

# Committee Report

Transportation Committee



Committee Meeting Date: January 23, 2023

For the Metropolitan Council: February 8, 2023

## Business Item: 2023-18

METRO Green Line Extension Amendment No. 2 to the BNSF Construction Agreement

### Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute Amendment No. 2 to Contract 17M155 with BNSF Railway (BNSF) for the Freight Rail Coordination Agreement – Construction Phase (Construction Agreement) to add \$1,937,000 for a total amount not to exceed \$6,437,000.

### Summary of Transportation Committee Discussion/Questions

Metro Transit Green Line Extension Project Director Jim Alexander presented this item. There were no questions or comments from Council members.

Motion by Cummings, seconded by Pacheco. Motion carried. Consent to Council.



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<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stat. § 473.3999, FM 14-2 – Expenditures for the Procurement of Goods, Services and Real Estate
<b>Staff Prepared/Presented:</b>	Wes Kooistra, General Manager, 612-349-7510 Nick Thompson, Deputy GM Capital Program, 651-602-1754 Jim Alexander, Project Director, 612-373-3880 Joan Hollick, Deputy Project Director, 612-373-3820
<b>Division/Department:</b>	Metro Transit / Green Line Extension Project Office

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### Background

BNSF owns and operates freight rail service on the Wayzata Subdivision. Approximately 1.4 miles of the METRO Green Line Extension Project (Project) alignment is on or adjacent to the BNSF right-of-way in the Wayzata Subdivision. Construction of the Project requires shifting BNSF's mainline freight track to accommodate space for the LRT and future BNSF capacity. The Council's Civil Construction Contractor, Lunda McCrossan Joint Venture, is performing site and LRT work and BNSF is performing work related to their freight rail.

Business Item 2019-43 SW authorized the Construction Agreement with BNSF in an amount not to exceed \$4.5 million. The Construction Agreement outlines BNSF's and Council's rights and obligations during the construction of the Project in the Wayzata Subdivision corridor and includes reimbursing BNSF for its costs for submittal review, flagging, inspection, and construction activities related to the Project. The Parties executed Amendment No. 1 to the Construction Agreement incorporating the construction schedule and plans necessary to commence work on the BNSF right-of-way.

In Spring 2022, the Council (BI 2022-35) recognized a 34-month delay to the Project's civil construction contract. As a result, BNSF will be required to provide flagging and inspection services for a longer duration. Additionally, BNSF is required to perform grouting and maintenance activities along its relocated track.

Amendment No. 2 seeks to add \$1.937 million to the contract amount and extend the contract through 2027.

## Rationale

Due to the delay in construction of the Project, additional funds are needed so BNSF can continue to provide flagging and inspection services. Additional funds are also needed so BNSF can perform grouting and maintenance services on its relocated track.

The amendment of a contract exceeding 10% of the original value requires Council approval.

## Thrive Lens Analysis

Successful completion of the METRO Green Line Extension will advance the following Thrive MSP 2040 outcomes:

**Stewardship:** Transit investment provides an opportunity to reinvest and grow the capacity of our communities, with more inclusive development and intentional investment. It encourages businesses to invest in communities, which means access to resources, community amenities, jobs, and other community assets.

**Equity:** Connections to other METRO lines and countless local bus routes will bring people to jobs, jobs to communities, and returns to communities across the region.

**Livability:** The METRO Green Line Extension will add 14.5 miles to the existing line, which connects downtown Minneapolis, downtown Saint Paul, and places in-between. This segment connects Eden Prairie, Minnetonka, Hopkins, and St. Louis Park to both downtown Minneapolis and Saint Paul, and major destinations at the University of Minnesota and the State Capitol.

**Prosperity:** The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region. Despite being under construction, the METRO Green Line Extension has already seen more than \$1.6 billion of investment within a half-mile of the Line. Another \$500 million in investment is planned.

**Sustainability:** As many as 700,000 more people will be living, working, and moving around the Twin Cities region by 2040. As a result, a robust transportation system is needed to provide the region with choices and more mobility.

## Funding

The work of this amendment is a METRO Green Line Extension Project (61001) eligible cost. Funds for the work are available in the Project budget. This work is included in the Council's authorized capital budget.

## Small Business Inclusion

The scopes in the Construction Agreement are specific to BNSF and there are no opportunities for DBE inclusion.

