

Transportation Committee

For the Metropolitan Council meeting of December 14, 2016

Subject: Southwest Light Rail Transit (Green Line Extension) Authorization to execute Hennepin Country Regional Railroad Authority (HCRRA) Property Transfer Agreement

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a Property Transfer Agreement (Agreement) between the Council and HCRRA related to the transfer of ownership of property as a permanent, in-kind contribution for the Southwest Light Rail Transit Project (Project).

Summary of Committee Discussion/Questions

Metro Transit Deputy General Manager Mark Fuhrmann and SWLRT Project Director Jim Alexander presented this item. Councilmember Dorfman asked if Metropolitan Council was responsible for the cost of replacement or repairs of the tracks, to which Alexander explained that it is anticipated that a separate agreement with Twin Cities and Western Railroad would include a provision for an annual fee or stipend to be paid to the Council, which would be used towards capital replacement and repairs.

Motion by Councilmember Munt, seconded by Councilmember Elkins and carried.

Transportation Committee

Meeting date: December 12, 2016

For the Metropolitan Council meeting of December 14, 2016

Subject: Southwest Light Rail Transit (Green Line Extension) Authorization to execute Hennepin Country Regional Railroad Authority (HCRRA) Property Transfer Agreement

District(s), Member(s): All

Policy/Legal Reference: 16 U.S.C Section 470(f)

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Mark Fuhrmann, Deputy General Manager, 612-373-3810
Jim Alexander, Acting Project Director, 612-373-3880
Joan Hollick, Deputy Project Director, 612-373-3820

Division/Department: Metro Transit / Green Line Extension Project Office

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a Property Transfer Agreement (Agreement) between the Council and HCRRA related to the transfer of ownership of property as a permanent, in-kind contribution for the Southwest Light Rail Transit Project (Project).

Background

HCRRA owns approximately 9 miles of property in the cities of Minneapolis, St. Louis Park, Hopkins and Minnetonka. This corridor includes approximately 2.5 miles with freight rail assets with an active freight railroad tenant Twin Cities and Western Railroad Company (TCWR). HCRRA also owns other discrete parcels of land in Minneapolis, St. Louis Park, Hopkins, and Minnetonka. HCRRA acquired the properties to preserve for the development of light rail transit. HCRRA is willing to transfer the right-of-way and physical assets of the properties to the Council and grant a freight rail operating easement to TCWR.

On November 9, 2016, the Council approved an action to authorize the Regional Administrator to negotiate the Agreement and file petitions with the Surface Transportation Board which will allow the Council to own the right-of-way and physical freight rail assets of the Kenilworth Corridor without the residual common carrier obligation. As a result of the filings, CP's rights to operate in the Kenilworth Corridor will terminate and TCWR will be the only permitted freight rail operator. TCWR's rights to operate in the Kenilworth Corridor through its Trackage Rights Agreements will be replaced with Freight Rail Operating Easements and be governed by an Operations and Maintenance Agreement with the Council.

The terms of the Agreement address the property interests to be transferred, type and schedule of conveyances, conditions precedent to closing, survey and environmental investigation terms, assignments of easements and leases, and address closing fees. Closing of the Agreement is anticipated in Q2, 2017.

Rationale

Executing the Agreement is necessary for the transfer of the property required to construct the Project.

Funding

The Agreement between the Council and HCRRA for the transfer of the property is an in-kind property transfer from HCRRA to the Council for the SWLRT Project

Known Support / Opposition

HCRRA is scheduled to consider this property transfer agreement at its December 13, 2016 meeting.