

# Business Item

Metropolitan Council



For the Metropolitan Council: December 21, 2022

## Business Item: 2022-338

METRO Green Line Extension Ninth Amendment to the Hennepin County and Hennepin County Regional Railroad Authority Capital Grant Agreement

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Procurement Policy 14-2
<b>Staff Prepared/Presented:</b>	Wes Kooistra, General Manager 612-349-7510 Nick Thompson, Deputy GM Capital Programs 651-602-1754 Jim Alexander, Project Director, 612-373-3880 Joan Hollick, Deputy Project Director, 612-373-3820
<b>Division/Department:</b>	Metro Transit / Green Line Extension Project Office

### Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute the ninth Amendment to the Capital Grant Agreement with Hennepin County and Hennepin County Regional Railroad Authority (HCRRRA) to add \$100,000,000 bringing the total grant amount to \$978,080,704 and extend the grant term to June 30, 2023.

### Background

In January 2022 the Council identified unexpected cost and schedule challenges for the Southwest Light Rail Transit (METRO Green Line Extension) Project (the "Project") that will require additional Project funding and revised opening date.

Since that time, the Project team has worked with LMJV, the civil construction contractor, to re-sequence construction and agree on a new construction schedule.

The Council and Hennepin County have been working together to propose additional funding to complete the Project. This amendment represents a partial funding solution that will be considered by the respective governing bodies.

The additional local funding from Hennepin County is contingent upon Council action METRO Green Line Extension – 2022 Budget Amendment (2022-337 JT) adding \$111,000,000 of federal funds to Project contingency including funds remaining from previous capital grants and from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRSSA) Federal Funds.

The Project will continue to manage expenditures and seek additional funding to fulfill budget needs that were identified in 2022 through options in reducing budget in various expense areas such as financing and cost controls, and by working with our funding partners.

The first Amendment extended the agreement term through September 2019. The second Amendment added \$118,554,954 (\$553,456,897 total) in funding for Project activities and extended the agreement term through March 2020. The third Amendment added \$49,338,784 (\$602,795,681) and extended the agreement term through June 2020. The fourth Amendment

added \$74,969,769 (\$677,765,449) and extended the agreement term through August 2020. The fifth Amendment extended the agreement term through November 2020. The sixth Amendment extended the agreement term through January 2022. The seventh Amendment provided additional funding increasing the maximum grant amount to \$878,080,704 and extended the agreement term through June 30, 2022. The eighth Amendment extended the agreement term through December 31, 2022.

## Rationale

On December 15, 2022, the Hennepin County Board approved the amendment in BAR 22-0538, adding \$100,000,000 to the grant amount and extending the term to June 30, 2023.

## Thrive Lens Analysis

Successful completion of the METRO Green Line Extension will advance the following Thrive MSP 2040 outcomes:

**Stewardship:** Transit investment provides an opportunity to reinvest and grow the capacity of our communities, with more inclusive development and intentional investment. It encourages businesses to invest in communities, which means access to resources, community amenities, jobs, and other community assets.

**Equity:** Connections to other METRO lines and countless local bus routes will bring people to jobs, jobs to communities, and returns to communities across the region.

**Livability:** The METRO Green Line Extension will add 14.5 miles to the existing Line, which connects downtown Minneapolis, downtown Saint Paul, and places in-between. This segment connects Eden Prairie, Minnetonka, Hopkins, and St. Louis Park to both downtown Minneapolis and Saint Paul, and major destinations at the University of Minnesota and the State Capitol.

**Prosperity:** The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region. Despite being under construction, the METRO Green Line Extension has already seen more than \$1.6 billion of investment within a half-mile of the line. Another \$500 million in investment is planned.

**Sustainability:** As many as 700,000 more people will be living, working, and moving around the Twin Cities region by 2040. As a result, a robust transportation system is needed to provide the region choices and more mobility.

**Prosperity:** The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

## Funding

All the local funding for the Project has been committed. This Amendment is included in the 2022-337JT Capital Budget Amendment.

## Small Business Inclusion

The aggregate DBE achievement on the Green Line Extension Project is 20.32% and exceeding the aggregate DBE contract goal of 16% as established by the Office of Equity and Equal Opportunity (OEEEO). OEEEO will continue to monitor progress and work with the awarded contractors to ensure DBE participation levels are maintained to meet or exceed the established goals.

