

## **AGENDA**

### **Dakota County Regional Railroad Authority**

**May 21, 2019**

**9:30 AM**

**(or following County Board meeting)**

**Boardroom, Administration Center, Government Center, Hastings, MN**

- 1. Call To Order And Roll Call**
- 2. Approval Of Agenda**
- 3. Consent Agenda**
  - 3.1** *County Administration* - **Approval Of Minutes** Of Meeting Held On March 26, 2019
  - 3.2** *Transportation* - Authorization For Payment To Dakota County For Cedar Avenue Bus Rapid Transit 2010 Through 2012 Capital Grants To Dakota County For Refund To Counties Transit Improvement Board Depository And Amend 2019 Regional Railroad Authority Capital Improvement Program Budget
- 4. Regular Agenda**
  - 4.1** *Transportation* – INFORMATION - METRO Orange Line Update
- 5. Other Business**
- 6. Transit Office Update**
- 7. Adjournment**

**For more information, call 651-438-4417.**

**Dakota County Regional Railroad Authority meeting agendas are available online at <https://www.co.dakota.mn.us/Government/BoardMeetings/Pages/default.aspx>**



**DAKOTA COUNTY  
REGIONAL RAILROAD AUTHORITY**

**Meeting Minutes**

**March 26, 2019  
Boardroom, Administration Center, Hastings, MN**

**Call To Order And Roll Call**

Commissioner Mike Slavik  
Commissioner Kathleen A. Gaylord  
Commissioner Thomas A. Egan  
Commissioner Joe Atkins  
Commissioner Liz Workman  
Commissioner Mary Liz Holberg

Absent: Commissioner Chris Gerlach

Also in attendance: Matt Smith, County Manager; Jay Stassen, First Assistant County Attorney; and Jeni Reynolds, Sr. Administrative Coordinator to the Board.

Audio recording of Regional Railroad Authority minutes are available upon request.

The meeting was called to order by Chair Slavik at 9:52 a.m.

**Approval Of Agenda**

On a motion by Commissioner Liz Workman, seconded by Commissioner Thomas A. Egan, the agenda was unanimously approved.

**Consent Agenda**

On a motion by Commissioner Mary Liz Holberg, seconded by Commissioner Joe Atkins, the consent agenda was unanimously approved as follows:

**3.1 Approval Of Minutes Of Meeting Held February 26, 2019**

**Regular Agenda**

**4.1 Update On METRO Orange Line Extension Study, Authorization To Amend 2019-2023 Dakota County Regional Railroad Authority Capital Improvement Program, And Authorization To Amend Contract With Kimley-Horn And Associates, Inc.**

Transit Specialist Joe Morneau briefed this item and responded to questions.

Motion: Thomas A. Egan

Second: Liz Workman

WHEREAS, the Dakota County Board of Commissioners has identified completion of the METRO Orange Line Extension Study in its 2018 Dakota County Board Priorities; and

WHEREAS, the Dakota County Regional Railroad Authority Capital Improvement Program Adopted Budget for

March 26, 2019

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the 2017–2021 period has allocated \$300,000 for the METRO Orange Line Extension Study in 2017; and

WHEREAS, the 2019-2023 Dakota County Regional Railroad Authority Capital Improvement Program Adopted Budget has included \$60,000 in 2019 for a total of \$360,000 for the completion of the METRO Orange Line Extension Study; and

WHEREAS, the Dakota County Regional Railroad Authority entered into a contract with Kimley-Horn and Associates, Inc., for \$300,000 on May 24, 2017, to provide professional services for the conduct of the METRO Orange Line Extension Study; and

WHEREAS, Dakota County staff and staff from the project management team overseeing the METRO Orange Line Extension Study have identified additional work necessary for the completion of the METRO Orange Line Extension Study, and the guidance of future project development activities; and

WHEREAS, work on the Study was suspended in spring 2018, to allow for the City of Burnsville to complete long-range planning for the Burnsville Center Mall area; and

WHEREAS, additional work to account for planning for the Burnsville Center Mall area and estimate ridership is recommended to understand whether ridership and resulting service productivity can meet regional transitway standards in the near term; and

WHEREAS, Dakota County staff and Kimley-Horn and Associates, Inc., have developed a work scope for these additional tasks and their associated costs resulting in a revised contract amount of \$410,000.

NOW, THEREFORE, BE IT RESOLVED, That the Adopted 2019 Regional Railroad Authority Capital Improvement Program budget is hereby amended as follows:

<b>Expense</b>	
METRO Orange Line Extension Study	<u>\$50,000</u>
<b>Total Expense</b>	<b>\$50,000</b>
<b>Revenue</b>	
Dakota County Regional Railroad Authority Fund Balance	<u>\$50,000</u>
<b>Total Revenue</b>	<b>\$50,000</b>

; and

BE IT FURTHER RESOLVED, That the Dakota County Regional Railroad Authority hereby authorizes the Regional Railroad Authority Chair to amend the contract with Kimley-Horn and Associates, Inc., to an amount not to exceed \$410,000 for completion of the METRO Orange Line Extension Study, subject to approval by the Dakota County Attorney's Office as to form.

Ayes: 6

Nays: 0

Absent: 1 Commissioner Gerlach

#### **Other Business**

No other business.

#### **Transit Office Update**

Transportation Director Mark Krebsbach provided an update on the hiring of a Multi-Modal Manager. Thirty-one applicants have applied for the position.

March 26, 2019

**Adjournment**

On a motion by Commissioner Thomas A. Egan, seconded by Commissioner Kathleen A. Gaylord, the meeting was adjourned at 10:11 a.m.

Respectfully submitted,

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Secretary/Treasurer



## DAKOTA COUNTY REGIONAL RAILROAD AUTHORITY

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**Authorization For Payment To Dakota County For Cedar Avenue Bus Rapid Transit 2010 Through 2012  
Capital Grants To Dakota County For Refund To Counties Transit Improvement Board Depository And  
Amend 2019 Regional Railroad Authority Capital Improvement Program Budget**

Meeting Date: 5/21/2019	Fiscal/FTE Impact:
Item Type: Consent-Action	<input type="checkbox"/> None <input type="checkbox"/> Other
Division: Physical Development	<input type="checkbox"/> Current budget <input checked="" type="checkbox"/> Amendment requested
Department: Transportation	<input type="checkbox"/> New FTE(s) requested
Contact: Krebsbach, Mark	Board Goal: Excellence in public service
Contact Phone: (952) 891-7102	Public Engagement Level: N/A
Prepared by: Krebsbach, Mark	

**PURPOSE/ACTION REQUESTED**

Authorize payment to Dakota County (County) for 2010, 2011, and 2012 Capital Grants for the Cedar Avenue Bus Rapid Transit (BRT) for refund to the Counties Transit Improvement Board (CTIB) Depository and amend the 2019 Regional Railroad Authority (Authority) Capital Improvement Program Budget.

**SUMMARY**

To provide a safe and efficient transportation system, the Authority was the lead agency for the Cedar Avenue METRO Red Line BRT Project (Project). The Project was completed and began service operation in 2013. The Project consisted of 36 separate projects, funded with 31 funding sources. All projects have been completed and the finances have been reconciled. The total amount of funds budgeted for the Project from all sources was \$116,087,266. The actual cost of the Project was \$106,283,186, or \$10,498,268 (9%) under budget (Attachment A).

The Project was funded in part by CTIB funds through four separate Capital Grant Agreements. One agreement was with the Metropolitan Council (Council) in 2009 for the Apple Valley Transit Station, and three were between the CTIB and the Authority in 2010, 2011, and 2012. Through these agreements, CTIB provided a total of \$31,190,292 for the Project. Under terms of the agreements, the final CTIB share is pro-rated based on actual funding associated with the final cost of the Project. Since receipt of CTIB grant funding, CTIB dissolved and final reconciliation of CTIB funding for the Project is established through terms of the 2017 CTIB Depository Agreement. County staff met with CTIB County financial committee staff on March 27, 2019, and CTIB County staff on April 5, 2019. It was determined that the final CTIB share of the Project is 26.87 percent or \$28,558,292 (Attachment B).

The 2009 Capital Grant Agreement to the Council was closed out by the Council in 2014, but is accounted for in the pro-rated CTIB share of the Project. The Council did not draw all of the funding provided by the grant, resulting in an actual amount paid to the Council and the Authority by CTIB of \$30,009,053. This amount, minus the \$28,558,292 final CTIB share of the Project, results in a refund from the County to the CTIB Depository of \$1,450,761. The Authority share requested by the County is \$437,469, based on the pro-rated share of actual spending of CTIB funds between the Authority and the County (Attachment C). In the future, the County will receive 13.21 percent of the refund amount which will be deposited into the Dakota County Sales and Use Tax fund.

The payment to the County is the final action to complete the close-out of the CTIB Capital Grant Agreements for the Authority. Under terms of the Capital Grant assignment agreements from CTIB to the County, the County will need to take action to confirm the Capital Grant project close-out, prepare a close-out letter to the CTIB Fiduciary, and make the refund payment of \$1,450,761 to the CTIB Depository. The Authority will also make one additional previously-authorized payment to the CTIB Depository in the amount of \$694,188 for CTIB funds applied to the Cedar Grove Transit Station by Resolution No. 14-026 (December 16, 2014).

**RECOMMENDATION**

Staff recommends that the Authority make payment to the County in the amount of \$437,469, for their share of the \$1,450,761 of unexpended CTIB funds from 2010, 2011, and 2012 Capital Grants for the BRT to be refunded by the County to the CTIB Depository.

**EXPLANATION OF FISCAL/FTE IMPACTS**

A budget amendment is requested to account for the \$437,469 payment to the County for the Authority's share of the refund payment to the CTIB Depository. A separate budget amendment is requested to account for the \$694,188 payment to the CTIB Depository for CTIB funds applied to the Cedar Grove Transit Station. Sufficient funds for these amendments are available from unexpended CTIB capital grant revenues received by the Authority.

**Supporting Documents:**

Attachment A: Cedar Financial Summary By Funding Source  
 Attachment B: Cedar CTIB Funding Summary  
 Attachment C: Repayment to CTIB

**Previous Board Action(s):**

14-026; 12/16/14

**RESOLUTION**

WHEREAS, Dakota County Regional Railroad Authority (Authority) was the lead agency for the Cedar Avenue METRO Red Line Bus Rapid Transit (BRT) Project (Project) consisting of 36 separate projects funded through 31 funding sources which was completed, and began service operation, in 2013; and

WHEREAS, the Project was funded in part by Counties Transit Improvement Board (CTIB) funds through four separate Capital Grant Agreements; one with the Metropolitan Council (Council) in 2009 for the Apple Valley Transit Station, and three between the CTIB and the Authority in 2010, 2011, and 2012; and

WHEREAS, the four CTIB grants provided a total of \$31,190,292 for the Project and, under the terms of the Capital Grant Agreements, the final CTIB share is pro-rated based on actual funding associated with the final cost of the Project; and

WHEREAS, since receipt of CTIB grant funding, CTIB dissolved and final reconciliation of CTIB funding for the Project was established through terms of the 2017 CTIB Depository Agreement; and

WHEREAS, following meetings with CTIB County Financial and County Staff Committees, the final pro-rated CTIB share of the project was calculated at 26.87 percent, or \$28,558,292, which includes the 2009 Capital Grant to the Council that was closed out by the Council in 2014; and

WHEREAS, because the Council did not draw all of the funding provided in the 2009 Capital Grant, the actual amount paid to the Council and Authority by CTIB through the four grants was \$30,009,053; and

WHEREAS, the \$30,009,053 paid by CTIB decreased by the \$28,558,292 pro-rated CTIB share results in a refund due to CTIB Depository of \$1,450,761; and

WHEREAS, the Authority share of this amount requested by Dakota County (County) is \$437,469 based on the pro-rated share of actual spending of CTIB funds to date between the Authority and the County; and

WHEREAS, this is the final action to complete the close out CTIB Capital Grants provided to the Authority for the Project; and

WHEREAS, under terms of the Capital Grant assignment agreements from CTIB to the County, the County will need to take action to confirm the Capital Grant project close out, prepare a close-out letter to the CTIB Fiduciary, and make the refund payment of \$1,450,761 to the CTIB; and

WHEREAS, the Authority also has one additional previously-authorized payment to make to the CTIB Depository in the amount of \$694,188 for previously-authorized CTIB funds to be applied to the Cedar Grove Transit Station by Resolution No. 14-026 (December 16, 2014).

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Regional Railroad Authority hereby authorizes transfer of Regional Railroad Authority fund balance consisting of unexpended County Transit Improvement Board (CTIB) funds from 2010, 2011, and 2012 Capital Grants for the Cedar Avenue Bus Rapid Transit project in the amount of \$437,469 to Dakota County for refund to the CTIB Depository; and

BE IT FURTHER RESOLVED, That the 2019 Reginal Railroad Authority Capital Program Budget is hereby amended as follows:

**Revenue**

CTIB Revenue to Transportation for repayment	\$(437,469)
Regional Railroad Authority Fund Balance	<u>\$ 437,469</u>
	<b>\$0</b>

; and



BE IT FURTHER RESOLVED, That the 2019 Reginal Railroad Authority Capital Program Budget is hereby amended as follows:

**Revenue**

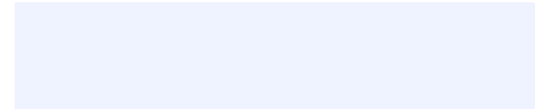
Refund of CTIB Revenue to CTIB	\$(694,188)
Regional Railroad Authority Fund Balance	<u>\$ 694,188</u>
	<b>\$0</b>

**County Manager's Comments:**

- Recommend Action
- Do Not Recommend Action
- Reviewed---No Recommendation
- Reviewed---Information Only
- Submitted at Commissioner Request

**Reviewed by (if required):**

- County Attorney's Office
- Financial Services
- Risk Management
- Employee Relations
- Information Technology
- Facilities Management



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County Manager

**Cedar Avenue Financial Summary by Funding Source**

<b>Funding Source</b>	<b>Revised Grant Amounts/ Revenue available for Cedar</b>	<b>Current Actual</b>	<b>Variance</b>
<b>Total Federal Funding</b>	<b>\$ 44,139,339</b>	<b>\$ 41,826,005</b>	<b>\$ 2,313,334</b>
<b>Total CTIB Funding</b>	<b>\$ 31,190,292</b>	<b>\$ 23,286,432</b>	<b>\$ 7,903,861</b>
<b>Total Dakota County Funding</b>	<b>\$ 8,733,296</b>	<b>\$ 9,943,609</b>	<b>\$ (1,210,313)</b>
<b>Total Regional Funding</b>	<b>\$ 4,658,790</b>	<b>\$ 3,497,863</b>	<b>\$ 1,160,927</b>
<b>Total State Funding</b>	<b>\$ 25,414,326</b>	<b>\$ 25,274,177</b>	<b>\$ 140,149</b>
<b>Total Local Funding</b>	<b>\$ 1,951,223</b>	<b>\$ 2,455,101</b>	<b>\$ (503,878)</b>
<b>Grand Total</b>	<b>\$ 116,087,266</b>	<b>\$ 106,283,186</b>	<b>\$ 9,804,080</b>

### Cedar Funding Summary

#### CTIB Share of Project Funding

Total CTIB Funding	\$ 31,190,292
Total Project Funding	\$ 116,087,266
CTIB Share	<u>26.87%</u>

#### CTIB's total share of Actual Project Costs

Total Project Costs	\$ 106,283,186
CTIB Share	<u>26.87%</u>
	\$ 28,558,292

#### Total cash disbursed by CTIB

Paid to Dakota County	\$ 24,934,479
Paid to Met Council	\$ 5,074,574
	<u>\$ 30,009,053</u>

#### Balance due to CTIB

Total Cash paid by CTIB	\$ 30,009,053
CTIB's share of project	\$ 28,558,292
Refund due to CTIB	<u>\$ 1,450,761</u>

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#### Total due to CTIB for Cedar Grove Transit Station

\$ 694,188

-Portion of 2012 grant paid to DC, but was transferred to Cedar Grove  
(Dakota County Regional Railroad Board Resolution 14-026)

#### Total repayment to CTIB

\$ 2,144,949

### Repayment to CTIB

**Total Repayment**            \$    **1,450,761**

	<b>Actual CTIB Spending</b>	<b>Percentage</b>	<b>Proportionate Share of Refund</b>
<b>Transportation Share</b>	\$ 12,720,171	69.85%	\$ 1,013,292
<b>Regional Rail Share</b>	\$ 5,491,686	30.15%	\$ 437,469
	<b>\$ 18,211,857</b>	<b>100.00%</b>	<b>\$ 1,450,761</b>

## DAKOTA COUNTY REGIONAL RAILROAD AUTHORITY

**METRO Orange Line Update**

Meeting Date: 5/21/2019	Fiscal/FTE Impact:
Item Type: Regular-Information	<input type="checkbox"/> None <input type="checkbox"/> Other
Division: Physical Development	<input checked="" type="checkbox"/> Current budget <input type="checkbox"/> Amendment requested
Department: Transportation	<input type="checkbox"/> New FTE(s) requested
Contact: Krebsbach, Mark	Board Goal: A successful place for business and jobs
Contact Phone: (952) 891-7102	Public Engagement Level: N/A
Prepared by: Morneau, Joe	

**PURPOSE/ACTION REQUESTED**

Receive an update on Phase 1 of the METRO Orange Line project.

**SUMMARY**

The Dakota County Regional Railroad Authority (Authority) promotes alternative ways to meet current and future transportation needs through investment in regional transitways. Phase 1 of the METRO Orange Line, a 16-mile bus rapid transit corridor from downtown Minneapolis to Burnsville, is planned for operation in 2021. Under the project leadership of Metro Transit, the Authority has maintained a supporting role in the planning and financing of the METRO Orange Line. The following is an update on recent progress of the METRO Orange Line project.

Federal Funding: In November 2018, the Federal Transit Administration (FTA) announced that it will award a grant of \$74,078,782, the federal share of the METRO Orange Line project, to the Metropolitan Council. However, this grant is still in administrative review at the FTA and the United States Department of Transportation. No timetable for this process was established, although it was anticipated to have been completed by April 2019. Following the administrative review, the grant will undergo a 10-day congressional review period, after which the grant can be executed.

Continued delay in execution of the federal grant poses several near-term obstacles to the development of the Orange Line. The Minnesota Department of Transportation (MnDOT) has issued an invoice to the Metropolitan Council (Council) for \$15,000,000 for the construction of Orange Line facilities integral to the reconstruction of Interstate 35W, which is due on June 30, 2019. The Council anticipated paying this invoice with federal funds, and has insufficient local funds to use in place of the federal award that are not encumbered to other critical elements of the project.

This shortage of local funding may require Authority contribution in 2019 through a new grant agreement to fund the ongoing construction of Orange Line facilities along Interstate 35W. Metro Transit has developed a summary (Attachment A) detailing the current funding situation and the potential need for a revised schedule for the Authority's contributions towards the project.

Authority staff, along with staff from Hennepin County and the Council, are considering alternative approaches for payment of the MnDOT invoice. Options that seek contributions from each local funding partner to pay the MnDOT invoice will generally be commensurate with previously agreed cost-sharing splits between the counties and their respective regional railroad authorities.

Construction: Construction of the Lake Street Station on Interstate 35W will continue through 2019. Construction of the Knox Avenue tunnel under Interstate 494 is planned to begin in summer 2019, pending execution of the federal grant and is expected to continue through summer 2020.

Staff from Metro Transit will be available to address questions on these topics and the general status of the METRO Orange Line project.

**RECOMMENDATION**

Information only; no action requested.

**EXPLANATION OF FISCAL/FTE IMPACTS**

The 2019–2023 Authority Capital Improvement Program has allocated \$1,259,181 towards Phase 1 of the METRO Orange Line in 2019. This is in addition to \$1,401,750 in available funds from previous years, for a total of \$2,660,931. Use of these funds in 2019 is contingent on timing of the federal grant award.

**Supporting Documents:**  
Attachment A: Metro Orange Line Memo

**Previous Board Action(s):**

**RESOLUTION**

Information only; no action requested.

**County Manager's Comments:**

- Recommend Action
- Do Not Recommend Action
- Reviewed---No Recommendation
- Reviewed---Information Only
- Submitted at Commissioner Request

**Reviewed by (if required):**

- County Attorney's Office
- Financial Services
- Risk Management
- Employee Relations
- Information Technology
- Facilities Management



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County Manager



DATE: May 14, 2019  
 TO: Dakota County Regional Rail Authority  
 FROM: Christina Morrison, Project Manager, BRT Projects  
 SUBJECT: Update on METRO Orange Line Federal Funding Progress

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The METRO Orange Line project entered the federal Small Starts Project Development pipeline in November 2014. After nearly four years of environmental work, design and engineering, the project was invited by the Federal Transit Administration (FTA) to formally apply for a grant in August 2018.

On November 28, 2018, FTA selected the Orange Line project to receive a competitive, single-year Small Starts grant of \$74,078,782 in FY18 funds. Staff have been working closely with FTA since last fall to provide all cost and scope materials to draft the grant agreement. In March 2019, FTA completed its grant review, and the draft was then certified by the Department of Labor on April 16, 2019. Since that date, the draft agreement has been with the U.S. Department of Transportation (USDOT). The only remaining step is for the USDOT to notify Congress per 49 CFR 5309(h)(7)(c):

*At least 10 days before making a grant award or entering into a grant agreement for a project under this subsection, the Secretary shall notify, in writing, the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations of the Senate of the proposed grant or expedited grant agreement, as well as the evaluations and ratings for the project.*

Ongoing delay in the execution of the grant agreement requires the project to begin seeking alternatives to maintain cashflow. A \$15 million construction payment to MnDOT is due on June 30, 2019 for work currently being completed under a Letter of No Prejudice issued by FTA.

After the notification and the required 10-day period, FTA electronically executes the agreement, giving Metropolitan Council access to all the federal funds. Additionally, execution of the Small Starts grant unlocks access to an additional \$7 million federal Congestion Mitigation and Air Quality (CMAQ) grant that would also be applied to the MnDOT payment.

#### **Alternatives**

Metro Transit staff have been working closely with both Dakota and Hennepin County staff to seek potential solutions to this short-term cashflow gap created by the federal delay in order to meet the MnDOT payment.

1. If USDOT notifies Congress this month, the MnDOT payment could be made using Small Starts and CMAQ funds.
2. Metro Transit has requested to discuss various payment options with MnDOT. To date, MnDOT has not responded to these requests.

3. Metro Transit could seek 2019 capital grants from each county's remaining CTIB commitment, and use those funds in combination with the State Bonds to fulfill a full payment to MnDOT:
  - \$3,000,000 in 2017 State Bonds
  - \$1,680,000 from DCRRA's CTIB commitment
  - \$10,320,000 from Hennepin County's CTIB commitment

As this time, all options continue to be pursued, including work at the USDOT level to stress the critical timing of the grant execution.