

Committee Report

Business Item No. 2017-235

Management Committee

For the Metropolitan Council meeting of November 8, 2017

Subject: Blue Line Extension Light Rail Transit Amendment #1 to the Legal Services Contract (15P136) with Greene Espel, PLLP

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute Amendment #1 to the legal services contract (15P136) with Greene Espel, PLLP related to freight rail for the Blue Line Extension Light Rail Transit (BLRT) Project.

Summary of Committee Discussion/Questions

Dan Soler, BLRT Project Director, presented the business item.

Motion by Cunningham, seconded by Rodriguez. Motion carried unanimously.

Management Committee

Meeting date: October 25, 2017

For the Metropolitan Council meeting of November 8, 2017

Subject: Blue Line Extension Light Rail Transit Amendment #1 to the Legal Services Contract (15P136) with Greene Espel, PLLP

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statutes 473.399, Minnesota Statutes 473.129

Staff Prepared/Presented: Brian Lamb, Metro Transit General Manager, 612-349-7510
Mark Fuhrmann, Metro Transit Deputy General Manager, 612-373-3810
Dan Soler, SWLRT Project Director, 612-373-5371

Division/Department: Office of General Counsel and Metro Transit / Blue Line Extension LRT

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute Amendment #1 to the legal services contract (15P136) with Greene Espel, PLLP related to freight rail for the Blue Line Extension Light Rail Transit (BLRT) Project.

Background

Authorization to amend the legal services contract with Greene Espel, PLLP is required because the current contract value of \$450,000 is anticipated to be fully expended in November 2017.

Greene Espel is providing legal and industry expertise in working with the freight rail industry and leads the negotiations of freight rail agreements with BNSF Railway for both the BLRT and Southwest LRT Projects. It is critical to maintain existing relationships throughout negotiations to achieve critical schedule milestones.

The BLRT line calls for the LRT tracks to be located in the right-of-way owned and operated by BNSF Railway for an 8-mile portion of the 13-mile alignment. Three types of agreements with BNSF must be executed prior to application for the Full Funding Grant Agreement: 1) Purchase and Sales Agreement; 2) Construction Agreement; and 3) Shared Use Agreement. To date, the negotiations have produced agreement on a substantial number of terms and technical parameters that pertain to the agreements for both projects. The majority of the remaining negotiations will focus on issues that are unique to the BLRT Project alignment.

The original contract was executed on September 17, 2015 for \$450,000 following a competitive procurement. For amendment #1, staff recommends increasing the contract value by an additional \$300,000 to ensure the continuity of Greene Espel's role in negotiations with BNSF.

Rationale

Contract amendment #1 is for additional legal services needed for final negotiations of remaining issues for the three critical freight rail agreements with BNSF prior to the BLRT Project's application for the FFGA.

Thrive Lens Analysis

Agreements with freight rail companies is necessary to construct and operate the Blue Line Extension which supports Thrive outcomes including livability, prosperity, and equity by providing new access to economic and personal opportunity through the project corridor.

Funding

Legal Services is a project budgeted activity and a project eligible expense.

Known Support / Opposition

There is no known opposition to amending the contract with Greene Espel, PLLP (15P136).