

T Transportation Committee

Meeting Date: November 24, 2008

For Metropolitan Council Date: December 10, 2008

ADVISORY INFORMATION

Date:	November 10, 2008
Subject:	Cooperative Funding Agreement for Central Corridor Light Rail Transit for Final Design and Preliminary Engineering with Ramsey County and Hennepin County Regional Railroad Authorities
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Laws 2008, Chapter 287, Article 1, Sections 100 – 108 Minnesota Laws 2008, Chapter 152, Article 4, Sections 1, 2 Minnesota Laws 2006, Chapter 258, Section 17 (4)
Staff Prepared/Presented:	Brian J. Lamb, General Manager, 612-349-7510 Mark W. 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 Cooperative Funding Agreement for the Central Corridor Light Rail Transit (CCLRT) Preliminary Engineering and Final Design with the Ramsey County and Hennepin County Regional Railroad Authorities (RCRRA and HCRRA).

Background

On August 29, 2006 RCRRA and HCRRA entered into a Memorandum of Understanding (MOU) with the Met Council wherein they committed to make expenditures for the design and construction of the CCLRT Project. On December 13, 2006 the Federal Transportation Administration (FTA) approved the Project to enter preliminary engineering (PE). On July 11, 2007, RCRRA and HCRRA entered into a Cooperative Funding Agreement in order to implement funding for PE for the Project. However, the Agreement did not address funding for final design (FD) of the Project.

Rationale

The Central Corridor Project Office (CCPO) anticipates that the Project will receive FTA approval to enter FD in the summer of 2009. RCRRA and HCRRA must enter into a new Cooperative Funding Agreement in order to implement funding for FD and remaining PE. The new agreement will describe their roles and obligations and provide for the transfer of funds to the Met Council. It will replace the July 11, 2007 Cooperative Funding Agreement for PE.

The establishment of the Counties Transit Improvement Board (CTIB) during the 2008 Legislative session provides a new source of Project funds and will require a modification of the funding commitments of RCRRA and HCRRA to the Project. CTIB will have a separate grant agreement with the Met Council.

Funding

The CCPO has estimated that PE will cost \$45 million. Further, the cost of FD has been estimated to be \$80 million for right-of-way acquisition, public utility relocation, consultant services, staff costs and Project Office costs.

RCCRA has committed to providing seven percent (7%) of the total capital cost of the project not to exceed \$63 million; HCRAA has committed three percent (3%) of the total capital cost not to exceed \$27 million and; CTIB has agreed to provide 30% of the total capital cost not to exceed \$300 million. In addition, the state share is anticipated to be 10% of the entire project.

The FTA has not fully committed funds to cover its anticipated 50% federal share for the project. CCPO anticipates a FTA full funding grant commitment in the spring of 2010. Prior to this FTA commitment, all local sources of funding will be required to contribute a higher percentage of funds. The ultimate local funding contributions will be the same as the percentages described above when federal funds are appropriated and the Project is completed.

Known Support / Opposition

Both the Ramsey County and Hennepin County Regional Railroad Authorities passed resolutions this summer committing their respective funding shares to the project.