

April 30, 2021

Chair Hornstein, Chair Newman and members of the HF 1684 Conference Committee,

In advance of the conference committee convening, I would like to share the Metropolitan Council's perspective on a number of provisions in the House and Senate bills.

Regarding the financial approach taken by the Senate, the Council strongly opposes the near elimination of our general fund appropriations for transit through SFY 24. By making these reductions the Senate bill unnecessarily weakens the financial position of the regional transit system by moving our significant structural deficit forward. Further, the Senate bill changes the distribution of MnPASS revenue to make transit improvements the last priority as well as transfers county responsibility for Orange Line operations onto Metro Transit. Both of these actions only add further financial stress to our system. Alternatively, the Senate shields the Opt Out providers from any financial reduction when they have already received substantial federal funds and MVST revenue at a time when regional commuter express service is down drastically because of the pandemic. In fact, this bill goes even further by directing additional federal funds to them without any consideration of demonstrated need. We do not support the financial approach the Senate is proposing in this bill.

As a mandated program at both the state and federal levels, providing stable funding is imperative for Metro Mobility. Both of your bills contain language to forecast the general fund appropriation for this service. I look forward to discussing this approach and other potential ways to relieve the pressure it places on the rest of the regional transit system.

Regarding the potential termination of the Northstar Commuter Rail Line, with the support of federal funds to help address the impacts Covid-19 has had on the service, and the uncertainty of ridership recovery timing, now is not the time to make any long-term decisions regarding its future. As you are aware, we have made significant adjustments to the service since the pandemic began to reflect the decrease in ridership but we need to allow time for recovery before permanent service changes are made.

I am hoping we will all be able to come together to pass our proposal to reduce the penalty for fare evasion and allow non-sworn personnel to issue an administrative citation for fare evasion. This authority is critical to Metro Transit's broader transit security initiatives to increase official presence on our system. I am encouraged that the House has included these provisions in their bill and the Senate has passed a similar, stand-alone, bill in committee. We are all in agreement that our current approach isn't working so let's work together on implementing these new initiatives.

I also encourage the conference committee to adopt our request to authorize the Council to issue regional transit capital (RTC) bonds, which is included in the House bill. This authority has been sought and enacted since 1989, and the bonds are primarily used to replace fleet for Metro Transit, Metro Mobility and the Opt Out Transit Service Providers. Without this authority will not be able to provide the local matching funds for federal fleet replacement dollars.

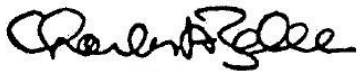
On the issue of guideway operating and capital maintenance, the Council and counties are having conversations regarding the short and long-term financial pressures these unresolved issues have on the broader regional transit system. We believe continuing

these conversations is the best path to going forward and do not support these provisions in the Senate bill.

We are supportive of the House provision to create a zero emission transit vehicles transition plan with goal of deploying 100% zero-emission vehicles by 2040. We are also open to coordinating with MPCA to identify areas of poor air quality. However, the House language requiring Metro Transit bus deployment solely based on air quality cannot be operationally accomplished.

I appreciate your thoughtful consideration of these comments and I look forward to working with all of you over the next few weeks to negotiate a budget agreement. Please reach out to me or Judd Schetnan with any questions or comments. We are available to meet at your convenience.

Regards,

A handwritten signature in black ink, appearing to read "Charles Zelle". The signature is fluid and cursive, with the first name "Charles" being more prominent than the last name "Zelle".

Charles Zelle

Chair, Metropolitan Council