

Minnesota Statewide Freight and Passenger Rail Plan

Policy Advisory Committee Kick-Off Meeting

March 20, 2009

9:30 AM - 11:30 AM

Summary

Mn/DOT Project Manager, Dave Christianson, welcomed the group and provided introductory remarks. He noted that this is the first meeting of this committee and the venue and setting will be evaluated to determine if this is acceptable for future meetings. This project has been initiated in response to a legislative mandate; this will be Minnesota's first initiative to look at the entire rail system (passenger and freight) in the same forum. He noted that 33 of 50 states have statewide rail plans.

D. Christianson noted that the Railroad Safety Improvement Act contains new funding over 5 years, including funding for High Speed Rail (HSR). In order for states to be eligible to receive this funding, they must have a statewide rail plan that is in federal compliance. Mn/DOT will be building on and adding value to work that has already been completed. Mn/DOT has previously conducted a 1994 statewide freight plan and a 1999 commuter rail study, several passenger rail corridor assessments. Other planning work includes numerous Met Council and other passenger rail studies throughout the state.

D. Christianson highlighted that the statewide rail plan process started last year, and the House and Senate had a chance to review the scope of services prepared to hire a consultant to conduct the study. Key stakeholders who are currently members of this Policy Advisory Committee (PAC) also gave feedback. Six consulting teams submitted proposals. Cambridge Systematics in partnership with TKDA and Kimley-Horn was selected based on their rail qualifications, including completion of 8 statewide rail plans, a state rail planning guidebook prepared for AASHTO, and numerous other relevant works.

Tim Henkel, Assistant Commissioner for Modal Planning and Program Management and Chair of the Passenger Rail Forum also provided introductory comments, standing in for Deputy Commissioner Khani Sahebjam, the designated Chair of the PAC. He noted that the statewide rail plan had the support of Khani Sahebjam and Mn/DOT Commissioner Tom Sorel. Both are committed to the process and want the conduct of the process to be transparent. At the end of this project, Minnesota will have a long range vision for rail that includes passenger and freight services.

Minnesota is working in several ways to ensure that a clear vision with a single voice is achieved with rail planning. Minnesota has established a Passenger Rail Forum to be a single voice in Minnesota, and to advise the Commissioner on funding priorities for projects that may be eligible for consideration under the American Recovery and Reinvestment Act (ARRA - "stimulus program") and other federal funding solicitations. Similarly, Minnesota is working with partners in Illinois and Wisconsin to achieve one voice in a clear joint vision for advancing the Midwest Regional Rail Initiative (MWRRI) proposing high speed rail from Chicago to the Twin Cities.

Randy Halvorson, with Cambridge Systematics (CS), was introduced as the meeting facilitator. He provided introductions of the consulting team and began to build on the tone set by Mn/DOT for the meeting. He noted that this project will utilize information from previous studies as a jumping off point. While CS has set a process for this project, the team will be flexible in its' approach in order to address any changes that may arise in Federal or State regulations, or as needed to meet the needs of the PAC. Randy reviewed the meeting agenda and handouts and pointed out the project team contact information on page 2 of the agenda.

Marc Cutler, CS Project Manager, provided an overview of project tasks and noted that CS will not be conducting detailed project-level studies or EIS-level documentation. The team will synthesize and add value to what's already been done. They will be providing a strategic overview which can guide individual project advancement. He noted that this is a great time to be doing this type of planning work; this study will ensure that Minnesota will compete effectively for Federal funding. He stressed that CS has been enlisted to facilitate this process, not to hamper it.

M. Cutler provided an overview of some of the funding that may become available for rail projects in Minnesota. In the ARRA \$8 billion has been appropriated for intercity passenger rail, with an emphasis on HSR. It is a competitive grant program which is not part of the "shovel ready" program. A US DOT strategic plan for how this money can be spent is due in April, and guidance to states for applications is due in June, so this study has the time to provide input into Mn/DOT's applications for funding, which would occur sometime after the guidance is published, probably September or later. FY 2009 Appropriations have included \$90 million for passenger rail corridor improvements with a 50% state match. It also is not known when these applications will be due. The 2008 Railroad Safety Improvement Act contains the Passenger Rail Investment and Improvement Act (PRIIA) which authorizes \$3.7 billion primarily for intercity and HSR over the next five years. The Railroad Rehabilitation and Improvement Financing (RRIF) authorizes up to \$35 billion in federal loans for rail infrastructure capacity improvements. Funds have not yet been appropriated for PRIIA grants. The transportation authorization bill (currently known as SAFETEA-LU) will need to be replaced either this year, or extended another year. It is not yet known what will happen. M. Cutler noted this is a fast moving process that still has many unknowns; there is still time for Minnesota to position itself to compete effectively. This Rail Plan will be completed at the end of the year, but preliminary findings will be developed as it proceeds in time to inform the Passenger Rail Forum and Mn/DOT to respond properly to these application processes as they are developed.

R. Halvorson provided an overview of the Public Outreach process and noted that it meshes with Mn/DOT's "Hear Every Voice" protocol. Three committees will be established, including this committee (PAC), and freight and passenger Technical Advisory Committees (F-TAC and P-TAC). Five members of the PAC have been appointed by the legislature including Representative Alice Hausman, Representative Melissa Hortman, Representative Terry Morrow, Senator Ann Rest, and Senator Katie Sieben. The outreach is expected to be a robust program, including committee meetings, targeted stakeholder meetings, web interface, press releases, and open houses. As part of this outreach, the open houses are planned to be held at five locations at the beginning of this process (April/May), with a second round later on in the process (October). The first meetings will be held in Minneapolis-St. Paul (4/30), Duluth (4/29), St. Cloud (4/21),

Rochester (4/22), and Red Wing (5/6). Times will be from 5 - 7 PM. Additional meetings in Greater Minnesota may be scheduled by Mn/DOT as requested.

Lance Grenzeback, Senior Project Advisor, provided an overview of Task 1, Rail Plan Visioning. The study will seek to synthesize and iterate planning for rail and passenger service and economic growth in the state - looking at how existing economic development plans will inform decisions about rail investment, and how rail investment decisions could impact economic growth and development patterns. He noted how the investments and economic effects, as well as the desired outcomes of better mobility, travel times, lowered costs, and environmental improvements are all intertwined and need to be viewed in a statewide and regional benefit context. He illustrated how all stakeholders were involved at different stages of planning and implementation. Public and private partnerships between railroads, agencies, and other stakeholders were given a strong emphasis, both for short range projects and improvements and long range evolution of the systems.

Andreas Aeppli, Freight Project Lead, provided an overview of Task 2, Freight Rail System Inventory and Assessment. This will define the rail system's ownership, capacity, bottlenecks, and potential. The capacity analysis will consider current traffic and forecasted freight, passenger, and commuter traffic over a twenty year horizon. Allan Rutter, Passenger Project Lead, provided an overview of Task 3, Passenger Rail System Inventory and Forecasts. Initial efforts will concentrate on identifying potential city pairs, future services and route alignments, both on existing infrastructure and potential alternatives, and the economic and demographic background and forecasts that will lead to ridership estimation. Both presenters stressed that these tasks will build on what has already been done to help Minnesota prioritize its action plan, and will be kept as transparent as possible. Many of the concepts and the information will be shared in the first round of open houses.

R. Halvorson began to facilitate discussion on the presentation and noted that CS is happy to answer any questions, but is also looking for the community's help in identifying anything we may have missed, and to help close any gaps in our approach. Feedback was requested on the content and the format of this meeting in order to direct future meetings. An open discussion between the PAC attendees, the consultant team, and Mn/DOT representatives proceeded throughout the second hour of the meeting. Approximately 100 attendees in the meeting room and 23 individuals or groups participating by web conference and teleconference were included in the conversations, with the facilitated discussion continuing through as many as three rounds of questions, answers, and statements.

Questions & Answers

Q: (N.A.) - Slide 17 - The study should look at where we want economic growth to be. Let's be proactive in making investments that support our economic development strategy and vision.

A: Grenzeback - Agree. We need to hear from the communities and look at existing economic development plans.

Q: Rep. Alice Hausman - Slide 27, 28, 29 - ridership models - are we using the right models, and are we using the right existing data? Aviation patterns internal and external - always changing based on economy. How do you look at governance models (for complementary methods)?

A: Cutler - We understand the limitations of travel models, and how they can vary based on methodologies, data, time frames, and assumptions. We will look at what's been done and synthesize to a common standard to the extent possible, using other data where appropriate. Alternative futures will be looked at such as different economic growth plans and modal assumptions. We will look at governance and institutional issues. We will develop a governance plan to get all of the public and private stakeholders on the same page.

Q: Rep. Terry Morrow - include/acknowledge Mankato as metro area. No meeting necessary. What about how to incorporate into other DOT planning?

A: Henkel - The study will be included in other relevant Mn/DOT efforts such as the overall statewide plan.

Q: Sen. Terri Bonoff - The BNSF corridor to the west has potential for various applications. After MnPass was installed on the I-394 corridor, it was considered a finished corridor that warranted no further study. Move beyond this and look at corridors that have been deemed "complete" for this study.

A: Halvorson - will evaluate whether or not formal decisions of the past are still valid.

Q: Sen. Katie Sieben - How do we involve this group, Plan process in ARRA (Stimulus funding)?

A: Cutler - As the federal process is unveiled, we, with the advice of the PAC, will help put information into applications as available.

A: Henkel - Passenger Rail Forum will be coordinating applications as well. Today we do not know strategic plan of the FRA for the HSR piece of ARRA - April 17th is the deadline for that first indicator.

Q: Rep. Andy Welti - what about actions of legislature, bills under consideration today. Several bills have been introduced for commuter, HSR and other projects that could impact this study. Bond Bill has \$'s for numerous commuter and HSR to Chicago, Duluth, NLX, etc.

A: Halvorson - We will of course include anything that becomes law, and objectively other concepts which are still in the discussion stage.

Q: Sen. Scott Dibble (on web conference) - Regarding passenger rail, does the FRA give us guidance on measures or indexes they pay most attention to (weighing costs and benefits) to anticipate lines that will be most "successful" (like the FTA does)?

A: Rutter - PRIIA and ARRA are likely to require some standard measures like passengers to be carried, costs, agreements with freight rail operators in place, readiness, environmental compliance, etc. However, no guidance has yet been issued.

Q: Tim Geisler, Southeast Minnesota Rail Alliance – Using the existing freight rail infrastructure – is this part of the long term vision? What about the potential benefits of new corridors?

A: Cutler – yes, we will look at both existing and new corridors, short- and long-term, costs and benefits, and what are possible phasing options over time.

A: Grenzeback – many funds will be competitive – importance will be placed on whether or not states have thought about all of the opportunities out there, but also the practicality of plans in the short and long-term.

Q: (N.A.) – Public meeting locations - suggest meetings in NW, SW, and Western MN.

A: Christianson – we will consider doing additional meetings.

Q: John Apitz – Minnesota Regional Railroads Association – we have substantial information on services in place, www.minnesotarailroads.com – for more information on what’s being hauled – rich mosaic. LOVE the freight railroad map. In the southeast – abandoned railroads – look at those for new service opportunities.

A: Aepli – we will be happy to look at anything you have in the way of existing data.

Q: Sen. Scott Dibble (web) – Intercity connections and intermediate, in-metro service needed in and between the Twin Cities.

A: Cutler – We are well aware of the issues in regard to terminals in St. Paul and in Minneapolis, and will be looking at this issue.

Q: Aaron Isaacs – Other states are ahead in promoting passenger rail – MN coming from behind. This is an issue. How do we position ourselves to do a better job competing?

A: Henkel – we are better-positioned than many, with intercity proposals and MWRRI participation. State plan will be frosting on the cake – we will be in a leadership position.

A: Cutler – MN has strong positional advantages. Has LRT, has commuter rail line, has been in a good position for MWRRI.

Q: Rep. Alice Hausman - Slide 16 – Assumes MPO and DOTs are the beginning of the process. Governance is a problem. But initiative really has come from legislative direction because MPOs and DOTs only take the lead from legislation. Even state rail plan comes from legislation. Case in point – all these legislative plans for rail in the works – IT IS CHAOS! This has to start with the data, not the legislature. Don’t listen to us... legislature needs to hear what the model is, not based on local political power, but based on objective technical approach and progressive state vision. Need process and direction for the full state. Lots of bad habits in the state – need to make a change in a positive direction.

A: Cutler – we will provide our best objective advice.

Q: (N.A.) – Plan has to be valid even in the next century when resources (such as petroleum) will be less available and more expensive.

Q: Keith Nelson - St. Louis County Commissioner/NLX Passenger Rail Alliance Board alternate – what will the Open House formats be? Would like to preview the work and presentation before it's presented. Crucial to have the correct format to get the right information.

A: Halvorson – We will adapt the presentation for the Open Houses and can make it available.

Q: Dave VanHattum - Transit for Livable Communities – how do you assess economic growth??

A: Grenzeback – Jobs, local income, cumulative effect on revenues (school taxes, etc). Lay this out for stakeholder groups and try to pull out 2-4 performance measures that each group is really interested in. Array the possibilities – some will be quantitative, some will be qualitative. Community decisions will provide input on what adds up to a preferred alternative.

Q: Gene Short – retired Redwood County Commissioner, Minnesota River Valley Scenic Byway Alliance – thank you, legislators, for supporting short lines. For economic input, check Southwestern Minnesota Initiative Foundation - <http://www.smifoundation.org/>. Wants to include Iowa, Kansas, and other surrounding states in planning and outcomes. Asks that Plan demonstrate rail benefits and advantages. Should be looking at return on investment (ROI), environment impacts, etc. of various rail strategies, and include MCEA, RDCs, DEED, others in review.

A: Grenzeback – We will assemble relevant information from multiple sources and make judgments of what makes sense. This is not a detailed engineering study. GHG work can be brought in to study and other measures we have data on. Great depth of knowledge available here. Team will bring back what we know in a form that makes sense for you to make decisions.

Q: Mary Vogel – Co-Director, Center for Changing Landscapes (<http://ccl.gis.umn.edu/>). MN does not have a statewide land use plan. 1 M more people are projected for the Twin Cities metro area in the future. Rural development patterns should be looked at – see a similar Kansas study. High amenity areas are poised for growth (many areas like this in MN along rivers, lakes, etc). Does not want study to be only based on past trends, but also look at emerging trends (based on amenities)

A: Grenzeback – we will look at alternative growth scenarios.

Q: (N.A.) – Open house locations – consider coverage for western MN. Slide 27 supports this.

Q: John Apitz – need to institutionalize this planning process in state or Mn/DOT's formal structure and hierarchy somehow. Very small piece of Mn/DOT cares about railroads. We need it to be institutionalized beyond Bill (Gardner) and Cecil (Selness).

A: Halvorson – Mn/DOT's 2009 draft Statewide Transportation Plan and the most recent Strategic Plan both have major multi-modal components. Commissioner Sorel wants the decision-making process to be as transparent and inclusive of alternate modes as possible.

A: Henkel - Mn/DOT needs to further define its leadership role. Look for actions to further a new role that extends beyond the 1st draft of this plan. The study will identify an institutional framework for moving the plan forward.

Q: Bob McFarlin - Schandwick, Metropolitan Council - What is Passenger Rail Forum? Mission? Who are they? Meetings?

A: Henkel - It was begun several months ago, to respond to possible funding opportunities in the interim during State Rail Plan development - participants from the passenger rail community, all involved in this project, too. Advises the Commissioner on freight and passenger rail. Has met three times (monthly) and established a charter.

Q: (N.A.) - Are you reaching out to existing business community? What about companies on rail lines - considering interest in 3Ps or financial involvement in new rail/routes?

A: Halvorson - worthwhile to include.

A: Cutler - 3Ps are a big part of planning today. Study has provisions for additional small group and stakeholder meetings. Financing at a strategic level is part of plan.

Q: (N.A.) - Only 1 day for turnaround between TAC and PAC meetings? How will you incorporate TAC input into materials to PAC?

A: Halvorson - tight timeframe. If it isn't working we will adjust.

A: Christianson - website forum will be open at all times for project comments, questions.

Q: Phillip J. Qualy - State Legislative Director, United Transportation Union - want regional intermodal service to be looked at, and how to connect to other states, scheduled freight, and how rail is competing for freight.

Q: Ohio DOT - how are rail companies responding to requests for information from the public sector?

A: Aeppli - If they see a benefit for themselves, they will be partners. Smaller railroads are easier to get along with. Based on relationships.

T. Henkel wrapped up the meeting with closing remarks. He thanked the attendees for their presence and noted that their participation helps to ensure the success of the project. He invited all participants who had a desire to stay after the meeting and discuss items with the project team, and noted that ongoing dialogue is invited via the State Rail Plan pages on Mn/DOT's website.

The next meeting of the PAC will be held May 29th.