

City of Minneapolis

Request for Committee Action

To: Transportation & Public Works
Date: 4/5/2016
Referral: Ways and Means
From: Public Works Department
Lead Staff: Donald Pflaum, Transportation Planner, Transportation Planning & Programming
Presented by: Donald Pflaum, Transportation Planner, Transportation Planning & Programming
File type: Action
Subcategory: Membership

Subject:

2016 Northern Lights Express (NLX) Fees

Description:

Authorizing the City of Minneapolis 2016 participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express for a total of \$9,750 from fund (00100 6020100).

Previous Actions:

March 3, 2015 - Authorize \$9,750 to be expended from fund (00100 6000200) to allow City of Minneapolis 2015 participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

August 29, 2014 - Authorize \$12,500 to be expended from fund (00100 6000200) to allow City of Minneapolis 2014 participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

January 6, 2014 - Appoint Council Member John Quincy as the voting member on the NLX Board with Alondra Cano as the alternate voting member.

April 16, 2013 - Authorize \$12,500 to be expended from fund (00100 6000200) to allow 2013 City of Minneapolis participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

April 16, 2013 - Approve the staff recommended comments on the Environmental Assessment for the Northern Lights Express (NLX) project and direct the Public Works Department to submit the comments to the Minnesota Department of Transportation (MNDOT).

February 28, 2012 - Authorize \$30,875 to be expended from fund (00100 6000200) to allow 2012 City of Minneapolis participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

November 4, 2011 - Authorize the appropriate city officials to amend the Minneapolis-Duluth/Superior Passenger Rail Alliance Joint Powers Agreement to allow for payment of these funds in 2011 and for subsequent years (2012 to 2016) when funding has been budgeted.

November 4, 2011 - Authorize \$38,000 to be expended from fund (04100-600100-507007) to allow 2011 City of Minneapolis participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

June 22, 2010 - Authorize \$48,000 to be expended from fund (04100-600100-507007) to allow 2011 City of Minneapolis participation in the Minneapolis-Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express.

April 28, 2009 - Authorize \$50,000 to be expended from fund (04100-600100-507007) to allow 2009 City of Minneapolis participation in the Minneapolis - Duluth/Superior Passenger Rail Alliance Board for the development of the Northern Lights Express. January 22, 2008: Approved funding for the city's portion of the rail study in the amount of \$57,750.

January 22, 2008 - Authorize city officials to enter into the Minneapolis-Duluth/Superior Passenger Rail Alliance Joint Powers Agreement.

Ward/Neighborhood/Address:

Not Applicable

Background/Analysis:

The Northern Lights Express is a proposed 155-mile, high-speed passenger rail line between Minneapolis and Duluth with speeds up to 90 miles per hour. Passenger trains will operate on an existing freight corridor owned by Burlington Northern Santa Fe (BNSF). Travel times are estimated to be 2.5 hours between Minneapolis and Duluth with additional proposed stations in Coon Rapids, Cambridge, Hinckley, and Superior. Four round-trips per day are currently being proposed. The project is expected to cost approximately \$500-600 million and will serve 700,000 to 750,000 people annually.

In January 2008, the City Council authorized the City of Minneapolis to enter into the Minneapolis-Duluth/Superior Passenger Rail Alliance. As part of this action the City agreed to contribute \$57,750 toward the 2008 Rail Alliance budget. The City Council took action to pay \$50,000 in 2009, \$48,000 in 2010, \$38,000 in 2011, \$30,875 in 2012, \$12,500 in 2013, \$12,500 in 2014, and \$9,750 in 2015. Since the Joint Powers Agreement did not specify annual payments after 2008, this action is needed to continue membership on the Joint Powers Board. In 2011, the City Council authorized an amendment to the Joint Powers agreement allowing for annual payments to be made when funds are budgeted to simplify the process. The 2016 contribution is \$9,750, funding was budgeted for in the Transportation Planning and Programming budget (00100 6020100). In 2012 the Alliance started allocating some of its reserve funding to pay for future expenses, which reduced membership fees for local communities.

Project Status:

In 2013 the Federal Railroad Administration (FRA) issued a "Finding of No Significant Impact" (FONSI), which allowed the project to enter the preliminary engineering phase of development. The Minnesota Department of Transportation (MNDOT) has taken the lead on the project and has hired a number of consultants to assist with the work. Preliminary engineering will continue into 2016 using federal and state funds that have already been secured. The consulting team has identified where track improvements are needed, a preferred location for an operations and maintenance facility, and where at-grade crossings need improvement. The team continues to have ongoing meetings with BNSF to advance the project. It has been recently determined that a direct connection to the Hinckley Casino would cost an additional \$81-87 million and will increase ridership by 30,000 people per year. While there would be a 7% increase in ridership and a 5.5% increase in revenue, the overall cost/benefit ratio would be reduced. The NLX Board voted to revisit this topic after the line is open and to focus on the mainline first.

Additional federal and state funds will need to be appropriated before final engineering and construction can take place. The project will continue to request funding from the State Legislature to continue the design process. Based on the experience of other passenger rail projects throughout the nation, this project will take 3-4 years after funding has been granted to complete construction and begin service.

Financial Review:

No additional appropriation required, amount included in current budget.

Attachments:

1. Attachment #1 - Location Map