

O Other

Meeting date: December 17, 2007

ADVISORY INFORMATION	
Date:	December 14, 2007
Subject:	2007-2012 Capital Improvement Program and 2007 Capital Program and Budget Amendment
District(s), Member(s):	District 16, Brian McDaniel
Policy/Legal Reference:	2007-2012 CIP - Action Item 2006-204
Staff Prepared/Presented:	Arlene McCarthy, Director MTS; 651-602-1754 Beth Widstrom, Chief Financial Officer: 651-602-1567
Division/Department:	Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council pledge \$4,570,000 in RTC bond authority previously pledged, and, with the signing of the Full Funding Grant Agreement no longer committed, to the Northstar Commuter Rail Project to the Dakota County Regional Rail Authority (DCRRA) toward the purchase of property for expansion of the Apple Valley Transit Station (AVTS).

Background

- On October 10, the Council authorized the Regional Administrator to execute a contract with Dakota County Regional Rail Authority (DCRRA) in the amount of \$4,570,000 to pass through state bond funds to purchase property for the expansion of the Apple Valley Transit Station (AVTS). The AVTS expansion is part of the Cedar Avenue BRT project which is in the approved 2007 Capital Budget.
- The purchase process agreed to by the current property owner and DCRRA is a “friendly” condemnation action by the DCRRA. Through that condemnation process, a court order requires a \$4.57 million payment no later than December 31, 2007.
- The final purchase price plus relocation costs are being determined through the legal process. The contract/grant agreement will be amended later to adjust the amount for the final price including relocation costs.
- A letter from the Commissioner of Finance authorizing the bond funds for the specific use is required before the Council can pass through the funds. The Department of Finance recently advised that the statutory language authorizing the state bonds does not explicitly call out land acquisition as an allowable use. While the Council does not agree with this interpretation, the December 31st date requires resolution acceptable to all parties.
- In the 2008 Legislative session, the Council will seek clarifying language that allows the state bonds to be used for land acquisition.
- To meet the December 31st court order date, staff recommends that \$4.57 million in Regional Transit Capital (RTC) funds be reallocated from the Northstar Commuter Rail project to the Cedar Avenue Transitway project. Because of the year end deadline, this requires immediate consideration by the Council.

Rationale

With the execution of the Northstar Full Funding Grant Agreement, \$10.973 million in RTC previously allocated to purchase locomotives is now available given the release of federal and state funds.

Funding

The proposed action does not change the total project cost for the Cedar Avenue BRT Apple Valley Transit Station Project (35702) or Northstar Commuter Rail Project (65510). This action does not change the authority granted in the 2007-2012 Capital Improvement Program and 2007 Authorized Capital Program and Budget. The proposed action does change the funding sources as follows:

	<u>Current</u>	<u>Cedar Avenue BRT Apple Valley Transit Station Project (35702)</u>	<u>Northstar Commuter Rail Project (65510)</u>
Current Funding:	State Bonds RTC Bond Authority	\$ 4,570,000	\$ 4,570,000
This Action:	State Bonds RTC Bond Authority Full Funding Grant Agreement	(\$ 4,570,000) \$ 4,570,000	(\$ 4,570,000) \$ 4,570,000

In the future, staff will propose changes to pledge the remaining \$6,403,000 in Regional Bonding no longer committed to the Northstar Commuter Rail Project.

Known Support / Opposition

None.