

## CHAPTER 458B

### ST. PAUL PEOPLE MOVER ACT

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#### 458B.01 CITATION.

Sections 458B.01 to 458B.13 may be cited as the "St. Paul People Mover Act".

**History:** 1980 c 614 s 168

#### 458B.02 DEFINITIONS.

Subdivision 1. The definitions in this section apply to the St. Paul People Mover Act.

Subd. 2. "Acquisition" and "betterment" have the meanings given in section 475.51.

Subd. 3. "Capitol area" has the meaning given in section 15.50.

Subd. 4. "City" means the city of St. Paul in Ramsey County acting through the city council or any agency, authority or corporation established by or with the approval of the city, acting through its governing body, to implement any of the provisions of the St. Paul People Mover Act.

Subd. 5. "Commission" means the metropolitan transit commission created by section 473.404, having jurisdiction over the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

Subd. 6. "Contracting agency" means the city or an agency authorized by the city to contract for the acquisition and betterment of the people mover system or any part thereof.

Subd. 7. "Operating agency" means the city or an agency authorized by the city by lease or other agreement to manage and operate the people mover system.

Subd. 8. "Operating deficit" means the amount by which the expenses of operating, maintaining and promoting the people mover system during revenue service exceeds the amount received from revenues of the system, reimbursement for reduced or social fares, federal operating assistance and other sources exclusive of operating deficit payments by the city and by the owners of benefited properties.

Subd. 9. "Revenue service" means service during periods in which the people mover system is operating and available for use by the general public.

Subd. 10. "People mover system" means a transit system with an automated fixed guideway and related facilities, including but not limited to, parking, access, pedestrian malls, bus facilities, and skyways, designed to serve the main commercial area of the city of St. Paul and the area of the city surrounding it as determined by the city, and all property, real and personal, and all contract rights, determined to be necessary or desirable for the acquisition, betterment, operation, access to, and maintenance of the system.

Subd. 11. "Transit system" has the meaning given in section 473.121.

Subd. 12. "Vehicle system" means the transit cars, the guideway, the guideway columns, the guideway electrification, the control and communication mechanisms, the platform doors, the maintenance and control center equipment, and other similar necessary components of the people mover system.

**History:** 1980 c 614 s 169

#### **458B.03 PEOPLE MOVER SYSTEM; AUTHORITY.**

The city may undertake the acquisition, betterment, operation, maintenance, and promotion of a people mover system. For such purposes the city may exercise all powers conferred upon it by law or charter and, notwithstanding any other law or charter provision, may negotiate an agreement with a contracting agency. The terms of the agreement with the contracting agency shall comply with the St. Paul People Mover Act.

**History:** 1980 c 614 s 170

#### **458B.04 SYSTEM PROCUREMENT.**

Subdivision 1. **Specifications; evaluation criteria.** Before final solicitation of bids from suppliers, the city shall approve the functional, physical, and performance specifications to be prescribed for the people mover system and the criteria to be used to evaluate alternative systems and bids. At a minimum, the system specifications shall require the system to provide access for handicapped to connect the major downtown activity centers with fringe parking and radial bus routes and to have been proven in operation. The specifications shall be developed so as not to limit future adaptability of the system to provide origin to destination service without stops, to eliminate transfers, and to allow a capacity of 5,000 passengers per hour. The system evaluation criteria shall give particular emphasis to the environmental, visual, and aesthetic effects of the system, especially the size of the guideways and guideway columns energy consumption and reliability during winter operation and adaptability to extension and development over time and increased capacity requirements. The specifications and evaluation criteria shall also address the cost of the vehicle system; the effect of the vehicle system on the cost of other elements of the people mover system; construction, operating, and maintenance costs; winter operation; the ability of the supplier to perform design, furnishing, installing, and testing services for all vehicle system elements and to coordinate construction; ability of the supplier to meet requirements imposed as contract conditions in any grant contract entered into with the federal government; and such other matters as the city deems necessary. During the development of system evaluation criteria and specifications, all prospective system suppliers shall be provided an opportunity to present the unique capabilities of their system, to comment on the draft evaluation criteria and specifications, and to propose changes in the specifications to allow the unique capabilities of their system to improve the system performance.

Subd. 2. **Bids; system extension.** The cost of preparing and submitting bids shall be paid by bidders. Bidders may propose beneficial alternatives for the people mover system which are unique to their system or which would improve the system performance. The alternatives shall be reviewed and evaluated against the evaluation criteria. If the capital cost of the accepted bid is sufficiently less than the available capital funds to allow extensions of the people mover system, the urban mass transportation administration shall be requested to approve an extension. The city shall select the extension based on community acceptance and ridership potential.

Subd. 3. **Selection of supplier; contract requirements.** Notwithstanding the provisions of sections 471.345 and 471.35, or any other provision of law or charter, contracts for the acquisition and betterment of the people mover system shall be awarded to the bidder whose proposal is determined pursuant to subdi-

visions 1 and 2 to best meet the system specifications and evaluation criteria. The city shall review and evaluate submitted bids on the basis of the system specifications and evaluation criteria developed pursuant to subdivision 1. The purchase contract for the vehicle system shall require the supplier to assure that the vehicle system operates within the specifications of the contract and to maintain the vehicle system for a five year period of revenue service at a fixed base price with escalation clauses. The contract shall contain a provision permitting termination by the contracting agency of the operation and maintenance portion of the contract at the end of any year of revenue service. The supplier of the vehicle system and all contractors for the people mover system, at the time of execution of a contract shall furnish a payment or performance bond as security for the faithful payment and performance of all obligations under the contract. All contracts for the people mover system shall include disincentives in an appropriate amount for failure to comply with the contract and may include incentives as appropriate. All contracts shall contain provisions for a maximum contract amount not to be exceeded without the approval of the city.

Subd. 4. **Certification.** No revenue service of the people mover system shall begin until written notice is received by the city, signed by the administrator of the urban mass transportation administration, stating that the vehicle system or the part proposed to be operated has been fully tested, that it meets the criteria for acceptance established by the contracting agency with the concurrence of the administrator, and that it is ready for year-around revenue service. The purchase contract for the vehicle system shall so provide. The written notice from the administrator shall not imply any legal liability of the federal government for construction or operation of the people mover system.

**History:** 1980 c 614 s 171

#### **458B.05 SPECIAL ASSESSMENT.**

The people mover system and related facilities are determined to be local improvements within the meaning of the Minnesota Constitution, Article X, the city's charter, and Minnesota Statutes, Chapters 429 and 430. Accordingly, the costs of acquisition, construction, reconstruction, extension, operation, maintenance and promotion of the people mover system and such facilities, whether paid or to be paid by the city may be specially assessed against property determined to be specially benefited thereby, to the extent of and in proportion to the benefits, except that special assessments shall be forgiven against property owned by the state of Minnesota or any instrumentality of the state. Special assessments which are pledged to the payment of improvement warrants or other obligations shall be levied separately and the proceeds segregated from any other special assessments authorized by this section. The special assessment shall be levied by the city pursuant to its charter, Minnesota Statutes, Chapter 429 or 430, and the collections thereof may be pledged to the payment of the costs.

**History:** 1980 c 614 s 172

#### **458B.06 OPERATING DEFICIT; PAYMENT.**

The city and the owners of benefited properties shall share in the payment of the operating deficit in such proportion as determined by the city. Payment by owners of benefited properties may be levied as special assessments pursuant to the St. Paul People Mover Act. The city share shall not be included in any ad valorem tax levy of the city. The commission shall not participate in any deficit funding of the people mover system.

**History:** 1980 c 614 s 173

**458B.07 CAPITOL AREA FACILITIES; STATE OWNED PROPERTY.**

Subdivision 1. Construction of the people mover system within the capitol area shall be exempt from the provision of Minnesota Statutes 1978, Section 15.50, Subdivision 2, Clause (e), requiring design competition, except that capitol station west shall be subject to an invited competition, as defined in part II, 6, c(2) of the American Institute of Architecture document number 6-J332, issued November, 1976, sponsored and conducted by the capitol area architectural and planning board upon guidelines and criteria as determined by agreement between that board and the city. People mover system improvements within the capitol area shall be in conformity with the comprehensive use plan for the capitol area and subject to the approval of the capitol area architectural and planning board.

Subd. 2. The commissioner of administration on behalf of the state may grant to the city, without compensation, easements for the construction, location and operation of the people mover system upon state owned property. The commissioner of administration and the urban mass transportation administration shall establish the value of easements and related access facilities in the capitol area which will be required for the people mover and which are eligible in lieu of cash as local contributions to the capital cost of the people mover project.

*History:* 1980 c 614 s 174

**458B.08 METROPOLITAN COUNCIL REVIEW AND RECOMMENDATION.**

The metropolitan council established by section 473.123, in making its review under section 473.171, of the application for a federal grant in connection with the people mover system as a matter of metropolitan significance, shall conduct a public hearing upon the application and the program proposed thereby within 30 days of submission of the application to the council. Not less than 14 days before the hearing the council shall publish notice thereof in a newspaper having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the application may be examined by any interested person. Within 14 days after the hearing the council shall make its recommendation upon the application and cause notice of the same to be published in the same manner as the hearing notice.

*History:* 1980 c 614 s 175

**458B.09 JUDICIAL PROCEEDINGS; TIME TO COMMENCE.**

No action shall be commenced or maintained, nor defense interposed in an eminent domain proceeding, questioning the public purpose, propriety of expenditure of public funds, or validity of any law authorizing the acquisition, betterment, operation, maintenance or financing of the people mover system, except by lawsuit commenced in the district court of Ramsey County within 90 days of the date of publication of the metropolitan council recommendation given pursuant to the St. Paul People Mover Act, or within 90 days of the date of written notice mailed to persons whose property may be taken by subsequent proceedings in eminent domain for the people mover system or right of way. Such action timely commenced by any taxpayer, any person whose property is or may be taken or interfered with by reason of the proposed implementation of the people mover system, or other person with standing, shall be maintained in the manner provided by law, including chapter 562. Nothing in this section nor notice given pursuant thereto shall be construed as a taking of private property, nor as limiting a property owner's right to just compensation for the taking of private property to be litigated in proceedings in eminent domain subsequently instituted under charter or chapter 117, for the taking and assessment and award of damages.

*History: 1980 c 614 s 176*

#### **458B.10 CAPITAL EXPENDITURES; SALES TAX.**

Subdivision 1. **Commission expenditures prohibited.** The commission shall expend no money for the acquisition or betterment of the people mover system.

Subd. 2. **Sales tax.** The sale of equipment, material, and tangible personal property to any person under contract with the city or a contracting agency to be used for the acquisition and betterment of the vehicle system and people mover system shall be subject to taxation by the state or its political subdivisions. The value of such tax shall be applied to the local contribution for federal grant purposes to the extent permitted by federal rule and regulation.

*History: 1980 c 614 s 177*

#### **458B.11 IMPROVEMENT WARRANTS; BONDS.**

Subdivision 1. **Improvement warrants.** The city may issue and sell improvement warrants to finance the acquisition and betterment of the people mover system in accordance with the provisions of chapter 429 for which the full faith and credit of the city is not pledged and which shall be payable solely from special assessments levied against benefited property.

Subd. 2. **Bonds.** The city may issue and sell bonds for the acquisition and betterment of the people mover system in an amount not to exceed the total estimated costs of such acquisition and betterment. The city may loan the proceeds of such bonds to a nonprofit corporation to be used for such purpose in which event the city and nonprofit corporation shall enter into an agreement which shall provide for payment to the city by the nonprofit corporation of sums sufficient to pay the principal and interest on such bonds. The agreement may contain such other provisions relating to security for the bonds, the use of a trustee, remedies of bondholders, investment of bond proceeds, issuance of temporary bonds or notes, or any other matter, without limitation, as may be necessary or desirable for implementing the provisions of the St. Paul People Mover Act and financing the people mover system. The bonds shall be issued in accordance with the provisions of chapter 475, except section 475.61 and except that neither public sale nor election is required, the bonds may mature at any time or times, in such amount or amounts, within 30 years from date of issue, and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bear interest at such rate or rates, as may be agreed by the purchaser and the city, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law or charter. Bonds issued under this subdivision shall not constitute a debt within the meaning of any debt limitation established by law or charter, and no holder or holders of the bonds shall have the right to compel any exercise of the taxing power of the city to pay any such bonds or interest thereon, or to enforce payment thereof against any property of the city. The city or other owner of the people mover system is authorized to pledge, mortgage, and give a security interest therein to secure the bonds, except that no ad valorem tax levy of the city shall be used to secure the bonds. Any earnings on such bonds which are not used for payment of the bonds and interest thereon may be used to pay capital and operating costs of the people mover system or may be applied to reduce the total amount of special assessments levied or to be levied pursuant to the St. Paul People Mover Act, or both.

Subd. 3. **Tax exempt bonds.** Interest paid on bonds issued under authority of this section shall not be included in gross income for the purpose of computing any tax imposed by or under the provisions of chapter 290 or any act amendatory thereof or supplemental thereto.

**History:** 1980 c 614 s 178

**458B.12 ADDITIONAL AND SUPPLEMENTAL POWERS; CHARTER PROVISIONS.**

The powers conferred by the St. Paul People Mover Act shall be in addition and supplemental to the powers conferred by any other law or charter. The city may exercise the powers conferred notwithstanding any law or charter provision and without election, except a charter provision for initiative or referendum.

**History:** 1980 c 614 s 179

**458B.13 STATE NOT OBLIGATED.**

The authorization for the acquisition of a people mover system in the city of St. Paul is made on the basis that the system will be locally and federally financed and produce revenues that, with local and federal sources, will be sufficient to meet all operating costs and debt retirement. This authorization does not constitute a direct or indirect obligation of the state. The notes and bonds issued to finance the people mover system shall contain on their face a statement that the notes or bonds are not a debt of the state and that the state of Minnesota is not liable on them. This section is intended to forestall any unwarranted attempt by any person to cause damage to the credit rating of the state in order to force the state to assume an obligation for which it is neither legally nor morally responsible.

**History:** 1980 c 614 s 180