

T Transportation Committee

Meeting date: November 14, 2011

Metropolitan Council: December 14, 2011

ADVISORY INFORMATION

Date: November 2, 2011

Subject: Northstar Corridor Commuter Rail Supplemental Subordinate Funding Agreement with Sherburne County Regional Rail Road Authority SFY2012

District(s), Member(s): All

Policy/Legal Reference: MN Statute 473.3999

**Staff Prepared/Presented: Brian J. Lamb, General Manager, 612.349.7510
Vince Pellegrin, Chief Operating Officer, 612.349.7511
Edwin D. Petrie, Director Finance, 612.349.7624
Ed Byers, Director, Northstar Commuter Rail, 612.349.7080**

Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a SFY2012 Supplemental Subordinate Funding Agreement with the Sherburne County Regional Railroad Authority for commuter rail operating costs for an amount up to \$1,121,773.

Background

The Council and the Sherburne County Regional Railroad Authority (SCRRA) are parties to a Northstar Corridor Commuter Rail Master Operations Funding Agreement to establish a mechanism for transferring funds for the operations of a commuter rail transit system along the Northstar Corridor from downtown Minneapolis to Big Lake. The parties to the Master Operations Funding Agreement provided in that agreement that the local funding for the annual operations of the Commuter Rail Line would be determined in subsequent Subordinate Funding Agreements.

The SCRRA submitted an application to the Minnesota Department of Transportation (MnDOT) for grant funds to support the Greater Minnesota portion of the Commuter Rail Line within Sherburne County and received MnDOT grant funds to fund 8.05% of Commuter Rail Net Operating Costs for the period from July 1, 2011 through June 30, 2012 (SFY2012).

The Council and the SCRRA desire to enter into this Supplemental Subordinate Funding Agreement in order to make the MnDOT Funds available to the Metropolitan Council for Commuter Rail Operating Costs in Sherburne County.

Both the Metropolitan Council and SCRRA acknowledge that the MnDOT grant funds made available under this Supplemental Subordinate Funding Agreement are: (a) in addition to the SCRRA's Proportionate Share of the Amount of Authorized Funding set forth in previous Subordinate Funding Agreements that already has been paid by the SCRRA; and (b) in addition to the SCRRA's Proportionate Share of the Amount of Authorized Funding set forth in subsequent Subordinate Funding Agreements that will be paid by the SCRRA.

Rationale

This Supplemental Subordinate Funding Agreement will provide the mechanism to make MnDOT Funds available to the fund 8.05% of the Commuter Rail Net Operating Costs for SFY2012. Subordinate Funding Agreements exceeding \$250,000 require Metropolitan Council Authorization

Funding

MnDOT will provide to SCRRA grant funds to fund 8.05% of Commuter Rail Net Operating Costs up to \$1,121,773 for the period from July 1, 2011 to June 30, 2012. The Council and the SCRRA desire to enter into this Supplemental Subordinate Funding Agreement in order to provide the mechanism to make the MnDOT Funds available to the Metropolitan Council for Commuter Rail Operating Costs in Sherburne County.

Known Support / Opposition

The State of Minnesota Department of Transportation (MnDOT) and the Sherburne County Regional Railroad Authority (SCRRA) support this Supplemental Subordinate Funding Agreement. No known opposition.