

Management Committee

For the Metropolitan Council meeting of March 27, 2019

Subject: Southwest Light Rail Transit (Green Line Extension) Legal Services Contract Sole Source Amendment 2 with Kennedy and Graven (17P225)

Proposed Action

That Metropolitan Council approve a sole source contract amendment for legal services for real estate acquisition and relocation for the Southwest LRT Project with Kennedy and Graven (17P225) to increase the contract amount by \$150,000 to a total contract amount of \$650,000.

Summary of Committee Discussion/Questions

General Counsel Ann Bloodhart explained the continuing need for real estate acquisition and relocation services under this contract and responded to questions about the legal services contracts for real estate and acquisition for the Southwest LRT Project.

A motion was made by Council Member Lilligren and seconded by Council Member Muse to approve the proposed action. Motion carried.

Management Committee

Meeting date: March 13, 2019

For the Metropolitan Council meeting of March 27, 2019

Subject: Southwest Light Rail Transit (Green Line Extension) Legal Services Contract Sole Source Amendment 2 with Kennedy and Graven (17P225)

District(s), Member(s): All

Policy/Legal Reference: Metropolitan Council 3-3; Minn. Stat. §§ 473.129, 473.3999

Staff Prepared/Presented: Ann Bloodhart, General Counsel, 651-602-1105
Joan Hollick, Interim Director, New Starts Program, 612-373-3820
Robin Caufman, Director TSD Administration, 651-602-1457

Division/Department: Regional Administration, Office of General Counsel

Proposed Action

That the Metropolitan Council approve a sole source contract amendment for legal services for real estate acquisition and relocation for the Southwest LRT Project with Kennedy and Graven (17P225) to increase the contract amount by \$150,000 to a total contract amount of \$650,000.

Background

In November of 2016, the Council passed Resolution 2016-28 declaring that the Southwest LRT Project (Green Line Extension) is a valid public purpose for the use of condemnation proceedings and directing the Council's attorneys to acquire properties needed for the Project by condemnation if they could not be acquired by direct negotiation. In 2017, on multiple occasions the Council authorized the use of condemnation for certain parcels appraised at greater than \$1 million.

In October 2017, the Council executed a \$250,000 contract with Kennedy and Graven to support real estate acquisition and relocation for the Southwest LRT project. At that time, it was unknown exactly how many parcels would be put into condemnation or how many relocations would require legal counsel and to what extent.

In 2017, the Minnesota Legislature modified the eminent domain statute, Minnesota Statutes Chapter 117, and clarified that the Council must pay landowners' attorneys' fees and costs pursuant to Minn. Stat. § 117.031 for LRT projects. This had the effect of discouraging owners from settling and thus having more parcels put into condemnation.

By early 2018, it was determined that neither MnDOT legal staff nor the Council's Office of General Counsel had the capacity to handle all Southwest LRT condemnations or relocation claims. As a result, the Council started utilizing the contract with Kennedy and Graven to prepare condemnation documents, file actions, represent the Council in property acquisitions and condemnation related processes and provide legal counsel and review of relocation claims.

The Council finalized critical agreements with the freight railroads in July 2018 and was awarded a Letter of No Prejudice by the Federal Transit Administration (FTA) in November, allowing it to award the civil construction contract in December.

In October 2018, with the number of condemnations, project delay and most of the properties vacated, the contract was increased by \$250,000 to provide

sufficient funds to continue the process of acquiring necessary property interests through condemnations and provide support for relocation claims. The last condemnation actions were filed in June/July 2018, with the Council acquiring title and possession of all but two parcels.

For SWLRT, 104 parcels have title and possession through the condemnation process, but still need to be finalized and approximately 20 complex relocation claims are under review or in the appeal process. The Council issued a Request for Proposals for new contracts that are competitively procured to complete the post Title and Possession actions of the condemnation process and support the remaining relocation claim reviews and appeals. Council staff anticipate awarding these contracts in May 2019 and issuing the Notices to Proceed by the end of June 2019. In the meantime, however, the Council requires legal support for a commissioners hearing that has been scheduled, three relocation claims that are in the appeal process, and management of relocation claims pending completion of the ongoing competitive procurement process. Therefore, Council staff are requesting an additional \$150,000 be added to this contract to cover those expenses should the Council be unable to settle and the parcel goes to hearing. When the Notices to Proceed have been issued for the new contracts, this contract will be closed, and all condemnation and relocation activities will be transferred to the new contracts.

Rationale

This sole source amendment is necessary for the Council to proceed with the Project and help ensure the owners' just compensation claims in condemnation and relocation claims are heard in a timely manner.

Thrive Lens Analysis

Construction of the Green Line Extension will increase the region's prosperity as it will provide access to 80,900 forecasted jobs and a new transportation option for 55,000 forecasted residents within ½ mile of the planned new stations in addition to the 145,300 forecasted jobs and 35,600 forecasted residents for downtown Minneapolis.

Funding

Funds for this contract amendment are included in the Project budget.

Known Support / Opposition

There is no known opposition to this action.