

Business Item

Transportation Committee



Committee Meeting Date: August 14, 2023

For the Metropolitan Council: August 23, 2023

Business Item: 2023-58

METRO Blue Line Extension 2023-2024 Capital Grant Agreement #22I038 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: MN Statutes Section 473.3999 and Council Policy FM 15-1 Income/Grants

Staff Prepared/Presented: Lesley Kandaras, General Manager, 612-349-7513
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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 2023-2024 Blue Line Extension Capital Grant Agreement (CGA) #22I038 with Hennepin County and Hennepin Regional Railroad Authority (HCRRA) in the amount not to exceed \$75,305,000 and issue Limited Notice to Proceed (LNTP) #2 to the Engineering Services Contract #22P103A to advance design plans and complete the Municipal Consent process.

Background

The Blue Line Extension Light Rail Transit (BLRT) 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 BLRT Project was granted by the Federal Transit Administration (FTA) approval to enter into the Capital Investment Grant Project Development Phase on August 22, 2014. The Final Environmental Impact Statement was released in July 2016, followed by FTA's issuance of a Record of Decision in September 2016 and then Entry into the Engineering Phase on January 19, 2017. At its June 22, 2022 meeting, the Metropolitan Council took action to advance a proposed route modification which does not utilize freight rail right-of-way, as outlined in the 2022 Route Modification Report (see Business Item 2022-158). The proposed route forms the basis of additional technical and environmental analysis and community outreach and engagement to inform a Supplemental Environmental Impact Statement (SDEIS) which is currently underway.

The Metropolitan Council and Hennepin County/HCRRA entered into a Cooperative Funding Agreement (CFA) for the Engineering Phase of BLRT Project on March 15, 2017, which was extended eleven times, most recently in May 2023. Hennepin County has also provided additional funds through the 2017 Capital Grant Agreement which Hennepin County assumed from the Counties Transit Improvement Board (CTIB) which has been amended twelve times, most recently in May 2023.

The proposed CGA #22I038 replaces the two former Hennepin County and HCRRA grant

agreements with a single agreement which would be effective September 1, 2023 and provide funds for the BLRT Project for the Engineering and Construction phase activities. CGA #221038 provides a number of benefits and emphasizes partnership, collaboration, shared decision-making and accountability within a new governance and staffing model. CGA #221038 provides for a Project Decisions Board comprised of Metropolitan Council Members and Hennepin County Commissioners to approve and authorize major project decisions in partnership. Project staffing within the Blue Line Project Office is provided through an integrated project team with staff from Metropolitan Council, Hennepin County, and MnDOT as well as a team of both local and national consultant expertise. CGA #221038 clarifies the financial responsibilities of Hennepin County and HCRRA and the Metropolitan Council for the capital costs of the project. In addition to strengthening the governance and management structure, the agreement streamlines processes and reporting and better aligns with FTA requirements which maximizes efficiencies for all partners.

The Limited Notice to Proceed #2 for the Engineering Services Contract #22P103A will allow for preparation of 30% design plans and preliminary engineering activities sufficient to complete the Municipal Consent process, developing an updated preliminary cost estimate, and producing updated ridership and right of way impacts.

Rationale

Council Policy requires that interagency agreements valued at greater than \$500,000 be approved by the Council. CGA #221038 establishes 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).

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 BLRT 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 Blue Line Extension Project. After the agreement 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 businesses with this action.