

Revised

Fiscal Note

2023-2024 Legislative Session

SF4267 - 0 - Met. Council Bus Rapid Transit Project Reqs.

Chief Author: **Scott Dibble**
 Committee: **Transportation**
 Date Completed: **3/20/2024 10:54:43 AM**
 Agency: **Metropolitan Council**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	42,703
Total	-	-	-	-	-	42,703
Biennial Total			-			42,703

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

The fiscal note cost estimates to implement this bill are shown in the general fund, however, other funding sources are available to the Met Council that could be considered.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	42,703
Total	-	-	-	-	42,703
Biennial Total			-		42,703
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	-	-	42,703
Total	-	-	-	-	42,703
Biennial Total			-		42,703
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill would require the Council to design, construct, and fully fund certain pedestrian, signal, and transit priority infrastructure above and beyond those elements currently included in arterial bus rapid transit (BRT) project scopes and budgets.

(1) sidewalk curb ramps and signals meeting the most current Americans with Disabilities Act standards at all intersection quadrants in intersections affected by construction of a bus rapid transit station.

(2) transit priority infrastructure, including but not limited to red transit pavement marking and traffic signal modifications.

Section 1, subdivision 3, paragraph (b) of the bill details the application of paragraph (a).

Assumptions

This fiscal note is written to estimate fiscal impact from HF 4268 on one bus rapid transit (BRT) project in early planning, the H Line. More information on this planned project, including a preliminary project location map, is available at <https://www.metrotransit.org/h-line-project>.

The project is planned to be constructed in 2028-2029, with major construction contracts awarded in 2027. Therefore, all project costs are assumed for this analysis to be encumbered in 2027 and expended in 2028.

Application

This note assumes that HF 4268 applies to the H Line and subsequently programmed arterial BRT projects, and does not apply to the following projects in development: B, E, F, G lines.

This fiscal note assumes current project scoping definitions for lines currently in development with completed financial plans and cooperative construction agreement frameworks in development (F Line, G Line). It also assumes that the bill does not retroactively apply to existing projects in construction with executed agreements (B Line, E Line).

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If HF 4268 were to be applied to the B, E, F, and G lines, there would be additional fiscal impact in years 2024, 2025, 2026, and 2027.

This fiscal note assumes three main cost drivers added to the H Line as a result of HF 4268:

Cost drivers

1. Sidewalk curb ramps and signals at 2 quadrants of every intersection affected by a BRT station. This assumes that the remaining 2 quadrants are already accounted for in the H Line project, per Metro Transit standards as required by the Americans with Disabilities Act (ADA).
2. Red transit pavement marking (transit priority infrastructure)
3. Traffic signal modifications (transit priority infrastructure)

Detail follows for each of the three cost drivers. Engineer's estimates or actual bid prices where available from recent projects (namely, the E Line and B Line) were used to estimate unit costs for these three drivers. For all components, costs are based in 2024 and escalated at an annual rate of 4%.

1. Sidewalk curb ramps and signals

1. Quantities: 40 intersections affected by BRT station construction
2. Construction costs: \$522,531 per BRT station intersection in 2024 dollars
3. Right-of-way costs: \$11,715 per BRT station intersection in 2024 dollars
4. Design and construction administration costs: 20%

2. Red transit pavement marking

1. Construction costs: \$7.50 per square foot in 2024 dollars
2. Right-of-way: No costs assumed
3. Design and construction administration costs: 20%
4. Quantities: 132,000 square feet of red pavement marking

3. Traffic signal modifications

The current H Line project budget for construction activities, estimated at an early planning level, is approximately \$65 million. The estimated construction costs (\$35,128,000) added by this bill would constitute an approximately 53% increase in construction costs.

1. Construction costs: \$198,461 per non-station intersection in 2024 dollars
2. Right-of-way: No costs assumed
3. Design and construction administration costs: 20%
4. Quantities: 41 non-station intersections

Expenditure and/or Revenue Formula

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For all components, costs below are based in 2024 and escalated at an annual rate of 4% to 2028 year of expenditure.

1. *Sidewalk curb ramps and signals*

- 1. Construction: 40 station intersections x \$522,531 per station intersection
- 2. Right-of-way: 40 station intersections x \$11,715 per station intersection
- 3. Design & construction administration: 20% x (a)

2. *Red transit pavement marking*

- 1. Construction: 132,000 square feet x \$7.50 per square foot
- 2. Right-of-way: No costs assumed
- 3. Design & construction administration: 20% x (a)

3. *Traffic signal modifications*

- 1. Construction: 41 non-station intersections x \$198,461 per non-station intersection
- 2. Right-of-way: No costs assumed
- 3. Design & construction administration: 20% x (a)

Costs are summarized by cost driver and activity in the table below.

Component	Quantity	Unit	Unit cost (2024)	Extension	Escalated to 2028
1. Sidewalk curb ramps and signals					
1. (a): Construction	40	station intersection	\$522,531	\$20,901,000	\$24,451,000
1. (b): Right-of-way	40	station intersection	\$11,715	\$469,000	\$549,000
1. (c): Design and construction administration	20%	of construction cost			\$4,890,200
<i>Sidewalk curb ramps and signals subtotal</i>					<i>\$29,890,200</i>

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2. Red transit pavement marking					
2. (a): Construction	132,000	square foot	\$7.50	\$990,000	\$1,158,000
2. (b): Right-of-way	--	--	--	--	--
2. (c): Design and construction administration	20%	of construction cost			\$231,600
Red transit pavement marking subtotal					\$1,389,600
3. Traffic signal modifications					
3. (a): Construction	41	non-station intersection	\$198,461	\$8,137,000	\$9,519,000
3. (b): Right-of-way	--	--	--	--	--
3. (c): Design and construction administration	20%	of construction cost			\$1,903,800
Traffic signal modification subtotal					\$11,422,800

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Total impact - H Line project					\$42,702,600
<i>Construction subtotal (a)</i>					<i>\$35,128,000</i>
<i>Right-of-way subtotal (b)</i>					<i>\$549,000</i>
<i>Design and construction administration subtotal (c)</i>					<i>\$7,025,600</i>

Long-Term Fiscal Considerations

As written, this bill would have additional fiscal impact beyond the H Line project accounted in 2027, for any future bus rapid transit projects. The impact for the period 2030 to 2035 is estimated in this section.

The Council plans to construct three additional arterial bus rapid transit lines during the period from 2030 to 2035 whose project scopes and budgets would be affected by HF 4268. These would be identified as the J, K, and L lines. Currently, the locations of these lines have not been defined, but a typical corridor can be used to estimate future costs. This analysis assumes a typical corridor project drawn from the mean from seven potential candidate corridors developed in a 2021 study, with implementation years of 2030 (J Line), 2032 (K Line), and 2034 (L Line).

Each corridor is assumed to include 29 intersections affected by BRT station construction; 24 signals affected by transit priority improvements; and 1.5 directional miles of bus-only lanes.

Based on these planning-level assumptions, estimated additional fiscal impact in years 2030 through 2035 is estimated at \$103,426,000.

Line	Year of Expenditure	Estimated Fiscal Impact of HF 4268
J Line	2030	31,809,000

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K Line	2032	34,404,000
L Line	2034	37,213,000
Total (2030-2035)		103,426,000

Local Fiscal Impact

References/Sources

Engineer's estimates, or actual bid prices where available, from the B Line and E Line projects were used as sources.

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