



Summary of Meeting with James Solem and Nacho Diaz

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Friday, November 7, 2008

Guest speakers: **James Solem**, consultant, former regional administrator, Metropolitan Council, and **Nacho Diaz**, consultant, former director, transportation services, Metropolitan Council

Present : Verne C. Johnson, chair; David Broden, Bill Frenzel (by phone), Paul Gilje, Jim Hetland, Marina Lyon (by phone), and Wayne Popham

A. Context of the meeting —The Civic Caucus has been reviewing the structure of highway and transit decision-making in the metropolitan area and the state. Today we're meeting with two former long-time leaders of the Metropolitan Council.

B. Welcome and introductions — Verne and Paul welcomed and introduced **Jim Solem**, consultant, former regional administrator, Metropolitan Council, and **Nacho Diaz**, consultant, former director, transportation services, Metropolitan Council.

Solem was regional administrator for the Metropolitan Council from July 1994 to July 2000. Subsequently, he was a senior fellow, Center for Urban and Regional Affairs, University of Minnesota. Since December 2006, when he retired, he has been a consultant. Prior to joining the Metropolitan Council, Solem had served as commissioner of the Minnesota Housing Finance Agency, and before that, director of the Office of Local and Urban Affairs for the State Planning Agency. He has a masters degree in public administration from the University of Minnesota, and a bachelor of arts degree from Luther College.

Diaz, a native of Spain, and trained as a civil engineer, joined the Metropolitan Council staff in 1974. In 2005 he was honored by the Minnesota Public Transit Association for his involvement in major transportation services and policy innovations such as Metropolitan Mobility, the establishment of Metro Commuter Services and the merger of the Regional Transit Board with the Metropolitan Council. He retired from the Council in 2006 and currently is a consultant.

C. Comments and discussion — During remarks by Solem and Diaz and in discussion with the Civic Caucus the following points were raised:

1. Decision-making structure on transportation is inevitably "messy and complicated" as is the rest of the world —We shouldn't expect the decision-making structure on highways and transit to be

neat and all tied up in a bow, Solem said. The system is working well, within the constraints of requirements of participation by agencies of all sorts among federal, state, metro, county, and municipal levels of government.

2. Better Metropolitan Council role since 1994 —The Legislature adopted a very helpful change in 1994 by creating what Solem called a "new" Metropolitan Council, in which the transit operating agency, waste management, and the Regional Transit Board all became part of the Metropolitan Council. Previously they had been separate, statutory agencies, with looser ties to the Council. Solem was the first regional administrator under the new system.

Previously, he said, transit operations had been farmed out to a private management firm, in which many conflicts were present between transit operations and the Regional Transit Board (RTB). For example, he said, the executive director of the RTB was fired because he wanted more transit marketing to be undertaken by transit operations.

Diaz said the problems with the RTB were the main reasons the merger of the agencies took place under the Metropolitan council.

3. Don't give metro transit to a statewide body — It would be a "huge mistake", Diaz said, for metro transit to be moved out of the Metropolitan Council and handed to a statewide body, as has been suggested by at least one legislative leader. It is extremely important for land use purposes to coordinate transit with other metro area functions like sewers and parks, which is possible under the Council but would not be possible if transit were split off and handed to the state, he said.

4. Governor is in charge now —Where previously there had been no accountability, clear lines of accountability to the Governor were established under the new change enacted in 1994, Solem said. The Governor appoints all members of the Metropolitan Council. In most states, regional planning has little or no connection to state government. To illustrate he cited an incident in Illinois where an outside mediator had to be called in to settle a dispute between regional and state agencies. But now everyone in the Metropolitan Council as well as state agencies all work for the Governor.

5. Combined metropolitan planning and operations works well —The planning role of the Metropolitan Council has been strengthened significantly under the 1994 changes, Solem said. Previously, the operating agencies for transit and waste water treatment paid little attention to the Metropolitan Council. With new lines of accountability the Council now has what Solem called the best waste water system in the nation. Some members of the Civic Caucus noted that a deliberate step was taken when the Council was created in 1967 to keep the Council as a non-operating policy body, because of a fear that an operating council would spend its time in day-to-day operations, rather than charting a future course for the region. Solem said that combining operations with planning has strengthened the Council's role in guiding development.

6. Reasons for creation of new Counties Transit Improvement Board (CTIB) —Responding to a question, Solem acknowledged that the 2008 Legislature permitted metro counties, under the state's joint powers act, to create a new Counties Transit Improvement Board (CTIB). The County Boards of Anoka, Dakota, Hennepin, Ramsey and Washington Counties each approved a quarter-cent sales tax

levy within their borders to be used for transit ways in the metro area. The CTIB distributes the funds for specific transit ways improvements, consistent with the Metropolitan Council policy plan. Transit ways include (a) light rail (b) bus rapid transit, (c) commuter rail, and (d) high-speed rail.

Legislators had been frustrated because of the reluctance of the Governor to support additional transit funding, Solem said. The new legislation was enacted because it made it possible for the counties to decide whether to increase the sales tax, thereby keeping the final decision on a tax increase at the county level, where the Governor wouldn't be involved.

7. Metro Council not preoccupied with transit —In response to a question Diaz said the Metro Council believes transit needs to play a larger role, but through the 1980s, highways received the bulk of the attention. Over the next 50 years, we'll see more transit emphasis, he said. Diaz was asked why all rail lines and rapid transit bus lines are oriented to the downtowns of Minneapolis and St. Paul, which, combined, have not more than 15 percent of the region's jobs. Transit doesn't seem to be correcting for congestion, which appears to be more prevalent on corridors that don't lead to the downtowns. Diaz replied that transit requires a concentration of employment; that's why the downtowns are emphasized.

Diaz highlighted a \$133 million bus rapid transit plan running south from downtown Minneapolis on 35W to Burnsville and on Cedar Ave. to Apple Valley, as an example of a non-rail program. Buses carry the equivalent of 1 1/2 lanes of auto traffic in the 35W corridor, he said. A Civic Caucus member wondered why such an approach isn't being implemented in the corridors being pushed by the Metro Council for LRT or commuter rail, because the capital investment would be much less than rail and buses are not fixed to the guideway, as are rail cars. Operating expenses are less on rail, Diaz said.

8. Importance of transit in dealing with climate change —Another reason for transit emphasis, Solem said, is to reduce the amount of carbon discharged into the atmosphere, thereby attacking global warming.

9. Major growth coming in the metro area— Another factor, Solem said is that the metro area population is projected to increase by 1 million persons by the year 2030, which means adding 470,000 households and 560,000 jobs, according to the Metropolitan Council's development framework plan. Transit should help influence the location and type of growth that occurs, he said. See: <http://www.metrocouncil.org/planning/framework/Framework.pdf> . More than two-thirds of the increase in population and households will occur within an 11-county area around the Twin Cities, he said.

Another major demographic development with huge implications for transportation is the aging of the population and the changing nature of the housing market for older people.

10. Relationship between urban sprawl and commuter rail —A Civic Caucus member observed that the North Star rail line currently under development would terminate in Big Lake, outside the seven-county metro area, or even further north. It's difficult to see, the member said, how such a line will help control urban sprawl, because people would receive a transit benefit for living outside the metro area.

Another member observed that legislators are continually pressuring to increase the capacity of major roads on the fringes of the seven-county area that also extend into counties outside the area. Whatever we do on transit, the member said, we must not forget that highway decisions have very significant impacts on development. What happens to Hwy. 10 between Anoka and St. Could might be a far more significant question from a development standpoint than is the North Star commuter line, the member said.

11. Making transit policy when routes run outside the metro area —A Civic Caucus member observed that the Legislature almost certainly won't expand the jurisdiction of the Metropolitan Council. Yet, the metro commuting area extends far into the outlying area encompassing probably seven or more additional counties. No existing governing structure seems equipped to deal with that problem.

Solem agreed that a conversation needs to begin about the boundaries of the true metropolitan area and what this means for policy-makers. This issue goes beyond transportation, he said. For example serious waste water treatment issues are present on streams on the outside borders of the seven-county area.

12. Comparative roles of the Minnesota Department of Transportation (MnDOT) and that of the Metropolitan Council —Solem said we should be cautious about moving metro functions to the state. There are places around that nation that would dearly love to have a structure similar to that of Minnesota, with a strong regional agency coordinating its activities with the state transportation agency. Diaz reminded the group again that the main reason the Legislature gave the metro area counties a bigger role in transit is that the Legislature was at odds with the Governor on transportation revenue-raising. Both the Metro Council and MnDOT report directly to the Governor, he said.

13. Thanks —On behalf of the Civic Caucus, Verne thanked Solem and Diaz for meeting with us this morning.