

### Transportation Committee

For the Metropolitan Council meeting of August 16, 2017

**Subject:** Southwest Light Rail Transit (Green Line Extension) Shared Use Agreement with BNSF Railway

#### Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute a Shared Use Agreement with BNSF Railway (BNSF) related to operations and maintenance on the Wayzata Subdivision as a result of the Southwest LRT Project (Project).

#### Summary of Committee Discussion/Questions

Jim Alexander, SWLRT Project Director, presented the item. Dorfman asked while relocating the trail if the width would remain the same. Alexander replied that yes, each path would remain the same but due to the location of a transmission pole, the two paths would have to be located around the pole. Dorfman also brought attention to two letters – from Kevin Reich, Chair of Minneapolis Transportation & Public Works Committee and one from Robin Hutcheson, Director of Public Works in Minneapolis. These letters outline their concerns and questions regarding the tail track and barrier wall. Dorfman added that she believes Council staff will work with the City on these items. Alexander confirmed that staff will work closely with the City on the elements affected by the tail track and corridor protection as the project moves forward. Dorfman and Alexander noted that the freight rail negotiations are challenging and that the conversations needed to be confidential in order to progress.

Letofsky, Munt, Schreiber and Chair Rodriguez thanked staff and the team for their hard work on these business items.

Motion by Barber, seconded by Munt and passed.

**Transportation Committee**

Meeting date: August 14, 2017

For the Special Metropolitan Council meeting of August 16, 2017

<b>Subject:</b>	Southwest Light Rail Transit (Green Line Extension) Shared Use Agreement with BNSF Railway
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stat. 473.399
<b>Staff Prepared/Presented:</b>	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
<b>Division/Department:</b>	Metro Transit / Green Line Extension Project Office

**Proposed Action**

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute a Shared Use Agreement with BNSF Railway (BNSF) related to operations and maintenance on the Wayzata Subdivision as a result of the Southwest LRT Project (Project).

**Background**

BNSF owns and operates freight rail on the Wayzata Subdivision. The Council anticipates acquiring property rights from BNSF to construct and operate LRT on the Wayzata Subdivision. The Shared Use Agreement governs the Council’s rights and obligations related to the Council’s planned LRT service on and adjacent to a portion of the Wayzata Subdivision. The Shared Use Agreement addresses, among other things, use of the property, maintenance, construction of additions and alterations, and risk and insurance requirements.

**Rationale**

Entering into a Shared Use Agreement will allow the Council to fulfill its obligations required to construct the Project. The Shared Use Agreement will govern the Council’s rights and obligations associated with the use of the BNSF-owned Wayzata Subdivision and set the terms of the ongoing business relationship between the Council and BNSF related to the co-location of freight and light rail in the shared corridor. The Shared Use Agreements also addresses the allocation of liability in the shared corridor and memorializes the Council’s commitment to providing a \$295 million Railroad Liability Policy for claims related to LRT.

**Thrive Lens Analysis**

The Shared Use 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 agreement covers operations activities, outlines flagging requirements, and roles and responsibilities, including potential acquisition of materials in the case of emergencies. There is no rail operations dollar amount identified in this agreement for these potential costs at this time. Funding for these activities will be incorporated into the rail operations budgets starting with revenue operations in 2021.

### **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



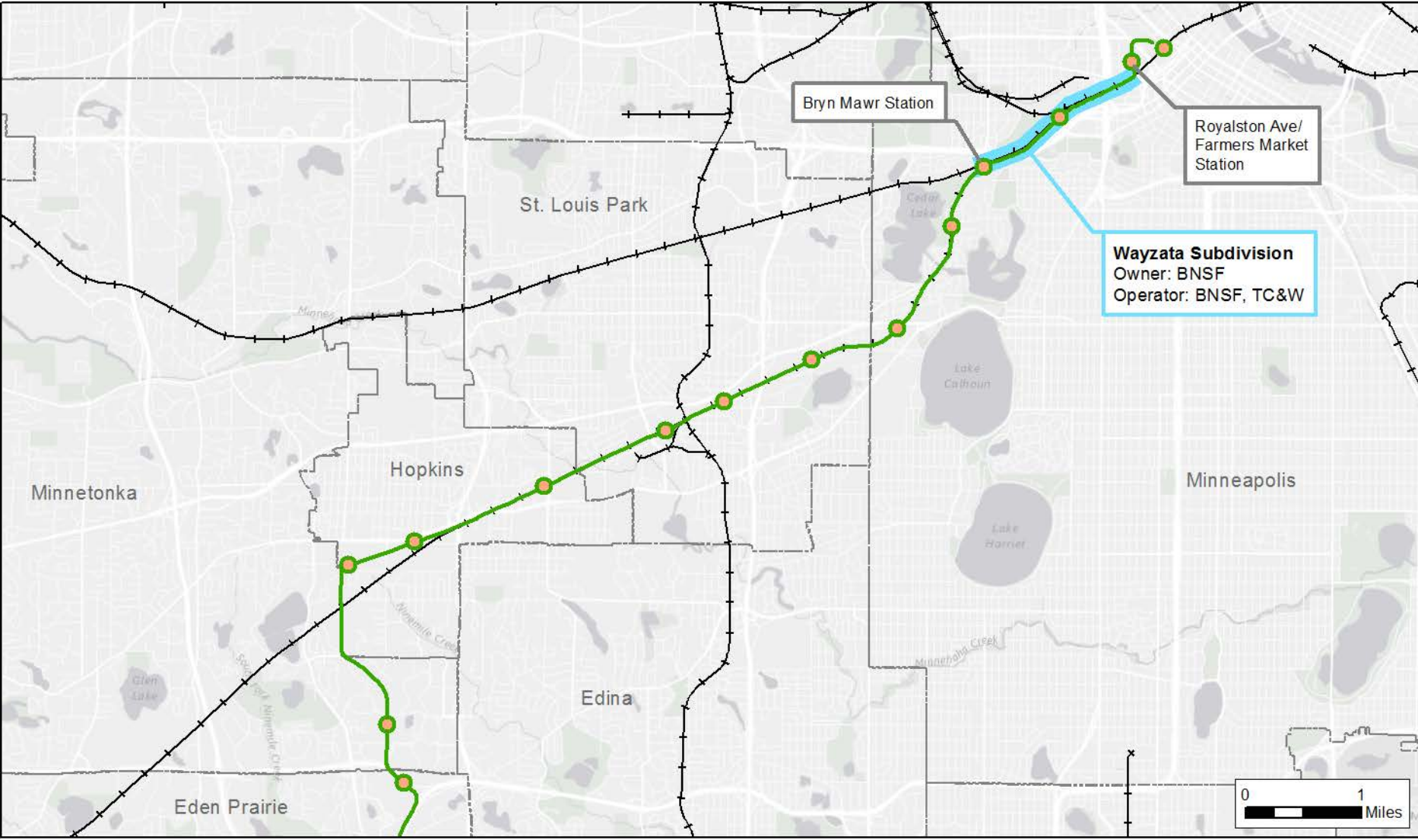
# Authorization to Negotiate and Execute Agreements with BNSF Railway

- **2017-162SW Memorandum of Understanding**
- **2017-163SW Shared Use Agreement**
- **2017-164SW Construction Agreement**
- **2017-165SW Purchase and Sales Agreement**

# Background: Wayzata Subdivision

- BNSF owns and operates freight rail service on the Wayzata Subdivision
- Approximately 1.4 miles of SWLRT Project alignment is on or adjacent to BNSF right-of-way in Wayzata Subdivision (the “Shared Corridor”)
- Construction of SWLRT requires shifting BNSF’s track to make space for LRT

# Background: The Shared Corridor





# Background: The Shared Corridor

- Between east side of Bryn Mawr Station to just south of Royalston Ave/Farmers Market Station
- SWLRT construction requires relocating approximately 3,160 feet of BNSF track and purchasing BNSF property
- Freight rail currently operates at 25 mph and LRT will travel at speeds up to 55 mph in this area

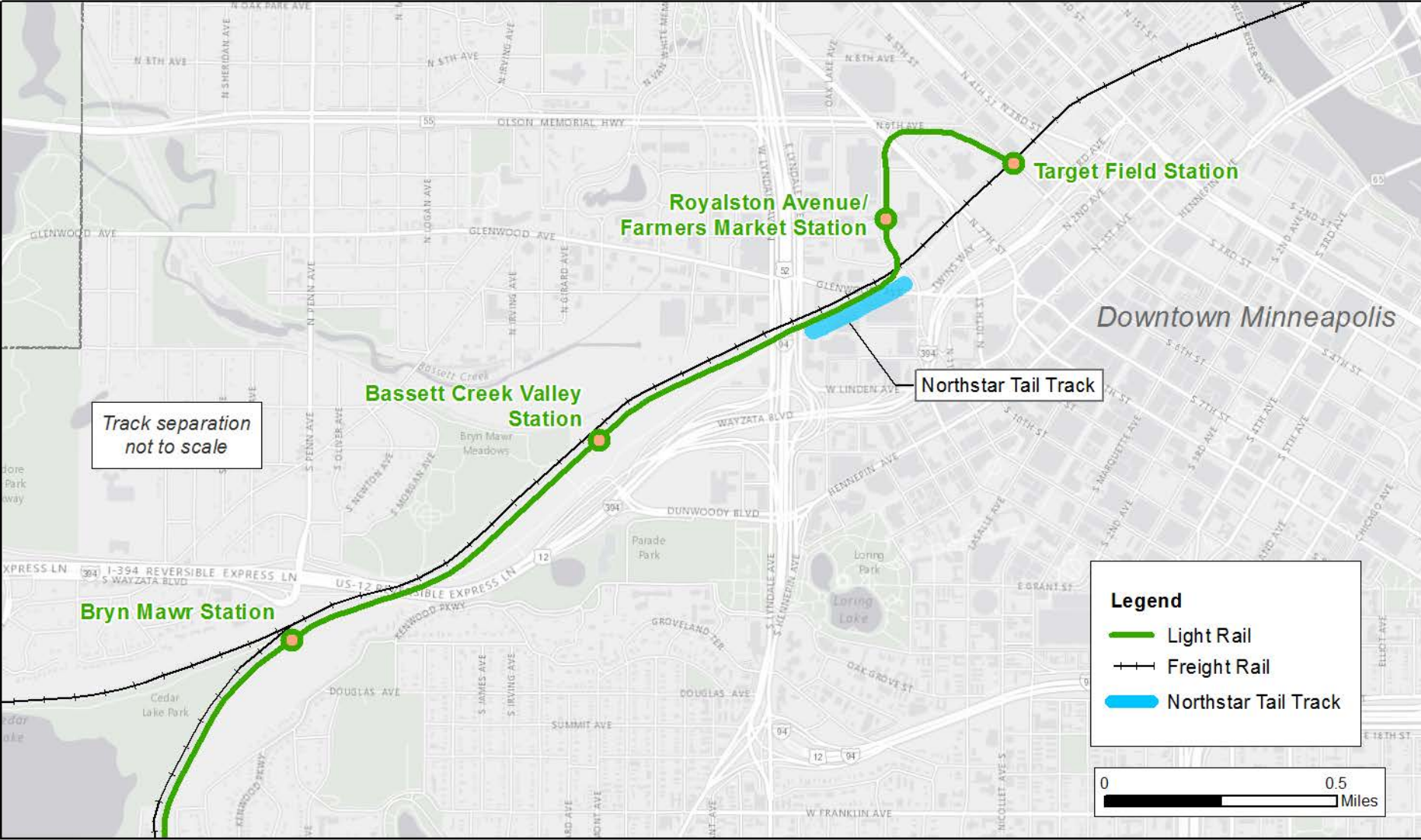
# Memorandum of Understanding

- Parties to MOU include BNSF, MnDOT, Hennepin County and Hennepin County Regional Railroad Authority
- Recognizes importance of maintenance and improvement of freight rail infrastructure in region
- Recognizes importance of Wayzata Subd. as component of freight rail network
- Documents parties' intent to continue coordination on regional transportation planning
- Asserts SWLRT:
  - Is in the public interest
  - Has been designed and will be constructed so freight and LRT safely co-located and operated

# Shared Use Agreement

- Governs Council's rights and obligations related to LRT service adjacent to freight rail in Wayzata Subdivision
- Addresses use of property, maintenance and insurance
  - Council will provide \$295 million Railroad Liability Policy
- Includes agreement to relocate tail track used for daily storage of Northstar train to west of Target Field

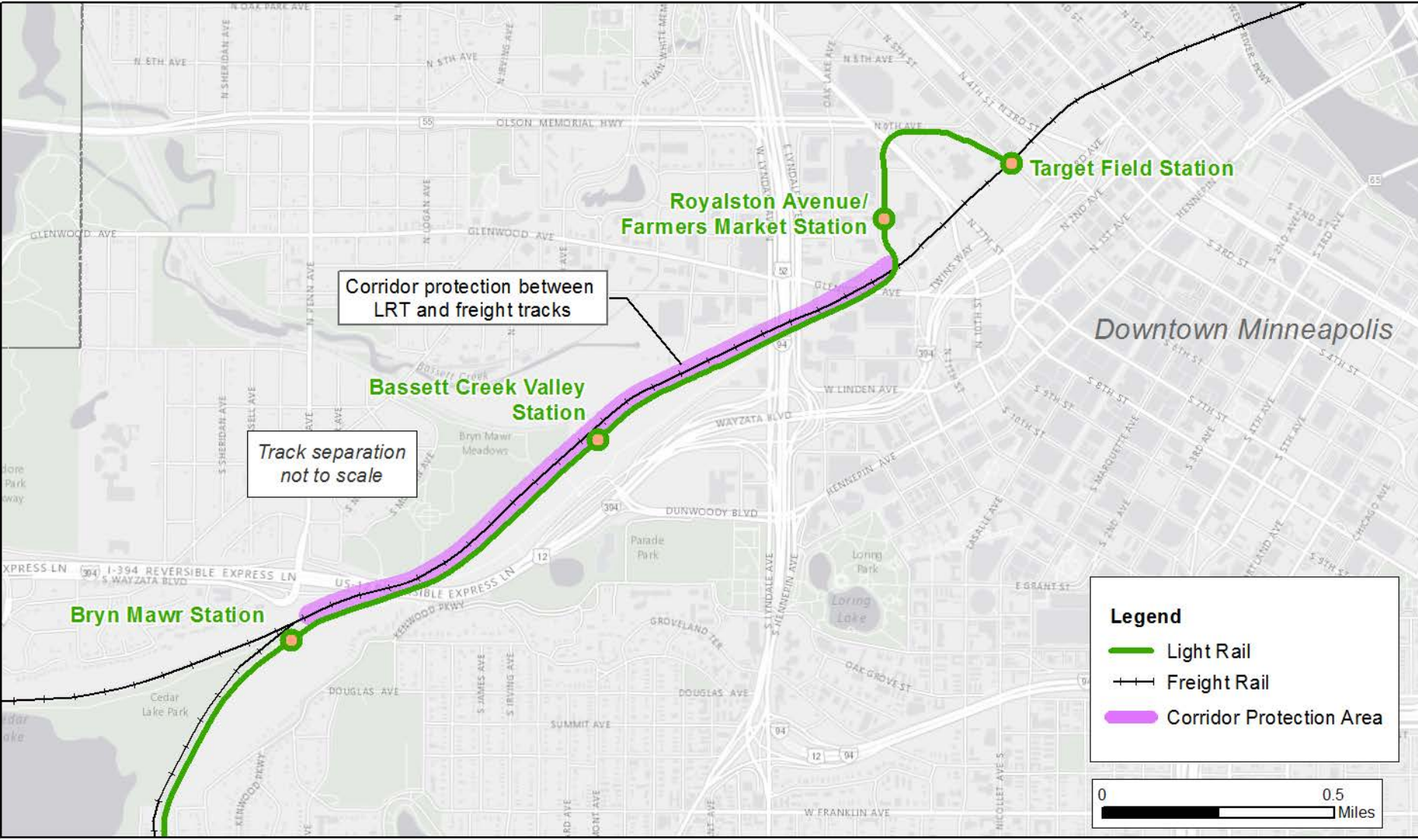
# Shared Use Agmt: Northstar Tail Track Relocation



# Shared Use Agmt: Corridor Protection

- Corridor protection includes:
  - Reinforced concrete wall between LRT and freight tracks
  - Reinforced bridge piers
- Design details including aesthetics to be determined
- Design allows for operations of co-located freight and LRT and maintains BNSFs current capacity

# Shared Use Agmt: Corridor Protection



# Shared Use Agmt: Corridor Protection



# Shared Use Agreement: Co-Location

- If future law impacts operation of co-located LRT and freight rail, Council responsible for cost of corridor modifications
  - In unlikely event modifications cannot be implemented; Council will suspend SWLRT operations
- If local unit of government targets regulation to SWLRT and freight co-location, Council will lead effort to challenge
  - In unlikely event regulation cannot be invalidated, Council will suspend SWLRT operations



# Construction Agreement

- Delineates construction activities
  - Council's civil construction contractor will complete site work, construct LRT tracks and improvements
  - BNSF will construct freight rail elements
- Agrees to pay BNSF up to \$1 million for pre construction activities including coordination and plan review
- After plans approved Construction Agreement will be amended to cover costs for flagging, submittal review, coordination, material procurement and labor
  - Estimated to be \$4 million

# Purchase and Sales Agreement

- Council acquires property rights for amount not-to-exceed \$10 million
  - Fee title of two parcels in Kenilworth Corridor
  - Temporary property licenses in Wayzata Subdivision
  - Permanent easements in Wayzata Subdivision
  - Subject to FTA review and concurrence
- Council deeds property rights to BNSF portions of two privately owned parcels needed for construction of retaining walls

# Location of BNSF Parcels



# Recommendations

# Summary

- SWLRT agreements with TCWR and BNSF allow:
  - Both rail operators to maintain existing operations and capacity
  - Operate LRT and freight rail safely in shared corridors
  - SWLRT to proceed with application for the Full Funding Grant Agreement

# Recommendations

- Authorize the Regional Administrator to negotiate and execute a Construction Agreement with TCWR in an amount not-to-exceed of \$16.1 million *(2017-150SW)*
- Authorize Regional Administrator to negotiate and execute 4 agreements with BNSF
  - Memorandum of Understanding *(2017-162SW)*
  - Shared Use Agreement *(2017-163SW)*
  - Construction Agreement *(2017-164SW)*
  - Purchase and Sales Agreement *(2017-165SW)*

# More Information

Online:

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