

Transportation Committee

For the Metropolitan Council meeting of August 11, 2021

Subject: Southwest Light Rail Transit (Green Line Extension) Seventh Amendment to the Hennepin County and Hennepin County Regional Railroad Authority Capital Grant Agreement 18I094

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute the seventh Amendment to the Capital Grant Agreement with Hennepin County and Hennepin County Regional Railroad Authority (HCRRA) to add \$200,315,255 bringing the total grant amount to \$878,080,704.

Summary of Committee Discussion/Questions

Metro Transit SWLRT Project Director Jim Alexander presented this item. There were no questions from Council members.

Motion by Chamblis, seconded by Fredson.

Chamblis highlighted that even though we need to increase the contingency base, it's really important to think about the thrive livability opportunities/investments we are getting from this project.

Motion carried.

Transportation Committee

Meeting Date: July 26, 2021

For the Metropolitan Council meeting of August 11, 2021

Subject: Southwest Light Rail Transit (Green Line Extension) Seventh Amendment to the Hennepin County and Hennepin County Regional Railroad Authority Capital Grant Agreement 18I094

District(s), Member(s): All

Policy/Legal Reference: Procurement Policy 3-3

Staff Prepared/Presented: Wes Kooistra, General Manager, (612) 349-7510
Nick Thompson, Deputy GM Capital Programs, (651) 602-1754
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 the seventh Amendment to the Capital Grant Agreement with Hennepin County and Hennepin County Regional Railroad Authority (HCRRA) to add \$200,315,255 bringing the total grant amount to \$878,080,704.

Background

In November 2018, Hennepin County adopted Resolution 18-0500 to commit an additional, \$200.3 million of funds, 10% of the Project budget, as a prerequisite of the Federal Transit Administration's Full Funding Grant Agreement to demonstrate the financial capability to support Project contingency. The Council has notified Hennepin County and HCRRA that, because of change orders depleting the contingency budget, the funds contained in the Project contingency budget will not be sufficient to complete the Project and that the additional funding committed by the County in Resolution 18-0500 will be required.

The first Amendment extended the agreement term through September 2019. The second Amendment added \$118,554,954 (\$553,456,897 total) in funding for Project activities and extended the agreement term through March 2020. The third Amendment added \$49,338,784 (\$602,795,681) and extended the agreement term through June 2020. The fourth Amendment added \$74,969,769 (\$677,765,449) and extended the agreement term through August 2020. The fifth Amendment extended the agreement term through November 2020. The sixth Amendment extended the agreement term through January 2022. The seventh Amendment will provide additional funding and extend the agreement term through June 30, 2022.

Rationale

The amendment is needed because Project change orders will soon deplete the Project contingency below acceptable FTA thresholds and remaining funds within the Project contingency budget are insufficient to complete the Project.

Thrive Lens Analysis

Livability: 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 55,800 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.

Prosperity: The Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

Funding

All the local funding for the Project has been committed. This Amendment is included in the 2nd Quarter Capital Budget Amendment.

Known Support / Opposition

There is no known opposition to this action. Hennepin County is scheduled to act on the agreement at its August 3, 2021, Board meeting.