

Transportation Committee

For the Metropolitan Council meeting of

Subject: Cooperative Funding Agreement with HCRRA for Project Development Continuance and Engineering for the Green Line LRT (SWLRT) Extension Project

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a Project Development (PD) Continuance and Engineering Cooperative Funding Agreement for the Southwest LRT (SWLRT), Green Line Extension Project between the Council and Hennepin County Regional Railroad Authority (HCRRA) in an amount not to exceed \$53.134 million.

Summary of Committee Discussion/Questions

SWLRT Deputy Project Director Joan Hollick presented this item. Councilmember Wulff expressed concerns about the repayment of the Certificates of Participation and the future possibility that we might have to cut some transit to pay. Metro Transit Deputy General Manager Mark Fuhrmann responded that the working assumption is that if the Council issues Certificates of Participation, the ability for the Council to finance those over the term could be to tap into any combination of revenue streams (general funds, legislature, motor vehicle sales tax). In the event this proves not to be adequate, there would need to be policy consideration by the Council as to how to allocate those resources between other transit division activities. Councilmember Munt stated that Certificates of Participation were not our desired way to fund SWLRT, but what this did was secure our position in line for Federal funding so we didn't lose nearly \$1B in Federal matching funds.

Motion by Munt, seconded by Letofsky and carried.

Transportation Committee

Meeting date: September 12, 2016

For the Metropolitan Council meeting of September 28, 2016

Subject: Cooperative Funding Agreement with HCRRA for Project Development Continuance and Engineering for the Green Line LRT (SWLRT) Extension Project

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

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Background

The Council and HCRRA entered into a Cooperative Funding Agreement (CFA) for SWLRT Project Development in January 2012. The 2012 PD Agreement set forth terms by which the parties would work cooperatively to successfully complete activities required to complete the Project Development phase of FTA's New Starts program. The parties amended the CFA in May 2013, March 2015, and December 2015 to refine agreement terms and adjust HCRRA's contribution commitments. The resulting work from the CFA and subsequent amendments resulted in a Council submittal to FTA in August 2016 of an application to advance the SWLRT Extension Project into the Engineering phase of the New Starts program. The FTA will be considering this application for a few months. PD Continuance and Engineering phase activities are estimated to cost up to \$265.7 million and this HCRRA agreement will provide 20 percent of the funding required for this phase of work, or \$53.134 million. The remaining required funding will be paid by CTIB and the Council.

Rationale

Executing the CFA is consistent with actions taken by the Council and by other stakeholders, including CTIB and HCRRA, to continue development of the SWLRT Extension Project. On August 30, 2016, the HCRRA Board passed resolution 16-HCRRA-0032 authorizing HCRRA to negotiate and execute this Cooperative Funding Agreement.

Funding

The Council will need to demonstrate a local match commitment of \$53.134 million which will be included in a forthcoming capital budget amendment. This commitment will be derived from the Council's adopted resolution 2016-24 stating the Council's intent to issue Certificates of Participation for SWLRT. The Cooperative Funding Agreement will allow the Council to draw down funds committed by HCRRA to continue advancing the SWLRT project into the Engineering phase of FTA's New Starts program.

Known Support / Opposition

There is no known opposition to this action.