

# Committee Report

Transportation Committee



**Committee Meeting Date:** July 10, 2023

**For the Metropolitan Council:** July 26, 2023

## Business Item: 2023-143

Northstar Corridor Funding Agreement with State of Minnesota Department of Transportation (MnDOT) | Resolution 2023-6

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to:

- Enter into an agreement with the State of Minnesota Department of Transportation (MnDOT) for Calendar Year 2024 to provide funding for public commuter rail service in Sherburne County, Minnesota, for an amount up to \$1.7 million per year.
- Execute the attached Resolution of the Governing Body (Metropolitan Council) to enter into an Agreement with the State of Minnesota Department of Transportation for Calendar Year 2024.

### Summary of Transportation Committee Discussion/Questions

Metro Transit Finance Director Ed Petrie presented this item. Cameron asked if this was to fund an existing agreement or if it's a new relationship. Petrie responded that this is an annual grant agreement.

Motion by Cameron, seconded by Morales. Motion carried, Consent to Council.



# Business Item

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| Resolution 2023-6

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Income/Grants Policy FM 15-1, and Minnesota Session Laws 2013 Chapter 117, H.F. No. 1444, Sec. 40
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, Interim General Manager, 612-349-7513 Edwin D. Petrie, Director Finance, 612-349-7624 Tony Hebert, Director, Northstar Commuter Rail, 612-349-7083
<b>Division/Department:</b>	Metro Transit

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- Enter into an agreement with the State of Minnesota Department of Transportation (MnDOT) for Calendar Year 2024 to provide funding for public commuter rail service in Sherburne County, Minnesota, for an amount up to \$1.7 million per year.
- Execute the attached Resolution of the Governing Body (Metropolitan Council) to enter into an Agreement with the State of Minnesota Department of Transportation for Calendar Year 2024.

### Background

The Council and the Sherburne County Regional Railroad Authority (SCRRA) are parties to a Northstar Corridor Commuter Rail Master Operations Funding Agreement to establish a mechanism for transferring funds for the operations of a commuter rail transit system along the Northstar Corridor from downtown Minneapolis to Big Lake, Minnesota. The parties to the Master Operations Funding Agreement provided in that agreement that the local funding for the annual operations of the Commuter Rail Line would be determined in subsequent Subordinate Funding Agreements. These Subordinate Funding Agreements are the mechanism where Sherburne County provides its annual 8.05% contribution for public commuter rail service in Sherburne County, Minnesota.

For the period of July 1, 2009, to December 31, 2013, the Sherburne County Regional Railroad Authority has entered into annual Agreements with the State of Minnesota Department of Transportation to provide its 8.05% funding for public commuter rail service in Sherburne County. For these same years, the Metropolitan Council entered into Supplemental Subordinate Funding Agreements with the Sherburne County Regional Railroad Authority to provide the mechanism to make available the MnDOT 8.05% Funds for Commuter Rail Operating Costs in Sherburne County.

Under Minnesota Session Laws 2013 Chapter 117, H.F. No. 1444, Sec. 40, financial assistance for Northstar Commuter Rail expenses in greater Minnesota can now be provided between the State

of Minnesota Department of Transportation and the Metropolitan Council beginning in Calendar Year 2014.

Both the Metropolitan Council and the SCRRA acknowledge that the MnDOT 8.05% grant funds are in addition to the SCRRA 8.05% proportionate share of authorized funding set forth in separate and subsequent Subordinate Funding Agreements that will be paid by the SCRRA.

Council Policy FM 15-1 requires Council approval on income agreements exceeding \$500,000.

### **Rationale**

This agreement with the State of Minnesota Department of Transportation for Calendar Year 2024 will provide MnDOT 8.05% funding for public Commuter rail service in Sherburne County, Minnesota for Calendar Year 2024.

### **Thrive Lens Analysis**

Stewardship – Operating funding is within the parameters of the Minnesota Session Laws 2013 Chapter 117, H.F. No. 1444, Sec. 40 to provide subsidy financial assistance for Northstar Commuter Rail between the State of Minnesota Department of Transportation and the Metropolitan Council. This demonstrates efficient and effective management of public financial resources of both the Council and MnDOT.

### **Funding**

MnDOT will provide the Metropolitan Council grant funds to fund 8.05% of Commuter Rail Net Operating Costs up to \$1.7 million per year for Calendar Year 2024 Northstar Commuter Rail Operations. Metropolitan Council will bill MnDOT according to the terms of the grant agreement.

### **Small Business Inclusion**

This is a revenue grant with MnDOT for Northstar Commuter Rail Net Operating Costs.



Metropolitan Council  
Resolution 2023-6

Year 2024 Metropolitan Council - Northstar Commuter Rail

The Metropolitan Council has resolved to apply for the 2024 Greater Minnesota Transit Operating Grant and enter into an Agreement with the State of Minnesota to provide public transit service in Sherburne County, Minnesota.

Further resolved that the Metropolitan Council agrees to provide 83.90 percent of the total operating costs after fares of the Northstar Commuter Rail Line and up to 20 percent of the total capital costs.

Further resolved that the Metropolitan Council agrees to provide 100 percent of the local share necessary for expenses that exceed funds available from the State.

Further resolved that the Metropolitan Council authorizes the Regional Administrator or Regional Administrator to execute the Agreement and any amendments.

Certification

I hereby certify that the foregoing resolution is a true and correct copy of the resolution presented to and adopted by the Metropolitan Council at a duly authorized meeting held on July 26, 2023.

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Metropolitan Council  
Regional Administrator

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Notary