

## Transportation Committee

For the Metropolitan Council meeting of August 16, 2017

**Subject:** Southwest Light Rail Transit (Green Line Extension) Purchase and Sales Agreement with BNSF Railway

### Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute a Purchase and Sales Agreement with BNSF Railway (BNSF) for the Southwest LRT Project (Project) including the following for a cost not to exceed \$10 million:

- Acquiring fee title of two parcels from BNSF
- Acquiring temporary property licenses from BNSF for construction of the Project
- Acquiring permanent easements from BNSF
- Deeding properties rights acquired for the Project to BNSF of portions of two privately owned parcels needed for construction of retaining walls

### Summary of Committee Discussion/Questions

Jim Alexander, SWLRT Project Director, presented the item. There were no questions or comments from Council Members.

Motion by Reynoso, seconded by Elkins 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) Purchase and Sales 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

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**Background**

For construction of the Southwest LRT project, the Council will need to purchase two parcels from BNSF in the Kenilworth Corridor as well as easements in the Wayzata Subdivision. Two parcels in the Kenilworth Corridor located adjacent to the planned SWLRT alignment are needed for relocation of the existing freight tracks to the north to accommodate space for LRT construction. BNSF is willing to sell the Council the fee title to the two parcels in the Kenilworth Corridor.

BNSF owns and operates freight rail service on the Wayzata Subdivision and approximately 0.4 miles of the proposed SWLRT Project alignment is adjacent to freight rail tracks in the Wayzata Subdivision. BNSF is willing to sell temporary property licenses and permanent easements within its right-of-way in the Wayzata Subdivision that will allow the Council to construct, maintain and operate the Southwest LRT Project.

The Council has also identified slivers of two privately-owned parcels that are needed to accommodate construction of retaining walls to create space for both LRT construction and BNSF’s ongoing operations. The Council will acquire these properties and after construction deed them to BNSF.

The Purchase and Sale Agreement addresses standard real estate provisions needed for these real estate transactions, title review of the property interests to be transferred, survey and environmental investigation terms, assignments of easements and leases, and buyer and seller representations associated with these transactions.

The \$10 million for property rights is subject to FTA review and concurrence.



## **Rationale**

Entering into a Purchase and Sales Agreement will allow the Council to fulfill its obligations to acquire the property and construct the Project.

## **Thrive Lens Analysis**

The Purchase and Sale 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 costs associated with the Purchase and Sale Agreement 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



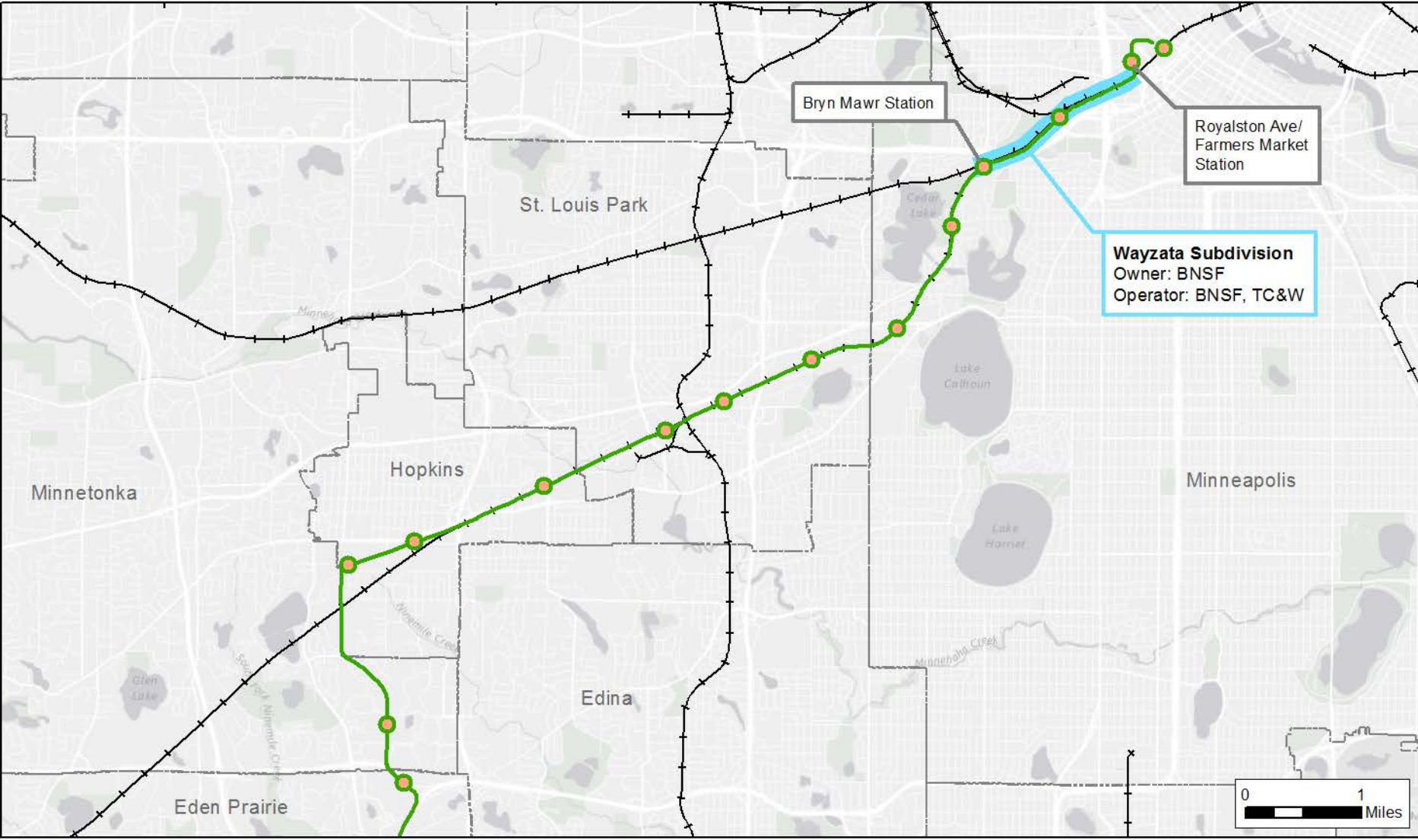
# Authorization to Negotiate and Execute Agreements with BNSF Railway

- **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

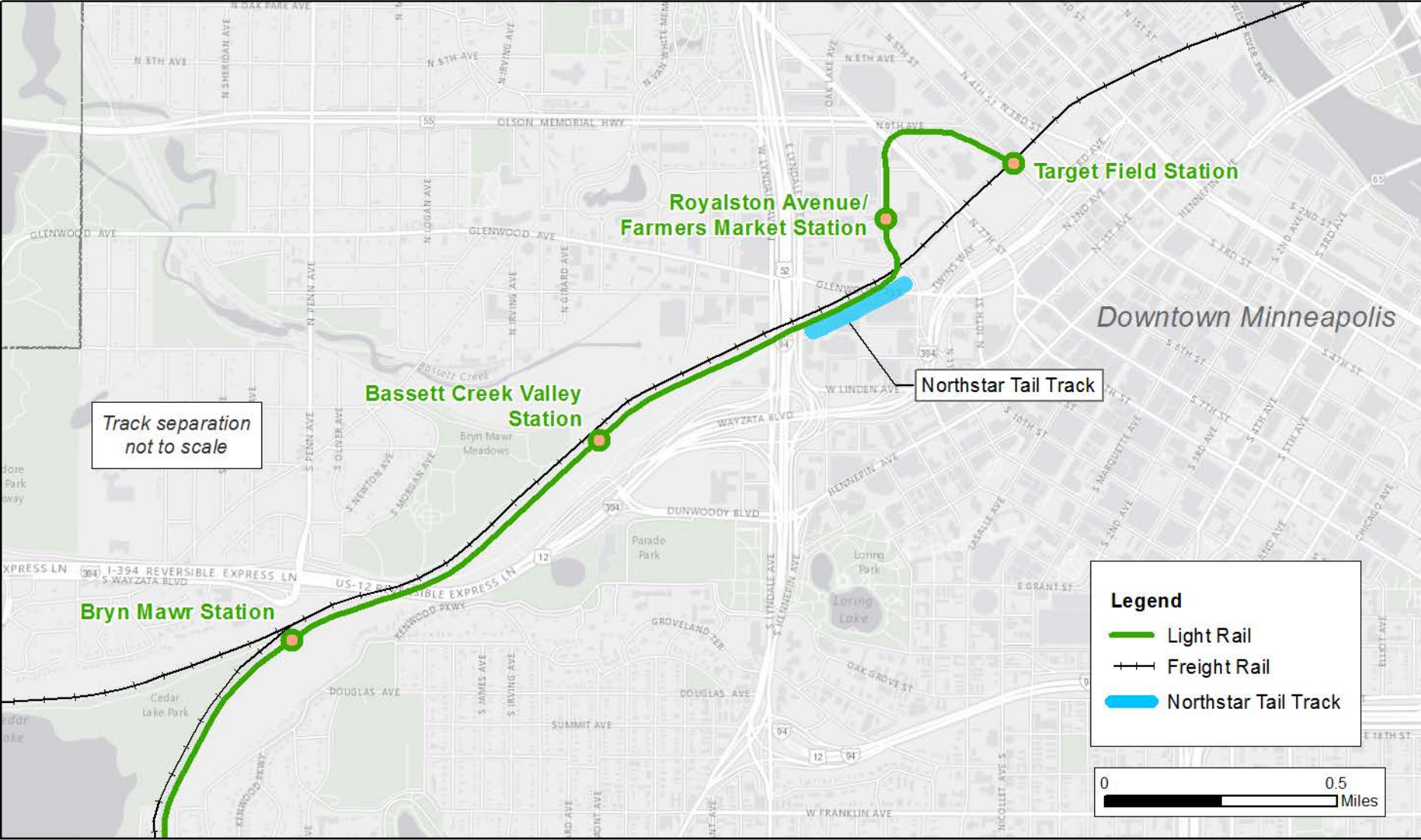
# Memorandum of Understanding

- 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

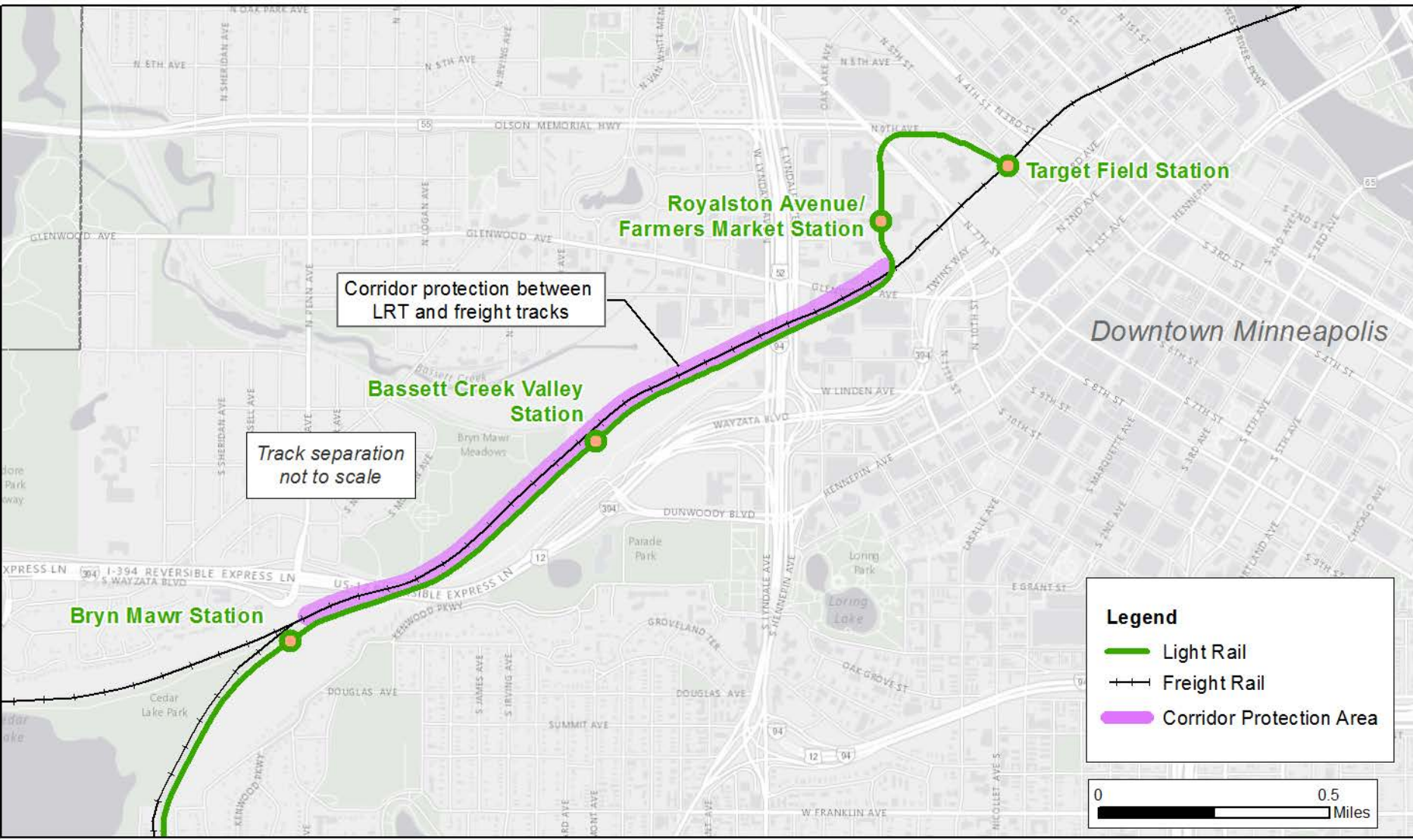
# Shared Use Agmt: Northstar Tail Track Relocation



# 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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