

Transportation Committee

Meeting date: July 11, 2016

For the Metropolitan Council meeting of July 27, 2016

Subject: Authorize Northstar Corridor Funding Agreement with State of Minnesota Department of Transportation (MnDOT)

District(s), Member(s): All

Policy/Legal Reference: Income/Grants Policy 3-2-2, and Minnesota Session Laws 2013 Chapter 117, H.F. No. 1444, Sec. 40.

Staff Prepared/Presented: Brian J. Lamb, General Manager, (612) 349-7510
 Vince Pellegrin, Chief Operating Officer, (612) 349-7511;
 Edwin D. Petrie, Director Finance (612) 349-7624;
 John Humphrey, Deputy Chief Operating Officer, Rail, (612) 341-5601;
 John Paul Zanaska, Director, Northstar Commuter Rail, (612) 349-7083

Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to:

- Enter into an Agreement with the State of Minnesota Department of Transportation for Calendar Year 2017 to provide funding for public commuter rail service in Sherburne County, Minnesota for an amount up to \$1.4 million.
- 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 2017.

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 3-2-2 requires Council approval on income agreements exceeding \$500,000.

Rationale

This agreement with the State of Minnesota Department of Transportation for Calendar Year 2017 will provide MnDOT 8.05% funding for public commuter rail service in Sherburne County, Minnesota for Calendar Year 2017.

Funding

MnDOT will provide to the Metropolitan Council grant funds to fund 8.05% of Commuter Rail Net Operating Costs up to \$1.4 million for calendar year 2017 Northstar Commuter Rail Operations. Metropolitan Council will bill MnDOT on a monthly basis according to the terms of the grant agreement.

Known Support / Opposition

The State of Minnesota Department of Transportation (MnDOT) and the Sherburne County Regional Railroad Authority (SCRRA) support this funding agreement for calendar year 2017. No known opposition.

**Metropolitan Council
Resolution 2016-14**

Year 2017 Metropolitan Council – Northstar Commuter Rail

Resolved that the Metropolitan Council enters into an Agreement with the State of Minnesota to provide funding for public commuter rail service in Sherburne County, Minnesota.

Further resolved that the Metropolitan Council agrees to provide 41.95 percent of the total operating costs after fares of the Northstar Commuter Rail Line and 100 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 to execute the aforementioned Agreement and any amendments thereto.

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 thereof held on July 27, 2016.

Metropolitan Council
Regional Administrator

Notary

(Format for resolution supplied by Mn/DOT)