

**OFFICIAL PROCEEDINGS OF THE REGIONAL RAILROAD AUTHORITY**  
**WASHINGTON COUNTY, MINNESOTA**  
**JANUARY 19, 2010**

The Washington County Regional Railroad Authority met in regular session at 9:00 a.m. in the Washington County Government Center, County Board Room. Present were Commissioners Weik, Peterson, Pulkrabek, Kriesel, and Hegberg. Absent none. RRA Chair Peterson presided. Also present were James Schug, County Administrator; Molly O'Rourke, Deputy Administrator; Linda Krafthefer, Assistant County Attorney; Kevin Corbid, Director of Property Records and Taxpayer Services; Mjyke Nelson, Information Technology Director; Kay McAloney, Human Resources Director; Dan Papin, Community Services Director; Cindy Rupp, Community Services Division Manager; Harley Will, Accounting and Finance Director; Don Theisen, Public Works Director; Wayne Sandberg, Deputy Public Works Director; Ted Schoenecker, Transportation Planning Manager; Andy Gitzlaff, Associate Planner; Lowell Johnson, Director of Public Health and Environment; Tom Adkins, Community Corrections Director; Sandy Hahn, Deputy Community Corrections Director; and Yvonne Klinnert, Public Information Coordinator II.

The Board recited the Pledge of Allegiance.

**ELECTION OF REGIONAL RAILROAD AUTHORITY CHAIR AND VICE CHAIR**

Commissioner Hegberg moved to nominate Commissioner Peterson as Chair of the Regional Railroad Authority for 2010. Commissioner Pulkrabek seconded the nomination and it was adopted unanimously.

Commissioner Peterson nominated Commissioner Hegberg as Vice Chair of the Regional Railroad Authority for 2010. Commissioner Kriesel seconded the nomination and it was adopted unanimously.

**OCTOBER 20, 2009 REGIONAL RAILROAD AUTHORITY MINUTES**

Commissioner Kriesel moved to approve the October 20, 2009 Regional Railroad Authority Minutes. Commissioner Weik seconded the motion and it was adopted unanimously.

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**MEMORANDUM OF UNDERSTANDING – TRANSIT CENTER IN NEWPORT**

Ted Schoenecker, Transportation Planning Manager, reviewed the Memorandum of Understanding (MOU) between Washington County, the Washington County Regional Rail Authority and the City of Newport for acquisition and development of a transit center located at 2222 Maxwell Avenue (known as the Knox site) in the City of Newport. The City of Newport approved the MOU on January 7 of this year. Key items of the MOU include: the city supports the county purchase; no financial contribution from or compensation to the city; the city will have direct involvement in vision of the area; the county will include this in their Capital Improvement Plan for opening in 2013; the city and county will develop a plan for the Polta site, south of the Knox site; and, the county will allocate excess tax increment from decertified tax increment financing (TIF) district to Knox site. Mr. Schoenecker stated that the financial goals include the following: leverage of federal appropriation funds; capture available state bond funding for the corridor; and limit county contribution to 10% of total project.

Commissioner Pulkrabek stated that in previous discussions there was a question on the TIF and the city balked on going city-wide on that. Has there been any movement on that. Mr. Schoenecker stated that staff has spoken with the city administrator and the letter staff is sending back to the city includes that the county will continue to have these discussions and move forward with focusing on the area around this site for any future decisions regarding the development of a TIF district.

Commissioner Kriesel stated he is concerned about the decertified TIF. But for transit that decertified TIF money would have been returned to the county general funds. He would prefer that the 10% local match come from the Regional Rail Authority levy so there isn't a mixing of funding sources. He is prepared to support this Memorandum of Understanding at this point, but he notices that the county is required to provide a local match of 10%, approximately \$285,000 but the finance plan has it at \$575,000. He understands that at this time they are dealing with the purchase of the property and that is the component that he will support; however, he would base his support contingent on the county stay with the 10% local match coming from the Regional Rail Authority. There will be another decision point in the future when they move towards construction. He feels the quarter cent sales tax and the

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decision the Board made a year ago to enter into this, was to lessen the burden on property tax and he does not want to see that starting to creep beyond 10%; he wants to keep those funding sources, the local matches totally transparent. He does understand that there is a double-edged sword and that the city could reinvest those TIF funds within the taxing district so that is something to consider. At this time he would support this MOU based on the purchase of the property.

Commissioner Weik stated she supports Commissioner Kriesel's comments and will support the Memorandum of Understanding. One thing she would like to point out is that this is a two part process. The initial phase is a park-n-ride and the second phase is to bring in a rail train station. She reminded the Board that park-n-rides fall under the purview of the Metropolitan Council and that is their funding responsibility. For phase one, she would prefer that the county not use the quarter cent sales tax dollars when that should be funded by the Metropolitan Council. She realizes that this is not a binding agreement so she will support the MOU today, but she feels this is getting close to double taxation when Washington County is already in Met Council's taxing district. Met Council has told the Board that it will not be funding the phase one portion of this station in Newport. If the county has leverage and it continues to be at the table, then she would support and would help with those efforts.

Commissioner Hegberg stated he will support the Memorandum of Understanding. The City of Newport could have expanded their TIF and the county wouldn't have gotten the money back. The other reason he supports this is the location. This location is very important to a transit system. It's on the I-494 corridor and there could be a rapid bus feeding into this as well as trains coming in some day. It will be necessary for the metro area as it grows by another million people and the Wakota Bridge cannot be expanded and traffic on that bridge will need to be reduced. He sees this as an opportunity for rapid bus transit systems as well as rail sometime in the future.

Commissioner Weik stated another caution is that the Counties Transit Improvement Board (CTIB) is moving towards a policy in April or May where they will not fund arterial bus rapid transit, so arterial bus rapid transit would not qualify for quarter cent sales tax dollars.

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Commissioner Peterson stated that at this point there is not a policy at CTIB, but there has been a precedence established with the 35W and the Cedar Avenue as being funded with the quarter cent sales tax.

Commissioner Kriesel asked is the county getting out too far in advance in taking over the funding responsibility of the Met Council in terms of express bus routes. Stillwater could certainly use an enhanced express bus, and how does the county keep all these priorities together and make sure that the funding is totally understandable and transparent so the county doesn't start funding things that the Met Council should fund.

Commissioner Hegberg moved to approve the Memorandum of Understanding between Washington County, the Washington County Regional Railroad Authority and the City of Newport for acquisition and development of a transit center located at 2222 Maxwell Avenue (known as the Knox site) in the City of Newport. Commissioner Pulkrabek seconded the motion and it was adopted unanimously.

### **ADJOURNMENT**

There being no further business to come before the Regional Railroad Authority Commissioner Pulkrabek moved to adjourn, seconded by Commissioner Kriesel and it was adopted unanimously. The Regional Railroad Authority adjourned at 9:20 a.m.

Myra Peterson, Chair  
Regional Railroad Authority

Attest:

James R. Schug  
County Administrator