

SOUTHWEST

Green Line LRT Extension



Metropolitan Council Special Meeting

Wednesday, August 31, 2016



METRO System

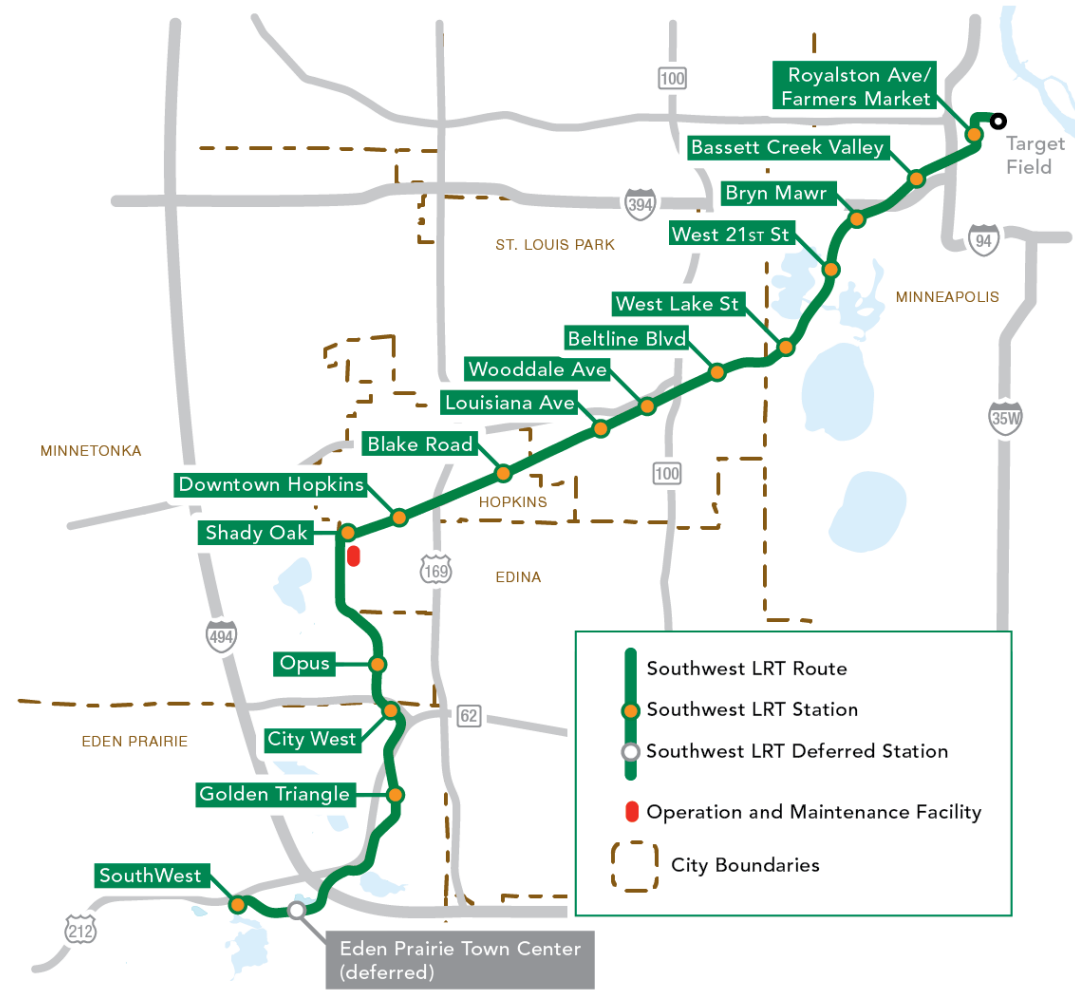


T Existing and Planned Transitways

METRO Green Line Extension (SWLRT)

Opening in 2021

- 14.5 miles
- 15 new stations
- 34,000 weekday boardings (2040)



Public Input and Engagement

- State Legislature held hearings as far back as 2009, appropriating \$30.3M over three separate sessions
- 6 mo. pause late 2013/early 2014 to re-evaluate freight alignment, water and landscape impacts; engage communities
- Since 2008, Hennepin Co. and Met Council held over 870 meetings with estimated attendance of 28,000 people



2014 Community Workshop

Public Input and Engagement

- 179 formal meetings to seek public comments/testimony
 - 30 public hearings
 - 18 open houses and community workshops
 - 131 advisory committee meetings
- 1,275 public comments received through environmental process



Met Council/Hennepin Co. Joint Public Hearing
2015 Municipal Consent



Eden Prairie City Council Public Hearing
2014 Municipal Consent

Project Milestones Completed

1. Environmental Reviews

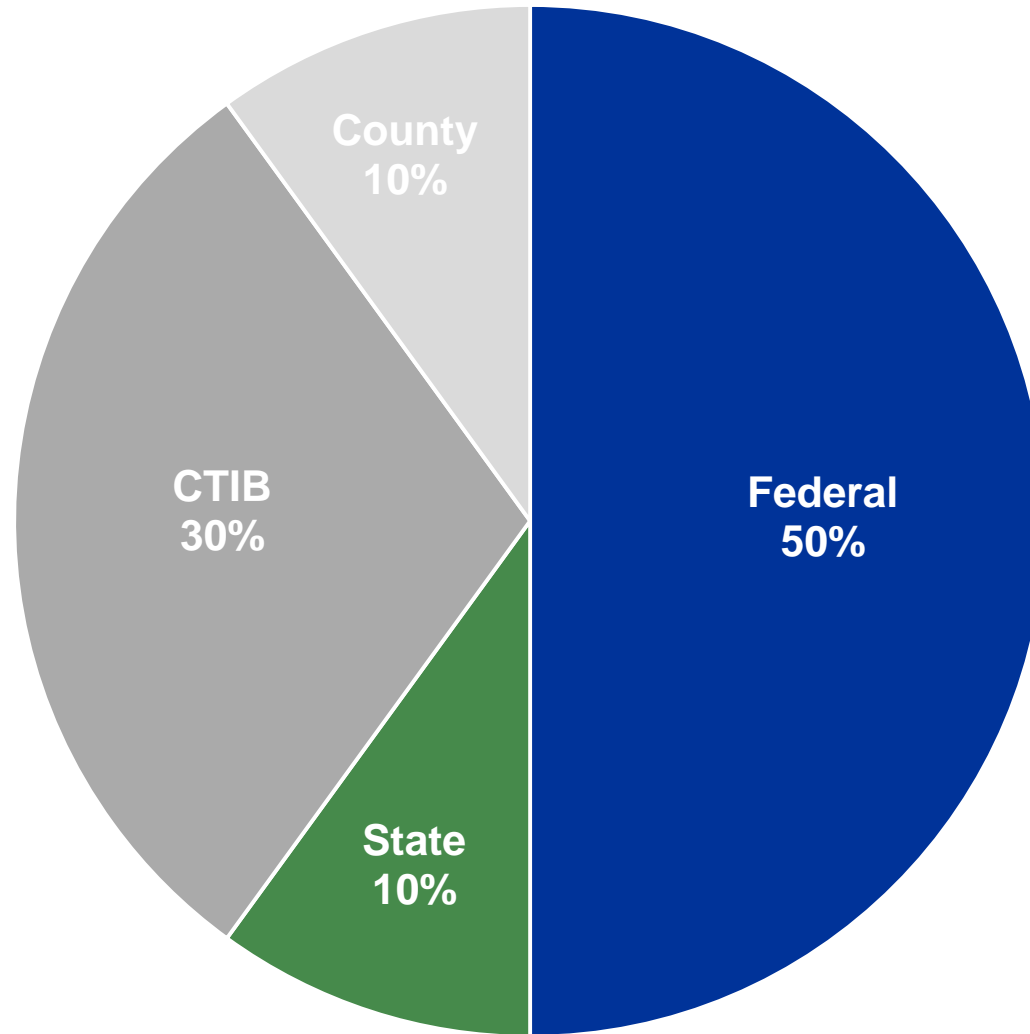
- Final Environmental Impact Statement
- FEIS Determination of Adequacy
- Record of Decision

2. 90% of engineering and design complete

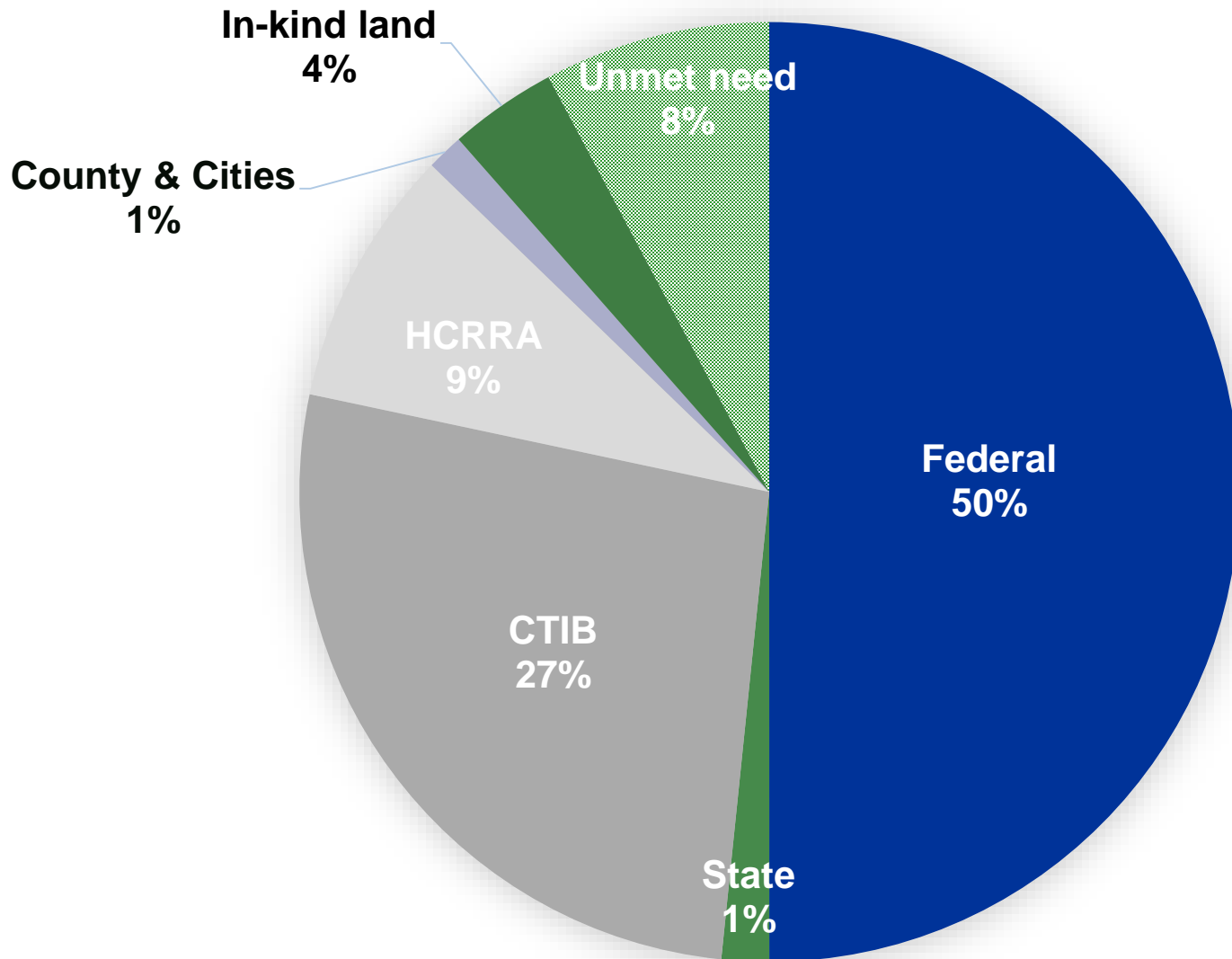
3. Light Rail Vehicle procurement in negotiations

4. Funding commitments for 84% (\$784.5 M) of the local share

Funding Sources for Central Corridor



Current Funding for Southwest LRT



Funding Gap

\$135M	Remaining State share
+\$19M	Cost of delay (end of session to Oct. 1)
-\$9.5M	Federal share of delay
=\$144.5M	Unmet need

Decision Needed before August 31

- Federal funding (\$928.5M) at risk because:
 - Without a decision, project runs out of cash Sept. 30
 - Project shutdown must begin August 31. Layoff notices must go out to up to 45 staff soon
 - Major engineering contractor will permanently reassign staff to other projects Aug. 31
 - Essential activities currently lack funding

**No staff, no contractor, no progress =
no federal money**

Options

Option 1: Fill \$144.5M Funding Gap

- Council issues Certificates of Participation for \$103.5M
 - Council finances \$91.75M
 - CTIB finances \$11.75M
 - Issuance July 2017
- HCRRA – additional \$20.5M
- CTIB – additional \$20.5M

Option 2: Shut down

- Incur \$5M in shutdown costs
- Lay off up to 45 staff
- \$140M in sunk costs
- Nearly impossible to restart project at later date
- Jeopardizes relationship with FTA; leaves uncertain Bottineau, Riverview, other projects

What is a Certificate of Participation (COP)?

- A COP is a Revenue Agreement
 - The financial market provides upfront funds for project expenses
 - The Council agrees to make scheduled payments from revenues available in our annual budget
- COP is not Debt
 - Investors rely upon the Council's credit history and expectation that Council will continue to annually budget funds and make scheduled payments

How will the COPs be Repaid?

- \$103.5M Certificates of Participation
 - Up to \$91.75M from Transit Operating Revenues
 - At least \$11.75M from CTIB Revenues
- Annual Costs
 - \$4-5M Council Transit Operations
 - ~ \$600,000 CTIB