

T Transportation Committee

Meeting date: June 4, 2012

Metropolitan Council Meeting: June 13, 2012

ADVISORY INFORMATION

Date:	May 23, 2012
Subject:	Central Corridor Light Rail Transit (Green Line): 50% Constructed Contingency Commitment
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes Chapter 117 and M.S § 473.405 Met Council 3-3 Expenditures Policy
Staff Prepared/Presented:	Brian Lamb, General Manager, 651-349-7510 Mark Fuhrmann, Deputy Gen Mgr, 651-602-1942 Rich Rovang, CCLRT Project Director, 651-602-1941 Chris Beckwith, CCLRT Dpty Prj Director, 651-602-1433
Division/Department:	Metro Transit / Central Corridor Project Office

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to:

- Authorize the use of \$7.5 million in Central Corridor Light Rail Transit (CCLRT) (Green Line) project contingency funds at the 50% constructed milestone towards the Minneapolis Interchange Project (\$4 million), the St. Paul Union Depot Project (\$3 million) and the relocation of traction power substation #12 from the Central Station block in downtown St. Paul (\$500,000), subject to FTA concurrence;
- Negotiate and execute a subordinate funding agreement with the Hennepin County Regional Railroad Authority for the allocation of CCLRT (Green Line) contingency funds to the Minneapolis Interchange Project;
- Negotiate and execute a subordinate funding agreement with the Ramsey County Regional Railroad Authority for the allocation of CCLRT (Green Line) contingency funds to the St. Paul Union Depot Project.

Background

The CCLRT Project's Full Funding Grant Agreement (FFGA) budget includes \$155 million of project contingency. The use of project contingency towards project scope deferrals/betterments requires action of the Met Council. Federal Transit Administration (FTA) hold point requirements are imposed on these contingency funds, which can be released when percentage complete milestones are achieved throughout construction.

In September 2011 at the 20% constructed milestone, the Met Council authorized a total of \$58.1 million of CCLRT project contingency towards the purchase of 16 CCLRT light-rail vehicle options, other 2011 time sensitive Project Enhancements and Pre-Revenue Operations start-up costs. (see Business Item 2011-237)

In Spring 2012, the project achieved the 50% constructed milestone. According to the FTA contingency hold points, a total of \$92 million of the \$155 million total project contingency is accessible for eligible project expenditures. After deducting the 5% reserve for construction change orders (\$35 million) and accounting for project

requirements and scope deferral commitments through the first half of 2012, approximately \$7.5 million is available for project scope deferrals/betterments at this hold point.

Project scope deferral/betterment nominations have been solicited from project partners and a recommendation has been developed with project partners. The recommendation for the use of \$7.5 million of project contingency at this 50% constructed hold point includes:

- \$4 million for the Minneapolis Interchange Project
- \$3 million for the St. Paul Union Depot Project
- \$500,000 for the relocation of traction power substation #12 from the Central Station block in downtown St. Paul

If the Met Council approves this action in full and FTA concurs in full, there will be an overall contingency balance remaining of approximately \$72.9 million.

Rationale

Staff and project partners have identified that these items are time sensitive and require funding commitment decisions at this time to proceed with the work.

Funding

The funding for this total authorization of \$7.5 million is available from CCLRT Project Contingency.

Known Support / Opposition

Informational items have been shared with the Counties Transit Improvement Board and the Hennepin County Regional Railroad Authority. There is no known opposition at this time.