



2025-277 JT: Loan agreement with MnDOT

Kristin Prescott | Director, Finance

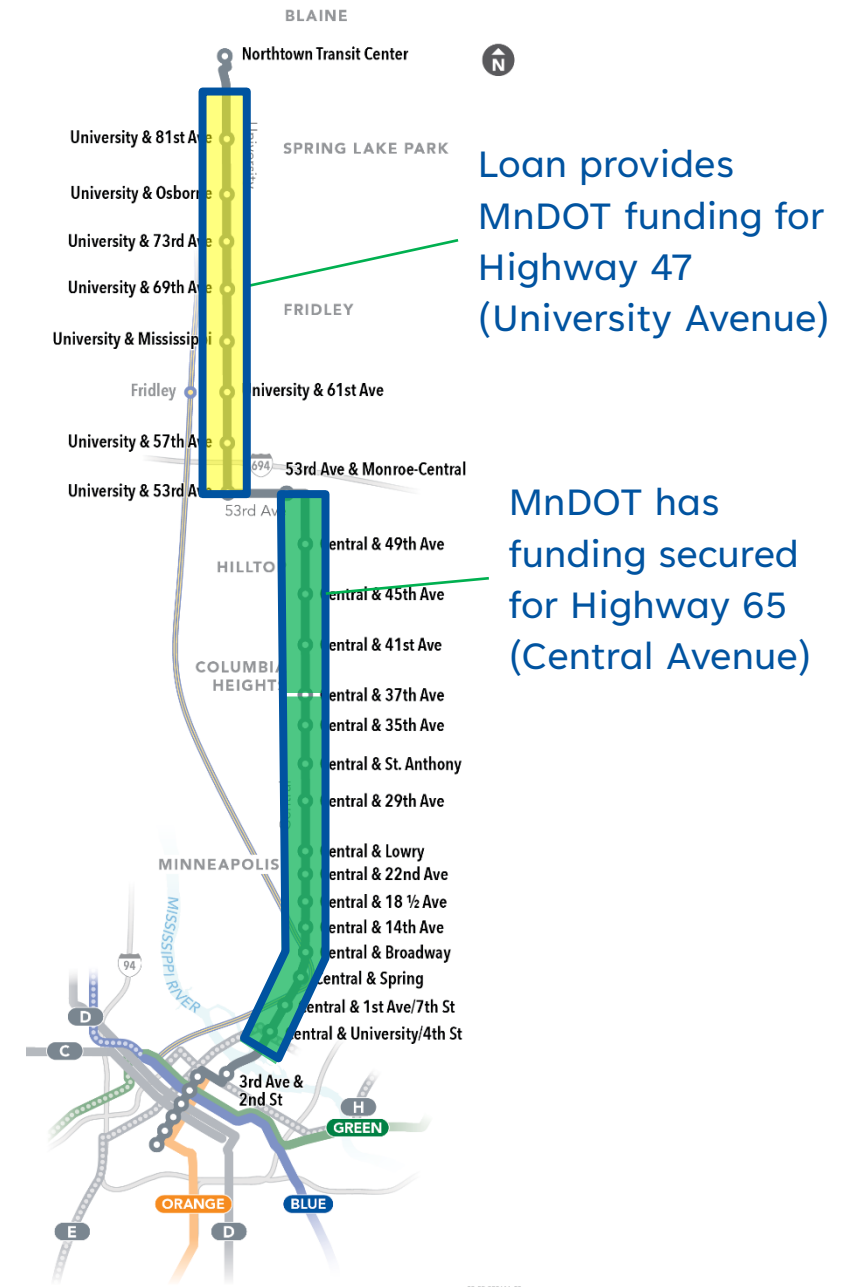
Katie Roth | Director, Arterial BRT

2025 legislation

- Minnesota Statutes, Section 473.4465
- Council may authorize sales tax loans to MnDOT to advance corridor projects to ensure the trunk highway's compatibility with planned bus rapid transit
 - Up to two loans
 - Up to \$250 million
 - Eligible corridor projects: F Line (Highways 47 / 65) and West 7th (Highway 5)
- Loan must be repaid in full by June 30, 2040, or ten years after construction begins, whichever is later

F Line & MnDOT construction coordination

- Highway 65 (Central Avenue)
 - Funding programmed by MnDOT
 - Construction planned to begin in 2028
- Highway 47 (University Avenue)
 - Funding gap filled by loan
 - Construction planned to begin in 2028
- F Line planned to begin service in 2030 after construction on both corridors is completed



Repayment terms

- Maximum loan of \$70 million
- Anticipate minimum of 2 disbursements
 - \$10M for Design/engineering (1-2 disbursements)
 - Up to \$60M for Construction (2 disbursements per year for ~2+ years)
- Interest rate agreed at ~4%
- Interest will accrue upon distribution (repayment starts at construction)
- Repayment period will be 10 years or 2040, whichever is later
- Repayment schedule modeled on MnPFA loan structure (Public Facilities Authority)

Business item 2025-277 JT

- That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a loan agreement with the Minnesota Department of Transportation for coordinated corridor construction of roadway improvements on the METRO F Line corridor.