties shall meet within 14 days of receipt of response with a neutral facilitator. The neutral facilitator will be a representative from the Minnesota Office of Dispute Resolution. Costs of such facilitator shall be shared equally by all parties to the dispute.
- d. At the first meeting, the neutral facilitator will assist the Parties in identifying the appropriate Parties and participants in the dispute resolution process, their concerns, a meeting agenda and design for any subsequent meetings. The Parties shall agree on a process for resolving the problem that would involve additional negotiations, mediation, or arbitration.
- e. In developing the process, the parties will be guided by the following principles:
 - i. the Parties will attempt in good faith to reach a negotiated settlement;
 - ii. the Parties agree that there must be fair representation of the parties directly involved in the dispute;
 - iii. the Parties will use legal proceedings as a last resort; and
 - iv. in the event the Parties are unable to resolve the dispute, each Party retains all rights, remedies, or defenses it had prior to entering the process.
- f. The parties will report to the Commission within 60-days of their first meeting on the resolution of the dispute or a recommendation to commence legal proceedings.

G. Minnesota Laws Govern

The Laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this Agreement and the legal relations between the Parties and their performance. The appropriate venue and jurisdiction for any litigation will be those courts located within the County of Ramsey, State of Minnesota. Litigation, however, in the federal courts involving the Parties will be in the appropriate federal court within the State of Minnesota. If any provision of this




agreement is invalid, illegal, or unenforceable the remaining provisions will not be affected.

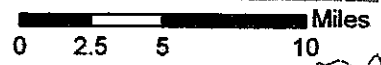
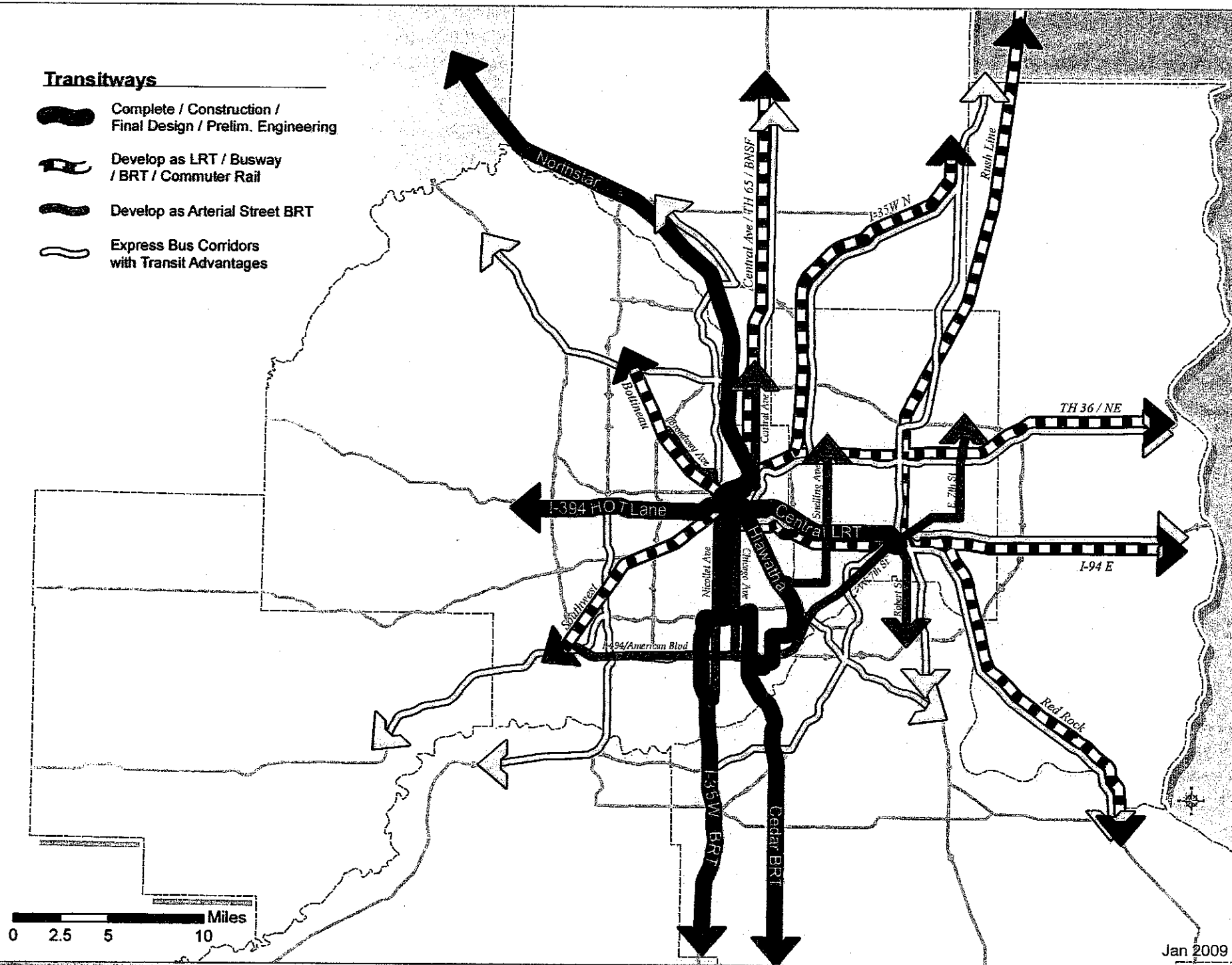
IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands on the date written below.

DRAFT

2030 TRANSITWAY SYSTEM

Transitways

-  Complete / Construction / Final Design / Prelim. Engineering
-  Develop as LRT / Busway / BRT / Commuter Rail
-  Develop as Arterial Street BRT
-  Express Bus Corridors with Transit Advantages



Jan 2009



Summary of Transitway Recommendations

Complete, In Construction, Final Design or Preliminary Engineering

Six transitway corridors, Hiawatha LRT, I-35W BRT, Cedar Avenue BRT, I-394 HOT Lane, Northstar Commuter Rail and Central LRT are complete, in construction, final design or preliminary engineering.

Develop as LRT/Busway/BRT/Commuter Rail

Eight corridors, Southwest, Bottineau, I-35W North, Central Ave/TH65/BNSF, Rush Line, TH36/NE, I-94 East, and Red Rock corridors should continue in development and are recommended as potential transitways by 2030.

Planning and development studies, conducted and funded in cooperation with county regional railroad authorities and Mn/DOT, will determine the specific alignment, mode and schedule for each corridor.

The cost estimates in this plan allow for the following transitways to be implemented:

Three corridors will be built as LRT or dedicated busways, one to be completed by 2020, one begun before 2020 and completed soon after, and a third completed by 2030;

Four BRT corridors will be built on highway alignments, two will be built by 2020 and two additional BRT corridors on highway alignment will be built by 2030; and

One additional commuter rail corridor will be built by 2030.

Based upon current data, no commuter rail line other than the Northstar corridor appears to generate enough ridership to justify this kind of large capital investment. However, this assumption should be reexamined in 2010, using actual Northstar ridership data to evaluate the accuracy of current ridership projections and to modify the ridership model, if warranted. In addition, progress in potential high speed or passenger rail connections to Chicago and Duluth could significantly reduce the capital cost of the Red Rock and Bethel-Cambridge commuter rail lines and, coupled with possible higher ridership projections, improve their cost/effectiveness. Because other commuter rail corridors may become

viable in the future, based upon the analysis described above, this plan assumes implementation of a second commuter rail line in its cost estimates between 2020 and 2030.

Corridor Status:

Southwest: Alternatives Analysis completed and Draft EIS for three LRT options underway

Bottineau Boulevard: Alternatives Analysis underway

Rush Line: Alternatives Analysis underway

I-35W N, Central Ave/TH65/BNSF, TH36/NE and I-94 East: Preferred mode and alignment to be determined through alternatives analyses over the next three years

Red Rock: Alternatives Analysis completed recommending a phased approach with commuter rail implemented if high speed rail is developed in the corridor.

Develop as Arterial Street BRT Corridors

Nine arterial corridors are recommended as potential BRT facilities. In some of those corridors, BRT implementation could be a precursor to future rail improvements. This plan's cost estimates assume that six corridors are to be implemented by 2020 and three additional corridors by 2030:

Central Avenue	Nicollet Avenue	Robert Street
Snelling Avenue/ Ford Pkwy	Chicago Avenue	West 7th Street
West Broadway	East 7th Street	American Boulevard

Express Bus Corridors with Transit Advantages

Various corridors

Intermodal Hubs

The implementation of a network of transitways converging on the two downtowns will require the development of intermodal facilities where passengers can make connections between lines. This plan identifies the St. Paul Union Depot and the Minneapolis Intermodal Station as those two intermodal hubs.