

Meeting Minutes

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY MEETING

The Ramsey County Regional Railroad Authority met on October 23, 2007, in the large conference room, in room 220, Courthouse.

MEMBERS PRESENT: Chair Rafael Ortega
Commissioner Tony Bennett
Commissioner Tony Carter
Commissioner Jim McDonough
Commissioner Jan Parker
Commissioner Victoria Reinhardt
Commissioner Janice Rettman

OTHERS PRESENT: David Twa, Kathy Kapoun, Julie Kleinschmidt, Angie Taylor, Mark Voering, Ken Haider, Tim Mayasich, Art Coulson, Alicia Vap, Sarah Penman, Steve Morris, Robert Clarkson, Terry Speiker, Bonnie Jackelen, Dan Soler, Chris Havens, Tom Colbert, Connie Catlin, Lucy Thompson, Mark Kresbach, David MacMillian and Darwin Lookingbill.

Chair Ortega called the meeting to order at 9:48 A.M.

1. Approve minutes from September 25, 2007 Meetings.

A motion was made by Commissioner Bennett, seconded by Commissioner McDonough, to approve the minutes from the September 25, 2007 meeting.

Roll call vote was taken.

Ayes – 7; Nays – 0
Motion accepted.

2. Approve Purchase Agreement and Contract for Deed from Post Office to RCRRA.

A motion was made by Commissioner McDonough, seconded by Commissioner Carter, to approve the Purchase Agreement and Contract for Deed from Post Office to RCRRA.

Commissioner Rettman read into the record, her comments on the proposed purchase of the Post Office Property, as follows:

In reviewing the proposed purchase agreement and other documents, the following findings are relevant:

FINDINGS

- 1 The estimated market value of the property for payable 2007, minus the tower is \$13,283,000. The price Regional Rail Authority is requested to pay is \$49,600,000 minus credit.
- 2 Because the Post Office needs to facilitate, cash flow and finance their move to possibly Eagan, the agreement is predicated that the \$49,600,000 remains constant. This would mean that Ramsey County, whether we buy everything including the tower with an estimated market value of

an additional \$25,303,100 for payable 2007 or just the aforementioned concourse and triangle, we are still paying \$49,600,000.

- 3 The proposed price of \$49,600,000 is substantially more than the estimated market value.
- 4 In addition to purchase and rehab costs of the concourse, the Ramsey County Regional Rail Authority, that is, Ramsey County only property taxpayers, will be fully responsible for this expense.
- 5 Ramsey County property taxpayers will need to pay a substantial, but yet unknown, amount to access the concourse through the Headhouse.
- 6 At this time, there is no guarantee that the Central Corridor LRT line will even extend to the Union Depot. The City of St. Paul is planning a large-scale transit hub at 4th and Cedar targeting downtown employees and those utilizing the entertainment district venues.
- 7 Amtrak's Empire Builder would be the only passenger train to use the Depot for many years to come and that is dependent on the Federal government continuing to fund Amtrak and Amtrak agreeing to move its depot at a yet to be determined cost.
- 8 There are no commuter rail lines scheduled for the East metro prior to the year 2020 nor is High Speed Rail imminent.
- 9 We have no assurance that the Met Council will continue to evaluate the 4th Street leg to the Union Depot and do the 70% preliminary engineering. Without that commitment, we could own yet more property to be mothballed and/or in need of substantive rehab.
- 10 Under the draft EIS, light rail transit will end on Fourth Street on the north side of the Union Depot, not to the concourse area, and a change in the route will add substantial cost to the Central Corridor project which is already over \$150 million over budget.
- 11 Since most of the downtown (St. Paul) area is locked in tax increment finance (TIF) districts there will be no additional revenue for the county property tax base for at least 20 years even if the multi-modal station attracts major new development.
- 12 The property is an "as is sale", offers no warranties and any environmental documents are confidential. But when a property sale delineates that demolition and/or substantial remodeling is required, then he have a money pit where the taxpayer of Ramsey County may be on the hook totally without any opt outs and with no proviso contingencies. Note: \$50 million prior Federal appropriation is ~~for environmental needs~~ available.
- 13 The contingency for the new Post Office facility in Eagan includes funding for road and infrastructure improvements. These additional expenses will not be borne by the Post Office, the city of Eagan nor Dakota County.
- 14 The estimated cost of repair and rehab to bring the concourse up to the condition required for a multi-modal station is totally unknown and would require either a substantial property tax levy increase or other State or Federal funding which has not been secured.
- 15 The Met Council does not consider the Union Depot or this acquisition as part of the Central Corridor funding package and negotiations have not given any indication of their willingness to participate in funding of the purchase, rehab, and/or ongoing maintenance.

16 One of the major attractions of the concourse is its historic and architectural features yet, under the agreement, the Post Office retains the right to remove any and/or all of certain building features, including but not limited to artwork, murals and sculptures, before turning the property over to the buyer.

RECOMMENDATIONS

It is with this in mind that the decision to purchase any of the Post Office property must be thoughtful and with an understanding of the long-term impacts on county residents and businesses.

- 1 It is self-evident that neither the post office nor Eagan has been shy about DEMANDING OPT OUTS and/or CONTINGENCIES IN THEIR AGREEMENT DOCUMENTS.
- 2 Our Ramsey County taxpayers deserve nothing less but for us to RENEGOTIATE THE CONTRACT WITH THE FOLLOWING PROVISOS:

*We want an 18-month similar opt out clause such as the Post Office have in their purchase agreement with us for the funding of their new infrastructure. The opt out would be triggered if we do not have the Met Council's funding commitment to build the 4th Street leg to the Union Depot. Then, we too may cancel the contract and get our money refunded from the post office.

*We want an 18-month similar opt out clause with the Met Council pending their Central Corridor preliminary engineering report due within 18 months.

*Since the proposed purchase agreement does not include the tower site that was included in the original asking price of \$49,600,000, then the purchase price should be substantially reduced.

*The artwork, murals and sculptures would be retained by Ramsey County and required historical preservation documents secured.

End of Janice Rettman's Comments and Recommendations.

An amended motion was made by Commissioner Reinhardt, seconded by Commissioner Rettman to add a resolved to the Purchase Agreement and Contract for Deed that art, murals, and sculptures to be retained by Ramsey County.

Roll call vote was taken. Commissioner Rettman voted no.

Ayes – 6; Nays – 1
Motion accepted.

WHEREAS, The Ramsey County Regional Rail Authority (RCRRA) has been a long-standing, vocal advocate for the creation of a wide array of transit options to serve not only Ramsey County residents but the East Metro region and the entire State of Minnesota; and

WHEREAS, The RCRRA has worked with the business community, other units of government, members of the Minnesota Congressional Delegation, and the Minnesota State Legislature, community groups and transit advocates throughout Minnesota and in other states, to develop a comprehensive transit plan that includes the development of high-speed rail to Chicago, Light Rail Transit and commuter rail lines, intercity, Jefferson and Greyhound bus lines, bicycle and trail connections, and Amtrak service; and

WHEREAS, Integral to the RCRRA's transit vision and plans has been the development of a multimodal transit hub where all these transit options serving Ramsey County, the East Metro area, Minnesota and western Wisconsin, and other regions of the country can come together; and

WHEREAS, To assist the RCRRA with thoughtful development of a vision of and location for the multimodal transit hub, the RCRRA created the LOCATE Task Force; and

WHEREAS, After extensive research and debate, the LOCATE Task Force and the RCRRA determined that the Union Depot/Concourse location would best serve the vision for development and location of this comprehensive multimodal transit hub; and

WHEREAS, Minnesota's Union Depot has also received strong support from the Ramsey County Legislative Delegation and financial backing from the entire Minnesota Legislature; and

WHEREAS, The entire Minnesota Congressional Delegation, led by Congress-man Jim Oberstar and Congresswoman Betty McCollum, has also shown its commitment to development of the RCRRA's vision for Minnesota's Union Depot by appropriating \$52 million in federal funds; and

WHEREAS, The RCRRA has worked with the United States Postal Service (USPS) to acquire the necessary property to develop a multimodal Transit Center that can support its vision for the Minnesota Union Depot; and

WHEREAS, The parties have reached an Agreement that will provide the necessary property to develop the multimodal Transit Center, which will allow the USPS to move a portion of its operations to another location, while still retaining a portion of the facilities to provide mail service to downtown Saint Paul, for office space, and for retail service to customers of the USPS; Now, Therefore, Be It

RESOLVED, That the Ramsey County Regional Railroad Authority hereby approves the Purchase Agreement and Contract for Deed with the United States Postal Service for the acquisition of real estate necessary to develop a multimodal transit hub; and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes its Chair to execute the Purchase Agreement and Contract for Deed, and Be It Further

RESOLVED, The Ramsey County Regional Railroad Authority authorizes the Ramsey County Manager to make necessary budget adjustments, including Fund Balance transfers, to allow for payments under the agreements.

3. Approve second amendment to joint powers agreement with City of St. Paul, RCRRA, and the St. Paul Port Authority and authorize Chair to execute the contract.

A motion was made by Commissioner Reinhardt, seconded by Commissioner McDonough, to approve second amendment to joint powers agreement with City of St. Paul, RCRRA, and the St. Paul Port Authority and authorize Chair to execute the contract.

Roll call vote was taken. Commissioner Rettman voted no.

Ayes – 6; Nays – 1
Motion accepted.

WHEREAS, Ramsey County Regional Railroad Authority approved a joint powers agreement with the City of St. Paul and the St. Paul Port Authority on July 26, 2005 for negotiation with the United States Post Office about its facility in St. Paul, Minnesota; and

WHEREAS, The payment of expenses to the St. Paul Port Authority for the \$415,000 agreement is split equally between St. Paul and Ramsey County Regional Railroad Authority; and

WHEREAS, The joint powers agreement terminates on December 31, 2007; Now, Therefore, Be It

RESOLVED, that the joint powers agreement is hereby extended for no additional cost to December 31, 2008.

4. Approve first contract amendment with SRF for Rush Line Commuter Bus Study and authorize the Chair to execute the contract amendment.

A motion was made by Commissioner Reinhardt, seconded by Commissioner Parker, to approve first contract amendment with SRF for Rush Line Commuter Bus Study and authorize the Chair to execute the contract amendment.

Roll call vote was taken.

Ayes – 7; Nays – 0
Motion accepted.

WHEREAS, Ramsey County Regional Railroad Authority is a member of the Rush Line Corridor Task Force; and

WHEREAS, Ramsey County Regional Railroad Authority entered into a contract with SRF Consulting Group, Inc., to conduct a commuter bus study for the Rush Line Corridor; Now, Therefore, Be It

RESOLVED, That Ramsey County Regional Railroad Authority hereby approves the contract amendment with SRF Consulting Group, Inc., in an amount not to exceed \$10,000 for a period from November 1, 2007 to February 29, 2008; and Be It Further

RESOLVED, That the Authority authorizes its Director to execute the attached contract amendment.

5. Consider comments on the Federal Transit Administration Notice of Proposed Rulemaking on the New Starts Process.

A motion was made by Commissioner McDonough, seconded by Commissioner Parker, to Consider comments on the Federal Transit Administration Notice of Proposed Rulemaking on the New Starts Process.

Commissioner Reinhardt requested that Section 4 be modified to clarify that comments are coming from the Board.

Commissioner Reinhardt requested that language be modified to include the additional evaluation measures identified in SAFTEA-LU.

Roll call vote was taken.

Ayes – 7; Nays – 0
Motion accepted.

WHEREAS, The Federal Transit Administration (FTA) has issued a Notice of Proposed Rulemaking (NPRM) for changes in the New Starts program for funding transit projects; and

WHEREAS, The implementation of this program is vitally important for the provision of effective and efficient transit corridors in Ramsey County; Now, Therefore Be It

RESOLVED, That the Chair of the Ramsey County Regional Railroad Authority be authorized to submit the attached comments to the NPRM to the Federal Transit Administration.

6. Central Corridor Update.

Steve Morris provided an update.

The meeting adjourned at 11:08 A.M.