

T Transportation Committee

For the Metropolitan Council meeting of September 28, 2011

Date September 20, 2011
Prepared:
Subject: Northstar Corridor Commuter Rail Supplemental Subordinate Funding Agreement with Sherburne County Regional Rail Road Authority

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Supplemental Subordinate Funding Agreement with the Sherburne County Regional Railroad Authority for commuter rail operating costs for an amount up to \$2,024,930.

Summary of Committee Discussion / Questions:

Item was presented by Ed Petrie. There were no questions from Councilmembers, and the item was passed unanimously.

T Transportation Committee

Meeting date: September 12, 2011

Metropolitan Council: September 28, 2011

ADVISORY INFORMATION

Date: September 2, 2011
Subject: Northstar Corridor Commuter Rail Supplemental Subordinate Funding Agreement with Sherburne County Regional Rail Road Authority
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, COO, 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 Supplemental Subordinate Funding Agreement with the Sherburne County Regional Railroad Authority for commuter rail operating costs for an amount up to \$2,024,930.

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.

As members of the Counties Transit Improvement Board (CTIB), Hennepin County and Anoka County have imposed the metropolitan transportation sales and use tax under Minnesota Laws section 297A.992 and the provisions of Minnesota Laws section 398A.10 therefore apply to the two counties, which may not continue to contribute funds for commuter rail operations. As a result, a separate Annual Operating Grant Agreement is entered into annually between the Metropolitan Council and the Counties Transit Improvement Board for Northstar Commuter Rail Transitway Service.

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 two-year period from July 1, 2009 through June 30, 2011 (SFY 2010 and SFY 2011).

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 SFY 2010 and SFY 2011. 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 \$2,024,930 for the two-year period from July 1, 2009 to June 30, 2011. 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.