

Business Item

Transportation Committee



Committee Meeting Date: December 9, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-315 SW

METRO E Line – Amendment 1 to Hennepin County Joint Powers and Cooperative Construction Agreement 23I083

District(s), Member(s):	District 5 (Pacheco Jr.), District 6 (Lilligren), District 7 (Osman), District 14 (Carter)
Policy/Legal Reference:	FM 15-1 – Income / Grants Policy
Staff Prepared/Presented:	Lesley Kandaras, General Manager, 612-349-7513 Nick Thompson, Deputy General Manager, 612-349-7507 Katie Roth, Director, Arterial BRT, 612-349-7772 Adam Smith, Manager, BRT Projects, 612-349-7160 Reed Sherlock, Agreements Lead, Arterial BRT, 612-349-7455
Division/Department:	Metro Transit / Arterial BRT

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute Amendment One (1) to Agreement 23I083, Joint Powers and Cooperative Construction Agreement with Hennepin County, to receive up to \$1,700,000 in additional funds for construction of improvements along the METRO E Line corridor.

Background

In 2020 the Minnesota Legislature appropriated \$55 million in state bonds for the B Line, D Line, and, to the extent money remained, to the E Line for design and engineering. Following completion of project budgets for the B Line and D Line, the Council budgeted the remaining state bonds for design and engineering of the E Line. The 2020 state bonds must be encumbered by December 31, 2024, to avoid becoming subject to cancellation.

In August 2024, Minnesota Management and Budget informed the Council that these state bonds cannot be expended on the E Line as long as the B Line and D Line projects are continuing to make bond draws. B Line and D Line bond draws will continue through the encumbrance deadline on December 31, 2024. Therefore, the \$10.5 million of 2020 state bonds authorized in the E Line project must instead be used for the B Line or D Line and another funding source must be identified for the E Line budget. This necessitates a shift in funding originally budgeted for the E Line project to the B Line project.

To facilitate moving 2020 state bonds from the E Line project budget to the B Line project budget, this amendment to Agreement 23I083 will increase Hennepin County's funding obligation by approximately \$1.7 million. Metro Transit intends to amend agreement 22I046 with Hennepin County at the same time to decrease the County's funding obligation on the B Line project by an amount equal to the increase in this amendment.

Rationale

Council policy requires that contract amendments valued at greater than 10% of the original contract value be approved by the Council.

Thrive Lens Analysis

The E Line will upgrade Route 6, one of Metro Transit's highest ridership bus routes. Investment in high-quality transit options in the Route 6 corridor 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 the available workforce with affordable, convenient transportation.

The E Line project advances the Thrive outcome of Equity by improving transit access for communities of color and for workers at low wage jobs. Investment in the E Line will provide riders with faster service and a more comfortable waiting and riding experience.

The proposed action also advances the Thrive outcome of Stewardship by planning for E Line corridor improvements efficiently with regional partnership with Hennepin County.

Funding

The proposed action will authorize an amendment to an existing interagency agreement to receive up to \$1,700,000 in funds from Hennepin County for improvements along the E Line corridor. These funds will be authorized in project 61004 (E Line) in the 2024 4th Quarter capital budget amendment.

Small Business Inclusion

There is no contracting related to this action so no Disadvantaged Business Enterprise (DBE) goal was set.

