

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
WASHINGTON, D.C. 20590**

FULL FUNDING GRANT AGREEMENT

**MINNESOTA DEPARTMENT OF TRANSPORTATION
NORTHSTAR CORRIDOR RAIL PROJECT
MN-03-0201-01**

TABLE OF CONTENTS	PAGE
FULL FUNDING GRANT AGREEMENT	1
FULL FUNDING GRANT AGREEMENT TERMS AND CONDITIONS	3
SECTION 1. DEFINITIONS	4
SECTION 2. PURPOSES OF AGREEMENT	7
SECTION 3. PREVIOUS FEDERAL DOCUMENTS AND GRANTS	7
SECTION 4. OBLIGATION TO COMPLETE THE PROJECT	8
SECTION 5. REVENUE OPERATIONS DATE	8
SECTION 6. NET PROJECT COST	9
SECTION 7. ESTIMATED NET PROJECT COST	10
SECTION 8. LIMITATIONS OF THE FEDERAL FUNDING COMMITMENT	10
SECTION 9. TWINS INTERRELATED ACTIVITIES	11
SECTION 10. FEDERAL FUNDING -- OTHER SOURCES	11
SECTION 11. LOCAL FINANCIAL COMMITMENT -- CAPITAL COSTS	11
SECTION 12. AUTHORIZATION TO ADVANCE PROJECT WITHOUT PREJUDICE	12
SECTION 13. LOCAL FINANCIAL COMMITMENT -- OPERATING AND MAINTENANCE COSTS	12
SECTION 14. BASELINE COST ESTIMATE	13
SECTION 15. BASELINE SCHEDULE	13
SECTION 16. PROJECT MANAGEMENT OVERSIGHT	14
SECTION 17. ENVIRONMENTAL PROTECTION	14
SECTION 18. LABOR PROTECTION	14
SECTION 19. GOVERNMENT ACTIONS	15
SECTION 20. REMEDIES	15
SECTION 21. CONTENTS OF AGREEMENT	16
SECTION 22. SIMULTANEOUS CREATION OF AGREEMENT IN ELECTRONIC FORMAT	16
SECTION 23. AMENDMENTS TO AGREEMENT	16
SECTION 24. ATTACHMENTS -- INCORPORATION	16
SECTION 26. APPLICABLE LAW	17
SECTION 27. AWARD AND EXECUTION OF AGREEMENT	17
EXECUTION BY GRANTEE	18
AFFIRMATION OF GRANTEE'S ATTORNEY	18

ATTACHMENTS

ATTACHMENT 1	SCOPE OF PROJECT
ATTACHMENT 1A	LOCATION MAP
ATTACHMENT 1B	VICINITY MAP
ATTACHMENT 2	PROJECT DESCRIPTION
ATTACHMENT 2A	MINNESOTA TWINS INTERRELATED ACTIVITIES
ATTACHMENT 3	BASELINE COST ESTIMATE
ATTACHMENT 3A	PROJECT BUDGET
ATTACHMENT 4	BASELINE SCHEDULE
ATTACHMENT 5	PRIOR GRANTS AND RELATED DOCUMENTS
ATTACHMENT 6	SCHEDULE OF FEDERAL FUNDS FOR THE PROJECT
ATTACHMENT 7	MEASURES TO MITIGATE ENVIRONMENTAL IMPACTS
ATTACHMENT 8	NEW STARTS "BEFORE AND AFTER" STUDY

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

**FULL FUNDING GRANT AGREEMENT
(FTA MA-14, October 1, 2007)**

On the date the authorized U.S. Department of Transportation, Federal Transit Administration (FTA) official signs this Full Funding Grant Agreement, the Government (FTA) has Awarded Federal assistance in support of the Project described below. Upon Execution of this Full Funding Grant Agreement by the Grantee named below, the Grantee affirms this Award by the Government (FTA Award), and enters into this Full Funding Grant Agreement with FTA. The following documents are incorporated by reference and made part of this Full Funding Grant Agreement:

- (1) "Federal Transit Administration Master Agreement," FTA MA(14), October 1, 2007, <http://www.fta.dot.gov/documents/14-Master.pdf>,
- (2) Any Award notification containing special conditions or requirements, if issued.

FTA AWARD

The Government (FTA) hereby awards a Full Funding Grant as follows:

Project Number(s): MN-03-0201-01

Grantee: State of Minnesota, acting through the Commissioner of Transportation

Citation of Statutes Authorizing the Project: 49 U.S.C. §§ 5309(b), 5309(d), SAFETEA-LU Section 3043(b)(15)

Estimated Net Project Cost: \$317,381,981

Maximum FTA Amount Awarded [Including This Amendment]: \$31,743,940

Amount of This FTA Award: \$0

Maximum Federal New Starts Financial Contribution: \$156,810,000

Maximum Percentages of Federal Participation: 51.04%

Maximum Percentages of New Starts Participation: 49.4%

Dates of U.S. Department of Labor Certifications of Transit Employee Protective Arrangements:

<u>Original Project or Amendment Numbers</u>	<u>Certification Dates</u>
MN-03-0088	08/05/2003
MN-03-0111	09/07/2004
MN-03-0120	09/06/2006
MN-03-0121	07/31/2007
MN-03-0128	08/20/2007
MN-03-0201	08/20/2007
MN-90-X138	12/14/2000
MN-90-X138-01	11/27/2001

Revenue Operations Date: January 31, 2010

Project Description: The Northstar Corridor Rail Project (the "Project") is a new approximately 40-mile commuter rail line between Big Lake, Minnesota and downtown Minneapolis, Minnesota. Five stations will be constructed. The system will operate on BNSF Railway Company (BNSF) tracks. Park and ride lots will be provided at four of the five stations. The project will also include a four-block (approximately 1,500 feet) extension of the Hiawatha Light Rail Transit System (the "Hiawatha Line"). This extension will link the Hiawatha Line's current terminal station at the Warehouse District with the Project's planned downtown Minneapolis station. A maintenance and storage facility will be constructed in Big Lake. A minimum of five locomotives, five cab cars and twelve passenger coaches will be purchased for the Project. Two new light rail vehicles will also be purchased as part of the Project. The Minnesota Twins will be responsible for designing, constructing and financing the Vertical Circulation Building at the downtown Minneapolis station. The Project is intended to provide improved mobility for transit dependent populations and achieve local land use goals. For a more detailed description, see Attachments 1 and 2.

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

FULL FUNDING GRANT AGREEMENT TERMS AND CONDITIONS

THIS FEDERAL TRANSIT ADMINISTRATION FULL FUNDING GRANT AGREEMENT (Agreement) is entered into by the State of Minnesota acting through its Commissioner of Transportation (Grantee) and the United States of America, acting through the United States Department of Transportation, Federal Transit Administration (FTA or Government).

WHEREAS, the Grantee has determined through its local planning process that construction and/or acquisition of the Northstar Corridor Rail Project (hereafter, the "Project") will effectively and efficiently serve the transportation needs of the cities, townships, and counties between Big Lake, Minnesota, and Minneapolis, Minnesota.

WHEREAS, the Grantee has developed a Financial Plan, as herein defined, using a combination of local, state, and Federal funds to finance the costs of the Project and, in accordance with its plan, has requested a Grant, as herein defined, of Federal financial assistance in the Project.

WHEREAS, the Government has previously provided \$31,743,940 in capital new starts funds, \$4,219,981 in Congestion Mitigation and Air Quality Improvement Program funds, and \$960,000 in Surface Transportation Program (STP) funds for development of the Project.

WHEREAS, the Minnesota Twins (the "Twins") have agreed to provide \$2,625,000 to finance the Vertical Circulation Building (VCB) for the Project; these activities will not be funded with Federal Transit funds (the "Twins Interrelated Activities"). The Twins will be responsible for financing, designing and constructing the VCB. The Twins Interrelated Activities are an integral Project element, serving as the multimodal connection between the Hiawatha Light Rail Transit portion of the Project and the Northstar Commuter Railroad portion of the Project. It is critical that these Twins Interrelated Activities be completed by the Revenue Operations Date established by this Agreement; and these Twins Interrelated Activities will not be subject to FTA procurement rules and certain specified FTA requirements.

WHEREAS, the Government has determined to enter into this Agreement and to support final design and construction of the Project up to a Maximum Federal New Starts Financial Contribution of \$156,810,000 in capital new starts funds, subject to all the terms and conditions set forth in this Agreement.

WHEREAS, the Grantee has submitted its request for Federal assistance (the Application) and the Government has received and is relying upon the Grantee's assurances, certifications, and all other documents required as conditions precedent to a Grant of assistance by the Government for the Project; and, in its submissions, the Grantee has demonstrated justification for the Project, has demonstrated its financial, organizational, and technical capacity as is necessary to Complete

the Project within the maximum amount of Federal assistance set forth in this Agreement, and has demonstrated the capability to secure non-Federal funds as may be necessary for such completion.

WHEREAS, the Government has determined that the Project is based on the results of an alternatives analysis and preliminary engineering; is justified based on a comprehensive review of its mobility improvements, environmental benefits, cost effectiveness, and operating efficiencies; and is supported by an acceptable degree of local financial commitment, including evidence of stable and dependable financing sources to construct, maintain, and operate the Project.

WHEREAS, the Grantee acknowledges its commitment to design and construct the Project pursuant to Minnesota Statute Section 174.82, and accepts, to the extent the Minnesota legislature has appropriated or will appropriate funds for the Project, the responsibility for providing (under the terms of this grant and other applicable agreements) the necessary funding, including overruns, to Complete the Project on schedule.

WHEREAS, pursuant to Minnesota Statutes Section 174.82 and 174.90, the Grantee has delegated to the Metropolitan Council (MC) the authority to operate and maintain the Project, and the Grantee and the MC have entered into a Master Cooperation and Delegation Agreement, as executed by the MC on March 5, 2007, whereby the MC accepts responsibility for operating and maintaining the Project in accordance with Minnesota Statutes Section 473.399.

WHEREAS, pursuant to the Master Cooperative and Delegation Agreement, the MC will be responsible for providing the necessary funding for operating and maintaining the Project, subject to appropriations, and in accordance with the Master Operations Funding Agreement dated May 31, 2007, between the MC and the local funding partners.

WHEREAS, the Government and the Grantee have agreed that their respective duties and responsibilities as related to the completion of the Project shall be determined by and under the terms and conditions of this Agreement and have agreed that this Agreement shall be recognized as the sole understanding between the Government and the Grantee in consideration of the mutual promises as set forth in this Agreement.

THEREFORE, in consideration of the above and the parties' mutual promises as set forth in this Federal Transit Administration Full Funding Grant Agreement, the Grantee and the Government agree to the specific terms, conditions, and provisions set forth in this entire Agreement including, in particular, the specific terms of the following Sections and Attachments:

SECTION 1. DEFINITIONS

"Agreement" means this Federal Transit Administration Full Funding Grant Agreement (FFGA) and consists of all parts and documents listed in Section 21 of this Agreement, "Contents of Agreement," and will include all future addenda, substitutions, modifications and amendments as and when legally executed and effective. (This definition supersedes the definition of "Grant Agreement" set forth in Section 1.j of the Federal Transit Administration

Master Agreement (Master Agreement), incorporated by reference and made part of this Agreement.)

"Application" means those documents and written submissions filed by or on behalf of the Grantee pursuant to its request for Federal financial assistance for support of the Project and relied upon by the Government as satisfaction of the legal and policy requirements of Grant award. The Application includes all explanatory, supporting, or supplementary documents related to the Project that the Government relied upon in its determination to obligate and award Federal funds for the Project. (This definition is intended to supplement the definition "Application" set forth in Section 1.a of the Master Agreement, incorporated by reference and made part of this Agreement.)

"Baseline Cost Estimate" means the Application document described in Section 14 of this Agreement and set forth in Attachment 3. The requirements of the Baseline Cost Estimate are set forth in FTA Circular 5200.1A, "Full Funding Grant Agreements Guidance," as may be revised from time to time. The Baseline Cost Estimate reflects the total anticipated cost of the Project as of the Date of this Agreement.

"Complete the Project" means to accomplish all of the scope and activities of the Project as described in Attachment 1, "Scope of the Project," and Attachment 2, "Project Description."

"Date of this Agreement" means the date the Government awards this Full Funding Grant Agreement.

"Estimated Net Project Cost" means the amount that is calculated by subtracting the cost that can reasonably be financed from the Grantee's revenue from the total anticipated cost of the Project as reflected in the "Baseline Cost Estimate," Attachment 3 to this Agreement. The Estimated Net Project Cost is set forth in Section 7 of this Agreement.

"Financial Plan" means the plan accepted by the Government as part of the Application process describing the Grantee's financial condition and capability to Complete the Project and to maintain and operate the Project together with its existing transit system. It includes all explanatory, supporting and supplementary documents, commitments, and agreements accepted or approved by the Government.

"Government" means the United States of America, acting through the Federal Transit Administration of the United States Department of Transportation.

"Grantee" means the State of Minnesota acting through its Commissioner of Transportation, also referred to as MnDOT.

"Grant(s)" means, in singular and plural forms, the obligation and award of Federal financial assistance by the Government pursuant to the laws codified at 49 U.S.C. Chapter 53.

"Local Share" means that portion of the Grantee's local financial commitment that is the Grantee's legally required share of the Net Project Cost.

“Master Agreement” means the standard terms and conditions applicable to recipients of Federal financial assistance from the Government. It is updated and published annually. It is incorporated by reference and made part of this Agreement and identified in Federal Fiscal Year 2008 by FTA Form MA(14) (October 1, 2007).

“Maximum Federal New Starts Financial Contribution” means the limit of Federal capital new starts financial participation in the Project. (The amount of the “Maximum Federal New Starts Financial Contribution” is set forth in Section 8 of this Agreement, “Limitations of the Federal Funding Commitment,” and is only a portion of the total Federal financial contribution for the Project.)

“Maximum FTA Amount Awarded” means the total amount of Federal funds from all sources administered by FTA and awarded for the Project, regardless of source, and available to the Grantee. (This amount is set forth in the first page of this Agreement.)

“Net Project Cost” means the cost of the Project that cannot reasonably be financed from the Grantee's revenues.

“Project” means the transit/transportation improvements the Grantee has promised to implement as a condition of its Full Funding Grant. A description of the Project is set forth in Attachment 1, “Scope of the Project.” Activities to carry out the project scope are set forth in Attachment 2, “Project Description.”

“Project Costs” means all costs eligible for Federal financial participation under the terms of this Agreement and consistent with the cost principles set forth in Section 9 of the Master Agreement, “Payments.”

“Recovery Plan” means a plan developed by the Grantee, and accepted by the Government, whereby the Grantee will take every reasonable measure to minimize any delay in achieving the baseline schedule set forth in Attachment 4 to this Agreement (the Baseline Schedule) and eliminate or otherwise mitigate [recover] any increase in the total project costs as currently estimated, as compared to the total project cost identified in Attachment 3 to this Agreement (the Baseline Cost Estimate).

“Revenue Operations Date” means the date certain upon which the Grantee shall commence revenue operations of the Project as defined in Section 5 of this Agreement.

“Twins” means the Minnesota Twins LLC.

“Twins Interrelated Activities” means those design and construction activities which are to be funded and carried out by the Twins, as specified in the Cooperation Agreement Regarding Northstar and Ballpark Projects dated September 17, 2007, and the Development Agreement dated April 26, 2007, which is incorporated for the sole purpose of describing the Twins Interrelated Activities; and are not funded with federal assistance under this Agreement. The Twins Interrelated Activities are more specifically described in Attachment 2A.

“Twins/MnDOT Agreements” means the Cooperation Agreement Regarding Northstar and Ballpark Projects dated September 17, 2007, and the Development Agreement dated April 26, 2007, which is incorporated for the sole purpose of describing the Twins Interrelated Activities.

“VCB” means the Vertical Circulation Building which serves as a connection between the Hiawatha Light Rail Transit portion of the Project and the Northstar Commuter Railroad portion of the Project.

SECTION 2. PURPOSES OF AGREEMENT

Pursuant to 49 U.S.C. § 5309, the purposes of this Agreement are to:

(a) provide Federal financial assistance to the Grantee in the form of this Full Funding Grant and possible future awards of financial assistance as contemplated under this Agreement, not to exceed the Maximum Federal New Starts Financial Contribution for the Project, as is and may be awarded under this Agreement and the laws codified at 49 U.S.C. Chapter 53 for purposes that are consistent with those statutes, implementing regulations, and other applicable laws and regulations;

(b) describe the Project and set forth the mutual understandings, terms, conditions, rights and obligations of the parties related to implementing the Project, the future management and operation of the Project, and the manner in which Project real property and equipment will be used;

(c) establish the Maximum Federal New Starts Financial Contribution for the Project, and the manner in which all future Federal funds for the Project, if any, will be awarded and released to the Grantee;

(d) establish the Grantee's financial commitment to the Project including its obligation to fund the Local Share, its obligation to Complete the Project with a specified amount of Federal assistance, its obligation to achieve revenue operation of the Project by a specified date, its obligation to pay all costs necessary to Complete the Project that are in excess of the Estimated Net Project Cost, and its obligation to finance the future maintenance and operational costs of the Project; and

(e) facilitate timely and efficient management of the Project.

SECTION 3. PREVIOUS FEDERAL DOCUMENTS AND GRANTS

(a) The Government's laws, policies and procedures require the completion of a project development process and environmental review prior to the Award and Execution of this Agreement. Prior Grants of Federal assistance awarded by the Government for this project development process are described in Attachment 5 to this Agreement. These Grants (and any other documents that are described in Attachment 5, including Letters of No Prejudice) are incorporated by reference and made part of this Agreement, except for the terms and conditions

thereof specifically superseded by this Agreement. Further, in Executing this Agreement, the Grantee assures that the certifications and assurances (made by the Grantee or on behalf of the Grantee or by a third party) upon which the Government relied in these prior actions were made to the Government in good faith and to the best of the Grantee's knowledge and belief, and that the Grantee has no present knowledge of facts or circumstances substantially affecting the continued validity of these certifications and assurances that the Grantee has not formally conveyed to the Government prior to the Government's Award of funding set forth in this Agreement.

(b) This Agreement does not discharge or rescind any of the terms, conditions, or obligations established under the documents set forth in Attachment 5 unless specifically stated otherwise herein. Further, the terms, conditions and obligations of this Agreement take precedence over the provisions of all prior agreements related to the Project between the Grantee and the Government and will be controlling for all actions related to the Project taken after the Date of this Agreement, unless specifically stated otherwise herein.

(c) No amendments will be sought or approved to increase the amount of funds in the prior Grants listed in Attachment 5 beyond the amounts described in this Agreement as available to the Project.

SECTION 4. OBLIGATION TO COMPLETE THE PROJECT

(a) The Government has no obligation to provide any financial assistance for the Project beyond the Maximum Federal New Starts Financial Contribution. If the total Federal funding provided under Section 8 of this Agreement, "Limitations of the Federal Funding Commitment," is insufficient to undertake revenue operation of the Project and the subsequent activities necessary to Complete the Project, the Grantee agrees to Complete the Project and accepts sole responsibility for the payment of any additional costs (overruns).

(b) If at any time during its efforts to Complete the Project the Grantee determines that the total project cost will exceed the Baseline Cost Estimate, the Grantee must immediately notify the Government of the amount of the difference and the reasons for the difference. Further, the Grantee must provide the Government with a Recovery Plan that demonstrates the Grantee is taking and will take every reasonable measure to eliminate [recover] the difference between the total project cost and the Baseline Cost Estimate. Insofar as any difference between the total project cost and the Baseline Cost Estimate cannot be eliminated [recovered], the Grantee must secure and provide such additional resources as are necessary to meet the additional costs and expeditiously Complete the Project without further financial assistance from the Federal capital new starts program. Further, in its Recovery Plan, the Grantee must identify the sources of funds it will draw upon to meet the additional costs and cover the difference between the total project cost and the Baseline Cost Estimate.

SECTION 5. REVENUE OPERATIONS DATE

(a) The Grantee agrees and promises to achieve revenue operations of the Project on or before January 31, 2010, the Revenue Operations Date, in accordance with the terms and conditions of

this Agreement.

(b) The Revenue Operations Date is a significant term of this Agreement. The Grantee's failure to achieve the operational functions of the Project on or before the Revenue Operations Date will constitute a breach of this Agreement. Upon the Grantee's request, the Government may determine at its sole discretion to waive a breach or an anticipatory breach of this Agreement and to extend the Revenue Operations Date if there is an unavoidable delay in achieving the operational goals of the Project resulting from an event or circumstance beyond the control of the Grantee, or if the Government determines that allowing the delay is in the best interest of the Government and the success of the Project. Requests by the Grantee for waiver of a breach or anticipatory breach of this Agreement and extension of the Revenue Operations Date for the reasons set forth herein shall be submitted promptly (with appropriate documentation) to the Government. In the exercise of its discretion to waive the breach and extend the Revenue Operations Date, the Government will take into consideration the actions and measures taken by the Grantee to ensure adherence to its promise to achieve the operational goals of the Project on or before the scheduled Revenue Operations Date.

(c) Delays in appropriations of funds from Congress shall not constitute a basis for extension of the Revenue Operations Date.

(d) The Government's consent to extend the Revenue Operations Date pursuant to Paragraph (b) of this Section 5 does not constitute a basis for additional Federal financial assistance beyond the Maximum Federal New Starts Financial Contribution.

(e) The Grantee's obligations under this Section include completion of the VCB by the Twins by the Revenue Operations Date.

SECTION 6. NET PROJECT COST

(a) This Grant is to assist in the payment of actual eligible costs within the scope of the Project under this Agreement, minus any amount that can reasonably be financed from revenues of the Grantee. If the funds awarded under this grant exceed the amount necessary to finance the Federal share, those excess funds are not available to the Grantee for payment of costs beyond the scope of this Project supported by this Grant.

(b) In accordance with 49 U.S.C. § 5309(h), a refund or reduction of the Grantee's Local Share of the Net Project Cost requires a refund to the Government of a proportional amount of the Federal financial assistance provided under this Agreement.

(c) The portion of the Net Project Cost that may be financed by the Government with capital new starts funds may not exceed the amount of the Maximum Federal New Starts Financial Contribution for this Project as stated in Section 8 of this Agreement, "Limitations of the Federal Funding Commitment."

(d) The Grantee acknowledges that Federal funds may be used only to reimburse eligible expenses for the Project. Should FTA determine that Federal funds have been used to reimburse any expenses that were ineligible for Federal reimbursement, FTA will direct the Grantee either

to reimburse FTA with local funds not already committed to the Project or to reduce the total project costs by the amounts found to have been ineligible.

SECTION 7. ESTIMATED NET PROJECT COST

(a) The Government's determination to provide financial assistance for the Project is based, in significant part, upon the Grantee's estimated costs as set forth in the "Baseline Cost Estimate," Attachment 3 to this Agreement. The Estimated Net Project Cost reported in Attachment 3 is \$317,381,981.

(b) The Estimated Net Project Cost financed with the Execution of this Agreement is limited by the amount of the Maximum FTA Amount Awarded. The amount of the Estimated Net Project Cost and the amount of the Maximum FTA Amount Awarded are stated in the first page of this Agreement. The amount reimbursable by the Government is limited to the lesser of either the amount of the Maximum FTA Amount Awarded or the maximum percentage of FTA participation permitted by Federal law and regulations. Additional funds will not be provided until a Grant amendment awarding additional funds and amending this Full Funding Grant Agreement is executed.

SECTION 8. LIMITATIONS OF THE FEDERAL FUNDING COMMITMENT

(a) The sources of this Federal financial assistance are set forth in Attachment 3A, "Project Budget." These funds are in addition to all previous Federal financial commitments to the development of the Project as set forth in the schedule of "Prior Grants and Related Documents," Attachment 5 of this Agreement. The Government is not obligating and awarding any Federal capital new starts funds for the Project with the Award and Execution of this Agreement.

(b)(1) With its Award set forth in this Agreement, the Government acknowledges its intent to provide Federal capital new starts financial assistance for the Project in an amount that will not exceed \$125,066,060. The anticipated sources of Federal financial assistance in this amount are listed in Attachment 6 to this Agreement, "Schedule of Federal Funds for the Project." All Federal capital new starts funds obligated pursuant to this Paragraph will be subject to all the terms, conditions and obligations set forth in this Agreement. Accordingly, it is expected that the award of additional funds will be processed through amendments to this Agreement.

(b)(2) The award by the Government of additional Federal capital new starts financial assistance to the Project under Paragraph (b)(1) of this Section 8 is subject to the following limitations:

(A) the availability of appropriated funds, and

(B) the Grantee's continued performance under the terms and conditions of this Agreement.

(c) The Maximum Federal New Starts Financial Contribution for this Project under the capital new starts category of funds is limited to \$156,810,000, which is the sum of the amounts set forth in Attachment 3A and Paragraph (b)(1) of this Section.

SECTION 9. TWINS INTERRELATED ACTIVITIES

(a) The Twins Interrelated Activities are being funded, designed, and constructed in accordance with the Twins/MnDOT Agreements.

(b) The Twins/MnDOT Agreements established the Twins financial commitment to the Twins Interrelated Activities, and describes and identifies the Twins Interrelated Activities. In addition, the Twins/MnDOT Agreements establish the respective rights and duties of the Grantee, the MC, and the Twins relative to construction and use of the VCB.

(c) The applicable provisions of the Twins/MnDOT Agreements described in paragraph (a) above and any subsequent amendments thereto, are hereby incorporated into this Agreement by reference, except that the Development Agreement dated April 26, 2007, is incorporated for the sole purpose of describing the Twins Interrelated Activities.

(d) The Government acknowledges that the Twins Interrelated Activities will not be assisted by FTA funding, thus, they will not be governed by FTA Circular 4220.1E (Third-Party Contracting Guidelines) or the terms and conditions of the FTA Master Agreement.

SECTION 10. FEDERAL FUNDING -- OTHER SOURCES

The Maximum Federal New Starts Financial Contribution specified in Section 8(c) of this Agreement does not include funds other than from the capital new starts program under 49 U.S.C. Chapter 53. Should such other Federal funds be provided for the Project in addition to the Federal capital new starts funds set forth in Attachment 6 of this Agreement, the limitation on the Federal funding commitment set forth in Section 8 of this Agreement shall not apply to those funds. Accordingly, such additional funds shall be excluded from the calculation of Maximum Federal New Starts Financial Contribution. Funds awarded pursuant to this Section will be subject to all other terms, conditions and obligations set forth in the Agreement.

SECTION 11. LOCAL FINANCIAL COMMITMENT – CAPITAL COSTS

(a) As a condition of the Government's Award of this Full Funding Grant, the Grantee has developed and adopted a Financial Plan for financing all Project Costs necessary to Complete the Project. In addition to the amount of Federal funds requested, the Financial Plan includes a statement identifying the State, local and private sources of funding and the amount of funds available for and committed to the Project from each such source. This Financial Plan, as accepted by the Government, with the supporting documentation (including formal funding agreements and commitments) is hereby incorporated by reference and made part of this Agreement.

(b) The Grantee hereby commits and certifies that it will provide funds in an amount sufficient, together with the Federal contribution (acknowledging the limitations as set forth in this Agreement), to assure timely and full payment of the Project Costs as necessary to Complete the

Project.

(c) The Grantee hereby commits and certifies that the Local Share portion of its financing commitment will be provided from funding sources other than: Federal funds (except as may otherwise be authorized by Federal statute); receipts from the use of Project facilities or equipment (except as may otherwise be authorized by Federal statute); or revenues of the public transit system in which such facilities or equipment are used.

(d) Given the Estimated Net Project Cost, as set forth in Section 7 of this Agreement, the Grantee's financial commitment to the Net Project Cost is estimated to total \$160,571,981. This amount constitutes the Local Share needed to match the Maximum Federal New Starts Financial Contribution for the Project and Other Federal Sources. In the event that the actual Federal financial contribution for the Project is reduced or is increased or the funding percentage as set forth in this Agreement is changed, the portion of the Grantee's financial contribution for the Project that is identified as Local Share shall be adjusted accordingly.

(e) The Grantee agrees to notify the Government of any change in circumstances or commitments that adversely affects the Grantee's plan to fund the Project Costs necessary to Complete the Project as set forth in the Financial Plan. In its notification, the Grantee shall advise the Government of what actions it has taken or plans to take to ensure adequate funding resources and shall reaffirm its commitment to the Government as set forth in Paragraph (b) of this Section 11.

SECTION 12. AUTHORIZATION TO ADVANCE PROJECT WITHOUT PREJUDICE

The Grantee may incur costs or expend local funds for all phases of the Project as is reasonably necessary to advance the Project prior to an award of Federal funding assistance without prejudice to possible future Federal participation in or reimbursement of the Project Costs to the extent that such costs are incurred in accordance with all applicable Federal requirements and this Agreement. It is understood that the authority conferred on the Grantee to advance the Project without prejudice does not constitute a legal commitment by the Government to obligate and award Federal funds.

SECTION 13. LOCAL FINANCIAL COMMITMENT - OPERATING AND MAINTENANCE COSTS

(a) As a condition of the Government's Award of funding set forth in this Agreement, the Grantee has developed and adopted a Financial Plan to finance the future operation and maintenance of the Project that also takes into consideration the Grantee's continuing financial responsibilities to operate, maintain and reinvest in its existing transit system. This Financial Plan, as accepted by the Government, and the supporting documentation (including specific funding commitments) evidencing stable and dependable funding sources is an essential part of the Grantee's Application and is made part of this Agreement by incorporation of the Application.

(b) With the Execution of this Agreement, the Grantee assures that it has stable and dependable

funding sources, sufficient in amount and in degree of commitment, to operate and maintain its entire mass transportation system at an adequate and efficient level of service, including the future operation and maintenance of the Project without additional Federal assistance beyond the amounts set forth in the Financial Plan. The foregoing assurance does not preclude the Grantee from altering service through contracts with private providers of mass transportation services.

(c) The Grantee will notify the Government of any change in circumstances or commitments that adversely affects the Grantee's plan to fund the maintenance and operating costs of the Project as set forth in the Financial Plan. In its notification, the Grantee will advise the Government of actions it has taken or plans to take to ensure adequate funding resources and will reaffirm to the Government its assurance as set forth in Paragraph (b) of this Section.

SECTION 14. BASELINE COST ESTIMATE

(a) In its Application, the Grantee submitted to the Government a Baseline Cost Estimate for the activities constituting the Project. The Baseline Cost Estimate is accepted by the Government and is Attachment 3 of this Agreement. The Baseline Cost Estimate is derived from cost estimates of the individual third party contracts and force account work that, in sum, constitute the Project; it reflects appropriate escalation and Project schedule dates.

(b) The Government intends to use the Baseline Cost Estimate to monitor the Grantee's compliance with certain terms and conditions of this Agreement. The Baseline Cost Estimate established in Attachment 3 serves as the measure of cost estimates as of the Date of this Agreement, and should not be amended or modified during the implementation of the Project.

(c) The Grantee will submit cost reports on the implementation of the Project as required by this Agreement and in a format consistent with the units set forth in the Baseline Cost Estimate so that the Government can, with reasonable diligence, reconcile the Grantee's reports with the Baseline Cost Estimate.

SECTION 15. BASELINE SCHEDULE

(a) In its Application, as approved, the Grantee submitted a Baseline Schedule for the Project that demonstrates how the Grantee intends to implement the Project and meet the Revenue Operation Date. This Baseline Schedule has been accepted by the Government and is Attachment 4 of this Agreement.

(b) The schedule for the Project may be modified from time to time at the discretion of the Grantee. However, the Baseline Schedule is not to be modified because it is to be used as a basis for comparing planned to actual project implementation. The Grantee will notify the Government when a Project schedule modification has the potential to change the Revenue Operations Date and describe the actions planned to recover the schedule. The Government's acquiescence in such notice will not be deemed approval by the Government of an extension of a Revenue Operations Date unless the Government expressly grants an extension in writing.

SECTION 16. PROJECT MANAGEMENT OVERSIGHT

The Project is a "Major Capital Project" as defined in FTA's Project Management Oversight regulations at 49 C.F.R. § 633.5. Accordingly, the Grantee agrees that all requirements and conditions set forth in the rule at 49 C.F.R. Part 633 apply to the Project activities. Noncompliance with any regulatory requirements shall constitute a breach of this Agreement, unless the Government formally waives the regulatory requirement.

SECTION 17. ENVIRONMENTAL PROTECTION

(a) As a condition precedent to this Agreement, the environmental impacts of the Project have been assessed as required by law. The results of that assessment and the adopted mitigation measures are described in the environmental documents identified in Attachment 7 of this Agreement. These documents together with related agreements and supporting documentation are incorporated by reference and made part of this Agreement. To assist the Government in monitoring the implementation of the adopted mitigation measures, these measures are specifically described in Attachment 7 of this Agreement. It is understood and agreed that the description in Attachment 7 shall not supersede or in any way result in a circumvention of the requirements set forth in the Government's environmental record for the Project.

(b) Certain terms and conditions of this Agreement as related to the Grantee's responsibility to ensure protection of the environment are set forth in Section 25 of the Master Agreement, "Environmental Requirements." Under Subsection 25.1, "Mitigation of Adverse Environmental Effects," the Grantee is required, among other actions, to undertake all environmental mitigation measures that are identified in environmental documents prepared for the Project. Accordingly, the Grantee understands that it shall not withdraw or substantially change any of the adopted mitigation measures as described in the Government's environmental record for the Project without the express written approval of the Government.

(c) This Section is intended only to supplement the provisions set forth in Section 25 of the Master Agreement, "Environmental Requirements."

SECTION 18. LABOR PROTECTION

The Grantee will carry out the Project in conformance with the terms and conditions determined by the Secretary of Labor to be fair and equitable to protect the interests of employees affected by the Project and meet the requirements of 49 U.S.C. § 5333(b) and U.S. Department of Labor (USDOL) Guidelines at 29 C.F.R. Part 215. These terms and conditions are identified in the letters of certification from USDOL on the dates set forth in the first pages of this Agreement. The Grantee will carry out the Project in compliance with the conditions stated in the USDOL certification letters. Those letters and any documents cited therein are incorporated by reference and made part of this Agreement.

SECTION 19. GOVERNMENT ACTIONS

(a) In all cases where the Government's review, approval or concurrence is required under the terms and conditions of this Agreement, the Government will provide its response within sixty (60) calendar days of receipt from the Grantee of all materials reasonably necessary for the formulation of the Government's response.

(b) If the Government determines that its position cannot be finalized within that sixty (60) day period, the Government will notify the Grantee, in writing, within thirty (30) days following receipt of the Grantee's submission that the Government's response will be delayed and advise the Grantee of the Government's anticipated time period for response.

(c) Whenever the Government's approval or concurrence is needed on any matter pertaining to or concerning this Agreement, the Government's approval or concurrence will not be unreasonably withheld.

SECTION 20. REMEDIES

(a) Substantial failure of the Grantee to Complete the Project in accordance with the Application and this Agreement will be a default of this Agreement. In the event of default, the Government will have all remedies at law and equity, including the right to specific performance without further Federal financial assistance, and the rights to termination or suspension as provided by Section 11 of the Master Agreement, "Right of the Federal Government to Terminate." The Grantee recognizes that in the event of default, the Government may demand all Federal funds provided to the Grantee for the Project be returned to the Government. Furthermore, a default of this Agreement will be a factor considered before a decision is made with respect to the approval of future Grants requested by the Grantee.

(b) Under the provisions of Section 16 of this Agreement, "Project Management Oversight," and under the terms and conditions of the Master Agreement, the Government will review performance by the Grantee to determine whether satisfactory progress is being made to Complete the Project. In the event that the Government determines that the Grantee is in breach of this Agreement, the Government may withhold its approvals of further funding and suspend drawdown of funds, under the provisions of Section 11 of the Master Agreement, "Right of the Federal Government to Terminate," until any necessary corrective action, which may be required by the Government, is accomplished. Any breach of this Agreement that is not corrected within a reasonable period of time will be a default of this Agreement. The Government in its discretion may permit the cost of such corrective action to be deemed a Project Cost, provided that such cost is an allowable cost under the requirements of Section 9.c of the Master Agreement, "Costs Reimbursed," and so long as it remains within the limits of the Maximum Federal New Starts Financial Contribution set forth in Section 8 of this Agreement, "Limitations of the Federal Funding Commitment."

(c) In the event of a breach of this Agreement by the Grantee and before the Government takes action contemplated by this Section, the Government will provide the Grantee with ninety (90) days written notice that the Government considers that such a breach has occurred and will

provide the Grantee a reasonable period of time to respond and to take necessary corrective action.

SECTION 21. CONTENTS OF AGREEMENT

This Full Funding Grant Agreement consists of the text of this Agreement, which includes the first pages setting forth significant characteristics of the Agreement (such as the maximum Federal funds obligated and awarded for expenditure on the Project and the funding ratio of Federal and local funds to be expended for the Project, and such other data), followed by the Terms and Conditions, and the Attachments to the Agreement. The Agreement also includes the following documents incorporated by reference and made part of this Agreement: the "Federal Transit Administration Master Agreement," FTA Form MA(14) (October 1, 2007), as may be revised from time to time, the Application, the Government's environmental record for the Project, related agreements, and prior Grant Agreements for the Project referenced in Attachment 5 of this Agreement. Should the Federal assistance award letter include special conditions for the Project, that letter is incorporated by reference and made part of this Agreement. Any inconsistency between the Application and the terms and conditions of this Full Funding Grant Agreement will be resolved according to the clear meaning of the provisions of this Agreement and Attachments hereto.

SECTION 22. SIMULTANEOUS CREATION OF AGREEMENT IN ELECTRONIC FORMAT

Simultaneous to the Award and Execution of this Agreement set forth in typewritten hard copy, the Agreement is being awarded and executed by electronic means through FTA's electronic award and management system. To the extent any discrepancy may arise between the typewritten version and the electronic version of this Agreement, the typewritten version will prevail. Should any special conditions or requirements for the Project be added separately in the electronic version, those conditions or requirements are incorporated by reference and made part of this Agreement.

SECTION 23. AMENDMENTS TO AGREEMENT

Amendments to any of the documents referenced in Section 21, "Contents of Agreement," will be made in accordance with the requirements and procedures set forth in FTA Circular 5010.1C, "FTA Project Management Guidelines" (October 1, 1998), as may be amended from time to time, and FTA Circular 5200.1A, "Full Funding Grant Agreements Guidance," as may be amended from time to time.

SECTION 24. ATTACHMENTS -- INCORPORATION

Each and every Attachment to this Agreement and the recitations are incorporated by reference and made part of this Agreement.

SECTION 25. NOTICES

Notices required by this Agreement will be addressed as follows:

As to the Government:

Marisol Simon
Regional Administrator/Region V
Federal Transit Administration
200 West Adams
Suite 320
Chicago, IL 60606

As to the Grantee:

Carol Molnau
Commissioner
Minnesota Department of Transportation
395 John Ireland Boulevard
St. Paul, Minnesota 55155

SECTION 26. APPLICABLE LAW

If neither Federal statute nor Federal common law governs the interpretation of the provisions of this Agreement, the state law of Minnesota will apply. This provision is intended only to supplement Section 2.c of the Master Agreement, "Application of Federal, State, and Local Laws, Regulations, and Directives."

SECTION 27. AWARD AND EXECUTION OF AGREEMENT

There are several identical counterparts of this Agreement in typewritten hard copy; each counterpart is to be fully signed in writing by the parties and each counterpart is deemed to be an original having identical legal effect. When signed and dated by the authorized official of the Government, this instrument will constitute an Award that should be executed by the Grantee within ninety (90) days of the date of the Government's Award (FTA Award). The Government may withdraw its Award of financial assistance and obligation of funds if this Agreement is not executed within the ninety (90) day period. Upon full Execution of this Agreement by the Grantee, the effective date will be the date the Government awarded funding under this Agreement as set forth below.

THE GOVERNMENT HEREBY AWARDS THIS FULL FUNDING GRANT THIS
10 DAY OF December, 2007.

Signature: James S. Simpson
James S. Simpson

Federal Transit Administrator
FEDERAL TRANSIT ADMINISTRATION

EXECUTION BY GRANTEE

The Grantee, by executing this Agreement, affirms this FTA Award; adopts and ratifies all statements, representations, warranties, covenants, and materials it has submitted to FTA; consents to this Award; and agrees to all terms and conditions set forth in this Agreement.

THE GRANTEE HEREBY EXECUTES THIS FULL FUNDING GRANT THIS
11th DAY OF Dec., 2007.

Signature: Carol Molnau
Carol Molnau
Commissioner
Minnesota Department of Transportation

ATTESTED BY:

Signature: Michael A. Schadauer
Name: Michael A. Schadauer
Title of Attesting Official: Deputy Director, Budget, Grants & Project Controls
Name of Organization: Minnesota Department of Transportation

AFFIRMATION OF GRANTEE'S ATTORNEY

As the undersigned Attorney for the Grantee, I affirm to the Grantee that I have examined this Agreement and the proceedings taken by the Grantee relating to it. As a result of this examination I hereby affirm to the Grantee the Execution of the Agreement by the Grantee is duly authorized under state and local law. In addition, I find that in all respects the Execution of this Agreement is due and proper and in accordance with applicable State and local law. Further, in my opinion, this Agreement constitutes a legal and binding obligation of the Grantee in accordance with the terms of the Agreement to the extent the Minnesota legislature has appropriated or will appropriate funds sufficient for the Grantee to perform the obligations imposed on the Grantee under this Agreement. Finally, I affirm to the Grantee that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the full implementation of the Project in accordance with the terms thereof.

DATED 12th DAY OF Dec., 2007.

AFFIRMED BY:

Signature: Ronald J. Munting

Attorney of Record

Attachment 1

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Scope of the Project

The proposed Northstar Corridor Rail Project (Project) consists of design and construction of a commuter rail line from Big Lake, Minnesota, to downtown Minneapolis on existing BNSF Railway Company (BNSF) right-of-way, and an extension of the existing Hiawatha Light Rail Transit (LRT) line from its current terminus at 1st Avenue North to an intermodal station with a transfer to the downtown Minneapolis commuter rail platform.

The Project is an approximately 40.1-mile, five station, double-track commuter rail line with stations off the BNSF mainline at the two termini. All stations, except the downtown Minneapolis station, include park and ride spaces. The LRT extension is approximately four blocks from the existing 1st Avenue North terminus of the Hiawatha LRT line to 4th Avenue North, with a tail track extending approximately two additional blocks.

The Project has three definitive agreements with BNSF; the purchase and sale of easement, joint use, and service. The purchase and sale of easement agreement provides the Grantee the perpetual right to use the BNSF tracks for commuter rail. The joint use agreement provides the *terms and conditions governing the use of the BNSF rail line, and addresses operations and maintenance of the line.* Additionally, the agreement provides that BNSF will design and construct four improvements essential to the Project. The joint use agreement is in effect for as long as the commuter rail easements are in effect. The service agreement provides BNSF staff for the commuter trains for the first 10 years, and will be open to negotiations after that time.

Project scope also includes: a minimum of five locomotives, five bi-level cab cars and 12 bi-level passenger coaches; two light rail vehicles; a maintenance facility; the acquisition of real property; fare collection equipment; and environmental mitigation.

The maintenance facility will be built in Big Lake, Minnesota. The facility will accommodate inspections and light duty maintenance. Heavy maintenance services will be competitively procured by Metro Transit, the operator of the Project. Several railroads have heavy maintenance facilities in the Twin Cities metropolitan area.

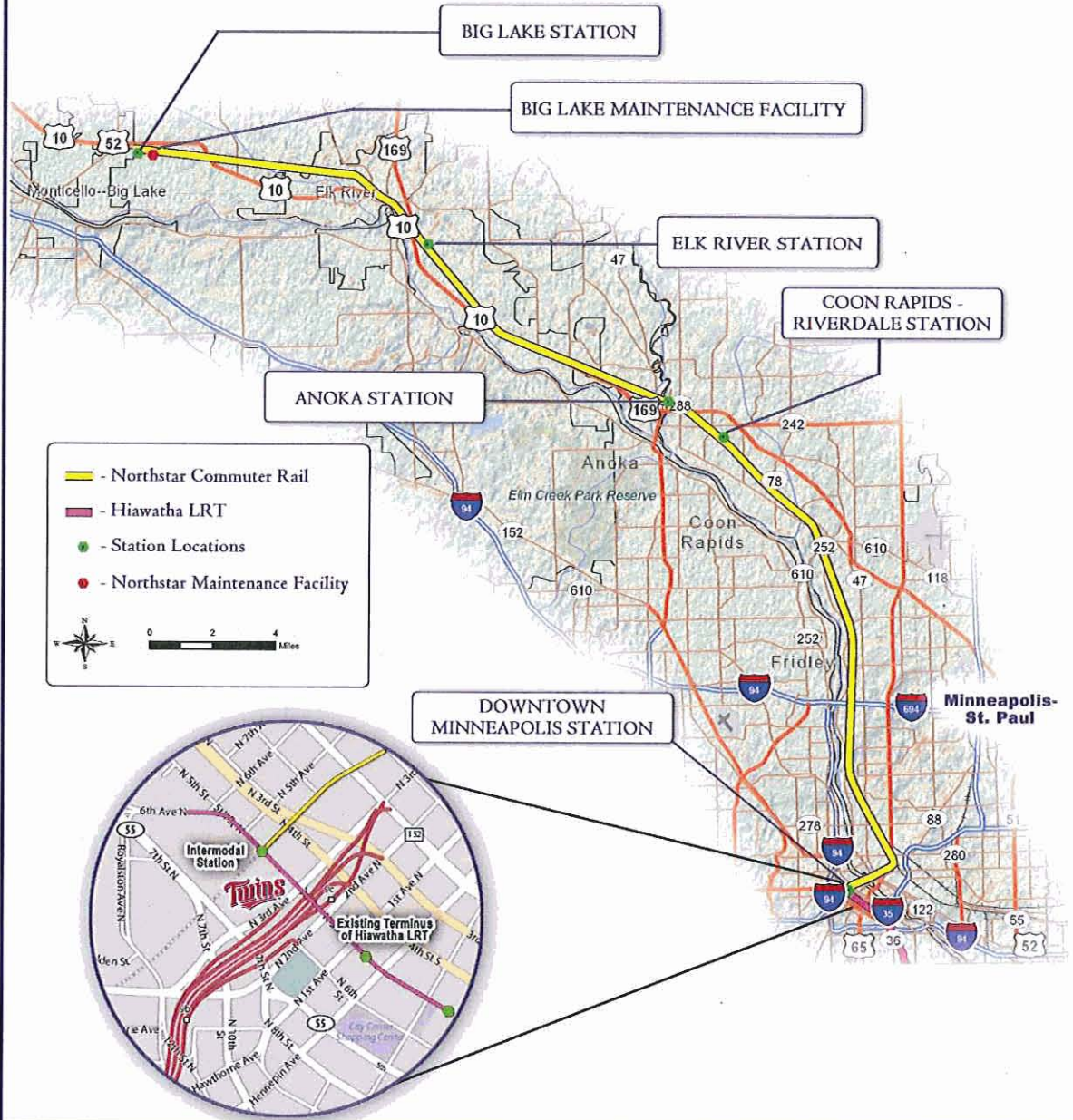
Feeder buses will serve each station, providing connections to residential and commercial areas. The Project will operate five inbound and outbound weekday peak period commuter rail trips at approximately 30-minute frequencies and one reverse trip each weekday peak period. *Three commuter rail round trips will operate on weekend days and some holidays.* The commuter rail terminus in downtown Minneapolis will provide a direct connection between commuter rail and light rail (with the included extension of the existing Hiawatha LRT line).

The Revenue Operations Date for the Project is January 31, 2010.

Attachment 1A

Project Map

Northstar Corridor Rail Project

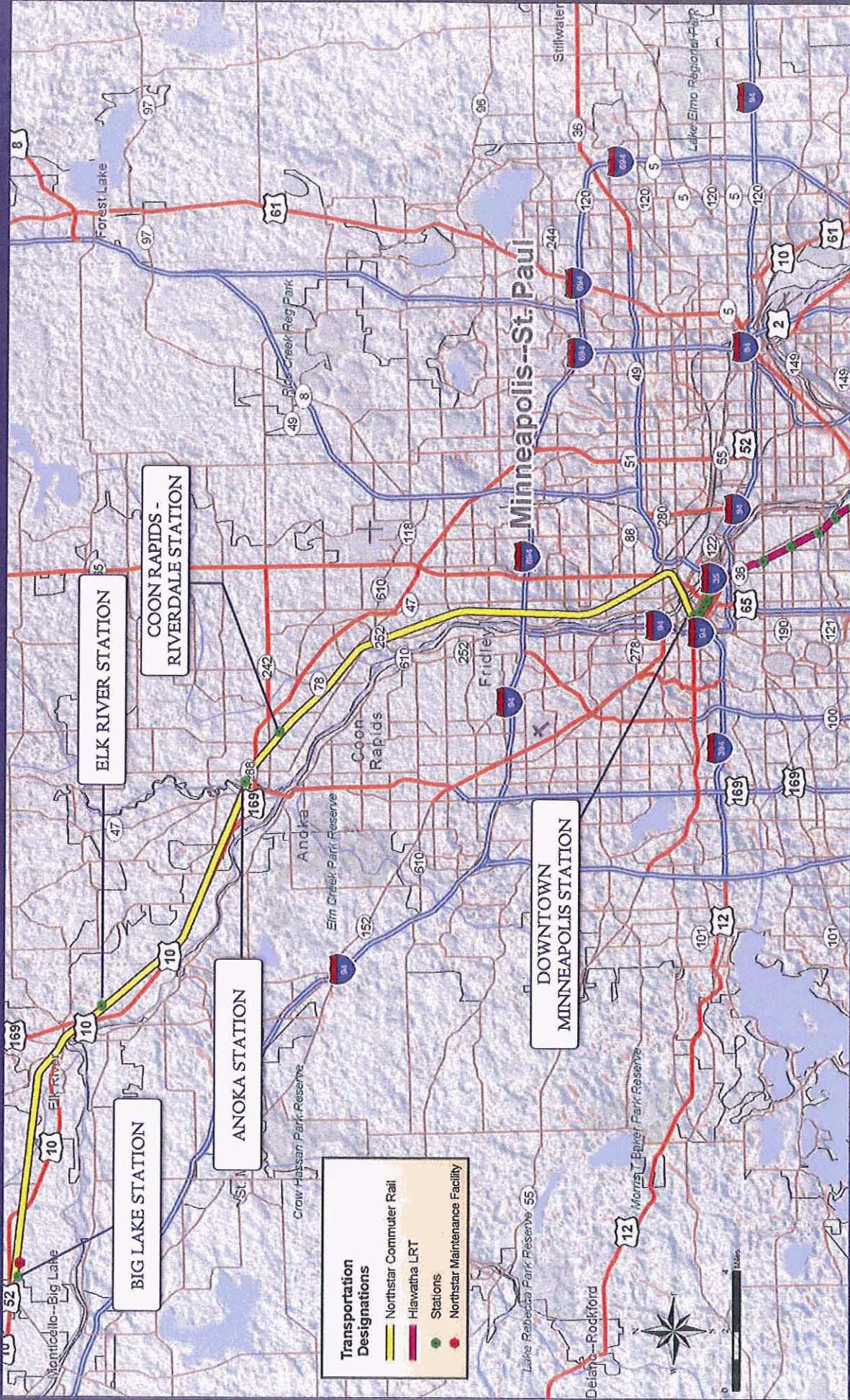


Location Map
Northstar Corridor Rail Project
Minneapolis to Big Lake, MN



Vicinity Map

Northstar Corridor Rail Project



Vicinity Map
Northstar Corridor Rail Project
Minneapolis to Big Lake, MN



Attachment 2

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Project Description

Narrative Description

The Northstar Corridor Rail Project (Project) consists of the design and construction of an approximately 40.1-mile commuter rail line from Big Lake, Minnesota, to downtown Minneapolis on BNSF Railway Company (BNSF) right-of-way. It includes a four-block extension of the Hiawatha light rail transit (LRT) line with a connection at the downtown Minneapolis station, and tail tracks in downtown Minneapolis for LRT and commuter rail vehicles to allow for end-of-line storage and turn around operations.

Project Description by Standard Cost Category (SCC)

The following provides a description of the Project by Standard Cost Categories. These Standard Cost Categories are the basis for the Baseline Cost Estimate and for the baseline Schedule contained in Attachment 3 and Attachment 4, respectively.

SCC 10 - Guideway and Track Elements

This SCC encompasses Commuter Rail station trackwork being performed at the two termini of the commuter rail alignment, and all trackwork for an extension of the Hiawatha LRT line system to the new downtown Minneapolis intermodal station. This work includes, but is not limited to, the furnishing of rail, ties, ballast, guideway concrete, embedded track equipment, road and pedestrian crossings, turnouts, and other miscellaneous track materials.

There are three major components of this trackwork: 1) commuter rail trackwork at the two terminus stations; 2) LRT extension trackwork along 5th Street North in downtown Minneapolis; and 3) BNSF work essential for implementing commuter rail operations on the BNSF mainline track.

These three major components are described in more detail below:

- **Commuter Rail:** Commuter rail trackwork includes construction of at-grade station track off the BNSF mainline at the two end-of-line stations, and approximately 1,500 feet of tail track in downtown Minneapolis for storage and turn around operations.

In Big Lake, MN, work includes a single track from a new crossover and turnout off the BNSF mainline to a new station track at the Big Lake station. This work includes an additional turnout leading to the Big Lake vehicle maintenance facility located adjacent to the Big Lake Station site.

At the downtown Minneapolis commuter rail station, work includes a single track from an extension of the existing BNSF mainline to a new turnout and double-track serving a two-sided commuter rail platform. The work continues past the platform with a double-track extension where the two tracks come together via another turnout and continue south as single tail track to provide for vehicle storage.

- **LRT:** The LRT extension includes a four-block extension of the Hiawatha LRT line system along 5th Street North from the existing Warehouse District Station to a new downtown

intermodal station located immediately over the BNSF mainline and new downtown commuter rail platform. It also includes a two-block section of tail track for LRT vehicle storage and turn around operations.

The four-block extension of the Hiawatha LRT line is double track from the current terminus at the Warehouse District Station to the new downtown intermodal station on 5th Street North directly above the commuter rail track. Track is all embedded double track running at-grade for one block, and then integrated into two new bridge structures: one over Interstate-394, and the other over the BNSF mainline. This category includes a large portion of the bridge reconstruction costs that occur with the LRT track. The balance of the aerial structure costs is in SCC 20.02.

- **BNSF:** This work includes four essential improvements to the BNSF mainline track required to initiate commuter rail service.
 1. Upgrade of track and replacement of crossovers at Milepost (MP) 10.25 and MP 11.45 on the Midway Subdivision, and replacement of a turnout at MP 11.55 on the Staples Subdivision.
 2. Upgrade of the west leg of the Wye track on the Wayzata Subdivision.
 3. Installation of a new turnout at MP 10.9 and upgrade of siding track from MP 11.1 to Holden Street on the Wayzata Subdivision in Downtown Minneapolis.
 4. Installation of new controlled crossover and turnout for Big Lake station access on the Staples Subdivision.

SCC 20 - Stations, Stops, Terminals, Intermodal

The Project includes construction of four commuter rail stations, and one intermodal station with the LRT portion of the intermodal station being constructed over the commuter rail platform. This SCC provides for the construction of all elements of all five stations located as follows:

For all stations, this SCC includes platform construction, conduit installation, platform shelter construction, finishes, required ramps and railings, fencing, signage, markings and other elements required for construction of the transit stations. It also includes a pedestrian bridge over the tracks at the Coon Rapids station.

Each of the commuter rail stations, except the downtown Minneapolis station, has park and ride facilities including dedicated bus drop-off areas. All stations and facilities are designed to meet current Americans with Disabilities Act requirements for commuter rail facilities.

The LRT portion of the intermodal downtown station is a center platform configuration approximately 270-feet long. It is adjacent to and designed to serve the planned Minnesota Twins Ballpark. This intermodal station is an aerial platform within the bridge structure.

See Attachment 2A for downtown Minneapolis intermodal station vertical circulation building.

SCC 30 - Support Facilities; Yards, Shops, Administration Buildings

The Project includes construction of a vehicle maintenance facility at Big Lake. The facility includes an approximately 50,000 square foot building for light service and inspection, a vehicle wash facility, and storage track for the entire Northstar commuter rail vehicle fleet.

The main building provides an indoor service and inspection bay, and a full length undercar inspection pit. Also provided are spaces for two vehicles for longer term repair. Cranes will provide the ability to move heavy equipment throughout the facility. A separate and secure parts storage area is also provided. The main building provides a small office area with lunch room, training area and shower/restroom facilities for maintenance personnel, and a breakroom and reporting area for train crews and supervisors.

The wash building provides for the semi-automated vehicle wash rack which allows for daily exterior cleaning of each consist.

The yard track provides storage for the entire fleet and the ability to move equipment into and out of storage track spaces, the service and inspection bay, the repair bay and the wash facility. The yard track consists of the following components: station track to serve the Big Lake Station; a yard lead track; two storage tracks; a wash track; service and inspection track; and a repair track.

SCC 40 - Sitework and Special Conditions

This SCC primarily covers general civil work for the commuter rail and LRT stations and the vehicle maintenance facility including utilities, grading and access (roadway) improvements. It includes all materials and labor for:

- Demolition, clearing, and earthwork, including the removal of a portion of two bridges;
- Site Utilities and utility relocation;
- Hazardous material removal/mitigation and disposal, preparation of a contaminated substance health and safety plan;
- Site structures, including retaining walls located primarily in downtown Minneapolis;
- Pedestrian/bike access and accommodation, landscaping, including irrigation, at each commuter rail station, vegetation, public art work, windscreens, fencing, bike lockers and bike racks;
- Automobile, bus, van access, including roads, traffic signals and signs, parking lots, striping and pavement markings. The downtown LRT extension includes reconstruction of four signalized roadway intersections and reconfiguration of 5th Street for approximately six blocks; and
- Temporary facilities and other direct costs during construction such as field office, mobilization, temporary erosion controls and construction traffic controls.

SCC 50 - Systems

This SCC includes traction electrification and power distribution, signals, communications and central control for the LRT extension, and fare collection for both the commuter rail and LRT portions of the project. It also includes rider information, security and supervisory control for the commuter rail elements of the project.

Traction electrification includes the purchase, installation and testing of the direct current traction power distribution system for the LRT extension.

Signals includes the purchase, installation and testing of the train signal system. Signal work also includes the development, procurement and installation of an extension of the train-to-wayside communications system.

Communications and central control includes the purchase, installation and testing of equipment necessary to expand the existing communications and central control system to accommodate the LRT extension.

Fare collection covers both the LRT extension and the commuter rail portion of the project and provides for the purchase, programming and installation of self-service fare collection equipment. Fare collection includes linkage to the existing networking system to manage and process fare vending machine status and to supply management information.

Commuter rail systems include installation of all required components of Metro Transit's standard Automatic Vehicle Location (AVL) system.

SCC 60 - Right-of-way, Land, Existing Improvements

This SCC includes payments to BNSF for the acquisition of permanent easements on BNSF property for commuter rail service. The purchase and sale agreement provides a perpetual right to operate 12 roundtrips each weekday and three roundtrips each weekend day.

This SCC also provides for the acquisition of real property at Big Lake, Elk River, and downtown Minneapolis required to construct, operate and maintain the stations, park and ride lots, vehicle maintenance facility, and aspects related to the LRT extension. The property needed for the Anoka station and park and ride is owned by the City of Anoka and Anoka County and will be donated to the project through an easement agreement. The property needed for the Coon Rapids station and park and ride is owned by MnDOT and will be donated.

SCC 70 - Vehicles

This SCC includes the acquisition of two (2) light rail vehicles; and a minimum of five (5) bi-level cab cars; twelve (12) bi-level coaches; and five (5) locomotives. The two light rail vehicles have been procured, and are in current revenue operation. The SCC category includes four (4) remanufactured locomotives that will be acquired by exercising an option on an existing procurement. The fifth locomotive will be acquired separately and will be a remanufactured or used locomotive. This SCC category includes anticipated spare parts for the coaches. All commuter rail fleet vehicles will be regulated by the Federal Railroad Administration (FRA) and will therefore need to conform to FRA requirements.

SCC 80 - Professional Services

This SCC includes the costs of all professional, technical and management services, as well as related professional liability insurance costs during the preliminary engineering, final design and construction phases of the Project.

Associated costs are as follows:

- Preliminary Engineering includes the professional services and project administration required to complete environmental identification; ridership modeling; preliminary design, engineering and architectural services.
- Final Design includes further design, engineering, and architectural services; compilation of as-built plans; environmental mitigation services; specialty services such as safety

and security analyses; value engineering; risk assessment; cost estimating and scheduling; and surveying.

- Project Management for Design and Construction includes the agency staff and professional service consultants providing project management and oversight to the entire project.
- Construction Administration and Management includes the professional service consultants contracted for construction inspection; field engineering; design support coordination; project scheduling and construction coordination; safety certification; change order processing; preparation of independent cost estimates; field verification and testing; in-plant inspection of coaches and locomotives; systems integration and testing; real estate appraisals; and other activities required in support of the Project.
- Insurance for the Project includes coverage for builders risk, general and excess liability, railroad protective liability and environmental liability. Insurance also includes insurance advice and broker services provided by a professional service consultant. It also includes the cost of insurance premiums and estimated deductibles for the duration of project construction.
- Legal, Permits, Review Fees includes the cost of legal and negotiation services for the project and the cost of permits and required reviews by government agencies.
- Surveys, Testing, Investigation, Inspection includes the cost of environmental and hazardous material research and investigation, voluntary investigation and clean-up program support, contamination remediation oversight, construction testing, and vibration testing.
- Agency Force Account Work includes work performed by the City of Minneapolis to support the design of City utility relocation and by BNSF flaggers to provide a safe work zone in and near railroad right of way.

SCC 90 - Unallocated Contingency

This SCC represents the entire unallocated contingency for the Project and provides a funding source for increases over the estimated project cost to cover unknown but anticipated additional project execution costs. Such additional project execution costs may include, but are not limited to, changes in technology, site conditions, schedule, specifications, vehicle acquisition, property rights, economy, safety, legal, and regulatory requirements.

Each SCC from 10 through 80 contains allocated contingency. This is separate from the unallocated contingency contained in SCC 90.

SCC 100 - Finance Charges

This SCC includes finance charges expected to be paid prior to either the completion of the project or the fulfillment of the New Starts funding commitment, whichever occurs later in time. These include interest costs incurred in financing work conducted under pre-award authority or letters of no prejudice.

Attachment 2A

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Vertical Circulation Building

The Twins will design, construct, and finance the Northstar Project minimum requirements of the Vertical Circulation Building (VCB). The VCB links the commuter rail platform to the LRT platform thereby allowing intermodal transfers. The building is a two-level structure housing stairways, escalators and an elevator allowing for full access between the two transit platforms. It also includes an LRT operator break room and restrooms, building electrical and mechanical rooms, and necessary space to accommodate certain LRT and commuter rail systems, and to accommodate electrical equipment for lighting, fare collection and passenger information. These activities are further described in the Cooperation Agreement regarding Northstar and Ballpark Project dated September 17, 2007, and referenced in the Development Agreement dated April 26, 2007, which is incorporated for the sole purpose of describing the Twins Interrelated Activities.

Attachment 3

Minnesota Department of Transportation Northstar Corridor Rail Project Baseline Cost Estimate

Table 1 - BCE by Standard Cost Category

<i>Applicable Line Items Only</i>	YOE Dollars Total (X000)
10 GUIDEWAY & TRACK ELEMENTS (route miles)	15,858
10.04 Guideway: Aerial structure	6,149
10.09 Track: Direct fixation	1,468
10.10 Track: Embedded	816
10.11 Track: Ballasted	6,802
10.12 Track: Special (switches, turnouts)	624
20 STATIONS, STOPS, TERMINALS, INTERMODAL (number)	9,722
20.01 At-grade station, stop, shelter, mall, terminal, platform	7,162
20.02 Aerial station, stop, shelter, mall, terminal, platform	2,140
20.07 Elevators, escalators	420
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	21,334
30.02 Light Maintenance Facility	18,012
30.05 Yard and Yard Track	3,321
40 SITEWORK & SPECIAL CONDITIONS	18,623
40.01 Demolition, Clearing, Earthwork	3,144
40.02 Site Utilities, Utility Relocation	6,217
40.03 Haz. mat'l, contam'd soil removal/mitigation, ground water treatment	641
40.06 Pedestrian / bike access and accommodation, landscaping	2,232
40.07 Automobile, bus, van accessways including roads, parking lots	2,879
40.08 Temporary Facilities and other indirect costs during construction	3,510
50 SYSTEMS	8,898
50.01 Train control and signals	2,381
50.02 Traffic signals and crossing protection	860
50.03 Traction power supply: substations	186
50.04 Traction power distribution: catenary and third rail	1,674
50.05 Communications	1,155
50.06 Fare collection system and equipment	1,707
50.07 Central Control	934
Construction Subtotal (10 - 50)	74,435
60 ROW, LAND, EXISTING IMPROVEMENTS	108,898
60.01 Purchase or lease of real estate	108,898
70 VEHICLES (number)	62,240
70.01 Light Rail	6,571
70.03 Commuter Rail	55,448
70.07 Spare parts	220
80 PROFESSIONAL SERVICES	51,451
80.01 Preliminary Engineering	14,066
80.02 Final Design	3,071
80.03 Project Management for Design and Construction	18,815
80.04 Construction Administration & Management	10,354
80.05 Insurance	1,783
80.06 Legal; Permits; Review Fees by other agencies, cities, etc.	1,953
80.07 Surveys, Testing, Investigation, Inspection	610
80.08 Start up	800
Subtotal (10 - 80)	297,024
90 UNALLOCATED CONTINGENCY	15,257
Subtotal (10 - 90)	312,281
100 FINANCE CHARGES	5,101
Project Cost Subtotal (10-100)	317,382
Minnesota Twins Project Segment	2,625
Northstar Corridor Project Cost Total	320,007

\$5,187 (in X000 dollars) shown in SCC 10.11 is being paid to BNSF pursuant to the Purchase and Sale of Easement Agreement dated March 7, 2007. This is the value of four improvements to BNSF infrastructure considered essential to Northstar commuter rail operations as fully described in Attachment 2.

Attachment 3
Minnesota Department of Transportation
Minneapolis, Minnesota
Northstar Corridor Rail Project
Baseline Cost Estimate

Table 2 - Inflated Cost to Year of Expenditure

	Base Year Dollars w/o Contingency (X000)	Base Year Dollars Allocated Contingency (X000)	Base Year Dollars TOTAL (X000)	Inflation Factor	YOE Dollars Total (X000)
10 GUIDEWAY & TRACK ELEMENTS (route miles)	14,652	733	15,384	1.0308	15,858
20 STATIONS, STOPS, TERMINALS, INTERMODAL (number)	8,916	446	9,362	1.0385	9,722
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	19,621	981	20,602	1.0355	21,334
40 SITEWORK & SPECIAL CONDITIONS	17,266	863	18,129	1.0273	18,623
50 SYSTEMS	8,117	406	8,523	1.0439	8,898
60 ROW, LAND, EXISTING IMPROVEMENTS	103,799	2,195	105,994	1.0274	108,898
70 VEHICLES (number)	55,182	4,158	59,339	1.0489	62,240
80 PROFESSIONAL SERVICES	48,746	1,599	50,345	1.0220	51,451
90 UNALLOCATED CONTINGENCY			14,608	1.0445	15,257
100 FINANCE CHARGES			4,840	1.0539	5,101
Project Cost Subtotal (10-100)			307,127	1.0334	317,382
Minnesota Twins Project Segment					2,625
Northstar Corridor Project Cost Total					320,007

The Northstar Corridor Rail Project budget includes sales tax for construction materials in SCC 10-50. Northstar may receive a sales tax exemption from the Minnesota Legislature in the 2008 session. This could result in a rebate for sales taxes spent to date and an exemption from ongoing sales taxes. If this would occur, the funds previously budgeted to cover sales tax would become available to use as contingency.

Attachment 3

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project Baseline Cost Estimate

Table 3 - BCE by Source of Funding

	Total Project Cost in YOE Dollars (X000)	Double Check Total (X000)	Federal 5309 New Starts	Federal Other	Local	Private Other
10 GUIDEWAY & TRACK ELEMENTS (route miles)	15,858	15,858	7,771		8,087	
20 STATIONS, STOPS, TERMINALS, INTERMODAL (number)	9,722	9,722	5,954		3,768	
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	21,334	21,334	10,454		10,880	
40 SITEWORK & SPECIAL CONDITIONS	18,623	18,623	9,126		9,498	
50 SYSTEMS	8,898	8,898	4,360		4,538	
60 ROW, LAND, EXISTING IMPROVEMENTS	108,898	108,898	53,362		55,536	
70 VEHICLES (number)	62,240	62,240	30,499		31,741	
80 PROFESSIONAL SERVICES	51,451	51,451	25,212	5,180	21,059	
90 UNALLOCATED CONTINGENCY	15,257	15,257	7,447		7,810	
100 FINANCE CHARGES	5,101	5,101	2,625		2,476	
Project Cost Subtotal (10-100)	317,382	317,382	156,810	5,180	155,392	0
Minnesota Twins Project Segment	2,625	2,625	0	0	0	2,625
Northstar Corridor Project Cost Total	320,007	320,007	156,810	5,180	155,392	2,625

Sources of Federal Funding and Matching Share Ratios				
	Costs Attributed to Source of Funds (X000)	Federal/ Local Matching Ratio within Source	All Federal Funds (X000)	Local Funds (X000)
Federal 5309 New Starts	310,907	50/50	156,810	154,097
Federal Other	6,475	80/20	5,180	1,295
Total	317,382		161,990	155,392
Overall Federal Share of Project			51.04%	
New Starts Share of Project			49.41%	

Attachment 3A

**Minnesota Department of Transportation
Minneapolis, Minnesota
Northstar Corridor Rail Project
Project Budget**

Scope and Activity Description																	
Scope Code	ALI Code	Scope and Activity Line Item Descriptions	Qty		Federal 5309 New Starts			Federal Other			Private Other			Project Totals			Total Project Cost in YOE Dollars (X000)
				Total Federal %	Federal	Local	Total	Federal	Local	Total	Federal	Local	Total	Federal	Local	Total	
14010	140110	GUIDEWAY & TRACK ELEMENTS	40.50	49.00%	7,771	8,087	15,858			0			0	7,771	8,087	15,858	15,858
14020	140220	STATIONS, STOPS, TERMINALS, INTERMODAL	6	61.24%	5,954	3,768	9,722			0			0	5,954	3,768	9,722	9,722
14030	140330	SUPPORT FACILITIES, YARDS, SHOPS, ADMIN. BLDGS.		49.00%	10,454	10,880	21,334			0			0	10,454	10,880	21,334	21,334
14040	140440	SITework & SPECIAL CONDITIONS		49.00%	9,126	9,498	18,623			0			0	9,126	9,498	18,623	18,623
14050	140550	SYSTEMS		49.00%	4,360	4,538	8,898			0			0	4,360	4,538	8,898	8,898
14060	140660	ROW, LAND, EXISTING IMPROVEMENTS		49.00%	53,362	55,536	108,898			0			0	53,362	55,536	108,898	108,898
14070		VEHICLES	24	49.00%	30,499	31,741	62,240			0			0	30,499	31,741	62,240	62,240
	13.13.20	Light Rail Cars	2														
	13.13.23	Commuter Rail Coaches	17														
	13.13.27	Locomotives Used	5														
14080	140880	PROFESSIONAL SERVICES		59.07%	25,212	19,764	44,976	5,180	1,295	6,475			0	30,392	21,059	51,451	51,451
14090	140990	UNALLOCATED CONTINGENCY		48.81%	7,447	7,810	15,257			0			0	7,447	7,810	15,257	15,257
14100	141010	FINANCE CHARGES		51.46%	2,625	2,476	5,101			0			0	2,625	2,476	5,101	5,101
Project Cost Subtotal (10-100)				51.04%	156,810	154,097	310,907	5,180	1,295	6,475	0	0	0	161,990	155,392	317,382	317,382
Minnesota Twins Project Segment				0.00%			0			0			2,625	2,625	0	2,625	2,625
Northstar Corridor Project Cost Total				50.62%	156,810	154,097	310,907	5,180	1,295	6,475	0	2,625	2,625	161,990	158,017	320,007	320,007

Attachment 4

**Minnesota Department of Transportation
Minneapolis, Minnesota**

Northstar Corridor Rail Project

Baseline Schedule

SCHEDULE	Start Date	End Date	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
10 GUIDEWAY & TRACK ELEMENTS (route miles)	07/05/07	01/31/10										
20 STATIONS, STOPS, TERMINALS, INTERMODAL (number)	07/05/07	01/31/10										
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN, BLDGS	07/25/07	01/31/10										
40 SITEWORK & SPECIAL CONDITIONS	07/05/07	01/31/10										
50 SYSTEMS	07/05/07	01/31/10										
60 ROW, LAND, EXISTING IMPROVEMENTS	03/07/07	11/02/09										
70 VEHICLES (number)	04/23/07	01/31/10										
80 PROFESSIONAL SERVICES	06/15/00	06/30/10										
90 UNALLOCATED CONTINGENCY	01/01/08	03/31/10										
100 FINANCE CHARGES	01/31/07	01/31/10										
Revenue Operations	01/31/10	n/a										
Before and After Study: Two years post Rev Ops	09/01/11	06/30/12										
Fulfillment of the New Starts funding commitment	n/a	12/31/11										
Completion of project close-out, resolution of claims	02/01/10	12/31/11										

Midpoint of Construction

Attachment 5

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Prior Grants and Related Documents

I. Prior Grants (Not Included in the FFGA)

As shown in the table below, several grants have been awarded to the Northstar Corridor Rail Project. Two grants were awarded prior to FTA giving approval to enter Preliminary Engineering. One of those grants (MN-03-0056) was spent in full on the Major Investment Study, while a portion of the other grant (MN-90-X110) was spent on planning and the Environmental Impact Statement. The amounts spent from those grants through the date of approval to enter Preliminary Engineering are noted in the table below and are excluded from the FFGA. The remaining funds from MN-90-X110 and the funds from the other grants approved after entry into Preliminary Engineering are included in the FFGA.

Project No.	Obligation Date	Federal Amount	Funding Source	Purpose
MN-03-0056	03/30/1998	\$350,000	Sect. 5309	Major Investment Study
MN-90-X110	10/19/1999	\$1,780,000	STP	MIS, Planning, and EIS
Total prior to Prelim-Eng		\$2,130,000		
MN-90-X110	10/19/1999	\$2,219,981	STP	EIS, Project Mgmt
MN-90-X138	09/28/2001	\$2,000,000	STP	Project Mgmt and PE
MN-90-X138-01	03/25/2002	\$960,000	CMAQ	FEIS, PE, Project Mgmt
Total Prior Grants		\$5,179,981	After Start of Preliminary Engineering	

II. Related Documents

- | | | |
|----|--|-------------------|
| 1. | Approval to Enter Preliminary Engineering | June 20, 2000 |
| 2. | Final Environmental Impact Statement | March 13, 2002 |
| 3. | Record of Decision | December 11, 2002 |
| 4. | Environmental Assessment | January 2, 2006 |
| 5. | Finding of No Significant Impact | March 15, 2006 |
| 6. | Letter of No Prejudice - City Water Relocation | July 31, 2006 |
| 7. | Letter of No Prejudice - City Sewer Relocation | August 18, 2006 |
| 8. | Approval to Enter Final Design | September 7, 2006 |

9. Letter of No Prejudice – Locomotive Acquisition April 23, 2007
10. Letter of No Prejudice – Construction Activities June 1, 2007

III. FFGA Grant History (Grants under FFGA)

Project No.	Obligation Date	Federal Amount	Funding Source	Purpose
MN-03-0088	09/17/2003	\$4,346,669	Sect. 5309	Ridership Forecast, BNSF Negotiations, Value Engineering, Public Involvement, Application for Final Design, Vehicle Specs, Project Mgmt, Property Acquisition
MN-03-0111	09/20/2004	\$9,900,131	Sect. 5309	Property Acquisition, BNSF Negotiations, Utility Relocation Planning, New Starts Reporting, Public Involvement, Maintenance Facility PE, Environmental Assessment, Project Mgmt
MN-03-0120	09/25/2006	\$4,917,912	Sect. 5309	Advanced PE, Project Mgmt, and Environmental Site Assessment
MN-03-0121	09/04/2007	\$4,960,000	Sect. 5309	Risk Analysis, Update of Management Plans, Prepare/Update New Starts Criteria, Perform Final Design to 100%
MN-03-0128	09/24/2007	\$5,659,028	Sect. 5309	To pay a portion of a perpetual easement enabling commuter rail to operate on BNSF Railway Company tracks.
MN-03-0201	9/10/2007	\$1,960,200	Sect. 5309	To pay a portion of a perpetual easement enabling commuter rail to operate on BNSF Railway Company tracks.
Total Prior Grants		\$31,743,940		

Attachment 6

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Schedule of Federal Funds

Section 3043(b)(15) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Pub.L. 109-59, 119 Stat. 1144; Aug. 10, 2005) authorizes FTA to award Federal capital new starts funds for final design and construction of the North Star Corridor (the "Project"). In accordance with Federal transit law at 49 U.S.C. Chapter 53 and FTA Circular 5200.1A, Full Funding Grant Agreements Guidance (December 5, 2002), by the execution of this Agreement the Government is limiting its commitment to provide new starts funding for the Project to those funds that have been or may be appropriated during the term of SAFETEA-LU and subsequent authorizations. The Government and the Grantee recognize, moreover, that the period of time necessary to complete the Project may extend beyond SAFETEA-LU, as evidenced by Attachment 4 to this Agreement (Baseline Schedule).

Currently, the Government and the Grantee anticipate that the Federal capital new starts funds will be provided for the Project as follows:

Proposed Schedule of Federal Funds

Fiscal Year	Federal		Private Funds	Local Funds*	Total
	Section 5309 New Starts Funds	CMAQ and STP Funds			
Pre-FY 2008	\$ 31,743,940	\$5,179,981		\$ 81,908,060	\$118,831,981
FY 2008	\$ 13,874,980			\$116,495,020	\$130,370,000
FY 2009	\$111,191,080			(\$43,011,080)	\$ 68,180,000
Subtotal	\$156,810,000	\$5,179,981		\$155,392,000	\$317,381,981
Twins Interrelated Activities**	\$ 0	\$ 0	\$2,625,000	\$ 0	\$ 2,625,000
Northstar Corridor Total	\$156,810,000	\$5,179,981	\$2,625,000	\$155,392,000	\$320,006,981

* Sources of local funding are the State of Minnesota, the Anoka, Hennepin, and Sherburne County Regional Railroad Authorities; and the Metropolitan Council.

** Privately funded activities are being financed by the Minnesota Twins baseball team.

Attachment 7

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Measures to Mitigate Environmental Impacts

The environmental record for the Project consists of the following documents:

Final Environmental Impact Statement – March 2002
Record of Decision – December 2002
Environmental Assessment – December 2005
Finding of No Significant Impact – March 2006
Environmental Technical Memorandum – June 2006
Environmental Technical Memorandum Revision 1.1 – July 2006
Approval of Environmental Technical Memorandum and Revision – July 2006

The mitigation measures and other Project features that reduce adverse environmental and community impacts, to which the FTA and the Minnesota Department of Transportation (MnDOT) committed in the environmental record, may not be eliminated from the Project except by FTA's written consent and in accordance with applicable laws and regulations. These mitigation measures include, but are not limited to, any commitment in the environmental record to perform further consultation with an agency or community on environmental and related matters.

On September 14, 2007, MnDOT transmitted to FTA a table which lists the mitigation measures in the above environmental record that pertain to the Project, identifies the party responsible for implementing each mitigation measure, and indicates the status of the implementation of each mitigation measure as of the date of the transmittal. The table's purpose is to facilitate monitoring the implementation of the mitigation measures during final design and construction. That table shall be periodically revised to add any measures resulting from required consultations, permit approvals, and FTA-approved changes and to update the implementation status of the measures. That table and its updates are incorporated herein by reference and will be presented periodically at Quarterly Review meetings.

MnDOT may propose, and FTA may approve, an alternative method for monitoring the implementation of mitigation commitments. If approved, the alternative method to be used shall be specified in the Project Management Plan.

Attachment 8

Minnesota Department of Transportation Minneapolis, Minnesota Northstar Corridor Rail Project

Implementation of a Before and After Study

MnDOT, in cooperation with the Metropolitan Council, will assemble information and conduct analyses to identify the actual performance of the Northstar Corridor Rail Project (Project) in terms of its costs and impacts, evaluate the reliability of technical methods used during the planning and development of the Project, and identify potentially useful improvements to those methods. Specifically, MnDOT's plan to perform a "Before and After" Study addresses the following requirements:

I. Required Information

MnDOT will collect data and assemble information on five key characteristics of the Project and its associated transit services:

- a.) Project scope: The physical components of the Project; including environmental mitigation and other related information;
- b.) Service levels: The opening day operating service and service characteristics of the commuter rail system, feeder bus services, and other bus services in the corridor; a comparison with current characteristics;
- c.) Capital costs: Final costs of the Project compared with the Baseline Cost Estimate;
- d.) Operation and maintenance costs: Operating and maintenance costs of the Project, and the transit system; and
- e.) Ridership patterns: Incremental ridership, origin/destination patterns of riders, travel time savings for passengers, and associated farebox revenue

II. Milestones

MnDOT will assemble those data items that are available at three key milestones in the development and operation of the Project:

- a.) Predictions: Baseline information available in environmental and other project or agency documents will be reviewed. Published predictive information will be summarized. Actual data drawn during operation will be analyzed in relation to the baseline and predicted information;
- b.) Prior conditions: Transit service levels, operating and maintenance costs, ridership patterns and farebox revenues immediately prior to any significant changes in transit service levels caused by either the construction or opening of the Project;
- c.) After conditions: Actual data drawn two years after the opening of revenue operations will be analyzed in relation to the baseline and predicted information.

III. Timetable

MnDOT has prepared a detailed work plan that describes the technical activities and steps that will be taken to assemble the required information described above and conduct assessments of the actual results of the Project and the accuracy of predictions of those results. FTA has reviewed and approved the work plan, which is incorporated by reference. MnDOT will complete the study by June 30, 2012.