



Summary of Meeting with Peter McLaughlin

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, March 28, 2008

Guest speaker: Peter McLaughlin, Hennepin County Commissioner and chair, Hennepin County Regional Rail Authority

Present: Verne Johnson, chair; Chuck Clay, Bill Frenzel (by phone), Paul Gilje, Jim Hetland, and Wayne Popham (by phone)

A. Context of the meeting —The Civic Caucus is devoting some of its meetings to a review of how priorities are set for major transportation projects between highways and transit and among jurisdictions, geographical areas, and funding sources. Today we're meeting with a representative of the largest county in the state, who also is a leader of a new transitways initiative by metropolitan area counties.

B. Welcome and introduction —Verne and Paul introduced Peter McLaughlin, chair of the Hennepin County Regional Rail Authority since 1993, and a Hennepin County Commissioner. McLaughlin, a native of Pennsylvania, has a Bachelor's degree from Princeton University, 1971, and a master's degree from the Humphrey School of Public Affairs, University of Minnesota. After serving three years as aide to the mayor of Trenton, NJ, McLaughlin moved to Minnesota in 1975. He worked for the Minneapolis Planning Department, for the Urban Coalition of Minneapolis, and for the Minneapolis Community Business Employment Alliance. He was a Minnesota State Representative from 1985 to 1990. Since 1991 he has been a Hennepin County Commissioner.

C. Comments and discussion —During McLaughlin's comments and in discussion with the Civic Caucus, the following points were raised:

1. Filling a need for leadership on mass transit —McLaughlin said that when he was elected to the Legislature in 1985 he asked to be on the Transportation Committee, and when the Hennepin County Rail Authority was set up in 1993, he became its chair and still serves in that role. A critical need was present for a guaranteed revenue source for transit so that Light Rail Transit (LRT) and commuter rail could be built in the Twin Cities area, he said. Ten years ago the first \$40 million was provided for the Hiawatha LRT line, followed by another \$60 million, which was enough to get the project off the ground. We're also seeing commuter rail, with an expected start of the North Star line to Big Lake in the fall of 2009. And the Legislature has now provided the counties with a dedicated revenue stream, a quarter of penny on the sales tax, which should produce very close to \$100 million a year.

The Hiawatha LRT line connects downtown Minneapolis, the University of Minnesota, the airport and the Mall of America. It might not be your No. 1 line for other purposes, such as relieving congestion, but it was pragmatic and do-able, McLaughlin said. The right-of-way was available.

2. Support for sales tax fund —McLaughlin discussed legislation that has been passed by the 2008 Legislature allowing the seven metro counties to increase the sales tax by a quarter of a penny for "transitways". This language means that the funds may be used for capital and operating purposes on commuter rail, LRT, or exclusive bus ways. The funds may not be used for regular route bus service. If all seven counties approve, about \$112 million would be available from the sales tax annually. Scott and Carver Counties have said no, and a vote in Washington County is uncertain, but even with those three opt out, the "big four" counties, Hennepin, Ramsey, Dakota, and Anoka, would produce about 90 percent of the money, with about 85 percent of the population. (Note to readers: only Scott and Carver counties voted no; the other five all voted to participate.)

3. First \$30.8 million to the Metropolitan Council —McLaughlin said he agreed with a provision in the new law that gives the first \$30.8 million to the Metro Council for financing a specific list of projects, including a busway on the 35W corridor south from downtown Minneapolis.

McLaughlin is opposed to proposals that would give additional amounts of the new sales tax receipts to the Metro Council. For instance, metro transit, which is an operating arm of the Metro Council, is not getting as much money as expected, because of recession-induced effects. To help attack projected deficit in the state general fund, the Governor has proposed a 37.5 percent cut in the state general fund for transit, he said, and wants to make it up out of the county quarter-penny sales tax. McLaughlin said the county sales tax should not be used as backfill for the state's deficit problems.

4. County leadership where Metro Council has fallen short —McLaughlin said the counties have stepped in with the quarter-penny sales tax because the Metro Council hasn't been sufficiently aggressive on seeking funds for metro transit. For example, the Metro Council has supported a LRT line linking downtown Minneapolis and downtown St. Paul, known as the Central Corridor line. However, no financing was available until passage of the county sales tax bill this session.

6. How the county sales tax funds will be used —A Metro Transitways Development Board is being established by the participating counties that agree to impose the one-quarter penny sales tax. The Board will distribute its money for approved projects; it will not itself build, own or operate anything, he said. Thus it will take action on applications for use of the funds. The actual construction and operations will be carried out by other transit organizations, such as the county regional rail authorities and Metro Transit.

7. Status of a transitways plan —McLaughlin said he has a plan on the wall in his office that envisions four rail transit and hubs in the Minneapolis-St. Paul metro area, (1) downtown Minneapolis near the ballpark, where the North Star commuter line will intersect with the Hiawatha line and the Central Corridor line to St. Paul, and where it would intersect with the Bottineau and other rail lines to the north, (2) downtown St. Paul, at Union Station, which would be the terminal for the Central Corridor line and for rail or bus transitways going north, east, and south, (3) Mall of America, the

terminal for the Hiawatha line and for rail or bus transitways to the south, and (4) Eden Prairie Center, which would be the terminal for a southwest LRT from downtown Minneapolis, and for other branches to the south and west.

The plan on his wall is unofficial, he said, but it serves as a guide for him as chair of the Hennepin County Rail Authority.

Asked whether the plan also is part of the Metropolitan Council's plan, McLaughlin replied that the Metropolitan Council has a plan but it doesn't have money.

8. Heavy orientation to the downtowns —A Civic Caucus member commented that the plan seems heavily oriented to the downtowns of Minneapolis and St. Paul, which combined contain not more than 15 percent of the employment destinations in the metropolitan area. The member said rail doesn't seem to do much for congestion on the 494-694 freeway ring.

9. Goals for a LRT and commuter rail —McLaughlin said that a chief objective of the rail system is to guide development. Congestion relief is a lesser goal. A Civic Caucus member observed that commuter rail would seem to have an unusual objective of encouraging development at locations far removed from the built-up portion of the metro area, such as Big Lake, Northfield, or North Branch.

9. An objective of following federal money?— A Civic Caucus member noted Ken Orski's observation a couple of weeks ago that rail systems in big cities around the country often seem to be proposed because there's federal money available. McLaughlin disagreed. He said that when he came to the Twin Cities metropolitan area 33 years ago he was surprised that rail transit had such a marginal priority. He's been trying to elevate the importance of rail transit. McLaughlin said that he is more project-oriented than comprehensive-planning oriented. He saw an opportunity with the Hiawatha LRT line and moved on it.

It was agreed that federal support will be very important for the future of rail transit in the Twin Cities metro area, but we don't know how much will be available. Because the Hiawatha line already is operational, the area has a good chance of continuing to receive funds, McLaughlin said.

10. Congestion pricing has potential —In response to a question about dealing with congestion, McLaughlin said he is a "convert" to the use of congestion pricing, such as tolls, as a helpful mechanism for distributing traffic more evenly around the region and avoiding bottlenecks.

11. Understanding the structure for transportation planning —McLaughlin and the Civic Caucus members talked at some length about responsibilities of different jurisdictions and how they relate to one another. It was noted that newly-enacted state legislation creates an additional county-based entity, Metro Transitways Development Board that will allocate sales tax money for transitways. That board is separate from the Metropolitan Council, which is responsible for regular bus route transit and for LRT operations. The Minnesota Department of Transportation, mainly responsible for roads, also has a transit role. It wasn't clear how these various entities would share various funding, building, and operating responsibilities.

The need for—but absence of—statewide leadership on transportation is urgent, some Civic Caucus members said.

While acknowledging that the transportation structure is open to criticism, McLaughlin said the perfect cannot be the enemy of the good. The new legislation offers a significant opportunity to increase transit investment.

12. Changing role of the Metropolitan Council —McLaughlin said the Metropolitan Council in its earlier days exercised much more leadership than it does today. Council members serve terms co-terminus with that of the Governor, he said, and they appear to be kept on a very short leash.

Asked whether he'd eliminate or strengthen the Metropolitan Council, McLaughlin said it would be better if the Council were composed of elected officials of city and county governments in the metro area.

13. Capturing land value increases to help finance transportation —McLaughlin said he has resisted the idea of capturing the increase in land values near new transportation installations because he has felt that advocates of such an approach were targeting transit stations, but not freeway interchanges. Others in the room said they had thought the idea applied equally to all types of transportation facilities.

14. Some change enacted favoring urban county highway financing —McLaughlin clarified that the newly enacted transportation law has modified a long-criticized formula for distribution of constitutionally-dedicated county highway funds among the 87 counties. The formula had been criticized for favoring rural areas. Under changes enacted in 2008, McLaughlin said, Hennepin County will receive an additional \$140 million over the next 10 years.

15. Thanks —On behalf of the Civic Caucus, Verne thanked McLaughlin for meeting with us today.

The Civic Caucus is a non-partisan, tax-exempt educational organization. Core participants include persons of varying political persuasions, reflecting years of leadership in politics and business.

A working group meets face-to-face to provide leadership. They are Verne C. Johnson, chair; Lee Canning, Charles Clay, Bill Frenzel, Paul Gilje, Jim Hetland, John Mooty, Jim Olson, Wayne Popham and John Rollwagen.

[Click Here](#) to see a biographical statement of each.