

Transportation Committee

For the Metropolitan Council meeting of May 13, 2020

Subject: Southwest Light Rail Transit (Green Line Extension) Appraisal Services Contract Amendment

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute amendments to two of the three master contracts for Condemnation Appraisal Services for the Southwest LRT Project as follows:

- Integra Realty Resources (17P253A) to add \$75,000 for a new total not to exceed \$570,000;and
- Patchin Messner Dodd & Brumm (17P253B) to add \$325,000 for a new total not to exceed \$825,000.

Summary of Committee Discussion/Questions

Robin Caufman, Director of Administration, presented this item. Cummings asked why only two of the three contractors were being increased. Caufman responded that the third contractor has funds left on their contract. They also have fewer appraisals assigned to them so they shouldn't need their contract amended to complete the work.

Motion by Chamblis, seconded by Cummings. Motion carried.

NOTE: After the conclusion of the Transportation Committee, a clerical error was discovered in the proposed action presented to the Committee for this business item. The text in the proposed action relating to Integra Realty Resources (17P253A) should have stated a not to exceed amount of \$575,000 (as shown in the business item table) rather than \$570,000.

Transportation Committee

Meeting date: April 27, 2020

For the Metropolitan Council meeting of May 13, 2020

Subject: Southwest Light Rail Transit (Green Line Extension) Appraisal Services Contract Amendment

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statute 473.3999; Metropolitan Council Procedure 3-3

Staff Prepared/Presented: Wes Kooistra, General Manager, 612-349-7510
 Jim Alexander, SWLRT Project Director, 612-373-3880
 Joan Hollick, Deputy SWLRT Project Director, 612-373-3820
 Robin Cauffman, Director Administration, 651-602-1457

Division/Department: Metro Transit / Green Line Extension Project Office

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Background

An RFP was issued for Master Contracts for Appraisal Services on December 5, 2017. Following a competitive selection process, three (3) master contracts of \$500,000 each were assigned, totaling \$1,500,000. The Southwest LRT Project needs to add funds to two of the three appraisal contracts totaling an additional \$400,000 to update appraisals, prepare for hearings, and testify.

Contractor Name	Original Contract	Amendment	Total
Integra Realty Resources	\$500,000	\$75,000	\$575,000
Patchin Messner Dodd & Brumm	\$500,000	\$325,000	\$825,000
RLS Valuation Services	\$500,000		\$500,000
TOTAL	\$1,500,000	\$400,000	\$1,900,000

The amendments are required due to length of time between the completion of the original appraisals and scheduling of a commissioner's hearings; most parcels in condemnation require updated appraisals because the originals expired. Further, due to earlier project delays, there are many temporary easements that will expire before the final completion date in the construction contracts. Therefore, new temporary easements will need to be acquired to extend the duration resulting in further appraisal work and negotiation with tenants that was not originally anticipated. Neither of these situations were accounted for in the contract's original scope.

Rationale

We are requesting sole source amendments for two appraisal contracts so that the appraisers that conducted the initial appraisals can provide updates to the original appraisals or complete re-appraisals. This will result in lower costs because the appraisers have the background on the initial work, have done initial research and could use their current appraisal documents as a starting point for their new appraisals. Legal counsel also prefers to use existing appraisers to ensure consistency in approach and reduce risks.

Thrive Lens Analysis

Livability: The Green Line Extension (SWLRT) will increase the region's prosperity as it will provide access to 80,900 forecasted jobs and a new transportation option for 55,800 forecasted residents within ½ mile of the planned new stations in addition to the 145,300 forecasted jobs and 35,600 forecasted residents in downtown Minneapolis.

Prosperity: The Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

Funding

The work for this amendment is a Project eligible cost. Funds for the work are available in the project budget and included in the Council's authorized capital budget.

Known Support / Opposition

There is no known opposition to this action.