

Committee Report

Transportation Committee



Committee Meeting Date: November 25, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-246

METRO Blue Line Extension - Capital Grant Agreement #221038 Amendment No.1 with Hennepin County and Hennepin County Regional Railroad Authority.

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute the METRO Blue Line Extension Capital Grant Agreement #221038 Amendment No. 1 with Hennepin County and Hennepin County Regional Railroad Authority (HCRRA) in the amount not to exceed \$173,600,000. This is contingent upon the Q4 capital budget amendment Business Item 2024-332 JT SW and Hennepin County Board approval on 12/12/2024.

Summary of Transportation Committee Discussion/Questions

Vento shared that due to the funds tied up with federal and local partners she will vote no.

Motion by Morales, seconded by Chamblis



Business Item

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METRO Blue Line Extension - Capital Grant Agreement #22I038 Amendment No.1 with Hennepin County and Hennepin County Regional Railroad Authority.

District(s), Member(s): District 2 (Chamblis), District 7 (Osman), District 8 (Cameron)
Policy/Legal Reference: FM 15-1 Income/Grants; Minn. Stat. § 473.3999
Staff Prepared/Presented: Lesley Kandaras, General Manager, 612-349-7513
Nick Thompson, Deputy General Manager, 612-349-7507
Annie Xiong, Blue Line Ext. Agreements Lead, 651-602-1996
Division/Department: Metro Transit – Blue Line Extension Project Office (BPO)

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute the METRO Blue Line Extension Capital Grant Agreement #22I038 Amendment No. 1 with Hennepin County and Hennepin County Regional Railroad Authority (HCRRA) in the amount not to exceed \$173,600,000. This is contingent upon the Q4 capital budget amendment Business Item 2024-332 JT SW and Hennepin County Board approval on 12/12/2024.

Background

The METRO Blue Line Extension Project (“the Project”) is located in Hennepin County extending from downtown Minneapolis to the northwest serving the communities of Minneapolis, Robbinsdale, Crystal, and Brooklyn Park and providing transit improvements in the highly traveled northwest area of the Twin Cities.

The Capital Grant Agreement #22I038 was executed on October 4, 2023, with a not to exceed amount of \$75,305,000 to advance the preliminary engineering services for the BLE Project. The CGA #22I038 will terminate on December 31, 2024, and an amendment is needed to extend the agreement. CGA #22I038 and any amendments establish a framework for the partnership between Hennepin County/HCRRA and Metropolitan Council for delivering the Blue Line Extension Project, and will make funds available for project activities, anticipated to be authorized in separate capital budget amendment(s).

The proposed Amendment No. 1 to CGA #22I038 allocates additional funding in an amount not to exceed \$173,600,000 to continue final design and engineering, and right of way acquisition and relocation activities. This amendment extends the termination date to June 30, 2026. Construction for METRO Blue Line Extension is projected to begin as soon as Fall 2026.

In early 2024, the overall METRO Blue Line Extension project budget was estimated at \$3.2 billion. A new update to the budget will be developed in 2025 to reflect changes in the project design and commitments in the Supplemental Final Environmental Impact Statement. The METRO Blue Line Extension development and capital costs are funded by Hennepin County, Hennepin County Regional Railroad Authority and the Federal Transportation Administration. The Metropolitan

Council is responsible for funding the operating and capital maintenance costs of the project after it begins revenue service. Per Minnesota Statute 474.3999, Subd. 3... *The Council must only use direct appropriations in law or federal sources to pay its portion of light rail transit capital construction costs.*

Rationale

Council Policy requires that interagency agreements valued at greater than \$500,000 be approved by the Council.

Thrive Lens Analysis

Investment in high-quality transportation options will advance the Thrive outcome of prosperity by making the region more economically competitive through increased workers' access to employment, and support to employers by increasing available workforce with affordable, convenient transportation.

The Project advances the Equity outcome by distributing transit resources throughout the region and improving access to jobs, educational opportunities, and health services to diverse communities.

Advancing the Project addresses the Livability outcome by increasing access to transit connections to the greater METRO system, including current and planned light rail and bus rapid transit lines, for communities in the region.

By laying the foundation for a productive partnership between agencies, this agreement with Hennepin County will increase the Council's ability to carry out its principle of working collaboratively.

Funding

The proposed action will make available committed funding from Hennepin County and Hennepin County Regional Railroad Authority for the METRO Blue Line Extension Project. After the amendment is executed, a separate Council action will seek to authorize agreement funds into the Council's Authorized Capital Program in project 61403. The project is included in the CIP.

Small Business Inclusion

There are no direct impacts to small business with this action.

