

Committee Report

Transportation Committee



Committee Meeting Date: January 8, 2024

For the Metropolitan Council: January 24, 2024

Business Item: 2024-14

METRO Green Line Extension Amendment No. 11 to the Hennepin County and Hennepin County Regional Railroad Authority Capital Grant Agreement

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Amendment No. 11 to the Capital Grant Agreement with Hennepin County and Hennepin County Regional Railroad Authority (Contract # 18I094) to add \$100,000,000 bringing the total grant amount to \$1,078,080,704 and extend the grant term to January 31, 2025, to fund METRO Green Line Extension Project.

Summary of Transportation Committee Discussion/Questions

METRO Green Line Extension Project Director Jim Alexander presented this item. Chamblis, Cameron, and Dr. Carter commented on the project progress. Vento asked for clarification on the source of the funding in the amendment, which Alexander responded this relates to Resolution 2023-18 from September 2023 that identifies a framework for funding between Hennepin County and the Council. This amendment represents partial funding amounts identified in the resolution. Alexander noted that our current estimate to complete the project in 2027 is \$2.86 billion and is undergoing review with the Federal Transit Administration. The outcome of this review will establish the budget to complete the project in 2027. Chamblis asked the length of the Kenilworth tunnel. Alexander responded that the tunnel length is roughly under ½ mile long. Vento asked what efforts we have set up to maintain the areas of the corridor that are already complete while we continue work for the 2027 opening. Alexander said the areas are currently owned (or under the control) by either the Civil or Systems contractor. Once the Council takes ownership, we are looking at options for protecting the work areas. Cameron asked what the percent completion is for the Systems contract. Alexander stated the Systems contractor has installed overhead catenary and cabling up to City West Station, which is most of Eden Prairie. They are also working on Traction Power Substations, where eight have been installed.

Moved by Morales, seconded by Dr. Carter, **Motion carried**

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District(s), Member(s): District 3 (Carter), District 6 (Lilligren), District 8 (Cameron)
Policy/Legal Reference: FM 15-1 Income/Grants Policy
Staff Prepared/Presented: Lesley Kandaras, General Manager, 612-349-7513
Nick Thompson, Deputy General Manager, 612-349-7507
Jim Alexander, Project Director, 612-373-3880
Joan Hollick, Deputy Project Director, 612-373-3820
Division/Department: Metro Transit/Green Line Extension

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Amendment No. 11 to the Capital Grant Agreement with Hennepin County and Hennepin County Regional Railroad Authority (Contract # 18I094) to add \$100,000,000 bringing the total grant amount to \$1,078,080,704 and extend the grant term to January 31, 2025, to fund METRO Green Line Extension Project activities.

Background

In December 2018, the Metropolitan Council (Council) executed a Capital Grant Agreement (CGA) with Hennepin County and the Hennepin County Regional Railroad Authority to provide funding for the Southwest LRT Project (METRO Green Line Extension). The CGA provided \$434,901,943 through August 2019.

On September 13, 2023, the Council approved Resolution 2023-18 for the Regional Administrator to negotiate grant amendments with Hennepin County consistent with the following framework:

- The Council will be responsible for 45 percent of the necessary capital funding up to a total contribution of \$150 million;
- Hennepin County will be responsible for 55 percent of the necessary capital funding up to a total contribution of \$190 million; and
- If, for unforeseen reasons, the capital funding need exceeds these maximum contributions, the Council and Hennepin County will share the cost of this additional capital funding need on a fifty-fifty basis.

This amendment represents a partial funding to the agreed upon framework that will be considered by the respective governing bodies. The remaining funding will be included in a future business item.

The additional local funding from Hennepin County is contingent upon a Capital Budget Amendment action for the METRO Green Line Extension.

The Capital Grant Agreement has been amended as follows:

- Amendment No. 1 extended the agreement term through September 2019.
- Amendment No. 2 increased the agreement amount to \$553,456,897 and extended the agreement term through March 2020 (2019-179).
- Amendment No. 3 increased the agreement amount to \$602,795,681 and extended the agreement term through June 2020 (2020-92).
- Amendment No. 4 increased the agreement amount to \$677,765,449 and extended the agreement term through August 2020 (2020-176).
- Amendment No. 5 extended the agreement term through November 2020.
- Amendment No. 6 extended the agreement term through January 2022.
- Amendment No. 7 increased the agreement amount to \$878,080,704 and extended the agreement term through June 2022 (2021-192).
- Amendment No. 8 extended the agreement term through December 31, 2022.
- Amendment No. 9 increased the agreement amount to \$978,080,704 and extended the agreement term through June 2023 (2022-338).
- Amendment No. 10 extended the agreement term through January 2024.

Rationale

Resolution 2023-18 states that “any actions to formalize the shared funding commitment will be presented to and subject to the approval of the Council’s governing body.” Council Policy requires that income and grant agreements exceeding \$500,000 be approved by the Council.

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

If this proposed action is approved, Amendment No. 11 will provide an additional \$100,000,000 to the Capital Grant Agreement for Project activities and the Capital Budget will be amended to reflect this grant agreement in March 2024.



Small Business Inclusion

The aggregate DBE achievement on the METRO Green Line Extension Project is 21.76%, as of October 2023, and exceeding the aggregate DBE contract goal of 16% as established by the Office of Equity and Equal Opportunity (OEEO). OEEO will continue to monitor progress and work with the awarded contractors to ensure DBE participation levels are maintained to meet or exceed the established goals.

