

**T** Transportation Committee  
For the Metropolitan Council meeting of April 23, 2008

Item: 2008-100  
Consent

**ADVISORY INFORMATION**

**Date Prepared:** April 15, 2008  
**Subject:** Northstar \$2.5 Million Local Match Use

**Proposed Action:**

That the Metropolitan Council:

- Authorize the Regional Administrator to make payment of \$2.5 million to the Northstar locomotive contractor MotivePower, Inc. for the purposes of making an upcoming milestone payment. The funds for this payment will come from closed debt service funds previously authorized (2004-287) for a grant to Northstar Corridor Development Authority (NCDA) for the purchase of the Northstar right-of-way. This payment would be contingent upon NCDA Capital Committee approval at their April 17, 2008 meeting.

**Summary of Committee Discussion / Questions:**

Mark Fuhrmann explained the request and answered questions. Councilmember Steffen made a friendly amendment to the motion that language be included that this would be contingent upon NCDA approval of the same at their 4/17 meeting. Staff agreed this would be an acceptable contingency.

Motion made by Councilmember Steffen, seconded by Councilmember Leppik and passed with amendment in motion.

# T Transportation Committee

**Meeting date: April 14, 2008**  
**For Metropolitan Council: April 23, 2008**

## ADVISORY INFORMATION

<b>Date:</b>	April 5, 2008
<b>Subject:</b>	Northstar \$2.5 Million Local Match Use
<b>District(s), Member(s):</b>	All Districts and Members
<b>Policy/Legal Reference:</b>	Northstar Full Funding Grant Agreement
<b>Staff Prepared/Presented:</b>	Brian Lamb, General Manager, 612-349-7510 Mark Fuhrmann, Deputy General Manager, 651-602-1942
<b>Division/Department:</b>	Metro Transit

### Proposed Action

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### Background

In 2004, the Metropolitan Council approved transferring \$2.5 million balance from several transit debt service accounts to the pass-through budget in a grant to NCDA to provide local match funding for a federal grant to purchase right-of-way for the Northstar project. Right-of-way acquisition did not proceed in this timeframe thus allowing the Council to retain the debt service balances in its accounts.

With an executed Full Funding Grant Agreement in hand, MnDOT is proceeding with the necessary right-of-way acquisitions utilizing state general obligation bond proceeds for local match. The Council under a delegation agreement with MnDOT has contracted for purchase of locomotives and passenger coaches for Northstar.

### Rationale

Rescission of the prior grant authority to NCDA and retention of the transit debt service balances enables the Council to spend the \$2.5 million local match for Northstar directly with its locomotive contractor. This lessens the need for transferring local match dollars between local funding partners. This also lessens the need for the Council to cash flow payments to the locomotive contractor which will minimize financing costs that are required to be reimbursed by the Northstar project to the Council.

### Funding

The \$2.5 million originally approved for Northstar right-of-way acquisition has not been requested by NCDA nor has it been transferred. The proposed capital program budget amendment, Business Item 2008-62, transfers in \$2,500,000 from the NCDA portion of the overall project to the Council's rolling stock capital project and transfers out \$2,500,000 in county rail authority funds from the Council's project to the NCDA capital project.

The Council's \$2.5 million local match commitment is part of the base \$307.6 million overall Northstar project. This action does not change the scope or total authorization for the Council's Northstar project 65510. This action does not change the scope or total funding commitment by the Council to Northstar. Lastly, this action does not commit the Council to spending any of its contingency commitment of \$3.4 million to Northstar.

### **Known Support / Opposition**

MnDOT and NCDA staff support this direct funding and expenditure approach. The Capital Budget Committee of the Northstar Corridor Development Authority is scheduled to consider a parallel action at its meeting April 17, 2008.