

T Transportation Committee

Meeting date: October 27, 2008

For Met Council Meeting: November 12, 2008

ADVISORY INFORMATION	
Date:	October 20, 2008
Subject:	Northstar Fridley Station
District(s), Member(s):	All Members
Policy/Legal Reference:	MN Statutes, Chapter 174.82, 174.90 and 473.399
Staff Prepared/Presented:	Brian Lamb, General Manager 612-349-7510 Mark Fuhrmann, Deputy General Manager 651-602-1942 Phil Walljasper, Risk Manager, 651.602.1787
Division/Department:	Metro Transit / Northstar Project Office

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute with BNSF Railway a Platform Lease Agreement and Underpass Easement Agreement for Fridley Station and furthermore negotiate and execute an interagency cooperation, delegation and funding agreement with the Anoka County Regional Rail Authority (ACRRA) and MnDOT to enable Metropolitan Council to be fully reimbursed for costs incurred of \$100 for a 100 year term for the BNSF agreements and fully reimbursed for Met Council incurred capital related expenses valued at \$331,000 during 2008 and 2009 in support of the Fridley Station Project.

Background

Minnesota Department of Transportation (MnDOT) executed a Full Funding Grant Agreement with the Federal Transit Administration (FTA) in December 2007 for the Northstar Corridor Commuter Rail Project for \$317.4 million. This budget included execution of a permanent easement with BNSF Railway to operate 12 train trips per weekday over BNSF track between Big Lake, Minnesota and downtown Minneapolis. The federally funded scope of Northstar also includes construction of five stations, a vehicle maintenance facility, five locomotives and seventeen passenger cars. Fridley Station was originally included in the project budget and scope but was dropped from the executed agreement with FTA due to cost effectiveness index constraints. The executed permanent easement with BNSF permits a station stop at Fridley at no additional cost to the easement.

Local supporters of Fridley Station have pursued a way to reinstate the Fridley Station to enable it to open concurrently with the remainder of Northstar in late 2009. FTA has informed the local partners that this is permissible with the stated conditions that Fridley Station must be 100% locally funded and it not delay the Northstar scheduled opening.

Anoka County Regional Railroad Authority has agreed to take the project lead for the Fridley Station. This included making application to the Counties Transitway Improvement Board (CTIB) for a \$9.9 million grant. This amount will pay for construction and compensate Met Council and MnDOT for any costs incurred assisting with delivery of Fridley Station. The Council is scheduled to review this application among others for consistency with the adopted Transportation Policy Plan October 22. The CTIB is scheduled to act on the Fridley grant application October 29.

Rationale

Metropolitan Council executed the Northstar Master Cooperation and Delegation Agreement with MnDOT, Northstar Corridor Development Authority and the Anoka, Hennepin and Sherburne County Regional Railroad Authorities in March 2007. The Council's major responsibilities under this agreement include acquisition of locomotives and passenger coaches, acquisition of certain property interests such as platform leases and an underpass agreement from BNSF as well as eventual operation of Northstar Commuter Rail service.

Prior to Met Council executing the Platform Lease Agreement and Underpass Easement Agreement with BNSF, a separate cooperation, delegation and funding agreement between Met Council, Anoka County Regional Railroad Authority and MnDOT must be executed. This agreement will provide project funding to the Council for any costs incurred by the Council in acquiring the BNSF property interests and any other obligations. Once the agreements are executed with BNSF, Met Council may make these property interests available to ACRRA and its contractors for use in constructing Fridley Station.

The Platform Lease Agreement is required where construction of the Fridley platform and operation of the platform will occur in BNSF right-of-way. BNSF will retain ownership of the right-of-way under the Fridley platform.

The Underpass Easement Agreement will be required by BNSF as a pedestrian tunnel will be necessary for passengers to access the center platform located between multiple BNSF tracks near their Northtown yard. The executed BNSF agreements and delegation agreement with Anoka County Regional Rail Authority and MnDOT will grant ACRRA the necessary authority to conduct the work on BNSF owned property.

The construction contractor will be required to procure General Liability insurance during construction with a \$25 million limit. This policy will protect the contractor as well as Met Council, MnDOT, ACRRA and BNSF. In addition to this contractor insurance, Northstar Corridor Development Authority will amend its current excess General Liability, Environmental Liability and Builders Risk policies to include Fridley Station. The Met Council will be a Named Insured on these amended policies for Fridley Station. Railroad Protective Liability insurance will also be amended to include Fridley but does not require the Council to be a Named Insured.

All of these actions related to Fridley Station are conditioned on the ability of the Anoka County Regional Railroad Authority demonstrating to the Regional Administrator's satisfaction that it has a fully executed CTIB capital funding grant for Fridley Station and the Met Council / MnDOT / ACRRA cooperation, delegation and funding agreement is executed prior to the Council incurring any expense related to Fridley Station.

Funding

All eligible capital costs incurred by the Council related to BNSF agreements during construction, staff costs and capital equipment costs, e.g., fare collection equipment, will be fully reimbursed by Anoka County Regional Railroad Authority.

Known Support / Opposition

Northstar Corridor Development Authority, Anoka County Regional Railroad Authority and city of Fridley support the construction and opening of the Fridley Station concurrent with the start of Northstar service. There is no known opposition.