Committee Report
Business Item No. 2017-165 SW

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

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

**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

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- Deeding properties rights acquired for the Project to BNSF of portions of two privately owned parcels needed for construction of retaining walls

**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.
Transportation Committee

August 14, 2017
Todays 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

Legend
- Green: Light Rail
- Grey Dash: Freight Rail
- Pink: Corridor Protection Area

- Target Field Station
- Royalston Avenue/Farmers Market Station
- Bassett Creek Valley Station
- Bryn Mawr Station

Corridor protection between LRT and freight tracks

Track separation not to scale
Shared Use Agmt: Corridor Protection

Legend
- Light Rail
- Freight Rail
- Corridor Protection Area

Track separation not to scale
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

- Royalston Avenue/Farmers Market
- Target Field
- Bassett Creek Valley
- Bryn Mawr
- West 21st Street
- Kenilworth Corridor Parcels (north of LRT)
- Wayzata Subdivision Parcels

- Blake Road
- Downtown Hopkins
- Louisiana Avenue
- Wooddale Avenue
- Beltline Boulevard
- West Lake Street

Minneapolis
Minnetonka
St. Louis Park
Edina
Hopkins
Lake Harriet
Lake Calhoun
Cedar Lake
Bassett Creek

0 1 Miles
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:
www.SWLRT.org

Email:
SWLRT@metrotransit.org

Twitter:
www.twitter.com/southwestlrt