

Sales and Use Transportation Tax Implementation Plan

Transportation is more than just a way of getting from here to there. Reliable, safe transportation is necessary for commerce, economic development, work, education and recreation. Transportation connects people to opportunity by improving access, promoting long-term economic growth, enhancing safety and efficiency, and supporting jobs for the 21st century.

Adopted June 13, 2017

Proposed Changes for Discussion December 5, 2018

Hennepin County Transportation System

Vision

Consistent with the County's overall vision to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way, our transportation vision is to sustain and enhance economic competitiveness and the quality of life for residents by enhancing transportation mobility, improving transportation safety, and increasing transportation choice.

We accomplish this by providing a diverse and integrated, multimodal transportation system. At its foundation is a strong network of roads, bridges, bike and pedestrian facilities, and transitways that serves the county's diverse needs.

Transportation Goals

1. Preserve and Modernize
2. Improve Safety
3. Mobility and Choice
4. Spatial Efficiency
5. Reduce Environmental Footprint

Overarching Goal

Mobile - People and goods move easily and safely throughout the county and the region, via an integrated system of transportation.

About

Hennepin County's transportation system contributes to a high quality of life and strong economy by providing an integrated network of roads, bridges, bikeways, sidewalks, railways, and transitways.

Valued at over \$5.4 billion, the system includes 2,200 lane miles of roadways, 651 miles of bikeways, 379 miles of sidewalks, and 147 bridges. It also has 55 miles of rail corridors, 2 light rail transit lines, 1 bus rapid transit line and 1 commuter rail.

Continued investment will ensure that the existing system is well maintained while also expanded to provide for the safe and efficient movement of people and goods throughout the county.

Roads and Bridges

With more than 2,200 lane miles and 147 bridges, Hennepin County's roadway system is the largest of any county in the state. Annually, more than 2.1 billion vehicle miles are traveled on Hennepin County roads. This is nearly one million miles traveled for each county lane mile. With vehicle technology rapidly changing, Hennepin County and its partners are working to create Smart Roads that use technology to improve safety, efficiency and capacity of the transportation system.

Aging Infrastructure

Roughly one third of Hennepin County's system is more than 50 years old, requiring an estimated \$2 billion to maintain, upgrade or replace.

Safety

Each year, the county makes safety improvements on county roads to reduce traffic deaths. Improvements at intersections and other enhancements on road projects are designed to improve safety for drivers, bicyclists and pedestrians.

Bicyclists and Pedestrians

Hennepin County strives to make biking and walking for transportation, recreation and health a comfortable, fun, routine part of daily life for people of all ages and abilities. The county consistently tops state and national averages for the number of bicyclists using our system.

Transitways

Hennepin County and the Hennepin County Regional Railroad Authority have made significant investments in transitways that provide quick, convenient and economical access to jobs, schools, medical facilities, and entertainment areas in the county. The current system includes the Metro Blue Line, Green Line, Red Line and Northstar. The Blue and Green lines alone provided over 22.9 million rides in 2016 and have generated over \$6.8 billion in economic development. These transitways are a critical component of an integrated, seamless transportation system serving residents and businesses in the county.

Future Needs

Economic growth and an expanding population are increasing demands on our transportation system. At the same time, our infrastructure is aging, funding for transportation remains stagnant and the cost of construction is growing faster than inflation.

Hennepin County is projected to continue to thrive and grow, adding more people, households and jobs over the next 20 years. Of the projected regional growth by 2040, Hennepin County's share is expected to be 32% of the population growth, 33% of the household growth, and 48% of the job growth.

To remain competitive, Hennepin County needs to preserve and maintain its current transportation system while also providing new and expanded transportation options. Investing in a network of transitways will be key to continued success as a region and as a county.

Sales and Use Transportation Tax

MN Stat 297A.993 allows county boards to enact a sales tax up to 0.50 percent, and an excise tax of \$20 per motor vehicle, for any or all of the following:

- capital costs of a transportation project or improvement;
- capital and operating costs for a transit project or improvement;
- capital costs for a safe routes to school program;
- transit operating costs.

A public hearing must precede imposition of the tax, and the tax must terminate when revenues raised are sufficient to finance designated projects, except for taxes for operating costs of transit projects or improvements, or for transit operations.

Implementation of the tax will provide a reliable source of locally generated funds to strategically target investments that achieve Hennepin County's transportation vision.

Sales and Use Transportation Tax Implementation Plan

Projects Eligible To Be Funded

Projects funded through the tax are those that further Hennepin County's transportation vision and goals.

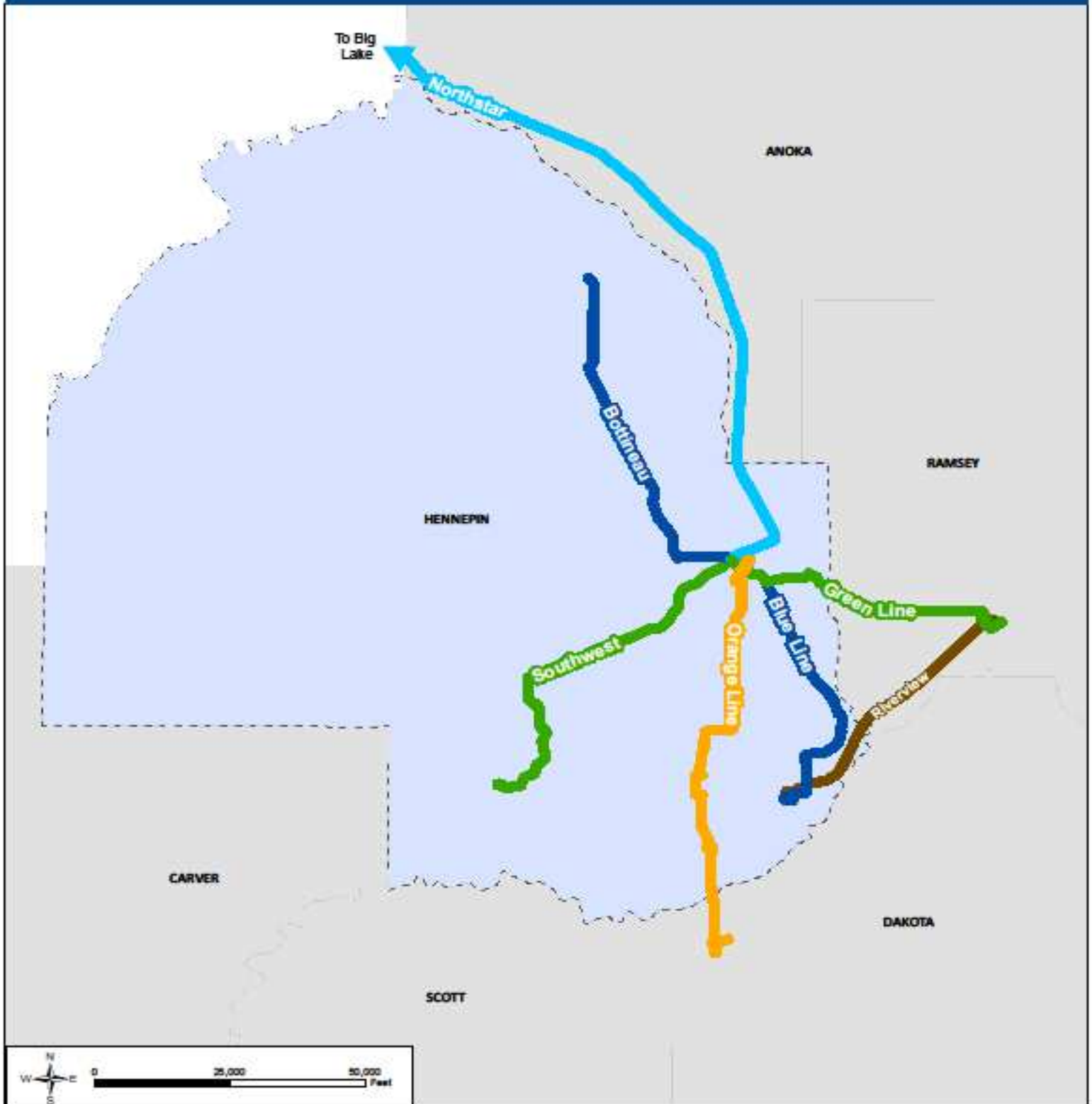
The County designates the following as eligible to be funded with the proceeds of the tax under Minnesota Statutes Section 297A.993:

- A portion of the capital costs of the Green Line Extension (Southwest), Blue Line Extension (Bottineau), Riverview Corridor and Orange Line transit projects,
- A portion of the operating costs of the Green Line (including any extensions), the Blue Line (including any extensions), Riverview Corridor, Orange Line, and Northstar transit projects,
- Capital costs associated with county road and bridge rehabilitation as identified in Hennepin County's Capital Improvement Program (CIP) and as approved by the county board each year,
- Capital costs associated with other transportation or transit projects or improvements, as identified in Hennepin County's Capital Improvement Program (CIP), and operating costs, to the extent designated in the future by the County Board after a public hearing.

Revenue Estimate

The annual revenue from the tax is budgeted in 2018 at \$125 million. This amount, on an annual basis, is estimated to sufficiently cover the capital and operating costs of the Sales and Use Transportation Tax Implementation Plan projects through 2036.

Transportation Tax Projects



Map version date: 5/19/2017

Data source: Hennepin County, Met Council

This map (i) is furnished "AS IS" with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this map.

Hennepin County Public Works



Currently Estimated Annual Transitway Net Operating Subsidy to be paid from Sales and Use Transportation Tax

Lines Currently in Operation		
Blue Line	\$13.5 million	Beginning in 2019
Green Line)	\$7.85 million	Beginning in 2019
Northstar	\$1.4 million	Beginning in 2019

Future Lines		
Green Line Extension	\$28.9 million	Beginning in 2023
Blue Line Extension	\$11.9million	Beginning in 2024
Orange Line	\$3.4 million	Beginning in 2020
Riverview	\$5.25 million	Beginning in 2027

Currently Estimated Transitway Capital Costs to be paid from Sales and Use Transportation Tax*

Current Projected Obligations for Transit Capital Projects		
Green Line Extension	\$592.95 million	2017-2023
Blue Line Extension	\$530.1 million	2017-2024
Orange Line	\$24.9 million	2017-2021
Riverview	\$246 million	2019-2026

**Assumes required HCRRA capital contributions come from property tax receipts.*

Note: The transit tax figures and dates above are estimates based on current information. Project costs and dates often change, and other revenue sources may also be available for these projects now or in the future.

Currently Estimated Road and Bridge Capital Costs to be paid from Sales and Use Transportation Tax

County Road and Bridge Rehabilitation	Up to \$10 million, to be determined annually by the County Board	Beginning in 2019
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