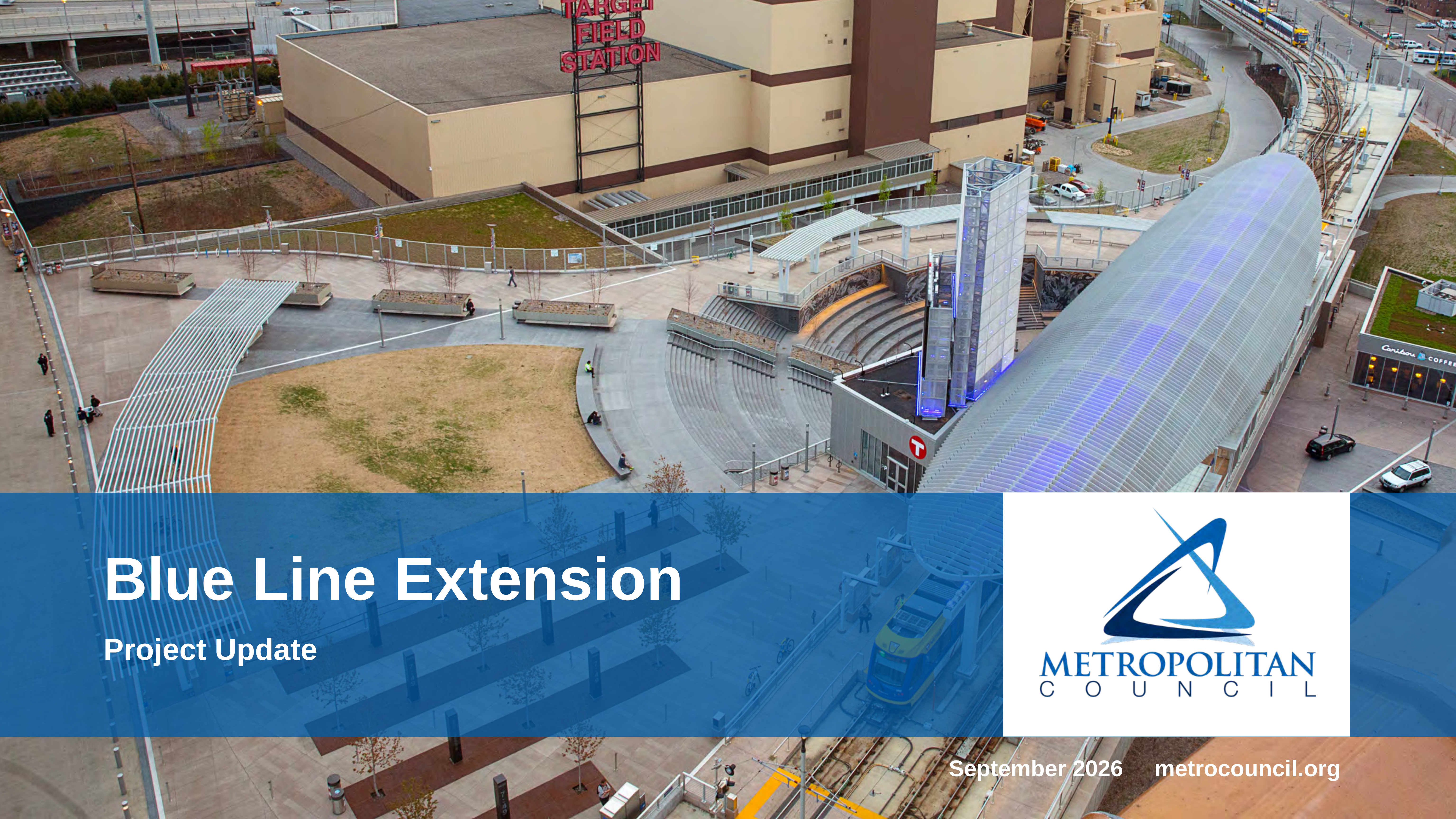


Blue Line Extension

Project Update

METROPOLITAN
COUNCIL

September 2026 metrocouncil.org

Today’s Topics

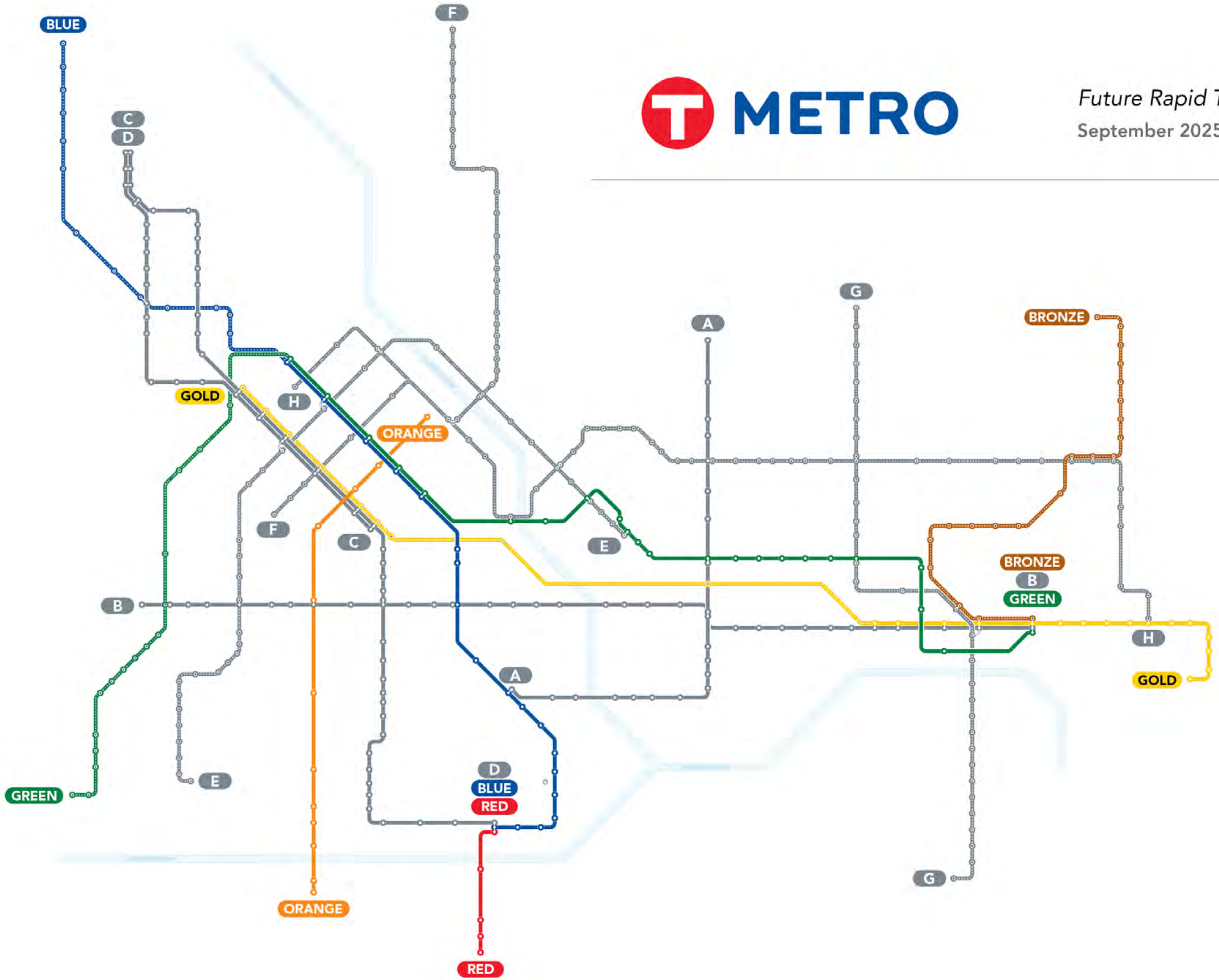
- Project Overview
- Outreach Update
- Anti-Displacement
- Federal Process, Budget & Funding
- Capital Grant Agreement
- Pathway to Applying for FFGA
- Funding Gap
- Upcoming Council Actions

Project Overview

METRO

Future Rapid Transit Network

September 2025



Blue Line Extension Route

- **13.4 miles & 13 new stations** connecting Minneapolis, Robbinsdale, Crystal, Brooklyn Park and surrounding communities to fast, frequent, all-day service across the METRO system
- **Single seat ride** to existing Blue Line stops downtown, MSP Airport, and Mall of America
- Focus on building community prosperity through **anti-displacement strategies** before, during, and after construction
- Amended Record of Decision signed August 2025 –**concluded environmental review process**
- Released **updated project budget** June 2026
- **100% design** completion Fall 2026

Blue Line Extension History

- 1981 – LRT Feasibility Study "Northwest Corridor"
- 2004 – Northwest Busway in TPP
- 2013 – LRT Locally Preferred Alternative
- 2014 – LRT project enters Project Development
- 2017 – LRT project enters Engineering
- 2020 – Project partners explore alternate routes (from BNSF)
- 2023 – CMC finalizes current LRT route
- 2024 – Completion of Municipal Consent
- 2025 – Amended Record of Decision signed

Purpose and Need

- **Purpose and Need:** The project will invest in an area that has experienced a history of disinvestment, provide improved connectivity and access for communities in the Project area, and advance local and regional goals.
- **Corridor statistics** at a glance:
  - 43,000 residents within ½-mile of stations
  - 30% of households are families with children
  - 50% of households in some areas with no car
  - 60% people of color
  - 37% low-income residents

Serving the Community

- Blue Line Extension and transit connections within the corridor will connect communities to jobs, education, and opportunities
- Over 200,000 jobs within 15-minute walk of existing Blue Line stations and planned Extension stations
- 23,000 jobs are available to Blue Line Extension corridor families with no more than one transfer

Cultural Placekeeping

- An outcome of the **Anti-Displacement Work Group** facilitated by Center for Urban and Regional Affairs
- Recommended by Coordinated Action Plan for Anti-Displacement to be **included within the LRT project** scope
- Community advisory working group defined each station's **guiding theme** with the help of graphic facilitators
- Elements will highlight cultures around each station using **wayfinding graphic panels**

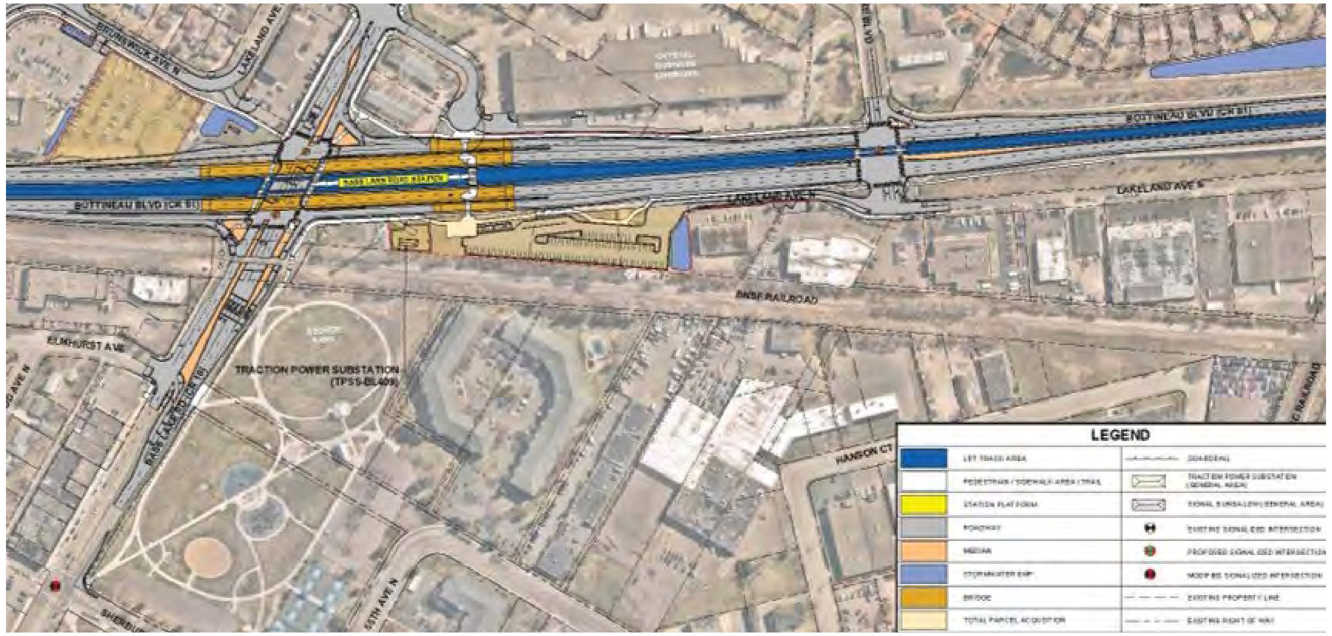
Cultural Placekeeping

Lowry Avenue Station Design Process – Station Marker

Guiding Theme → Station Marker Design Process

Right of Way

- 39 **total property takes** - including residential, non-residential, and public parcels (vacant lots)
- 213 **temporary construction easements** – no permanent acquisition, primarily small strips for construction of sidewalks or other public infrastructure
- 321 **partial acquisitions** – small permanent easement is required, generally small strips for sidewalks and boulevards
- **Subject to change** - this list is in process as design completion is still underway, and numbers may change
- **Council action is required** before acquisition will begin



Bass Lake Road Station Park & Ride, overpass property impacts

FTA Risk Assessment

- FTA requires a **Risk Assessment** to validate project risks and contingency. This typically results in changes to project budget and schedule
- **Nov 2025**: FTA conducted a Risk Workshop and initially added \$160M in contingency for known and unknown risks. Contingency set 36%. Top risk was uncertainty of construction duration
- **April 2026**: FTA conducted a mini-risk update, acknowledging constructability reviews conducted by BLE team to reduce risks, and reduced contingency to \$68M. Final contingency set at 32.5%

Project Budget – Schedule – Ridership

- Following completion of Risk process, the project budget and schedule set:
  - **Budget** is $3.58B
  - **Schedule** - If FFGA application submitted Q4 2026 and grant is approved in late spring 2027, major construction could occur from 2028 – 2032, revenue service could begin 2033
  - **Ridership** estimated at 10,000 daily riders for the extension, with new extended Blue Line at 30,000 daily riders. FTA ridership modeling does not capture special events, which is a significant factor in the METRO market

Outreach Update

Engagement Metrics: Aug 2020- June 2026

- **964** events resulting in nearly **46,370** points of contact with the public
- **465,500**+ reach on social media and **10 million**+ reach through newsletters and paid ads on community and cultural media (as of June 2025)
- Approximately **7,590** survey responses, written comments, and comments on the interactive map
- Corridor postcards mailed to **250,000+** properties
- **40,000+** emails and phone calls

Outreach Geared To Accessibility – Feb 2026

Metropolitan Council

Community and Business Working Group

- Advisory Committees Sunset
- Working Group Topics
  - Station Design & Accessibility
  - Cultural Place keeping
  - Environmental Mitigation
- Activities
  - Green Line Ext. Bus Tour
  - Station Design and Key Elements
  - Transit Oriented Development
  - Downtown Hopkins Station Walkthrough
  - Accessibility Features

Anti-Displacement

Met Council’s Anti-displacement Framework

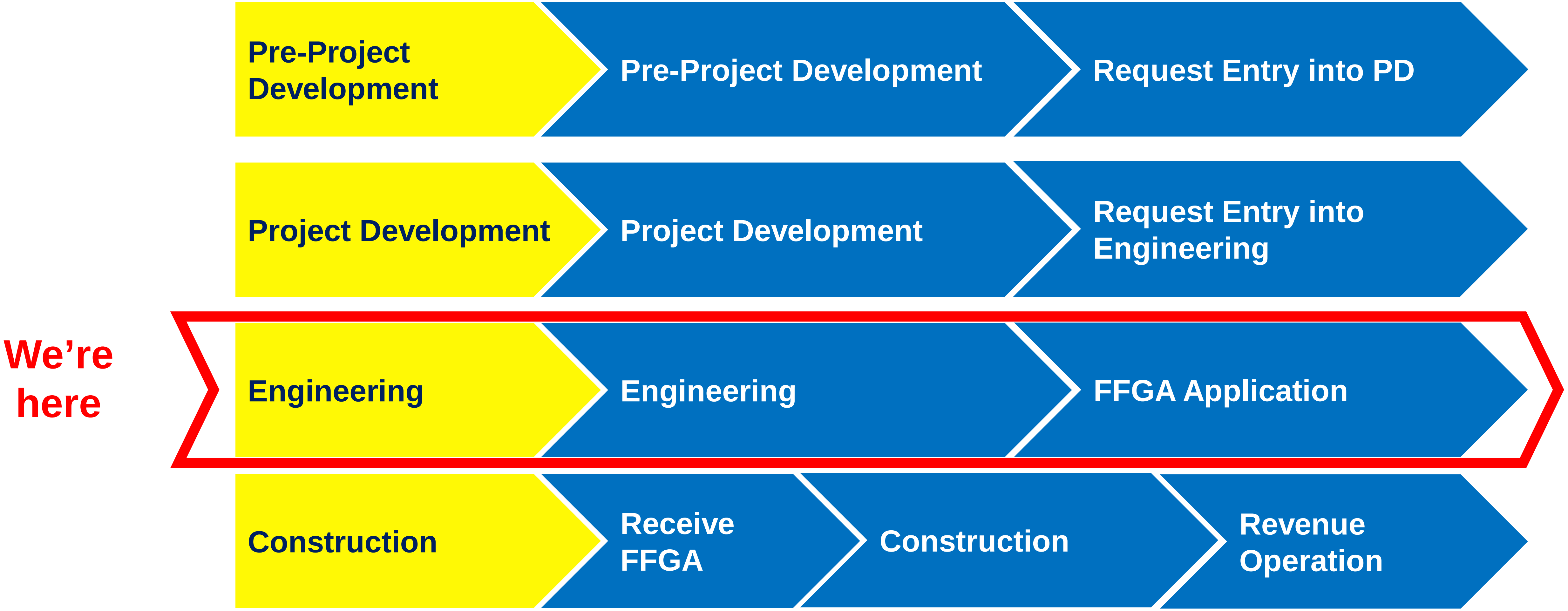
- The objective of the anti-displacement framework is to enhance residents’ ability to keep their housing, amenities, health, and sense of belonging in a neighborhood
- The Met Council has identified **three strategies** to implement this framework:
  - Met Council investments go through an anti-displacement risk assessment
  - Prioritize projects that support community connection and anti-displacement in our grant systems
  - Provide best practices and resources through engagement and collaboration with overburdened communities
- Council has several grants and programs that support anti-displacement goals

Anti-Displacement

- **2024**: Minnesota Legislature approved $10M for anti-displacement efforts along project
- **2025**: the Anti-Displacement Community Prosperity (ACPP) Board launched a $2M pilot program to address anti-displacement along the corridor, including pre-construction activities

Federal Process, Budget and Funding

Federal Process Steps



FTA released Fiscal Year 2026 allocations, including the first $100M allocation for Blue Line Extension

Budget and Funding – Current Project Status

- Current Project Cost: $3.58B
- Committed Local Funding: $2.522B (70.4%)
  - $1.896 billion Hennepin County, $358 million HCRRA (8/4/26 actions)
  - $114 other local/federal grants (CTIB, Brooklyn Park, federal grants, misc.)
  - $41 million State of Minnesota ($30M of commitment expires 6/30/27 without FFGA)
- Anticipated federal funding: $752 million Federal CIG Program (21% of project)

Budget and Funding – Current Project Status

- Council and Hennepin County have worked successfully together identifying scope element reductions to reduce budget, including:
  - 63rd Avenue Station Pedestrian Bridge ($19M)
  - Oak Grove Park & Ride ($15M)
  - Finance charges ($75M) - eliminate
  - FTA still reviewing proposed $80M reduction in systems construction budget
  - $5M start up costs – Council costs
- Reduced scope of $190 million and budget of $3.38 billion (pending FTA concurrence of Systems costs)
- Anticipated funding gap: $224 million

63rd Avenue Station Pedestrian Bridge

Funding – Brief History

- 2008: Counties Transit Improvement Board (CTIB) created by MN Legislature, 5 metro counties levied ¼ cent sales tax and $20 motor vehicle tax for building and operating new transit. CTIB distributed funds for transit development, construction, and then 50% of operating costs of transitways (Green and Blue Line LRT, Red Line BRT, and Northstar Commuter Rail)
- 2017: CTIB disbanded, several counties opted to levy individual sales tax, Hennepin County opts for ½ cent sales tax for transit
- 2023: Metropolitan Council receives 83% of a **new ¾ cent sales tax** to grow and sustain operations, cover capital maintenance and ensure security of transit system
- Metro area counties receive 17% for transportation purposes that can include transit projects
- Funding roles with Counties and Council defined

Funding – Operations and Maintenance

- A successful project requires annual, sustainable funding for operations and capital maintenance.
  - The Council will cover 100% of these costs
- Estimated $3.4 billion in operations and maintenance through the first generation of project (first 32 years of revenue operations).
- This includes:
  - $2.4 billion for 32 years of operations and maintenance
  - $600 million for capital maintenance upgrades (like Renew the Blue)
  - $500 million in LRV fleet replacement 32 years after opening

Capital Grant Agreement

Capital Grant Agreement

- The Capital Grant Agreement approved by Council, Hennepin County, and Hennepin County Regional Railroad Authority emphasizes partnership, collaboration, shared decision-making, risk management strategies, and transparency within the new governance model
- Major changes in the CGA compared to previous transitways include:
    - A new governance model, the **Project Decisions Board,** to approve and authorize major project decisions
    - Integrated project office with staff from both Hennepin County and Metropolitan Council in leadership roles
    - Streamlined reporting and processes that maximize efficiencies for both parties
    - Clarification of financial roles for capital costs

CGA Funding Responsibilities

- The Capital Grant Agreement outlines funding responsibilities for construction of the BLE in Section 2.01:
  - "…Grantee [Council] makes no commitment to Grantor [County] through this Agreement that Grantee will contribute any funds towards the Transitway Project, including toward any cost overruns, beyond the maximum federal funding in the Full Funding Grant Agreement and any other funds explicitly appropriated for the Transitway Project by the United States or the State of Minnesota."

Capital Grant Agreement

- The Blue Line Extension CGA was executed in October 2023
- The CGA was signed after Green Line Extension funding agreement was established in Sept. 2023
- The Grant provides funding for Engineering and Construction activities, including right of way acquisition, establishment of governance processes, and assignment responsibilities for the project between parties
- Two amendments have been executed, most recently in June 2026, extending the term to June 30, 2027
- An upcoming amendment will be required to bring in Hennepin County and Hennepin County Regional Railroad Authority committed funding for the Project Office to continue to advance work

Pathway to Applying for FFGA

Metropolitan Council

Full Funding Grant (FFGA) Roadmap

- **FFGA is mechanism for award of federal funds**
- **Remaining steps before FFGA application:**
  - **FTA review** – FTA concurrence on $190M in scope efficiencies
  - **Finalized fiscal commitments** – Commitment of all local funding
  - **Complete Required Plans** – Final updates to Financial Management Plan after non-CIG funding is committed
  - **Complete Agreements** – Completion of all critical 3rd party agreements
- **PDB approves** final scope, schedule, and budget, FFGA submittal, and pre-award authority for property acquisition
- **Council approves** FFGA Application
- **End of October** – Submission of Full Funding Grant Agreement Application

Look Ahead After FFGA Submittal

- Begin right of way acquisition
  - Requires Metropolitan Council action for public purpose and PDB approval
- Completion of Plans and Specifications
- Progress on contract procurements:
  - Light Rail Vehicles
  - Civil/Systems Contract
  - Construction Support Contract (Quality/Administration)
- Advance SFEIS Mitigation, such as business support fund and residential support fund

Metropolitan Council

Funding Gap

Funding Gap

- The current funding gap is $224M
- Hennepin County has made two types of requests to Council to close the capital funding gap
  1. Asked the Council to close the $224M funding gap
  2. Asked the Council to fund some of the Light Rail Vehicles (LRVs)
- Council is limited in its ability to participate by:
  1. Capital Grant Agreement
  2. Impact on Regional Operations
  3. Council Policy
  4. Minnesota State Statute

Impacts on Service

The Council receives federal formula funds (Section 5307) for transit capital, operating assistance, and transportation related planning.

- Since 2024, State law and Council policy prohibit the use of these funds for new transitways
- If State law and Council policy were to change, and the Council contributed 5307 funding to fill the gap, that amounts to $37 million per year over six years
- $37M per year would have major impacts
- The impacts of this to regional transit **hypothetically** *would* be equivalent to:
  - Putting a hold on Network Now expansion **AND** GLE connecting bus service; **AND**
  - Cut of 80% of all BRT service **OR**
  - Eliminate every express route and suburban route **OR**
  - Eliminate all Sunday service and 50% of Saturday service

Metropolitan Council

FTA Terms and Conditions for FFGA

- FFGA Vehicle Requirement:
  - FTA requires the project to include capital costs of vehicles in the budget for a FFGA
  - FTA defines the purchase of vehicles as “construction” per FTA Circular 9300.1B.
  - Moving capital costs outside project budget to a Council expense is not consistent with Council policy or with state statute whereby Council cannot spend funding on capital construction.
- Per FFGA terms and conditions, the Council must attest to maintaining regional transit system:
  - FFGA Financial Term: “The Council must maintain current levels of operation and maintenance of its system if awarded the grant for the new project”

Council Policy

- The Met Council passed a Transit Funding Allocation policy in 2025 that, among other things, includes language that: "The Council must not expend federal formula funds on new transit guideway projects as defined in Minnesota Statutes 473.4485."
- The Council policy passed in 2025 sought to create a sustainable lens for its expanding regional operations that currently provides 160,000+ rides per day. The policy codifies the 2023 transit funding law changes and ensures the Council is positioned to cover all operations and long-term maintenance responsibilities for the region.

Transportation Policy Plan

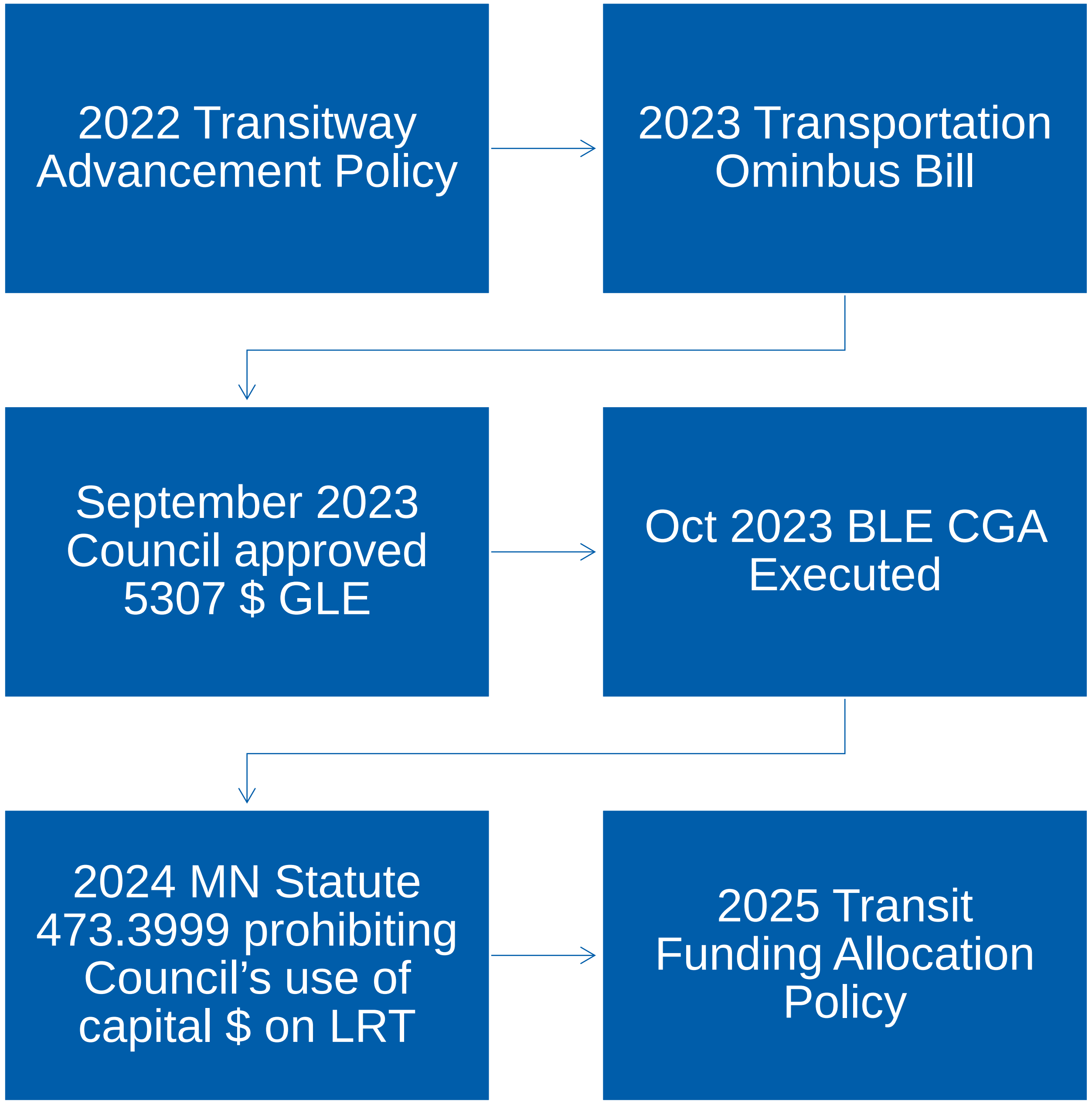
Regional Transportation Revenues 2025-2050

- The Transportation Policy Plan identifies forecasted regional transportation revenues
- In the adopted TPP, 4% ($2.3B) of forecasted regional transit revenues are identified as unallocated in a Transit Opportunity Fund
- Per the TPP, the available $2.3 billion over the 26 years of this plan **will not fully meet all of funding needs** for categories identified in 2023 legislation
- The TPP envisions the Council convening a regional discussion to allocated available funds to investment categories if the funds exist

IMAGINE 2050

Policy Timeline

- Council policy advancement creates a sustainable lens for its expanding regional operations that currently provides 160,000+ riders daily.
- Policy codifies the 2023 transit funding law changes and ensures Council is positioned to cover all operations and long-term maintenance for the region



State Statute

- Metro Transit’s operations and ongoing maintenance is funded by state sources (Motor Vehicle Sales Tax and Regional Sales Tax) as well as federal sources (5307 formula funds)
- These funding sources are prohibited from providing the local capital match for LRT projects due to prohibitions in 2024 state statute, 473.3999, Subd. 3:
  - **Subd. 3: “…The Council must only use direct appropriations in law or federal sources to pay its portion of light rail transit capital construction costs.”**
- Council approved and obligated use of 5307 funding for Green Line Extension in 2023, prior to Mn Statute 473.3999, Subd 3 becoming law

Funding Gap – Summary

- In summary, due to:
  - 2023 Capital Grant Agreement roles and responsibilities;
  - 2024 Minnesota State Statute;
  - 2025 Council Policy; and
  - FFGA Terms and Conditions
- The Council is not in a position to contribute financial resources to the Blue Line Extension capital funding gap

Vehicles – Hennepin County Proposal

- Hennepin County has asked the Council to reduce Light Rail Vehicles (LRV) count from 35 to 27
  - Proposal would save $48M
  - Current project scope includes 35 LRVs, providing for daily operations as well as 3-car train service on high demand days
  - A reduction of fleet to 27 LRVs would not close the current project funding gap
- Metro Transit has reviewed this request and because of impact on operations, does not recommend reducing the vehicle count

Vehicles- Operational History

- Blue Line opens as 2-car LRV operation
- Green Line planned as 2-car LRV operation, but ability to expand to 3-car LRV operation
- High ridership leads to change of Blue and Green to 3-car LRV daily operations
- Pandemic impacts on ridership change to 2-car LRV operation for system
- Ridership growth on peak days shifts to hybrid 2-car LRV base and 3-car LRV peak operations
- Future growth will lead to increasing 3-car LRV use

2004 → 2007 → 2011 → 2024 →

Metropolitan Council

Base Project Need: 35 LRVs

- 27 LRVs needed for 2-car daily service, 35 for 3-car peak demand service.
- The additional 8 LRVs above base:
  - Provide for gap trains. Required when LRVs need to be taken out of service due to mechanical or cleanliness issues
  - Better accommodate routine maintenance that would remove LRVs from operation
  - Maximizes operational flexibility during peak demand days
  - Continue service reliability for existing Blue Line LRT customers by providing peak demand service when warranted
  - Accommodate expected growth in ridership

Customer Impacts with 27 LRVs

More waiting for trains, less frequent operations

Meeting peak demand of major destinations, like University of Minnesota

Event day service – clearing platforms will take longer

Inability to accommodate future demand

Council Proposal for Funding Gap

10% Proposal

- Hennepin County has made two commitments of funding:
  - Commitment #1: $2.254B
    - Combined commitment of Hennepin County and Hennepin County Regional Railroad Authority on 8/4/26
  - Commitment #2: 10% of project costs ($358M) to fund any future cost overages (Resolution 18-0500)
- FTA has not yet required this 10% Commitment #2 for cost overages
- Council requested that Hennepin County obligate $224M of the $358M Commitment #2 to close the current local funding gap
- This Council proposal:
  - **Solves** the Local Funding Gap;
  - Maintains Hennepin County's **current** financial commitment;
  - Maintains project schedule;
  - Minimizes project delay inflation ($75M per year); and
  - Potentially retains $30M of state funds in budget

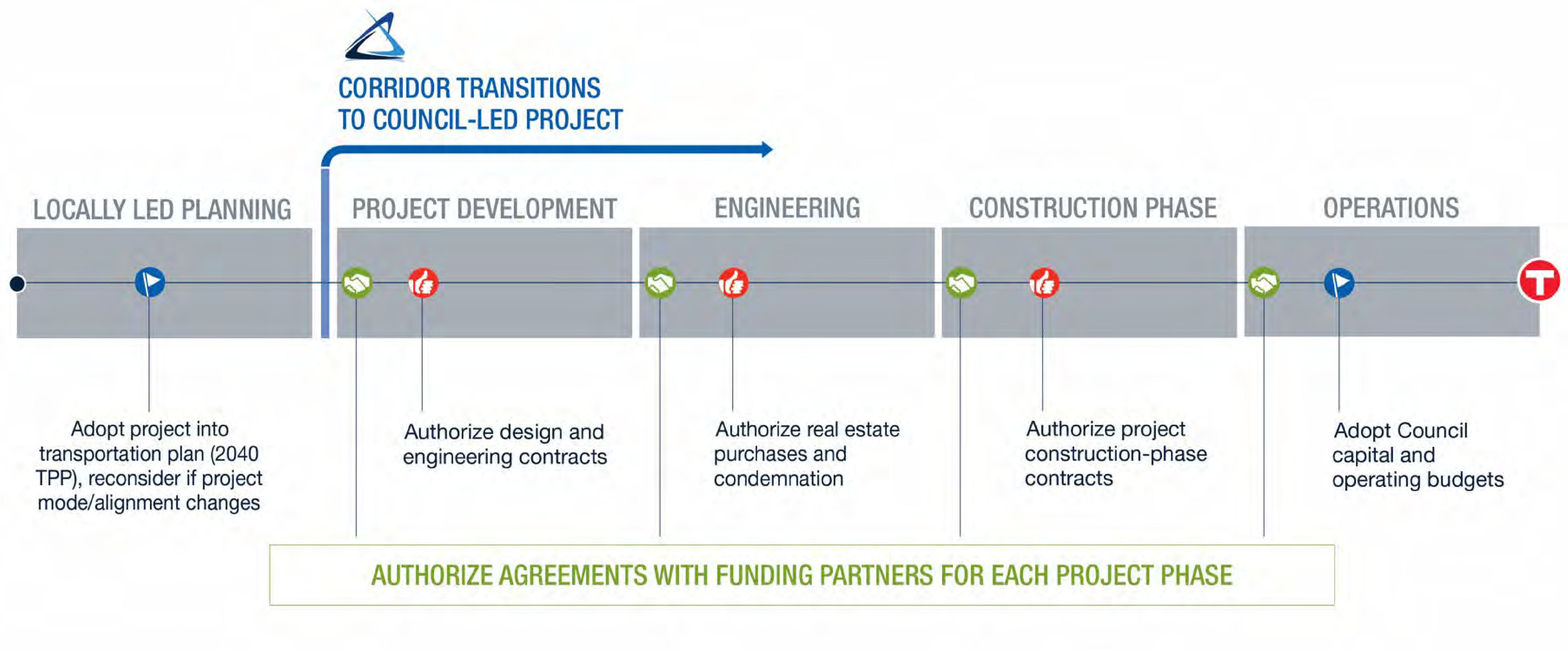
Upcoming Council Actions

Transitway Advancement Policy

Summary of 2022 Adopted Policy 1-7:

- As the region's Metropolitan Planning Organization (MPO), the Council requires and compares information on critical aspects of a proposed transitway with standards established by the *2040 Transportation Policy Plan*.
- At the point that Metro Transit is implementing the transitway, the policy would require the Council and local project sponsors to develop a risk register, establish roles and responsibilities that address project risks, and **reflect these in agreements.**
- The Blue Line Extension will be seeking approval of a FFGA application. The policy applies to this step in the process of advancing a transitway project.

Transitway Advancement Policy



Upcoming Council Actions

- Engineering contract amendment – 9/28 Transportation Committee, 10/14 Council
- Right of way acquisition authorization
- Full Funding Grant Application (FFGA)
  - Project Decisions Board must approve submittal of the FFGA
  - As part of Transitway Advancement Policy, Council must approve authority to execute the FFGA if awarded by the Federal Transit Administration

Thank you

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Stay connected

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- **BlueLineExt.org**
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