

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

June 28, 2011

The Ramsey County Regional Railroad Authority met with the following members present: Bennett, Carter, Ortega, Parker, Reinhardt, Rettman, McDonough – 7. Absent: 0. Also present was Julie Kleinschmidt, County Manager and David MacMillan, Assistant County Attorney, Ramsey County Attorney's Office.

Chair McDonough called the meeting to order at 10:53 AM.

AGENDA

Commissioner Parker moved approval of the Agenda of the June 28, 2011 Board Meeting, seconded by Commissioner Rettman. Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0.

MINUTES

Commissioner Bennett moved approval of the Minutes of the June 21, 2011 Board Meeting, seconded by Commissioner Carter. Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0.

1. Request for local match by the City of St. Paul for a Streetcar Feasibility Plan

Commissioner Ortega moved approval of the following resolution, seconded by Commissioner Carter.

Commissioner Parker asked how this project relates to the County and if her district would have any benefit from it. Does the study have a countywide or citywide scope?

Nancy Homans, Office of Mayor Chris Coleman, clarified that the scope of the study is citywide. However, in comparing this study to the Minneapolis Streetcar Feasibility Study, it was learned that Metro Transit was interested in potential streetcar alignments through the city so that Metro Transit could take their suburban line and convert it into an express bus service into the city, saving on operating dollars. Therefore, the City of St. Paul would do this study in the context of the East Metro region but potentially connect with Minneapolis, Metro Transit in that it could possibly enhance their service in the suburban communities.

Commissioner Parker said she will not support this.

Commissioner Rettman asked that the board receive a copy of the grant. She asked if the Ramsey County Regional Railroad Authority (RCRRA) would be financially responsible for operations, maintenance, etc, if the City is awarded the grant for the Streetcar Feasibility Plan; she asked if the plan would be funded by the transit system if it is done; she asked about the alignment and if the RCRRA would be committed to further funding of the plan.

Ms. Homans said she would make the grant available to the board. She clarified that it is a \$200,000 application to the federal government for a planning grant, which does not commit any entity to building or operating anything in the future. The application has a \$50,000 required match; the City will pay for one third of the match and is asking for one third each from the Central Corridor Funders Collaborative and the RCRRA. The purpose is to plan. There are no alignments selected or preferred and the idea is to study the various alignments and to enhance transit service in the city. The point of the plan is to begin to raise and answer many of the questions that have been brought up here.

Chair McDonough added that this does not commit the RCRRA to anything more than the grant application.

Commissioner Reinhardt said she will support this. There is a potential for countywide benefit, but not everything we do affects every community equally across Ramsey County. The main reason she feels this is important is that we do need to look at alternatives. To do this planning to see if this is a viable option does have a benefit to all of Ramsey County if you look at it as an overall system.

Commissioner Carter said she will be supporting this because it is important for us to take leadership and collaborate with our cities.

Commissioner Ortega said he supports this, but also supports Commissioner Parker's point of view in that we aren't thinking regionally if we are leaving cities out.

Commissioner Rettman added that the corridors are based on a system and all of our investments have been to have a coordinated band, and she doesn't want us to lose focus of where we need to be.

Roll Call: Ayes – Reinhardt, Bennett, Carter, Ortega, McDonough – 5. Nays – Rettman, Parker – 2.
(R11-21)

WHEREAS, The Ramsey County Regional Railroad Authority has worked to advance transit projects like the Central Corridor Light Rail Transit corridor, The Union Depot Multi-Modal Transit and Transportation Hub (Depot), and other transit projects to the benefit of the citizens of Ramsey County; and

WHEREAS, The Ramsey County Regional Railroad Authority has worked to advance the Central Corridor and other transit projects and promote economic development opportunities that benefit the citizens of Ramsey County; and

WHEREAS, The City of Saint Paul plans to submit an application for \$200,000 to complete a Streetcar Feasibility Plan; and

WHEREAS, The goal of the feasibility study is to develop a set of prioritized citywide streetcar investments that are physically viable, offer the greatest potential for improving local circulation, support economic development and complement existing and planned regional transportation systems; and

WHEREAS, The application for funding requires a local match of \$50,000; and

WHEREAS, The City of Saint Paul has formally requested that the Ramsey County Regional Railroad Authority actively participate in the study and commit up to \$16,500 towards the local match; and

WHEREAS, The financial commitment by the Ramsey County Regional Railroad Authority would be contingent upon Saint Paul being awarded the grant; Now, Therefore, Be It

RESOLVED, The Ramsey County Regional Railroad Authority approves the financial commitment of up to \$16,500 towards a Saint Paul Streetcar Feasibility Study; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority Authorizes the County Manager to make all necessary budget adjustments including increasing estimated revenues and appropriations.

2. Potential State Government Shutdown

Commissioner Rettman moved approval of the following resolution, seconded by Commissioner Reinhardt.
Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0.
(R11-22)

WHEREAS, The Minnesota Legislature met in regular session from January 3 through May 23, 2011; and

WHEREAS, Despite this lengthy process, both bodies of the Legislature and the Governor have failed to produce a balanced State budget; and

WHEREAS, Because of the impasse in State government, the possibility exists that portions of the government of the State of Minnesota will shut down, beginning July 1, 2011, causing many valuable public services to be in jeopardy of being closed until the budget can be balanced, either by court order or an agreement of the parties; and

WHEREAS, This impending shutdown puts at serious risk the intergovernmental fiduciary partnership that exists between the State, Federal and local units of government; and

WHEREAS, The Ramsey County Regional Railroad Authority (RCRRA) has acquired the Union Depot, the Union Depot Head House, and adjacent property for the purpose of renovating and reconstructing the Depot and Head House to serve as a multi-modal transit hub to serve the metropolitan area and the State of Minnesota's present and future transit and transportation needs (the Project); and

WHEREAS, The RCRRA has received commitments from the State of Minnesota and the United States Government to provide funding for renovation and reconstruction activities associated with the Project; and

WHEREAS, The RCRRA has committed its own property tax levy funds to acquire the properties and to contribute to the renovation and reconstruction costs; and

WHEREAS, In reliance on the commitments from the State and Federal governments, the RCRRA has entered into a design and construction contract in the amount of \$148,753,916.00 for the Project; and

WHEREAS, The RCRRA's contractor has begun work on the Project and incurred costs and expenses in connection with the project; and

WHEREAS, The financial contributions from the State and Federal Governments are necessary to cash flow the Project to pay the contractor for work and expenses; and

WHEREAS, Without the financial contribution from the State and Federal Governments, it may be necessary to temporarily suspend the work on the project, with resulting loss of jobs and delays in the completion of the Project which will increase the costs of the Projects; and

WHEREAS, The added costs and loss of jobs caused by a temporary shutdown of the Project represent an added cost to the property tax payers of Ramsey County and must be avoided; Now, Therefore Be It

RESOLVED, The RCRRA hereby calls on the Governor and members of both the Minnesota House and Minnesota Senate to resolve their public policy, ideological and financial disagreements, and produce a balanced State budget before July 1, 2011, so that a shutdown of State government can be averted; and Be It Further

RESOLVED, The RCRRA authorizes RCRRA representatives to work with the members of the Ramsey County Legislative delegation to achieve this outcome; and Be It Further

RESOLVED, The RCRRA authorizes the Chair of the RCRRA to sign Affidavits in support of petitions filed for temporary funding of core functions of the State of Minnesota and to file a petition on behalf of RCRRA; and Be It Further

RESOLVED, The RCRRA directs that this issue will be brought back to the RCRRA for discussion and possible action at each of its meetings until the issue is resolved at the State level.

3. Authorization to borrow funds from the Ramsey County General Fund during the State Shutdown

Commissioner Ortega moved approval of the following resolution, seconded by Commissioner Carter. Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0. (R11-23)

WHEREAS, The Ramsey County Regional Railroad Authority (RCRRA) was organized in April, 1987, as a political subdivision of the State of Minnesota, under the provisions of Minnesota Statutes 1986 Chapter 398A, by Resolution of the Board of Commissioners of the County of Ramsey (the County); and

WHEREAS, In 2010 the RCRRA acquired title to and possession of the St. Paul Union Depot (the Depot) from the United States Postal Service; and

WHEREAS, In 2009 the RCRRA acquired title to and possession of the St. Paul Union Depot Head House; and

WHEREAS, The RCRRA has received funds and commitments for funds from the United States Government, the State of Minnesota, and has committed its own funds for the renovation and reconstruction of the Depot and the Head House into a multi-modal transit hub serving light rail transit, passenger rail service, high speed rail, buses, and other transit modes for the metropolitan transit system (the Project); and

WHEREAS, In 2010 the RCRRA entered into design and construction contracts for the Project totaling \$148,753,916; and

WHEREAS, It is estimated that the Project is providing daily employment for approximately 150 persons; and

WHEREAS, The Project is currently under construction and significant demolition of structure has taken place and continues to occur; and

WHEREAS, The funds from the United States government to be paid for the Project will be paid on a reimbursement basis only; and

WHEREAS, The funds from the State of Minnesota to be paid for the Project will be paid on a reimbursement basis; and

WHEREAS, On or about May 23, 2011, the Minnesota Legislature adjourned and the Governor of the State has vetoed the appropriation bills which were to provide funding for State government departments for the fiscal year beginning July 1, 2011; and

WHEREAS, Absent an approved appropriation from the Legislature, effective July 1, 2011, Minnesota State departments will be required to cease all but the most essential operations; and

WHEREAS, On June 7, 2011, the State Department of Administration advised the RCRRA and other contractors, vendees and grantees that in the absence of legislative action, it would be necessary to suspend all work and performance on state-funded contracts effective July 1, 2011; and

WHEREAS, The reason for suspension of work activity with respect to the Project is that the State will not have staff available to process reimbursement payments to the RCRRA, and as a result the RCRRA will have insufficient cash to pay its Project contractors; and

WHEREAS, In addition to loss of jobs caused by the temporary shutdown of the Project, the following Project activities will cause the RCRRA to accrue additional financial costs to be incurred by Ramsey County tax payers:

- Costs of delay are not eligible for federal funding and will be paid by the local property tax payer.
- Almost 100 contracts are in place with contractors, subcontractors, and suppliers.
- Approximately twenty disadvantaged businesses enterprises (DBE's) are working on the Project. These are typically smaller firms, less able to withstand erratic start/stop conditions.
- A lengthy shutdown threatens the Project's scheduled completion date.
- A critical phase of the construction project is scheduled to begin July 1, 2011, and be completed by October 31, 2011.
- Bridge reconstruction of the railroad viaduct over Sibley Street at Warner Road has closed the street entirely. Half of the existing viaduct has been removed and needs to be put back in place. It is scheduled for completion by August 1, 2011 so that new track can be laid for Amtrak service (Sibley Street is a primary arterial access to the City of St. Paul off of Warner Road).

- New Xcel electrical service and District Energy heating/cooling utilities are scheduled to be installed in July 2011 while Sibley Street is closed.
- Also in the area of Sibley Street, new water, sanitary sewer and storm sewer services are being relocated to serve the property and must be also completed prior to August 1, 2011 in order to repave the street.
- A material delay will force significant work to be done under winter conditions.
- A material delay will cause RCRRRA to incur significant costs to demobilize and remobilize approximately thirty-five separate contractors.
- The RCRRRA will need to reopen negotiations with its tenants to extend the timing and compensation of the planned shutdown period.
- The RCRRRA must give M.A. Mortenson a 10-day written notice to terminate the project, as no provision to suspend the project exists within the contract.
- The RCRRRA will engage State certified private inspectors to replace State employees to ensure ongoing compliance with approved plans and specifications.

and

WHEREAS, If it is determined that the RCRRRA can avoid a shutdown of the Project and the resulting layoff of workers, loss of jobs, and other expenses resulting from such shutdown, the RCRRRA will continue to fund the project with RCRRRA levy dollars, and

WHEREAS, In the event the RCRRRA has depleted its ability to fund the Project, it will need to request cash loans from the County of Ramsey that will meet cash obligations and expenditures; and

WHEREAS, The County has sufficient cash reserves to lend to the RCRRRA money to provide cash flow loans to keep the Project active; and

WHEREAS, The amounts and timing of such loans is at present not known with certainty, and

WHEREAS, Minn. Stat. §398A.06, subd. 2, authorizes the County to lend money to the RCRRRA; Now, Therefore be it

RESOLVED, The Ramsey County Regional Railroad Authority authorizes its Director to borrow funds from the County of Ramsey from time to time and as needed for cash flow for the Ramsey County Regional Railroad Authority's Union Depot Renovation Project; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority approves that the loan of such funds shall be subject to the following terms:

1. Repayment shall be made upon receipt of federal and state funds.
2. Interest shall be paid by the RCRRRA at the current federal funds rate; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority approves that loan shall be evidenced by a Memorandum of Understanding in substantially the form attached hereto; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Chair to execute the Memorandum of Understanding on behalf of the Ramsey County Regional Rail Authority; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Director of the Ramsey County Regional Railroad Authority to request periodic loans from the County of Ramsey as needed to continue cash flow for the Project on behalf of the Ramsey County Regional Railroad Authority.

CORRIDOR UPDATES

- Central Corridor
Commissioner Carter reported that the business funds are available for the Central Corridor. These funds are being managed by the city in cooperation of neighborhood organizations. She said she

believes business can access information on the city's website and encourages them to apply for funds as needed.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 11:10 AM.