ARTICLE 6

METROPOLITAN COUNCIL GOVERNANCE AND OPERATIONS

Sec. 2. [174.48] CONSTRUCTION OF NONARTERIAL BUS RAPID TRANSIT FACILITIES.

If a planned bus rapid transit line has either a total estimated construction cost of more than $100,000,000 or will operate substantially within separated rights-of-way, the commissioner is the responsible authority and must construct bus rapid transit facilities and infrastructure in the metropolitan area. The commissioner must ensure any construction project subject to this section is constructed in compliance with applicable plans and designs adopted by the Metropolitan Council.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all bus rapid transit projects excluding the Gold Line bus rapid transit project.

Sec. 6. [473.248] METROPOLITAN AREA ACTIVE TRANSPORTATION PROGRAM.

Subdivision 1. Definition. For purposes of this section, "active transportation" means bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. Program established. Subject to available funds received under section 473.4465, the council must establish a program to support active transportation within the metropolitan area.

Subd. 3. Program administration. (a) The council must establish active transportation program requirements, including:

(1) assistance eligibility, subject to the requirements under subdivision 4;

(2) a solicitation and application process that minimizes the burden on applicants; and

(3) procedures to award and pay financial assistance.

(b) The council must annually conduct a solicitation for active transportation projects under this program.

Subd. 4. Program administration. (c) The council must make reasonable efforts to publicize each application solicitation among all eligible recipients. The council must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The council may provide grants or other financial assistance for a project.
The council is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Subd. 4. Eligibility. An eligible recipient of financial assistance under this section includes:

(1) a political subdivision; or

(2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended.

Subd. 5. Use of funds. The council must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

Subd. 6. Project evaluation and selection. The council must establish a project evaluation and selection committee. The chair of the council must appoint one city council member or mayor from each council district to serve on the committee. The committee must establish a process to select projects that are competitive, criteria-based, and objective. The process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete street planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) the ability of a grantee to maintain the active transportation infrastructure following project completion.

EFFECTIVE DATE. This section is effective the day following final enactment.
or the state of Minnesota acting through the commissioner of transportation as the entity
responsible for planning, designing, acquiring, constructing, and equipping the facility.
Notwithstanding such designation, The commissioner and the council may enter into one
or more cooperative agreements with the Metropolitan Council with respect to the planning,
designing, acquiring, constructing, or equipping of a particular light rail transit facility that
provide for the parties to exercise their respective authorities in support of the project in a
manner that best serves the project and the public.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to projects that enter into full funding grant agreements on or after that date.

Sec. 8. Minnesota Statutes 2022, section 473.3994, subdivision 4, is amended to read:
Subd. 4. Preliminary design plans; council hearing. If the governing body of one or
more cities, counties, or towns disapproves the preliminary design plans within the period
allowed under subdivision 3, the council shall hold a hearing on the plans, giving the
commissioner of transportation, any disapproving local governmental units, and other persons an opportunity to present their views on the plans.
The council may conduct independent study as it deems desirable and may mediate and
attempt to resolve disagreements about the plans. Within 60 days after the hearing, the
council shall review the plans and shall decide what amendments to the plans, if any, must
be made to accommodate the objections presented by the disapproving local governmental
units. Amendments to the plans as decided by the council must be made before continuing
the planning and designing process.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to projects that enter into full funding grant agreements on or after that date.

Sec. 9. Minnesota Statutes 2022, section 473.3994, subdivision 7, is amended to read:
Subd. 7. Council review. If the commissioner is the responsible authority, Before
proceeding with construction of a light rail transit facility, the commissioner must submit
preliminary and final design plans to the Metropolitan Council. The council must review
the plans for consistency with the council's development guide and approve the plans.

EFFECTIVE DATE. This section is effective the day following final enactment and
applies to projects that enter into full funding grant agreements on or after that date.

Sec. 10. Minnesota Statutes 2022, section 473.3994, subdivision 9, is amended to read:
Subd. 9. Light rail transit operating costs. (a) Before submitting an application for
federal assistance for light rail transit facilities in the metropolitan area, the Metropolitan
Council must prepare an estimate of the amount of operating subsidy which will be required
to operate light rail transit in the corridor to which the federal assistance would be applied.
The estimate must indicate the amount of operating subsidy estimated to be required in each
of the first ten years of operation of the light rail transit facility. If the commissioner of
transportation is the responsible authority. The commissioner must provide information requested by the council that is necessary to make the estimate.

(b) The council must review and evaluate the estimate developed under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 11. Minnesota Statutes 2022, section 473.3994, subdivision 14, is amended to read:

Subd. 14. Transfer of facility after construction. If the commissioner of transportation is the responsible authority for a particular light rail transit facility, the commissioner must transfer to the Metropolitan Council all facilities constructed and all equipment and property acquired in developing the a particular light rail transit facility upon completion of construction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 12. Minnesota Statutes 2022, section 473.3995, is amended to read:

473.3995 LIGHT RAIL TRANSIT; DESIGN-BUILD METHOD.

(a) A responsible authority may use a design-build method of project development and construction for light rail transit. Notwithstanding any law to the contrary, a responsible authority may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.

(b) If a responsible authority utilizes a design-build method of project development and construction for light rail transit, the requirements and procedures in sections 161.3410 to 161.3426 apply to the procurement, subject to the following conditions and exceptions:

(1) if the Metropolitan Council is the responsible authority for a particular light rail transit project, when used in sections 161.3410 to 161.3426, (i) the term "commissioner," "Minnesota Department of Transportation," "department," "state agencies," and "road authority," refer to the Metropolitan Council, and (ii) the term "state" refers to the Metropolitan Council except in references to state law or in references to the state as a geographical location;

(2) the provisions of section 161.3412, subdivisions 3 and 4, are not applicable to the procurement, and
88.23 If any federal funds are used in developing or constructing the light rail transit project, any provisions in sections 161.3410 to 161.3426 that are inconsistent with, or prohibited by, any federal law, regulation, or other requirement are not applicable to the procurement.

88.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

88.29 Sec. 13. Minnesota Statutes 2022, section 473.3997, is amended to read:

88.30 **473.3997 FEDERAL FUNDING; LIGHT RAIL TRANSIT.**

88.31 (a) Upon completion of the alternatives analysis and draft environmental impact statement, and selection of the locally preferred alternative, for each light rail transit facility, the responsible authority may prepare an application for federal assistance for the light rail transit facility. If the commissioner is the responsible authority, the application must be reviewed and approved by the Metropolitan Council before it is submitted by the commissioner. In reviewing the application the council must consider the operating cost estimate developed under section 473.3994, subdivision 9.

89.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

89.11 Sec. 14. Minnesota Statutes 2022, section 473.405, subdivision 4, is amended to read:

89.12 **Subd. 4. Transit systems.** Except as provided by sections 174.48 and 473.3993 to 473.3997, the council may engineer, construct, equip, and operate transit and paratransit systems, projects, or any parts thereof, including road lanes or rights-of-way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The council may sell or lease naming rights with regard to light rail transit stations and apply revenues from sales or leases to light rail transit operating costs.

89.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

95.23 Sec. 18. [473.453] COMPLETE BIDDING REQUIREMENTS; LEGISLATIVE REPORT.

95.25 Notwithstanding the provisions of sections 471.345 and 473.3994, if the Metropolitan Council is the responsible authority of a transit project with a total project cost of greater than $50,000,000, the council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy at least 30 days before bidding commences if the council's project specifications are incomplete or
subject to significant additions. The notification must include the council's reasons for
incomplete project specifications or the reasons why the significant project additions are
not included in the bidding process.

EFFECTIVE DATE; APPLICATION. This section is effective the day following
final enactment and applies to bids made on or after October 1, 2023. This section applies
in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 19. [473.454] CONTINGENCY PLANS AND RESERVE; REPORT REQUIRED.

(a) Notwithstanding the provisions of sections 471.345 and 473.3994, a responsible
authority must establish formal contingency plans for temporarily or permanently stopping
work if:

(1) a light rail transit project will not be completed within a year of its scheduled
completion date;

(2) total expenditures on the project to date are anticipated to increase by ten percent
above the most recent cost estimate; or

(3) any of the responsible authority's civil contractors submits a schedule update with a
delay of greater than six months from the most recent estimated completion date.

(b) A contingency plan created under this section must evaluate:

(1) how the responsible authority will address any increases to the total project cost;

(2) the impact to any delay to the responsible authority's contingency budget reserves;

(3) the effect on existing contractual obligations; and

(4) a new baseline schedule for completion of the project.

Within 30 days of the contingency plan being created, the responsible authority must submit
the contingency plan to the chairs and ranking minority members of the legislative
committees with jurisdiction over transportation finance and policy.

(c) Notwithstanding any provision of law to the contrary, if a responsible authority
applies for grants from the Federal Transit Administration totaling more than $50,000,000
and the Federal Transit Administration institutes an evaluation of the responsible party's
financial capacity, the responsible authority must report to the chairs and ranking minority
members of the legislative committees with jurisdiction over transportation policy and
finance. The report must be submitted to the legislature within 30 days of the Federal Transit
Administration initiating the review. The report must detail how the responsible authority
plans to provide sufficient funding for unexpected cost overruns and which local authority
would be responsible for providing the additional funding if necessary.
(d) A responsible authority may not adopt changes to design or construction plans for a light rail transit project without establishing a contingency plan under this section if the responsible authority:

1. has insufficient funds to complete the light rail transit project; or
2. has insufficient funds to halt the light rail transit project.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 20. [473.455] CONTRACT SCHEDULE REQUIREMENTS; REPORT REQUIRED.

Subdivision 1. Schedule agreement required. (a) Notwithstanding the provisions of sections 471.345 and 473.3994, if the council is the responsible authority for a light rail transit project, any agreement between the council and a contractor with respect to constructing any portion of a light rail transit project must contain a preliminary construction schedule agreement and a proposed general baseline schedule.

(b) If the council is the responsible authority, the council must consider whether to approve a preliminary construction schedule. A preliminary construction schedule agreement must contain:

1. contractual milestones needed to complete the project within the required interim and final completion dates;
2. a schedule for the first 180 days of work under the contract; and
3. an initial draft baseline schedule that forms the basis of a general baseline schedule proposed in paragraph (c).

(c) Upon approval by the council of a preliminary construction schedule, the contractor and the council must evaluate the initial general baseline schedule set forth in paragraph (b), clause (3), as the basis for the proposed general baseline schedule. The proposed general baseline schedule must establish how the contractor plans to complete all contracted work for the light rail transit project and include a detailed scope of work that includes but is not limited to a framework that assigns costs and resources for each specifically scheduled task.

(d) If the council is the responsible authority and approves the proposed general baseline schedule with respect to constructing any portion of a light rail transit project, the contractor must submit monthly written status reports to the council. Any late, repeat, or incomplete submissions by the contractor are considered a nonexcusable delay and entitles the council to stop completed work payments under subdivision 4.

Subd. 2. Prohibition. If the council is the responsible authority for a light rail transit project, construction cannot begin without an accepted general baseline schedule by both...
the council and the contractor under subdivision 1, paragraph (c). The council and the contractor must approve the preliminary construction schedule before establishing and approving a proposed general baseline schedule.

Subd. 3. Conditional approval. If the council is the responsible authority for a light rail transit project and the contractor proposes revision to either an approved preliminary construction schedule or an accepted general baseline schedule under subdivision 1, paragraph (d), the council must decide whether to approve the proposed revision before issuing any further completed work payment to the contractor. If the council rejects the proposed revision, the council must immediately suspend payments to the contractor.

Subd. 4. Enforcement. An agreement between the council and the contractor with respect to constructing any portion of a light rail transit project must include provisions to allow the council to withhold payments for completed work if the contractor is delinquent under the general baseline schedule requirements in subdivision 1, paragraph (c), and for conditional approval of construction as provided in subdivision 3. Withheld payments under this subdivision must be greater than five percent and less than ten percent of the total payment requested by the contractor.

Subd. 5. Report required. (a) If the council is the responsible authority and a preliminary construction schedule and a general baseline schedule are approved for constructing a portion of a light rail project, the council must submit the preliminary construction schedule and general baseline schedule to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days.

(b) If the council is the responsible authority, and no agreement can be reached on a general baseline schedule under subdivision 1, paragraph (c), the council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days on the barriers facing approval of the general baseline construction schedule.

(c) If the council is the responsible authority and receives notification of a proposed revision to either the preliminary, construction schedule or general baseline schedule under subdivision 3, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days of the proposed revision on the estimated impact on the project completion date and total project cost from the proposed revision. If the council rejects the proposed revision, the council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within seven days of rejection.

(d) If the council is the responsible authority and withholds completed work payments greater than $50,000 from a contractor under subdivision 4, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days on the amount withheld, the reasons for withholding payment, and the steps needed to address the delay.
EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 21. [473.456] PEER REVIEW FOR CERTAIN PROJECT ELEMENTS; LEGISLATIVE REPORTS.

(a) For purposes of this section, the term "value analysis" has the meaning given in section 174.15, subdivision 3, and the term "value engineering proposal" has the meaning given in section 174.15, subdivision 4.

(b) Notwithstanding any law to the contrary, if the Metropolitan Council is the responsible authority for a light rail transit project, the council must establish a multiparty peer review application to initiate a multiparty peer review process with the Department of Transportation and any counties within which a transit project is to be operated. The multiparty peer review application must be filed within 180 days of the start date of the contract and every 90 days thereafter until the project is completed. The commissioner of transportation must review the multiparty peer review application and determine whether to initiate a multiparty peer review. In determining whether to initiate a peer review, the commissioner must apply value analysis to either (1) the entirety of the light rail transit project, (2) a project element at risk of delay or high costs, or (3) any new or substantial work proposed after civil construction bidding was completed.

(c) If the commissioner of transportation determines a value analysis is appropriate after reviewing the multiparty peer review application or if the council estimates a project element will exceed $20,000,000, the multiparty peer review must convene and produce a value engineering proposal report. The value engineering proposal report must be issued by the multiparty peer review within six months after the multiparty peer review is formed. In addition to the evaluation under section 174.15, subdivision 4, the report must analyze:

(1) improvements or efficiencies in construction methods;
(2) improvements to the change order process;
(3) an evaluation of contractor oversight and best practices;
(4) improvements or efficiencies in the procurement process; and
(5) any contractual issues arising from the transit project.

(d) With existing resources, the council is responsible for the costs of conducting and administering the peer review and value engineering proposal.

(e) If a value engineering proposal report is submitted under this section, the report must be submitted within 30 days to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.
EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 22. [473.46] PROJECT COMPLETION DELAY NOTIFICATION REQUIREMENT.

(a) Notwithstanding the requirements in Laws 2022, chapter 39, section 2, the responsible authority for a light rail transit project must provide status updates on the light rail project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The status reports must be provided biannually by January 1 and July 1 and must include:

(1) total expenditures on the project during the previous three months as compared to projections;
(2) total expenditures on the project during the next three-, six-, and nine-month intervals;
(3) total expenditures on the project to date;
(4) the total project cost estimate; and
(5) any change in the date of anticipated project completion.

(b) The responsible authority must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days when:

(1) the authority is deliberating whether a delay in the light rail project completion date of three months or more beyond the estimated completion date is likely to occur; and
(2) the authority is deliberating whether an increase to the total light rail project cost is anticipated to increase by $50,000,000 or five percent or more above the most recent cost estimate, whichever is less.

(c) A responsible authority providing a status report under this section must initiate a multiparty peer review as provided under section 473.456 and conduct separate value engineering studies for individual project elements expected to cause the delay or increase in project cost within 30 days of filing the status report to the legislature.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. [473.461] SETTLEMENT EXPENSES; LEGISLATIVE REPORT.

If the council is the responsible authority and enters into a settlement agreement with a contractor in association with the construction of a light rail transit project, the council must submit a settlement expenditure notification to the chairs and ranking minority members of
the legislative committees with jurisdiction over transportation policy and finance within
21 calendar days. The settlement expenditure notification must include:

(1) the terms of the settlement agreement;
(2) the total expenditure of the settlement agreement;
(3) whether the settlement agreement will lengthen the timeline for construction of the
light rail project;
(4) whether the settlement agreement resolves all outstanding disputes between the
council and the contractor;
(5) whether the settlement agreement increases estimated project expenses and costs;
and
(6) whether the settlement agreement requires the council to participate in alternative
dispute resolution.

EFFECTIVE DATE; APPLICATION. This section is effective the day following
final enactment and applies to bids made on or after October 1, 2023. This section applies
in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 32. BLUE LINE LIGHT RAIL EXTENSION ENGAGEMENT MEETINGS.
(a) The Blue Line light rail extension project office must, at least quarterly, organize
and facilitate community engagement meetings in consultation with community groups
located along the Blue Line extension alignment route, including the Lyn Park community.
Information requested by community groups in the meetings or in correspondence to the
project office must be supplied in a timely manner, and, if practicable, before the next
quarterly meeting. Information, concerns, and requests presented by the community at the
community engagement meetings or provided directly to the extension project office must
be documented in the official meeting minutes and must be provided to the project Corridor
Management Committee and posted on the Blue Line extension project website.
(b) Representatives from the Metropolitan Council, Hennepin County, and the Department
of Transportation must participate in the community engagement meetings and all other
meetings relating to antidisplacement initiatives connected to the Blue Line light rail
extension project. Representatives from the cities of Minneapolis, Robbinsdale, Crystal,
and Brooklyn Park must attend meetings that occur in their respective cities, attend all
meetings relating to antidisplacement initiatives, and attend other project-related meetings
as requested.
(c) By July 1, 2023, the Blue Line light rail extension project office must coordinate
with community groups to establish a framework for community engagement meetings.
The framework must at a minimum include project information, light rail impacts on and
opportunities for businesses and residents, and business mitigation and antidisplacement

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strategies. The framework must also include a process for community feedback on project
design options.

(d) State funds for the Blue Line light rail extension project must be available no sooner
than August 1, 2023.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 33. BLUE LINE LIGHT RAIL EXTENSION ROUTE ALIGNMENT
CONSULTATION.

The commissioner of transportation and the city of Minneapolis must consult with the
Metropolitan Council and Hennepin County to evaluate the possible redesign of Interstate
Highway 94, 10th Avenue, or Washington Avenue between downtown Minneapolis and
West Broadway Avenue for a possible route of the Blue Line light rail extension project in
the area between Interstate Highway 94 and the Mississippi River. All cities along the
corridor must have the opportunity to present their concerns and proposals to the Blue Line
extension project's Corridor Management Committee for consideration.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 35. MASS TRANSIT REPORTS; RIDERSHIP; CRIME.

(a) The Metropolitan Council must post on the council's website a monthly report,
including ridership statistics for each guideway and busway in revenue operation. In each
report, the council must also include the ridership projections made at the time of the full
funding grant agreement for each guideway and busway. The council must post each monthly
report within 60 days after the end of that month. The council must ensure that a report is
available on the council's website for a minimum of five years after the report is posted.

(b) The council must post on the council's website a quarterly report, including crime
statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at
any transit platform, stop, or facility. The report must break down the data by mode of transit
and type of crime. The council must ensure that a report is available on the council's website
for a minimum of five years after the report is posted.

EFFECTIVE DATE. This section is effective the day following final enactment.