

Legislation Details (With Text)

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File created: 1/3/2024 **In control:** Board of Hennepin County Commissioners
On agenda: 1/9/2024 **Final action:** 1/9/2024
Title: Neg Amd 11 to Agmt PR00000689 with Met Council and HCRRA for METRO Green Line Ext LRT Project (CP 1005876), extend to 01/31/25, incr grant amt by \$100,000,000 for new NTE \$1,078,080,704

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
1/23/2024	1	Board of Hennepin County Commissioners	revise	Pass
1/9/2024	1	Public Works Committee	non-consent	Pass

Item Description:

Neg Amd 11 to Agmt PR00000689 with Met Council and HCRRA for METRO Green Line Ext LRT Project (CP 1005876), extend to 01/31/25, incr grant amt by \$100,000,000 for new NTE \$1,078,080,704

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Amendment 11 to Agreement PR00000689, Capital Grant Agreement for the METRO Green Line Extension Light Rail Transit Project with the Metropolitan Council and the Hennepin County Regional Railroad Authority, extending the grant activity period from January 31, 2024 to January 31, 2025; and increasing the maximum grant amount by \$100,000,000 to be contributed by Hennepin County (Capital Project 1005876), for a new maximum grant amount of \$1,078,080,704; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the amendment on behalf of the County; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the 2024 Capital Budget for project 1005876 HC METRO Green Line Extension Light Rail Transit Project be increased by \$100,000,000 from \$892,892,368 to \$992,892,368, funded with Hennepin County transportation sales and use tax funds, and that the Controller be authorized to transfer and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the 2024 Hennepin County Transportation Sales Tax Fund (Fund 26) revenue budget be increased by \$10,381,500, using restricted fund balance, and that an interfund revenue transfer in the amount of \$100,000,000 to the capital project fund (Fund 51) be authorized, and that the Controller be authorized to transfer and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Hennepin County Board approvals herein do not waive any obligations of the Metropolitan Council under any relevant agreement.

Through Resolution 17-0207, adopted on June 13, 2017, the County approved the assumption of certain unpaid funding commitments for the METRO Green Line Extension Light Rail Transit Project (CP 1005876)

("Project"), the assumption of the 2017 Capital Grant Agreement (Counties Transit Improvement Board #01-2017-01/Met Council #171007) ("CTIB Grant Agreement") with the Metropolitan Council ("Council") for the Project, and the imposition of the 0.5% Hennepin County transportation sales and use tax and \$20 motor vehicle excise tax that are the primary sources of funds for Hennepin County contributions to the Project. Through these and other actions, Hennepin County agreed to take responsibility for the remainder of the 30% share of project funding formerly committed by the Counties Transit Improvement Board ("CTIB") and the remainder of the 10% share formerly anticipated from the State of Minnesota. The Hennepin County Regional Railroad Authority ("HCRRA") provided funding for the Project, as well, under separate grant agreements.

On May 31, 2018, the County adopted Resolution 18-0222, committing County funding to the Project in an amount up to \$592,953,000, in addition to the CTIB contribution. Resolution 18-HCRRA-0027, adopted on May 31, 2018, committed HCRRA funding in an amount up to \$199,548,000. On November 15, 2018, the County adopted Resolution 18-0500, committing funding of up to \$200.3 million, in addition to the funds committed in Resolution 18-0222, to cover potential cost increases or funding shortfalls. (Resolution 18-0500 was subsequently revised by Resolution 19-0220, adopted May 20, 2019.)

Also, on November 15, 2018, the County adopted Resolution 18-0499, which among other actions authorized negotiation of a new grant agreement with the Council and HCRRA, Agreement PR00000689 ("Capital Grant Agreement"), to replace the amended CTIB Grant Agreement and to be the sole funding source for all Project activities through the end of August 2019. On the same day, HCRRA adopted Resolution 18-HCRRA-0056, likewise authorizing the negotiation of the Capital Grant Agreement to replace the existing HCRRA grant agreement.

The Capital Grant Agreement was then negotiated and executed, with a not to exceed amount of \$434,901,943 in total funds from the County (up to \$347,921,554) and HCRRA (up to \$86,980,389). The funded activities included civil construction work authorized by the FTA, any pre-award authority activities requiring and receiving prior approval by the Hennepin County and HCRRA boards, and ongoing overhead expenses and other professional services related to the Project.

The Capital Grant Agreement has since been amended 10 times. Each time, HCRRA likewise approved negotiation of the same amendment on the same day as the County Board's approval. The amendments were as follows:

- Amendment 1 extended the term through September 30, 2019. (Resolution 19-0363)
- Amendment 2 extended the term through March 31, 2020, increased the maximum grant amount to \$553,456,897, and made other contract changes. (Resolution 19-0368)
- Amendment 3 extended the term through June 30, 2020 and increased the maximum grant amount to \$602,795,681. (Resolution 20-0089R1)
- Amendment 4 extended the term through August 31, 2020 and increased the maximum grant amount to \$677,765,449. (Resolution 20-0236)
- Amendment 5 extended the term through November 30, 2020. (Resolution 20-0321)
- Amendment 6 extended the term through January 31, 2022. (Resolution 20-0456)
- Amendment 7 extended the term through June 30, 2022 and increased the maximum grant amount to \$878,080,704. (Resolution 21-0297)
- Amendment 8: extended the term through December 31, 2022. (Resolution 22-0237)
- Amendment 9: extended the term through June 30, 2023 and increased the maximum grant amount to \$978,080,704. (Resolution 22-0538)
- Amendment 10: extended the term through January 31, 2024, with no increase to the maximum grant amount. (Resolution 23-0244)

This Resolution seeks authorization to negotiate Amendment 11 to the Capital Grant Agreement, to extend the term of the grant to January 31, 2025, and to increase the maximum grant amount by \$100,000,000 for a new maximum grant amount of \$1,078,080,704. Of this maximum grant amount, \$126,567,868 was provided by

HCRRA, and \$951,526,929 will be provided by the County. This Resolution would also increase the 2024 Capital Budget by \$100,000,000 for CP1005876 to provide for the use of \$100,000,000 in additional county transportation sales and use tax funds pursuant to the new Amendment 11.

Through December 31, 2023, Hennepin County has paid approximately \$784 million towards its funding commitment, including \$40.2 million contribution under other agreements between the County and the Council. HCRRA has paid its full commitment of approximately \$199.5 million, including \$72.9 million contributed under other agreements between HCRRA and the Council. In addition to the funds contributed by Hennepin County and HCRRA, the Project budget also includes approximately \$1.13 billion in federal funding; \$218.9 million from CTIB, which has been fully paid to the Project; and certain other smaller funding sources.

Impact/Outcomes: Approval of this request will allow for continued construction activities for the METRO Green Line Extension.

This request aligns with disparity reduction efforts by investing in infrastructure that gives people transportation choices and access to housing, jobs, schools, medical facilities, and recreational areas.

Recommendation from County Administrator: Recommend Approval