

# T Transportation Committee

Meeting Date: February 23, 2009

For Metropolitan Council Meeting February 25, 2009

## ADVISORY INFORMATION

<b>Date:</b>	February 13, 2009
<b>Subject:</b>	Northstar Fridley Station Ground Lease Memorandum of Understanding
<b>District(s), Member(s):</b>	District 2, Councilmember Tony Pistilli
<b>Policy/Legal Reference:</b>	BNSF Railway Joint Use Agreement Anoka County Regional Railroad Authority Cooperative Agreement for Fridley Station
<b>Staff Prepared/Presented:</b>	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Mark Thompson, Acting General Counsel, 651-602-1105
<b>Division/Department:</b>	Metro Transit

### Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to execute the Memorandum of Understanding with the Fridley Housing and Redevelopment Authority and the Anoka County Regional Railroad Authority to generally agree among the parties responsibilities for the design, construction, ownership, operation and maintenance of the Fridley Station eastside park and ride and headhouse facilities in support of the Northstar Corridor Commuter Rail Project.

### Background

The Northstar Corridor Commuter Rail Project scope with the Federal Transit Administration (FTA) includes five stations but does not include Fridley Station. Fridley Station was excluded from the Federal project due to constraints of the FTA Cost Effectiveness Index.

During 2008, the Anoka County Regional Railroad Authority (ACRRA) sought and successfully received a grant from the Counties Transit Improvement Board to fund the final design and construction of Fridley Station during 2009 with the objective to open Fridley Station concurrently with the start of Northstar Commuter Rail service. To this end, ACRRA solicited construction bids and is prepared to award and issue notice to proceed to the construction contractor at the end of February.

The Metropolitan Council authorized the Regional Administrator to execute the BNSF Platform Agreement and Underpass Easement for Fridley Station as well as the cooperative agreement with Fridley project partners Anoka County Regional Railroad Authority and Minnesota Department of Transportation at its December 10, 2008 meeting.

As the cooperative agreement was being assembled, it became apparent there were two public property owners of the Fridley Station park and ride areas, ACRRA on the west side of the station and the Fridley Housing and Redevelopment Authority (HRA) on the east side as shown on the attached exhibit. HRA is contemplating future development on its property adjacent to the station and wishes to maintain fee title ownership of the property. ACRRA will construct the transit improvements on the property with the Counties Transit Improvement Board grant proceeds.

**Rationale:**

The Memorandum of Understanding sets forth the responsibilities of the Fridley Housing and Redevelopment Authority, the Anoka County Regional Railroad Authority and Metropolitan Council. Fridley HRA closed on its acquisition of the property February 13, 2009. Fridley HRA intends to retain long-term ownership of the property and ultimately seek development partners to execute a Transit Oriented Development at Fridley Station. Any such development will be required to maintain the planned 330 parking spaces during development either on site or off-site linked with a shuttle bus at the HRA's expense. After development, HRA must provide 330 eastside parking spaces for Northstar passengers. Fridley HRA will execute a ground lease with the Council that runs with the initial term of the BNSF Platform Agreement through May 31, 2107 and subsequent renewals.

Anoka County Regional Railroad Authority will be awarding a construction contract for the station and related park and ride improvements and will be the project manager of Fridley Station construction in 2009. ACRRRA will convey ownership of the improvements to the Council after substantial completion of the improvements scheduled for late September 2009.

Metropolitan Council will be the lessee of the property from Fridley HRA for rent of \$1.00 per year. The Council will own the improvements on Fridley HRA property including the park and ride, headhouse for passenger vertical access to the underpass to the station platform as well as feeder bus facilities. The Council will be responsible for operating and maintaining the improvements for transit purposes.

**Funding**

The Memorandum of Understanding for the Fridley Station Ground Lease does not require any capital expenditure by the Council. The Council will be responsible for operating and maintaining the facility; therefore will be responsible for utility expenses, station and park and ride maintenance expenses. These operating expenses have been incorporated into the 2009 and future year Northstar operating expenses.

**Known Support/Opposition**

Fridley Housing and Redevelopment Authority and the Anoka County Regional Railroad Authority support the Northstar Fridley Station and this ground lease for the HRA owned property on the eastside of the station. There is no known opposition to this recommended action.



**FRIDLEY STATION**  
NORTHSTAR COMMUTER RAIL PROJECT

