

Transportation Committee

For the Metropolitan Council meeting of January 25, 2017

Subject: Southwest Light Rail Transit (Green Line Extension) Authorization to Execute Canadian Pacific (CP) Bass Lake Spur (BLS) Real Estate Purchase Agreement

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute:

- A Real Estate Purchase Agreement (Agreement) between the Council and CP related to the acquisition of the Bass Lake Spur in an amount not-to-exceed \$27,450,000 (*Amount not to exceed is contingent upon FTA concurrence.*)
- An associated Bass Lake Spur Freight Rail Easement Agreement among CP, Twin Cities & Western Railroad Company (TCWR), and the Council.
(*Both agreements are contingent upon a positive decision by the Surface Transportation Board and TCWR's assumption of the common carrier obligations.*)

Summary of Committee Discussion/Questions

Jim Alexander, SWLRT Project Director, presented the item. Councilmember Munt questioned whether the maximum speed allowed for trains will change after the project is constructed. Mr. Alexander responded that the maximum speed is limited to 25 mph on the existing Bass Lake Spur and Kenilworth Corridor and TCWR elects to operate at 10 mph in the Kenilworth Corridor. After construction, the maximum speed will remain at 25 mph on both corridors and TCWR has indicated that it intends to continue to operate at 10 mph in the Kenilworth Corridor.

Motion by Munt, seconded by Elkins and approved.

Transportation Committee

Meeting date: January 9, 2017

For the Metropolitan Council meeting of January 25, 2017

Subject: Southwest Light Rail Transit (Green Line Extension) Authorization to Execute Canadian Pacific (CP) Bass Lake Spur (BLS) Real Estate Purchase Agreement

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. 473.399

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Mark Fuhrmann, Deputy General Manager, 612-373-3810
Jim Alexander, 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

CP presently owns a 6.8-mile linear corridor known as the Bass Lake Spur in the cities of St. Louis Park, Hopkins, and Minnetonka that is required for the Southwest Light Rail Transit Project (Project). CP is willing to sell the right-of-way and physical assets of the Bass Lake Spur 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 (formerly referred to as a Purchase and Sales Agreement) and to 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 Bass Lake Spur without the residual common carrier obligation. As a result of the filings, CP's rights to operate in the Bass Lake Spur will terminate and TCWR will be the freight rail operator. These terms are outlined in the Bass Lake Spur Freight Rail Easement Agreement. The Council and TCWR will enter into an Operations and Maintenance Agreement governing the terms of TCWR's freight access over the Bass Lake Spur.

The terms of the Agreement address standard real estate terms, such as the property interests to be transferred, survey and environmental investigation terms, assignments of easements and leases, and buyer and seller representations. Closing of the Agreement is anticipated in Q2, 2017 and is contingent upon a positive decision by the Surface Transportation Board and TCWR's assumption of the common carrier obligations through execution of the Freight Rail Operating Easement with CP and the Operations and Maintenance Agreement with the Council.

The Bass Lake Spur Freight Rail Easement Agreement facilitates the granting of the Freight Rail Easement from CP to TCWR and describes the post-construction property.

Rationale

Executing the Agreement is necessary for the acquisition of the Bass Lake Spur and construction of the Project.

Thrive Lens Analysis

Purchasing the rail corridor is necessary to implement the Green Line Extension that will provide access to 80,900 forecasted jobs and a new transportation option for 55,600 forecasted residents within ½ mile of the planned new stations in addition to the 145,300 forecasted jobs and 35,600 forecasted residents in downtown Minneapolis.

Funding

The Agreement between the Council and CP for the acquisition of the Bass Lake Spur is a Project eligible cost and will be funded 50% by the Federal Transit Administration and 50% by local funding partners.

Known Support / Opposition

There is no known opposition to this action.

SOUTHWEST

Green Line LRT Extension



Transportation Committee

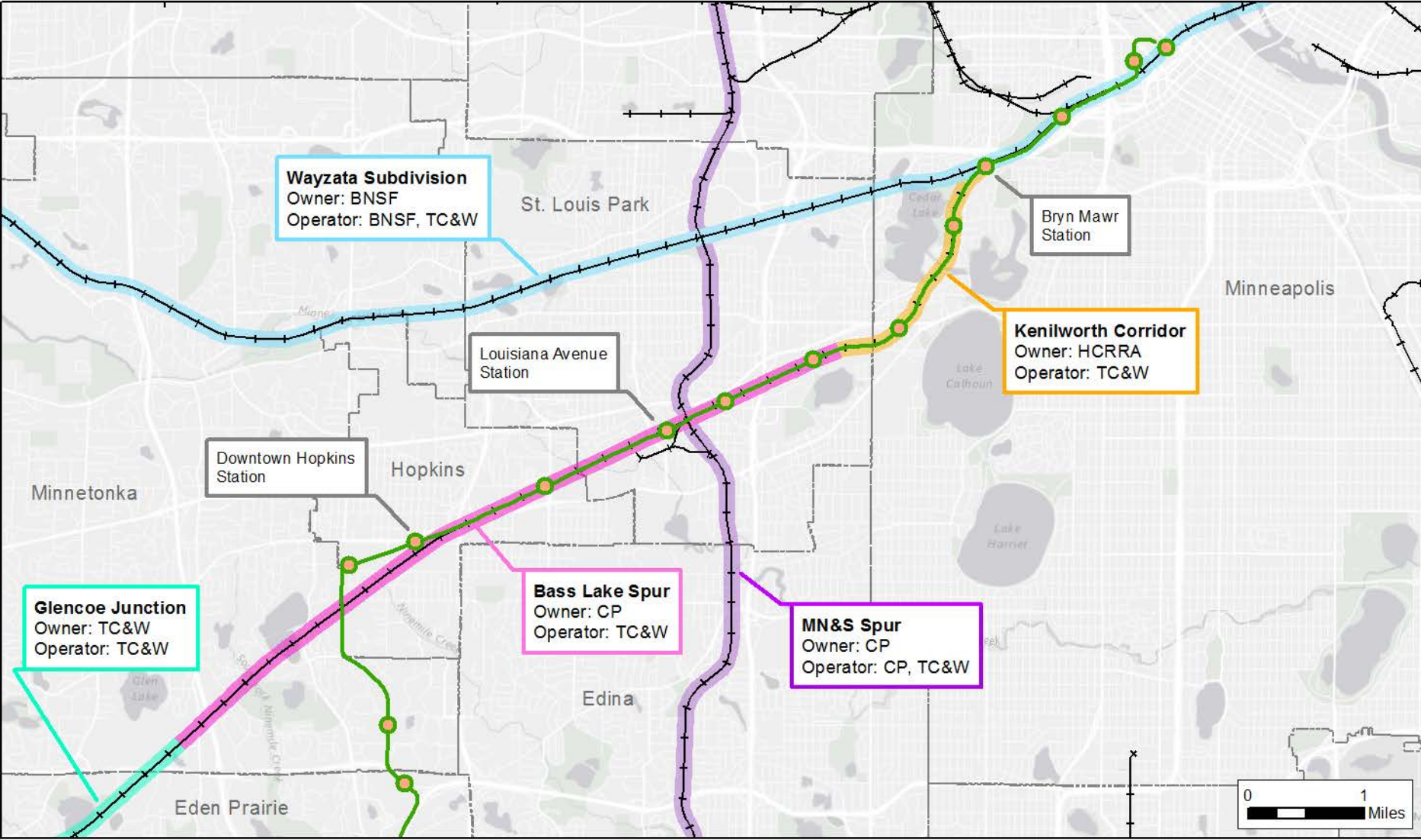
January 9, 2017



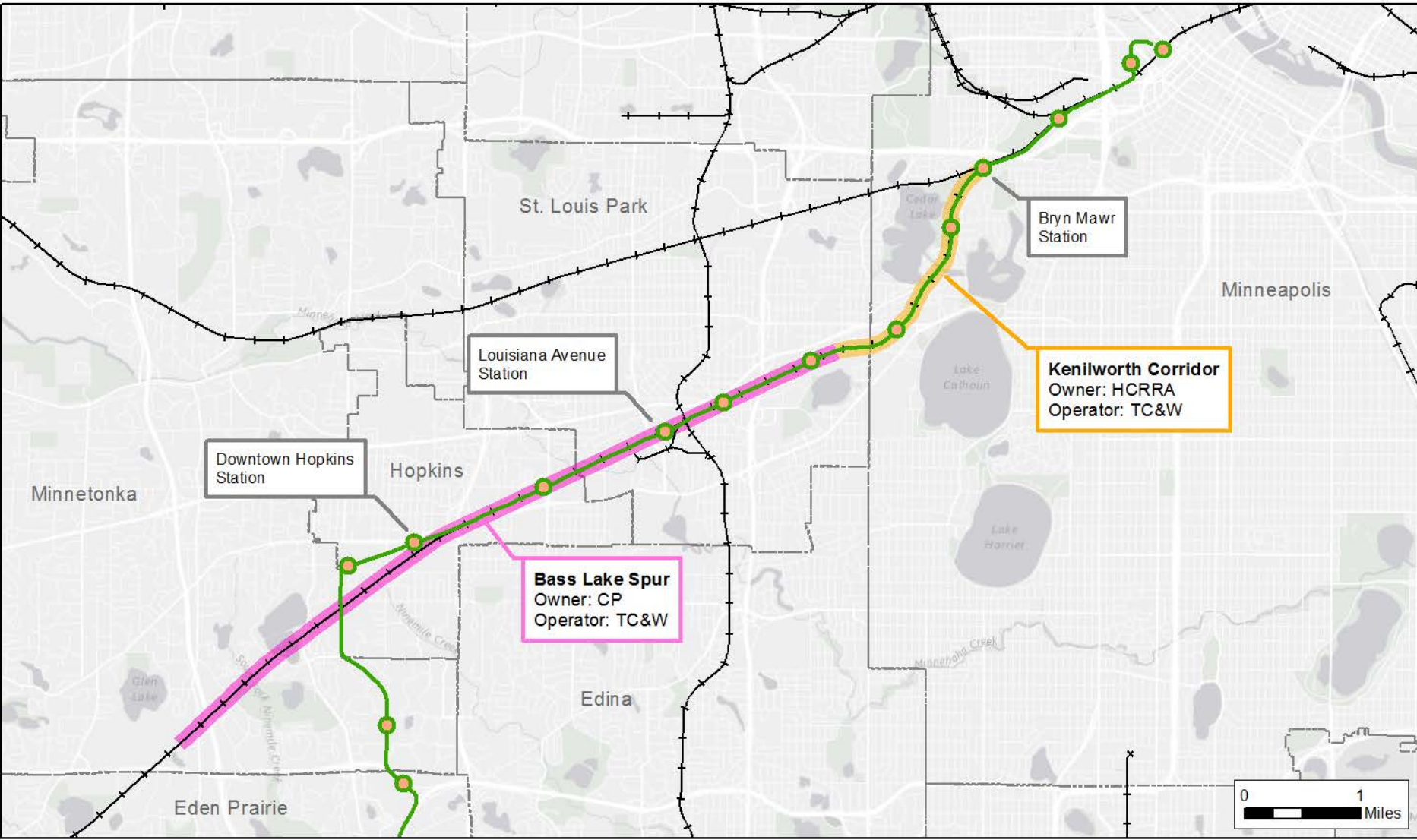
Background

- On October 26, Council authorized the Regional Administrator to:
 - Negotiate a Purchase and Sales Agreement between the Council and Canadian Pacific
 - Negotiate an Operations and Maintenance Agreement between the Council and Twin Cities and Western Railroad
- On December 14, Council authorized the Regional Administrator to:
 - Execute a Property Transfer Agreement between the Council and Hennepin County Regional Railroad Authority

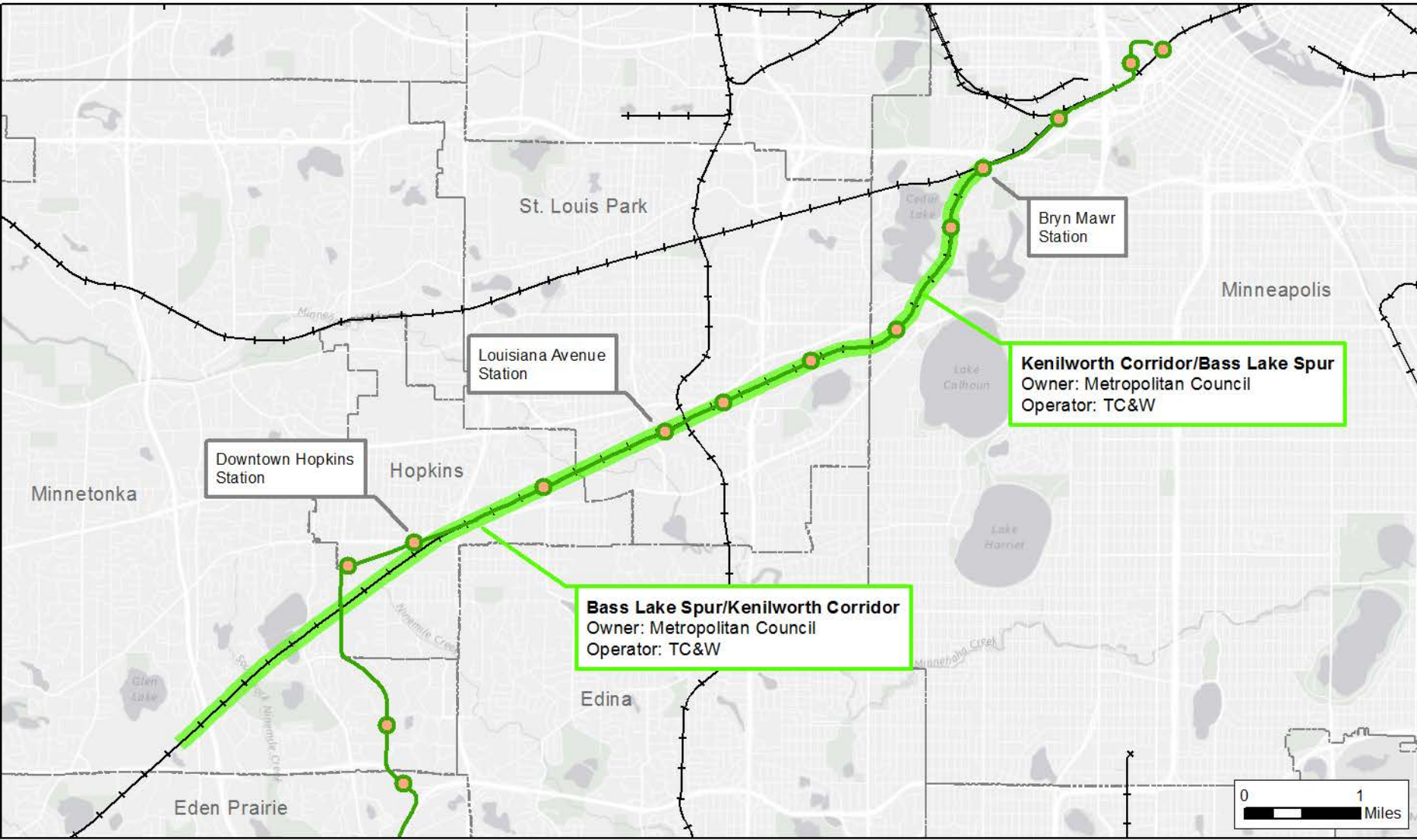
Existing Freight Rail Network



Existing Freight Rail Owners & Operators



Proposed Freight Rail Owners & Operators



Overview of Agreements

- Real Estate Purchase Agreement
 - Council owns right-of-way and physical freight rail assets of Bass Lake Spur
- Freight Rail Easement Agreement
 - Terminates CP's rights to operate on the Bass Lake Spur
 - Assigns common carrier obligation to TCWR

Recommendation

- Authorize Regional Administrator to execute two agreements with CP (2017-11)
 - Real Estate Purchase Agreement related to acquisition of Bass Lake Spur in an amount not-to-exceed \$27,450,000
 - Amount not-to-exceed contingent upon FTA concurrence
 - Associated Bass Lake Spur Freight Rail Easement Agreement among CP, TCWR and Council
 - Contingent upon Surface Transportation Board

More Information

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