

Transportation Committee

Meeting date: December 12, 2016

For the Metropolitan Council meeting of December 14, 2016

Subject: Southwest Light Rail Transit (Green Line Extension) Subordinate Funding Agreement with the City of Eden Prairie for \$8.2 million

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. 473.399

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Mark Fuhrmann, Deputy General Manager, 612-373-3810
Jim Alexander, Project Director, 612-373-3880
Joan Hollick, 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 a Subordinate Funding Agreement (SFA) with the City of Eden Prairie (City) in the amount up to \$8.2 million.

Background

The Council and the City entered into a Southwest Light Rail Transit Project Master Funding Agreement (“MFA”) (Council contract No. 14I068) effective on January 29, 2015.

In August 2015, the Council identified the need to reduce project costs and secure additional local funds to balance the scope and budget of the Project. On November 17, 2015, the City passed Resolution No. 2015-112, “Resolution of Intent to Fund Local Improvements Within the Eden Prairie Segment of the Southwest Light Rail Transit Project” indicating an intent to provide funding for local improvements within the Project scope with the expectation that the Council would support the eventual construction of a deferred Town Center Station. The Resolution also indicated the City’s intent to provide funding for locally funded work for which the City will fund and the Council’s contractor will construct (Local Work).

The Parties desire to enter into this SFA in order to transfer funds from the City to the Council as a local funding contribution towards base Project elements and to pay for the construction of Local Work items. The Parties previously entered into SFAs addressing the design and environmental documentation of the Local Work.

The SFA provides for the transfer of City funds in the amount of \$2.5 million as a local funding contribution, and up to \$5.7 million for the construction of Local Work along with the Southwest Light Rail Transit Project (“Project”). Local Work may include the following components in the City:

- Tapered, Tubular Catenary Poles
- Decorative Street Lighting on Eden Road
- Fencing/Railing Upgrades
- Planter Boxes and Landscaping on Eden Road
- Bridge Aesthetic Upgrades
- Public Plaza Amenities
- Technology Drive Reconstruction

- Sanitary Sewer and Water Main Casings
- Realign Sanitary Sewer
- Upsize Storm Sewer Pipes

The SFA defines the authorized funding, the payment schedule, the general purpose of the funds, and a project activity period. The SFA is also anticipated to assign ownership and maintenance responsibilities for the Local Work, primarily to the City or its permittees. The SFA represents the City's commitment to contribute to the Project, and to fund the Council's cost to construct the Local Work. This SFA will be SFA08 (14I068H) with the City.

Rationale

Negotiating and executing this SFA is necessary as a contractual mechanism for the City transfer of funds as a contribution to the Project, and to the Council to pay for the Local Work items identified above. The local funding contribution is a critical contribution to the overall Project cost. Constructing the Local Work items results in efficiencies for both public agencies.

Funding

This SFA will be fully funded by the City in the amount up to \$8.2 million. \$2,500,000 is the City's local contribution to the base project elements as part of the \$1.858 billion Project. \$5.7 million is the City's 100% funding for Local Work in Eden Prairie.

Known Support / Opposition

The City of Eden Prairie authorized this funding contribution through Resolution No. 2015-112, adopted on November 17, 2015.