

Transportation Committee

Meeting date: March 12, 2018

For the Metropolitan Council meeting of March 21, 2018

Subject: Southwest Light Rail Transit (Green Line Extension) Joint and Cooperative Exercise of Powers Agreement with Hennepin County Regional Railroad Authority

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. §§ 471.59, 398A.04

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Metro Transit/Green Line Extension Project Office

Proposed Action

That the Metropolitan Council (Council): (1) authorize its Regional Administrator to negotiate and execute a Joint and Cooperative Exercise of Powers Agreement with the Hennepin County Regional Railroad Authority (HCRRA) related to common carrier freight rail obligations in the Kenilworth Corridor and Bass Lake Spur and performance of duties and responsibilities under the existing Trackage Rights Agreements (TRAs); and (2) authorize its Regional Administrator or the Regional Administrator's designee(s) to negotiate and execute ancillary agreements necessary to implement the Joint and Cooperative Exercise of Powers Agreement.

Background

Canadian Pacific Railway (CP) owns a 6.8-mile corridor known as the Bass Lake Spur corridor in the cities of St. Louis Park, Hopkins, and Minnetonka that is required for the SWLRT Project. CP is willing to sell the right-of-way and physical assets of the Bass Lake Spur to the Council and grant a freight rail easement to HCRRA.

HCRRA owns a 2.5-mile corridor known as the Kenilworth Corridor in the city of Minneapolis that is required for the SWLRT Project. HCRRA is willing to transfer the right-of-way and physical assets of the Kenilworth Corridor to the Council.

Twin Cities & Western Railroad (TC&W) has overhead trackage rights in both Corridors under TRAs with CP and HCRRA.

In conjunction with these actions as identified in Business Item 2018-60, HCRRA will replace CP as a party to the existing TRA on the Bass Lake Spur, remain a party to the existing TRA on the Kenilworth Corridor and be responsible for common carrier obligations within the Corridors. The Joint and Cooperative Exercise of Powers Agreement will allow the parties to perform the duties and responsibilities under the existing TRAs and fulfill common carrier obligations.

Freight rail within the Corridors is subject to the jurisdiction of the Surface Transportation Board (STB). The Council will petition the STB to allow the Council to acquire the right-of-way and physical freight rail assets subject to the freight rail easements and existing overhead trackage rights.

Rationale

The proposed Joint and Cooperative Exercise of Powers Agreement is required for the STB filing. Negotiating and subsequently executing this agreement is necessary for the acquisition of the Corridors, construction of the SWLRT Project, and to demonstrate to the FTA that the Council will have continuing control of the Corridors.

Thrive Lens Analysis

Construction of the Green Line Extension will increase the region's prosperity as it will provide access to 80,900 forecasted jobs and a new transportation option for 55,000 forecasted residents within ½ mile of the planned new stations in addition to the 145,300 forecasted jobs and 35,600 forecasted residents in downtown Minneapolis.

Funding

The Joint and Cooperative Exercise of Powers Agreement between the Council and HCRRA related to administration of the TRAs and performance of common carrier obligations will be paid through fees collected from TC&W pursuant to the terms of the existing TRAs.

Known Support / Opposition

This proposed action is supported by HCRRA.