



AGENDA RECOMMENDATION

Agenda Heading: City Manager's Report Item No: 9.1

Agenda Item: Resolution Supporting the Statewide Freight and Passenger Rail Plan

Recommendation/Action(s): Motion approving the resolution

Summary:

The 2008 session of the Minnesota Legislature mandated that Mn/DOT prepare and submit a Comprehensive Statewide Freight and Passenger Rail Plan. The plan will provide guidance for rail initiatives and investments in the state, and will be included in the State Transportation Plan upon completion. The plan is required to be eligible for federal funding.

The plan addresses the following areas:

- Development of an overall vision for effective utilization of the state's rail network and its future development.
- Clearly defines private and public sector roles, including the role of the State of Minnesota, and the integration of those roles into the planning, coordination, and use of rail in the state's transportation system.
- Identifies priority rail corridors, programs, and projects that will offer effective improvements or expansion for passenger travel in and out of Minnesota.
- Enhances freight access to markets and efficient, competitive services to rail customers, as well as improvements to overall freight flows and logistics.
- Develops practical and usable performance measures and investment guidelines for public development of rail assets and services.
- Compliant with federal planning and funding requirements in order to expedite the participation of Minnesota initiatives in national programs and resources.

Meeting Date: Feb. 8, 2010

A passenger linkage between Mankato and the Twin Cities is included in phase one of the plan (2010-2030). It is understood that Mankato Area Transportation and Planning Study (MATAPS) will support and incorporate the findings of the Statewide Freight and Passenger Rail Plan. Supporting the plan does not commit the City of Mankato to funding plan components.

More information on the Statewide Freight and Passenger Rail Plan can be found at <http://www.dot.state.mn.us/planning/railplan/> or see attachment for plan overview.

Attachments:

Resolution

Plan Summary

**RESOLUTION SUPPORTING THE STATEWIDE FREIGHT AND PASSENGER RAIL
PLAN.**

WHEREAS, the Minnesota Comprehensive Statewide Freight and Passenger Rail Plan responds to a 2008 Legislative mandate, the U.S. Passenger Rail Improvement and Investment Act (PRIIA) of 2008, and the Governor's directives to prepare a data-driven, federally compliant State Rail Plan, to be amended to the State Transportation Plan upon adoption, in order to qualify Minnesota for significant new sources of federal passenger and freight funding contained in PRIIA, the Stimulus act, and the expected federal transportation re-authorization; and

WHEREAS, Freight rail system capacity and access are essential to the state's economy, and must be maintained regardless of passenger rail development; and

WHEREAS, a high-speed and intercity passenger rail system is beneficial and desirable for Minnesota, linking with other modes, regional rail and the national system; and

WHEREAS, the core intercity passenger rail service between Chicago and the Twin Cities, in cooperation with the Mid-West Regional Rail Initiative (MWRRI or 'Chicago Hub'), and connections for Duluth and Rochester, should be developed for 110 mph initially, and potentially higher speeds in the future; and

WHEREAS, fast passenger rail services to St. Cloud/Moorhead, Mankato and Eau Claire should be pursued, with speeds of 79-110 mph; and

WHEREAS, the development of a multi-modal transportation system within Mankato, trade market, State, and Nation are critical to the safe and efficient movement of people and goods.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby support the Statewide Freight and Passenger Rail Plan.

BE IT FURTHER RESOLVED, that Mankato Area Transportation and Planning Study (MATAPS) will support and incorporate the Statewide Freight and Passenger Rail Plan findings.

This Resolution shall become effective upon its passage and without further publication.

Adopted on this 8th day of February, 2010.

John D. Brady
Mayor

Attest: _____
Cheryl Lindquist, CMC
City Clerk



2009 Minnesota Comprehensive Statewide Freight and Passenger Rail Plan

December 2009

The Minnesota Comprehensive Statewide Freight and Passenger Rail Plan responds to a 2008 Legislative mandate, the U.S. Passenger Rail Improvement and Investment Act (PRIIA) of 2008, and the Governor's directives to prepare a data-driven, federally compliant State Rail Plan, to be amended to the State Transportation Plan upon adoption, in order to qualify Minnesota for significant new sources of federal passenger and freight funding contained in PRIIA, the Stimulus act, and the expected federal transportation re-authorization. The planning process extended over nine months with an unprecedented level of public outreach, involvement and transparency incorporated.

Vision

- Freight rail system capacity and access are essential to the state's economy, and must be maintained regardless of passenger rail development.
- Maintaining short line services and expanding intermodal container access for shippers are key strategies.
- A high-speed and intercity passenger rail system as identified is beneficial and desirable for Minnesota and the region, linking with other modes, regional rail and the national system.
- The core intercity passenger rail service between Chicago and the Twin Cities, in cooperation with the Mid-West Regional Rail Initiative (MWRRI or 'Chicago Hub'), and connections for Duluth and Rochester, should be developed for 110 mph initially, and potentially higher speeds in the future.
- Additional frequent, fast passenger rail services to St. Cloud/Moorhead, Mankato and Eau Claire should be pursued, with speeds of 79-110 mph. Other corridors are named for future development beyond 2030 or as part of national system expansion, such as Albert Lea, Willmar and Winnipeg.
- Passenger services are envisioned as a system, with interoperable equipment, schedules and routes. Both downtowns and all corridors would be fully connected. This increases efficiency, utility and ridership significantly, and decreases capital and operating costs.
- System is to be developed incrementally with a goal of implementing key passenger services in a timely manner, with corridors pursued simultaneously. Plan is opportunistic, preparing projects for federal funding as it becomes available, deferring to federal guidelines and analysis, and compliant with federal requirements, models and standards.

For More
Information
Contact:

Dave Christianson,
651-366-3710

Your Destination...Our Priority



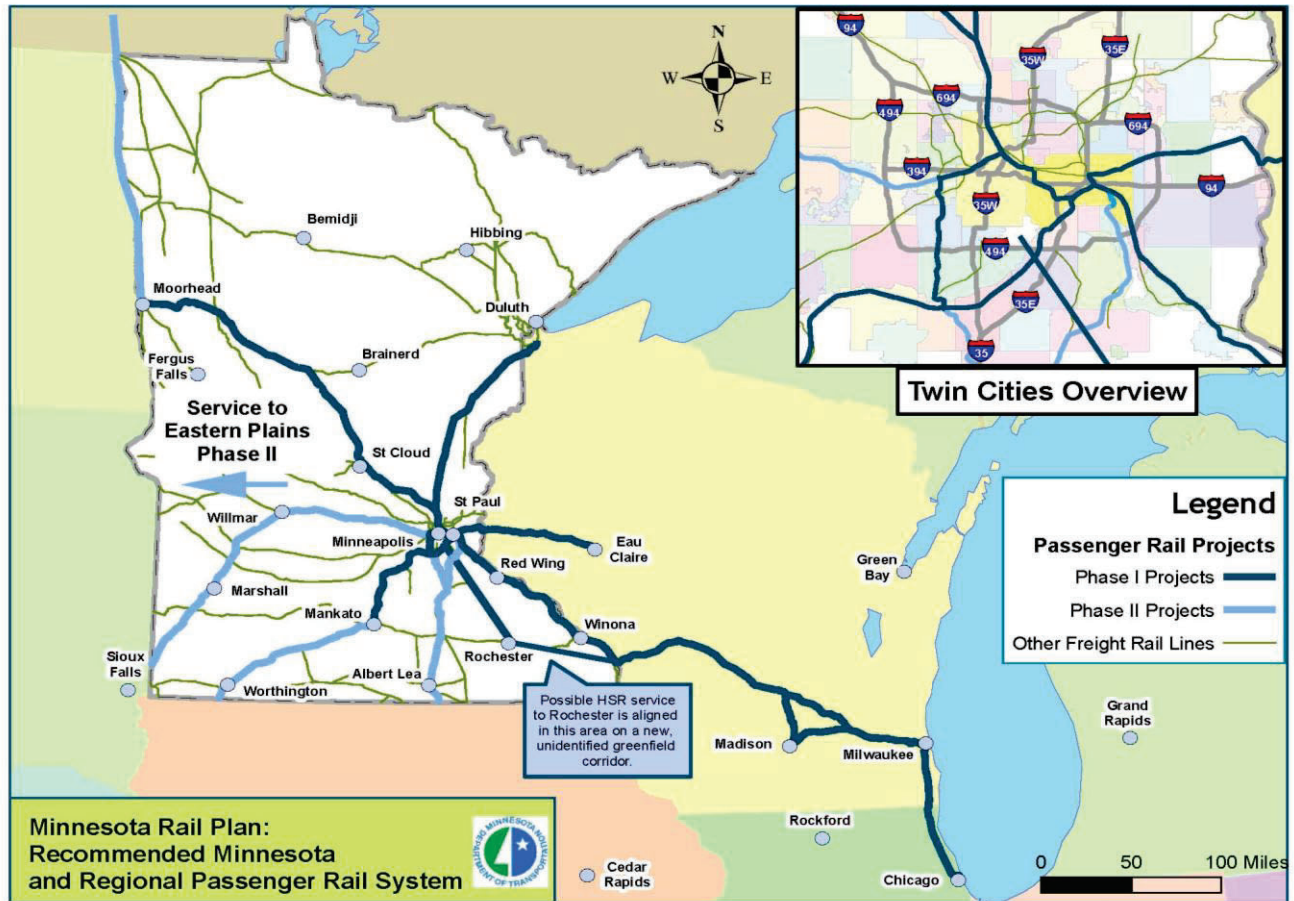
Costs

- All Minnesota rail system needs and deficiencies were identified and conservatively priced in order to establish plan components for federal eligibility. Corridor-level planning is expected to refine and re-estimate project or corridor components in cooperation with local stakeholders, operators and railroads.
- 20-year system capital costs, freight and passenger combined, are \$6.2 billion-\$9.5 billion. Of this, \$2.2 billion-\$4.5 billion is for freight, and \$4 billion-\$5.1 billion for passenger (2009 dollars; inflated costs are \$12 billion-\$19 billion).
- Annual operating subsidies are estimated at \$41 million-\$95 million per year at full build out of passenger system (from 49-71percent fare box recovery). Chicago corridor is expected to pay its full operating costs and cross-subsidize other corridors.
- Annualized non-federal capital costs range from \$78 million (80 percent federal share) to \$360 million (0 percent federal share).

State and Mn/DOT responsibilities

- Organize the state's response to federal rail grant programs to maximize the opportunities for federal funding.
- Coordinate negotiation of actual operating agreements with the freight railroads.
- Actively coordinate and manage intercity passenger system development and implementation.
- Facilitate continued partnerships with stakeholders through system planning and formalized advisory groups for freight and passenger interests, including the Passenger Rail Forum.
- Analyze public/private benefit/cost allocation for each passenger rail corridor to better position corridors for FRA grants:
 - Ensure third party due diligence of each corridor investment.
 - Clarify capital/operating costs, revenues, financial plan and project management plan.
 - Provide for legislative review/acceptance.
- Adopt the following principles in moving forward:
 - Assume capital cost sharing of freight investments with railroads in 'shared' (freight and passenger) corridors – actual state capital costs will depend on benefit/cost allocation with freight rail owner.
 - Have public sector pay for passenger-related capital costs.
 - Continue to have stand-alone freight improvements be the primary responsibility of the private freight railroads, with public participation only for priority projects where clear public benefits can be identified and where such improvements are consistent with a publicly adopted plan, such as this State Rail Plan. Projects involving grade crossing safety that facilitate passenger rail projects, or that clearly support local economic development efforts, are logical candidates for expanded public investment.





Phase 1 – Projects are scheduled between 2010-2030
Phase 2 – Projects are post-2030

