

Transportation Committee

For the Metropolitan Council meeting of August 16, 2017

Subject: Southwest Light Rail Transit (Green Line Extension) Construction Agreement with Twin Cities and Western Railroad

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute a Construction Agreement with Twin Cities and Western Railroad (TCWR) for the Southwest LRT Project (Project) in an amount not-to-exceed of \$16.1 million.

Summary of Committee Discussion/Questions

Jim Alexander, SWLRT Project Director, presented the item. Councilmember Dorfman commented that while she was on the St. Louis Park City Council, she received calls from this neighborhood complaining about the idling trains. Alexander responded that with the removal of siding and the introduction of the southerly connector the noise will be reduced.

Motion by Munt seconded by Elkins and passed.

Transportation Committee

Meeting date: August 14, 2017

For the Special Metropolitan Council meeting of August 16, 2017

Subject: Southwest Light Rail Transit (Green Line Extension) Construction Agreement with Twin Cities and Western Railroad

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, SWLRT Project Director, 612-373-3880
Joan Hollick, SWLRT 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 negotiate and execute a Construction Agreement with Twin Cities and Western Railroad (TCWR) for the Southwest LRT Project (Project) in an amount not-to-exceed of \$16 million.

Background

TCWR operates freight rail service over the Bass Lake Spur and Kenilworth Corridor which will be acquired by the Council to construct the Project. TCWR will continue operating freight rail during construction of the Project. The Parties desire to enter into a Construction Agreement to outline the roles and obligations, schedule and scope related to the shift of freight rail tracks and construction of the Project. TCWR will provide flagging and inspection services related to freight rail safety. In addition, the Construction Agreement addresses mitigation for operational interruptions and maintenance during construction. The cost for these and other administrative costs will be covered by the Construction Agreement in an amount not-to-exceed of \$4.2 million and will be funded by the Project.

The Council will remove and replace freight rail track in the Bass Lake Spur to accommodate construction of the Project. The Construction Agreement outlines the party's rights and obligations, schedule and tax treatments related to the transaction. The Construction Agreement includes a not-to-exceed amount for replacing the freight rail track of \$11.8 million to be funded by the Project.

Rationale

Entering into a Construction Agreement is necessary for the construction of the Project. The Construction Agreement represents the parties' binding commitments to providing a solution for the freight track capacity that will be impacted by construction of the Project. Without this funding commitment, TCWR will not have the track capacity to maintain its current freight rail operation level when the Council removes the siding in the Bass Lake Spur which would result in TCWR not participating in the required Surface Transportation Board filings.



Thrive Lens Analysis

The Construction Agreement will allow implementation of the Green Line Extension that will increase the region's prosperity as it will provide access to 80,900 forecasted jobs and a new transportation option for 55,800 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 activities covered by the Construction Agreement are Project eligible costs 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

August 14, 2017



Today's Topics

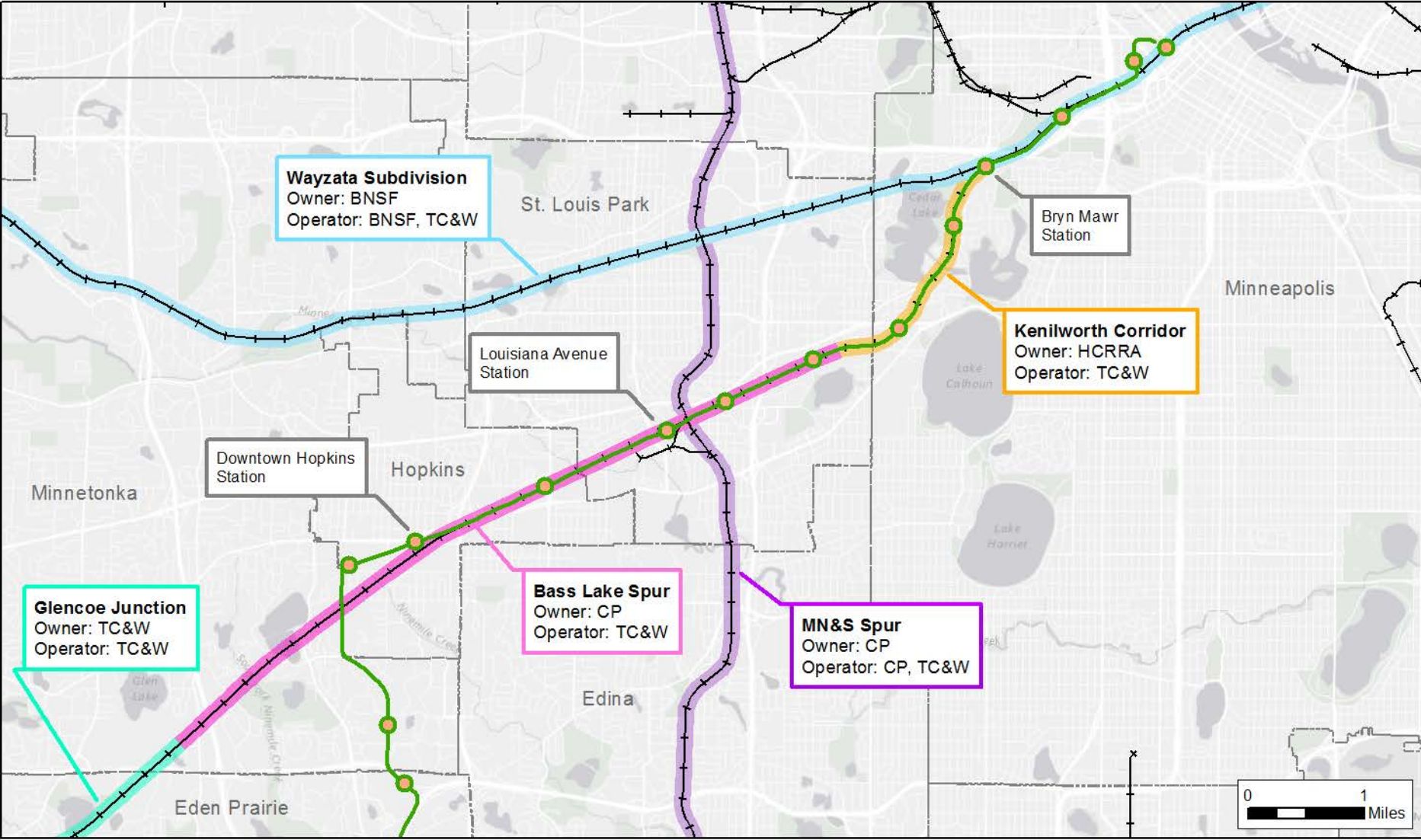
- Twin Cities & Western Railroad Construction Agreement
- Four BNSF Railway Agreements
- Construction Management Support Services Contract



Authorization to Negotiate and Execute Twin Cities & Western Railroad (TCWR) Construction Agreement

#2017-150SW

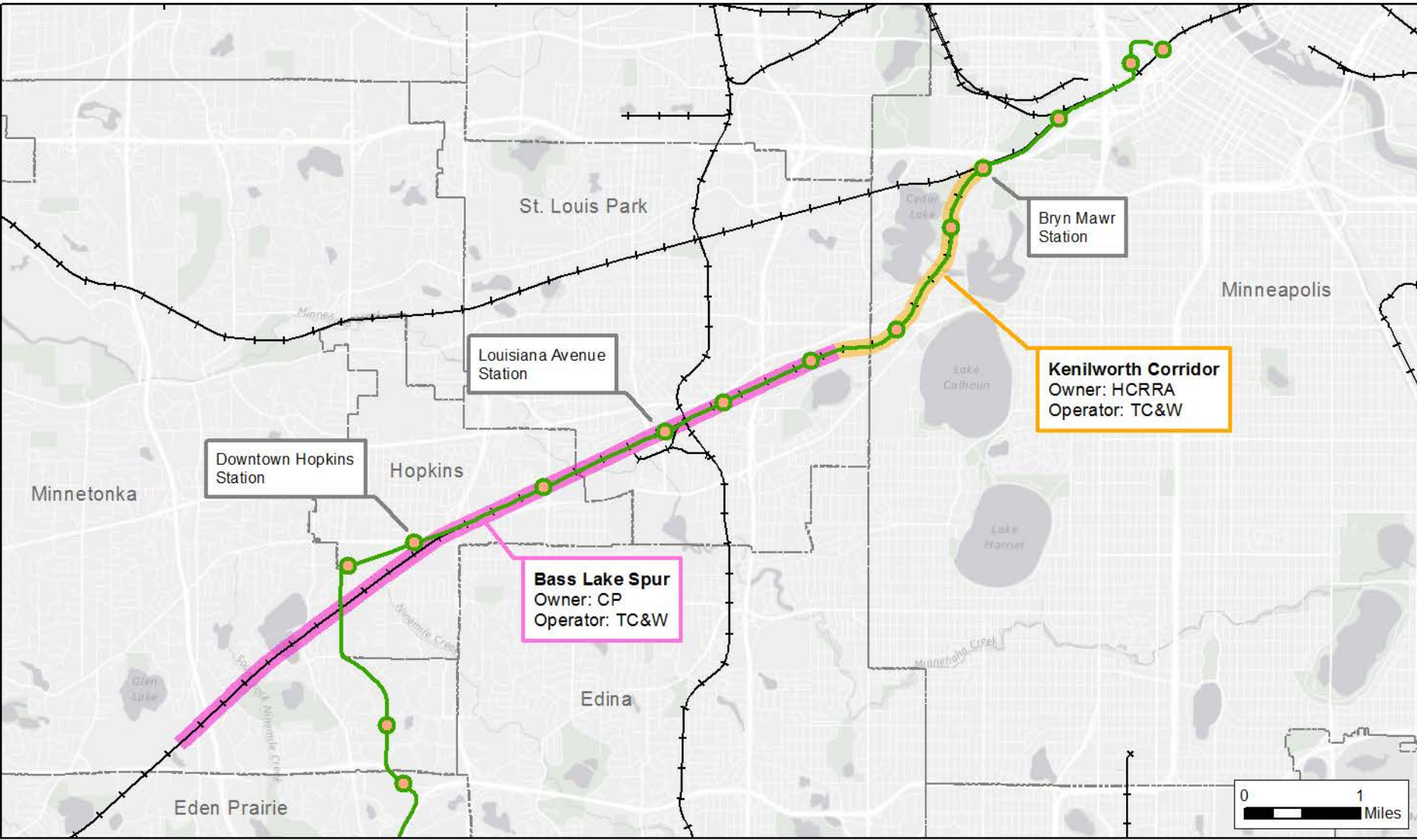
Existing Freight Rail Network



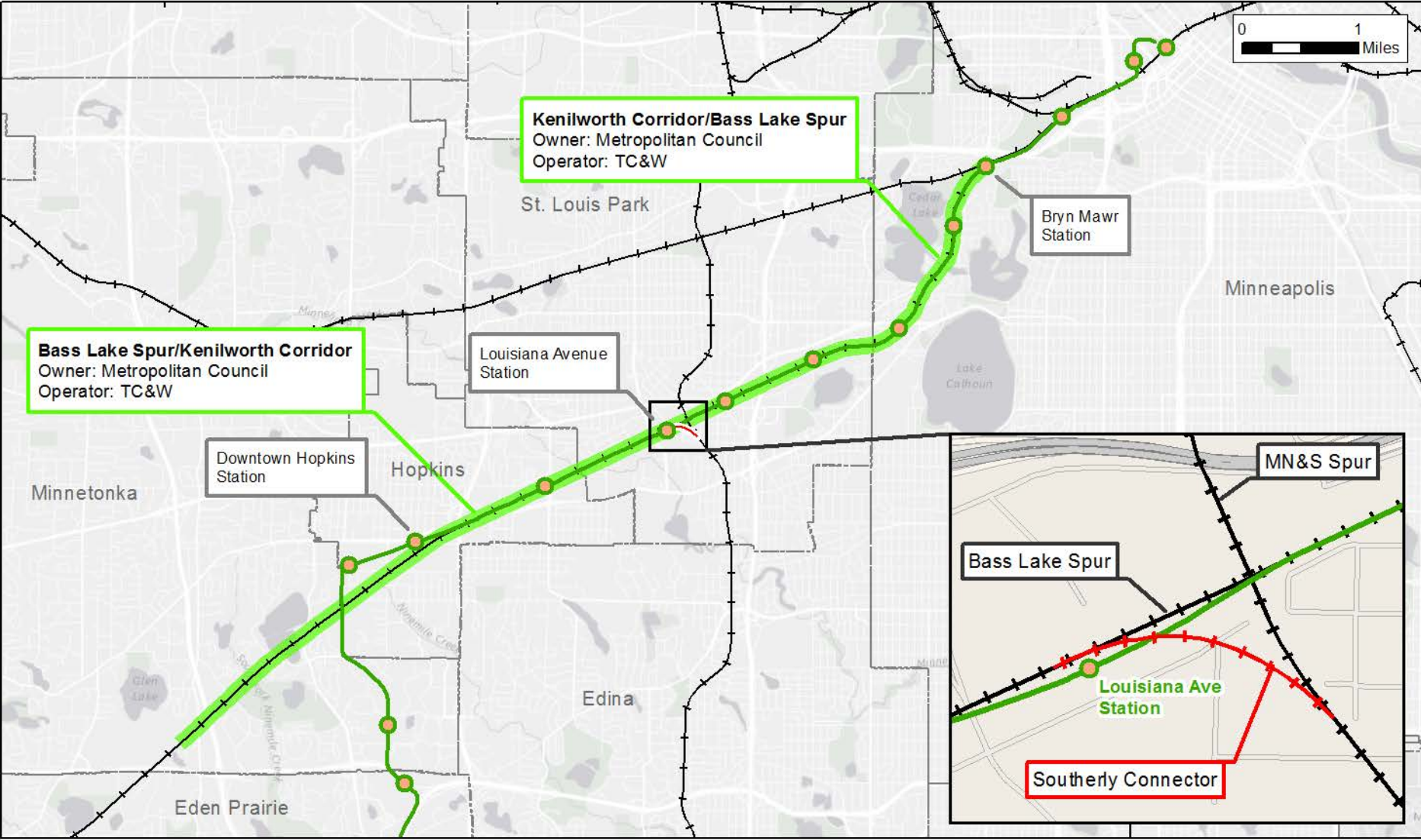
Background: TCWR

- Nov 9, 2016: Council authorized Regional Administrator to:
 - Negotiate Operations and Maintenance Agreement between Council and Twin Cities and Western Railroad (TCWR)
 - File petitions with Surface Transportation Board to acquire ROW and physical freight rail assets of Bass Lake Spur & Kenilworth Corridor without residual common carrier obligation
- July 12, 2017: Council authorized Regional Administrator to execute an Operations and Maintenance Agreement with TCWR related to freight access and operations on Bass Lake Spur and Kenilworth Corridor

Existing Freight Rail Owners & Operators



Proposed Freight Rail Owners & Operators



TCWR Construction Agreement

- Outlines roles and obligations, schedule and scope related to construction of SWLRT
- Includes funds not-to-exceed:
 - \$11.9 million to replace freight rail siding track outside of corridor
 - \$4.2 million for TCWR to provide flagging, inspection services, maintenance and other administrative and operational costs during construction

Current Siding Track to be Relocated



More Information

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Email:

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Twitter:

www.twitter.com/southwestlrt

