

T Transportation Committee

Item: 2009-287

Metropolitan Council meeting: August 26, 2009

Date

Prepared: August 25, 2009

Subject: Central Corridor Light Rail Transit Project Scope and Budget Adjustments

Proposed Action:

That the Metropolitan Council approve adjusting the Central Corridor Light Rail Transit overall project budget from \$913.9 million to between \$937.3 million and \$941.3 million and Cost Effectiveness Index to between \$24.88 and \$24.99 and authorize staff to submit the annual New Starts application to the Federal Transit Administration (FTA) by September 9, 2009.

Summary of Committee Discussion / Questions:

Before staff presented the action item, Councilmember Beach suggested again that this item be forwarded to the full Council without a recommendation. Committee members felt it was their responsibility to discuss at the committee level and forward their informed recommendation to the Council.

Background on the item was then presented by Mark Fuhrmann.

Councilmember Bowles asked for more clarification on the diagonal right of way in downtown St. Paul. Mark Fuhrmann explained that the original intent was for the city of St. Paul to acquire this property, but that the diagonal property is being added to the project scope and budget because the City does not have the resources to acquire it. A motion was made by Councilmember Aguilar, seconded by Councilmember Peterson, and passed unanimously.

T Transportation Committee
Meeting date: August 24, 2009

Metropolitan Council Meeting: August 26, 2009

ADVISORY INFORMATION

Date: August 17, 2009
Subject: Central Corridor Light Rail Transit Project Scope and Budget Adjustments
District(s), Member(s): All
Policy/Legal Reference: Federal Title 23 CFR, Part 771, FTA New Starts Process
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 approve adjusting the Central Corridor Light Rail Transit overall project budget from \$913.9 million to between \$937.3 million and \$941.3 million and Cost Effectiveness Index to between \$24.88 and \$24.99 and authorize staff to submit the annual New Starts application to the Federal Transit Administration (FTA) by September 9, 2009.

Background

The Central Corridor LRT Project has spent the last year advancing Preliminary Engineering to 60% completion and publishing the Final Environmental Impact Statement. These activities have caused certain scope items to be identified that are not currently included in the project budget.

The Federal Transit Administration has recently released its annual adjustment for the Cost Effectiveness Index (CEI) threshold that New Starts projects must satisfy to be eligible for federal funding. The CEI threshold is now \$24.99. The Central Corridor LRT inflation adjusted CEI is now \$24.60. Staff has requested FTA to consider a lower inflation for 2009 which, if granted, could reduce the inflation adjusted current CEI to \$24.49.

Rationale

Central Corridor Project Office staff has quantified the CEI impact and dollar impact of certain scope items needed for the project. Per the attachment, staff recommends including an additional \$14 million to \$18 million of cost for additional scope items resulting in a CEI increase of \$0.39 to \$0.50 for a revised CEI of between \$24.88 and \$24.99. Furthermore, FTA recommends including additional financing cost due to normal delays in congressional appropriation cycles. This is estimated at \$9.3 million but is not included in CEI calculations. Overall, the adjusted project budget is in the range of \$937.3 million to \$941.3 million.

Funding

The Federal Transit Administration will pay for 50 percent of the \$23.7 million to \$27.7 million budget increase and 50 percent of the overall budget upon execution of a Full Funding Grant Agreement. Local capital funding will be provided by four funding partners: (1) the Counties Transitways Improvement Board (CTIB); (2) the State of Minnesota; (3) the Ramsey County Regional Railroad Authority (RCRRA); and (4) the

Hennepin County Regional Railroad Authority (HCRRRA). CTIB funds will pay 30 percent of project costs; the State of Minnesota will fund 10 percent of project costs; RCRRRA will fund 7% and HCRRRA will fund 3% of project costs.

Known Support / Opposition

The Counties Transitways Improvement Board has passed a resolution it will fund 30 percent of the project up to a maximum of \$300 million. These scope and budget adjustments result in a CTIB funding commitment of up to \$282.4 million. The State of Minnesota will need to consider during the 2010 legislative session its additional commitment of up to \$2.8 million. The Ramsey and Hennepin County Regional Railroad Authorities will need to consider additional commitments of up to \$1.94 million and up to \$0.83 million respectively in early September.

**Central Corridor Light Rail Transit
 Scope and Budget Adjustments**

<u>Scope Item</u>	<u>Cost Effectiveness Index</u>	<u>Budget (in millions)</u>
4 th St./Cedar Right-of-Way	\$0.22	\$7.8
OMF Façade	\$0.04	\$1.5
UM Electro-Magnetic	\$0.05	\$1.9
UM Vibration	<u>\$0.08</u>	<u>\$2.9</u>
Subtotal	\$0.39 - \$0.50	\$14.1 - \$18.1
Financing	<u>\$0.00</u>	<u>\$9.3</u>
Current Project	<u>\$24.49 - \$24.60</u>	<u>\$913.9</u>
Adjusted Project Total	\$24.88 - \$24.99	\$937.3 - \$941.3