

T Transportation Committee
Metropolitan Council meeting: October 28, 2009

Item: 2009-386

ADVISORY INFORMATION

Date: October 26, 2009
Prepared:
Subject: **Master Funding Agreement and Cooperation Letter Agreement for Central Corridor Light Rail Transit Project with Minnesota Department of Administration**

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Master Funding Agreement and Cooperation Letter Agreement for the Central Corridor Light Rail Transit (LRT) Project with the Minnesota Department of Administration.

Summary of Committee Discussion / Questions:

Councilmember Steffen asked for clarification on the agreement regarding the manner in which the betterments as described in the business item would be managed. Mark Fuhrmann and Brian Lamb explained that the Master Funding Agreement will provide a mechanism for pass-through of General Obligation (G.O.) Bond funds of \$313,000 from the Met Council to the Dept. of Admin. for the design of a pedestrian tunnel. The Dept. of Admin. will be seeking G.O. Bond funds in the future for desired betterments around the Central Corridor project area that will be also be passed through to the Council. Mark Fuhrmann clarified for other Councilmembers that betterments are paid for by the agencies that request them, not the Met Council.

The motion was made by Councilmember McFarlin, seconded by Councilmember Leppik, and unanimously approved.

T Transportation Committee

Meeting date: October 26, 2009

For Metropolitan Council: October 28, 2009

ADVISORY INFORMATION	
Date:	October 19, 2009
Subject:	Master Funding Agreement and Cooperation Letter Agreement for Central Corridor Light Rail Transit Project with Minnesota Department of Administration
District(s), Member(s):	All
Policy/Legal Reference:	2009 State Bonding Bill
Staff	Brian Lamb, General Manager, 612-349-7510
Prepared/Presented:	Mark Fuhrmann, Deputy General Manager, 651-602-1942
Division/Department:	Metro Transit / Central Corridor Project Office

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Master Funding Agreement and Cooperation Letter Agreement for the Central Corridor Light Rail Transit (LRT) Project with the Minnesota Department of Administration.

Background

The Central Corridor Light Rail Transit Project travels through the State Capitol area along University Avenue, Robert Street, 12th Street and Cedar Street with stations located at Rice Street, Capitol East and 10th Street. The Capitol Area Architecture Planning Board (CAAPB) reaffirmed its approval of this alignment in January 2008. Central Corridor Project Office has been working closely with the CAAPB and Department of Administration staff teams to develop the preliminary design and advance the design to 60% completion since 2007. The CAAPB approved the advanced preliminary design at its meeting October 16, 2009.

The State Legislature authorized \$313,000 in the 2009 state bonding bill specifically for preliminary engineering and final design for betterments in the State Capitol area related to the Central Corridor Light Rail Transit Project. This money is not included in the Central Corridor LRT Project budget. The Department of Administration has identified since enactment of the 2009 bonding bill a need to design a secure service and pedestrian tunnel access under University Avenue and Central Corridor LRT connecting with the north side of the State Capitol.

Rationale

The Department of Administration and Central Corridor Project Office (CCPO) staff have assembled a Letter Agreement that delineates the design principles and supporting infrastructure locations, signal bungalows and traction power substation, for the LRT through the Capitol Area. The agreement also identifies design elements that are included in the baseline scope, therefore the responsibility of the Council and design

elements that are betterments, therefore the responsibility of Department of Administration or CAAPB. The Letter Agreement assignment of baseline and betterment responsibilities is consistent with the CAAPB approval.

The single most expensive and complex betterment contemplated by Department of Administration is the new secure service and pedestrian tunnel under the LRT tracks under University Avenue. Both the department and CCPO recognize the cost efficiencies potentially to be realized if the tunnel design can be integrated into the overall Civil East LRT contract package. Administration has requested the Council to pass through the \$313,000 betterment design bonding authorization to Administration to enable them to commission the tunnel design in a compressed timeframe for inclusion in the Civil East package.

The Master Funding Agreement will establish the financial framework between the Metropolitan Council and Department of Administration. The \$313,000 would pass through the Council to Administration for design of betterments. As Administration seeks and secures future bonding authority from the legislature for funding betterments around the Central Corridor LRT Project, this agreement will serve as the framework to transfer funds to the Council to direct its contractor to undertake the additional scope of work. The cost of constructing any betterments will not be part of the LRT project budget. Subordinate Funding Agreements (SFA) under the Master Funding Agreement will define the specific scope and purpose, the amount of committed funds and responsible payer.

Funding

State bonds authorized in 2009 in the amount of \$313,000 are currently available with the Council for the cost of preliminary engineering and final design of betterments in the Capitol Area. No other funds have been authorized by the State Legislature for betterments.

Known Support / Opposition

The State Legislature authorized the \$313,000 for design of the betterments. The CAAPB has approved design for betterment elements around the Central Corridor LRT but no funding has been secured for these elements at the time of this business item.