

T Transportation Committee

Meeting date: **November 24, 2008**

For Metropolitan Council meeting: **December 10, 2008**

ADVISORY INFORMATION	
Date:	November 11, 2008
Subject:	Amendment No. 1 to Northstar Subordinate Funding Agreement No. 7 – BNSF Railway Company Flagging Costs
District(s), Member(s):	All
Policy/Legal Reference:	Northstar Corridor Project Master Cooperation and Delegation Agreement
Staff Prepared/Presented:	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Richard M. Rovang, Asst. General Manager – TSD, 651-602-1941
Division/Department:	Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator:

- To negotiate and execute an amendment to the Funding Agreement with the Minnesota Department of Transportation (MnDOT), in an amount not to exceed \$385,000, for reimbursement of costs incurred by the Metropolitan Council for payments to BNSF Railway Company (BNSF) for flagging costs associated with the construction of the Northstar stations.

Background

As part of the Master Cooperation Agreement for the Northstar Corridor Commuter Rail Project, the Council has entered into an agreement with the BNSF entitled “Commuter Service Agreement.” This particular agreement provides that BNSF will provide, at the expense of the Northstar project, flagging services for the construction of the commuter rail stations and provides for the payment of these costs by the Council.

The originally executed Subordinate Funding Agreement provided for reimbursement of up to \$240,000 for these flagging services for the commuter rail stations contract. Subsequently, the project has been able to better estimate the actual costs of these services. Flagging costs associated with work in Downtown Minneapolis in 2008 are being handled through a separate agreement with the Minnesota Ballpark Authority.

Total project costs for flagging services for the Northstar project are expected to stay within the project budget of \$650,000.

Rationale

MnDOT and the Council have entered into a Master Funding Agreement that provides reimbursement to the Council for certain project eligible costs through subordinate funding agreements. These flagging services being provided by BNSF are eligible project expenses for which the Council can be reimbursed. This Subordinate Funding Agreement will provide the mechanism for the Council to seek reimbursement and provides for the commitment of project funds for the payment of these costs.

Funding

These services are currently budgeted in Northstar’s overall project budget. With the execution of Northstar’s Full Funding Grant Agreement on December 11, 2007, local and federal funding to reimburse the Council has been committed. The Council will pay for the flagging services provided by BNSF under the “Commuter Service Agreement” and be reimbursed by MnDOT through this Subordinate Funding Agreement.

Known Support / Opposition

The State of Minnesota and Northstar Corridor Development Authority have shown support of Northstar with the commitment of funds for their portion of the project. With the execution of the Full Funding Grant Agreement, the Federal government has confirmed its support of and commitment to funding their portion of the Northstar project as well.