

ACTION TRANSMITTAL No. 2015-29

DATE: April 9, 2015
TO: TAC Funding and Programming Committee
PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)
SUBJECT: Scope Change Request for City of Hopkins Downtown LRT Station Park-and-Ride Structure
REQUESTED ACTION: The City of Hopkins requests modification to the scope of its Downtown LRT Station Park-and-Ride Structure (SP# 132-080-002 and 132-080-003) to allow for (1) change in procurement method, (2) change in physical design of the park-and-ride structure, and (3) reduction in the number of transit spaces from 240 to 190.
RECOMMENDED MOTION: Recommend approval of the Hopkins Downtown LRT Station Park-and Ride Structure (SP# 132-080-002 and 132-080-003).

BACKGROUND AND PURPOSE OF ACTION: The City of Hopkins received \$6,000,000 in CMAQ funding from the 2014 CMAQ solicitation for right-of-way acquisition and construction of a 240-space park-and-ride lot. The total project cost was \$12,200,000, rendering the local match at just over 50%.

The City is requesting a scope change that would alter the project in three ways:

- Change the procurement method. Because a developer has purchased the land and wishes to begin construction as soon as possible, the 2017 award would be used to purchase a parking area from the developer, as opposed to being used directly for construction and land acquisition.
- Change in the physical design of the park-and-ride structure. The original design was a two-level parking structure. The requested design includes parking on one level under a residential development. The parking spaces have moved closer to the LRT station.
- Reduction in the number of spaces. The application requests a reduction from 240 spaces to 190.

The total project cost is reduced from \$12,200,000 to \$7,635,000. Should the applicant keep the entire \$6,000,000 CMAQ award, the local match would be 21.4%, which is within the minimum required match. The cost reduction reflects the change in procurement and the reduced number of parking spaces being provided. The original budget assumed that the entire parcel would need to be purchased and now the City will only be purchasing a proportional share of the land costs.

RELATIONSHIP TO REGIONAL POLICY: Projects that receive funding through the regional solicitation process are subject to the regional scope change policy. The purpose of this policy is to ensure that the project is designed and constructed according to the plans and intent described in the original application. The scope change policy and process allow project sponsors to make adjustments to their projects as needed

while still providing substantially the same benefits described in their original project applications.

A TIP amendment is not needed because the changes, if approved, will be incorporated into the new 2016-2019 TIP. The project will not be authorized prior to approval of that TIP.

STAFF ANALYSIS: Scope change evaluation policy calls for the Funding & Programming Committee to base its recommendation on whether the estimated score of the revised project scope would have been high enough to have been awarded funds through the regional solicitation. This solicitation did not use numeric scores, but a “high/medium/low” rating process, making quantification difficult. Nevertheless, staff provided the scope change application to the original project reviewers for their review. A summary of the results of scorer review is shown here:

Category	Orig. Rating	New Rating	Notes
1. Regional Significance	High	High	Project improved but already received top score.
2. Usage & Impacts	Medium	Medium	Scorer says no change in rating
3 Equity	Low/Medium	Low/Medium	Scorer says no change in rating
4. Project Readiness	Medium	Medium – Medium/High	Scorer says rating would likely have improved
5. Project Costs	Low	Low – Low/Medium	Scorer did not participate. Staff believes slight improvement.
6. Emissions Reductions	Medium	Low/Medium	Scorer did not participate. Staff assumes saving reduction from 308 tons to 243.83 tons.
Average Composite	Medium	Medium	Difficult to suggest that this project would have been below another unfunded project

There were six applications in the solicitation. Four were funded. The other three funded projects had composite scores of High, High/Medium, and High/Medium, respectively. The two projects that were not selected had composite scores of Medium and Medium/Low.

Scorers of categories 1 and 4 cited slight improvements. Scorers of categories 2 and 3 said no change would have occurred in their ratings with the updated scope. The scorers of categories 5 and 6 were unable to assess the proposal. Staff, therefore, reviewed these two categories:

- Category 5-Cost: The cost per parking space is reduced from \$50,833 to \$40,184. This may or may not lead to an increased rating. A slight increase is reflected above.
- Category 6-Emissions Reductions: The original scope had a reduction of 308 tons of emissions. A proportionate reduction based on number of spaces would show a reduction of 243.83 tons. Therefore this rating could be reduced to low/medium.

Given the qualitative nature of the scoring system and the minor changes to most of the categories, staff finds it difficult to provide evidence that the project, as proposed, would not have been funded based on the ratings. Therefore, staff recommends approval of the scope change's physical layout.

However, the amount of federal funding to include with the scope change remains in question at this point. This project was originally awarded \$6 million in federal CMAQ funds for what was a \$12.2 million project. Approval of this request would bring the project total to \$7,635,000. The entire \$6 million could still be provided; the local match would be 21% (20% is required). However, fewer parking spaces are provided. Past practice does not point to a specific formula as to how to address federal funding for such requests. Options include:

1. Allow the applicant to keep the entire \$6 million
2. Reduce the \$6 million federal portion by the proportion that the entire project cost has been reduced (this brings the federal portion to \$3,754,918)
3. Reduce the \$6 million federal portion by the proportion of the parking spaces being reduced (this brings the federal portion to \$4,750,000)
4. Recognize that this project was eligible to receive \$7 million in funding and did not receive that due to the amount of funding available in the solicitation.

Assuming a \$7 million maximum contribution had been awarded, options 2 and 3 above could be re-worked to:

- o Option 2: \$4,380,738
- o Option 3: \$5,541,667

Staff recommends approval of the scope change and encourages Committee dialog on whether or not to reduce the requested federal amount.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review & Recommend	
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Approve	



April 30, 2015

Mr. Timothy Mayasich
Chair, TAC Funding and Programming Committee
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

Re: TIP Project Numbers 132-080-002 and 132-080-003

Dear Mr. Mayasich

The City of Hopkins requests your consideration of this formal scope change request for a park-and-ride facility at the proposed Downtown Hopkins light rail station, part of the Southwest LRT (METRO Green Line Extension) project (Attachment A – Project Location). The 2015-2018 Transportation Improvement Program (TIP) currently includes \$6,000,000 of federal funding scheduled in year 2017 for this park-and-ride project. We respectfully request that the Metropolitan Council TAC Funding and Programming Committee consider this scope change request at its May 21st, 2015 meeting.

Project Intent

The City of Hopkins requested CMAQ funds to partially fund the acquisition of property and construction of a 240-space structured park-and-ride facility adjacent to the planned Downtown Hopkins station. The City of Hopkins views the proposed facility and associated transit-oriented development opportunity as an important part of the city's plans for the LRT station area and Eighth Avenue. As was discussed in the original application, the City of Hopkins is moving forward with major streetscape improvements along Eighth Avenue between Mainstreet and the Downtown Hopkins LRT station that will reframe Eighth Avenue as "the Artery", a pedestrian and bicycle seductive streetscape infused with public art. The proposed site for the park-and-ride facility was also envisioned to have a transit-oriented development that would front along 8th Avenue, helping to providing an active streetscape.

The original intent was that the Southwest LRT project would purchase the property, demolish the existing structure, prepare the site, and then construct a 240-space park-and-ride structure in the northwest portion of the property, leaving some land available for private development. However, since the original application, a developer has purchased the site that was targeted for the park-and-ride and is proposing an approximately 200 unit multi-family residential project. The developer is aware of the park-and-ride plans and is willing to accommodate the transit use in the proposed multi-family residential project as well as space for a future bike facility and retail space at the request of the City of Hopkins.

The current transit-oriented development plans include two levels of structured parking, one level below grade with approximately 270 spaces for the residential uses, and one level at street level with approximately 190 spaces for transit users, all capped by 4 and 5 stories of housing. The street level also includes live/work units that would front 8th Avenue as well as a bike retail space at the corner of 8th

Avenue and Excelsior Blvd., both of which are very important design aspects requested and supported by the City.

The transit parking component would be designed so that park-and-ride users would have separate auto access off of 1st Street South and a separate pedestrian entrance at the corner of 8th Avenue and Excelsior Blvd. Due to the inclusion of the live/work units and the bike facility/retail space the ground level is only able to accommodate 190 transit parking spaces.

The developer has a schedule that requires the construction of the development to begin in early 2016 with a planned completion date of September 2017. The CMAQ funds are not available until 2017 so the City of Hopkins now anticipates purchasing the parking when completed via a vertical plat or similar legal instrument. Ultimately the park-and-ride will be operated and maintained by Metro Transit.

Requested Scope Changes

Based on the Federal STP-UG Funding application (Attachment B) and the current scope change policy, the following changes have been identified:

- Change in the procurement method for the transit parking
- Change in the physical design of the park-and-ride structure
- Reduction in the number of transit spaces

Change in Procurement

The original CMAQ grant application included a budget for right-of-way acquisition and construction of 240 structured park-and-ride spaces for a total project cost of \$12,200,000. At the time of application, the plan was that the SWLRT project would acquire land and then build the park-and-ride structure in the northwest corner of the property, leaving some property available for a future transit-oriented development. Now that a developer has bought the property identified for the park-and-ride and has a construction schedule that precedes the transit project, the procurement will involve purchasing a level of parking that has already been constructed. Therefore CMAQ funds will now be used to purchase a finished asset via a vertical plat. Part of the purchase would include an agreement related to shared operations and maintenance responsibilities and costs. The change in procurement does not impact the projected park-and-ride generated ridership.

Physical Design of Park-and-Ride Structure

The original CMAQ application showed a 2-level parking structure located in the northwestern part of the site, the furthest location from the actual LRT station, allowing the property along the important street frontages of 8th Avenue and Excelsior to be developed (Attachment A). The current proposal is that the transit parking will be incorporated as one level of a 6-story residential development (Attachment C). The parking level will cover the majority of the site and pedestrian access to the park-and-ride will be more visible and easier to reach from the LRT station area. In addition, the

incorporation of the transit parking into the overall development allows for a more efficient use of the property and creates an area that will see activity for most of the day, creating a safer and more enjoyable environment for the park-and-ride user. The change in physical design does not impact the budget or project park-and-ride generated ridership. However, by partnering with a private developer, the transit facility will be delivered at the same time as approximately 200 residential units. The 200 residential units are expected to add 134 daily transit trips.

Reduction in the Number of Transit Spaces

The original CMAQ application was for a 240-space structured park-and-ride. The size of the structure was determined by the estimated 2030 demand. However, the current development plans can only accommodate 190 spaces in order to maintain an active street frontage by including the live/work units and bike facility/retail space along 8th Avenue. The original CMAQ application was evaluated using the ridership estimated in 2019 which was 234 new weekday rides based on 117 new park-and-ride users. Reducing the size of the park-and-ride to 190 spaces still meets the estimated 2019 demand and allows for growth. There is another park-and-ride planned for the next Southwest LRT station to the west in Hopkins (Shady Oak) and it will have the ability to be expanded in the future, should future demand require additional park-and-ride capacity. Given the importance of providing an active street frontage along 8th Avenue and the fact that 2019 demand is still accommodated, the City of Hopkins and Metro Transit are supportive of reducing the size of the park-and-ride at this location (Attachment D). The reduction in spaces from 240 to 190 reduces the overall cost of the project, without negatively impacting ridership. As previously mentioned, the accommodation of the transit parking within the residential development will actually increase ridership due to the ridership that can be attributed to the addition of 200 residential units on the site. The total weekday rides would be 234 from the park-and-ride and 134 from the housing totaling 368.

Revised Budget

The original CMAQ application included the following budget in year-of-expenditure dollars:

Budget Category	Units	Cost (YOE \$)	Useful Life	Annualized Cost
Property Acquisition	2 acres	\$4,800,000	100	\$48,000
Facility Cost	240 spaces	\$7,400,000	50	\$148,000
Total Cost		\$12,200,000		\$196,000

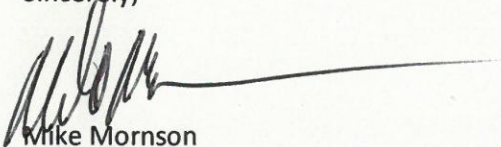
The revised budget assumes the purchase of 190 transit spaces after construction and via a vertical plat or similar legal instrument. The facility acquisition cost was determined by estimating the value at the time of purchase using the “cost approach” appraisal method. The “cost approach” appraisal would consider all costs to produce the asset including a proportional share of land value.

Budget Category	Units	Cost (YOE \$)	Useful Life	Annualized Cost
Facility Acquisition	190 spaces	\$7,635,000	50	\$152,700

Conclusion

We look forward to discussing the proposed project and above requested scope changes with you. If you have any additional questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Mornson", followed by a long horizontal line extending to the right.

Mike Mornson
City Manager, City of Hopkins

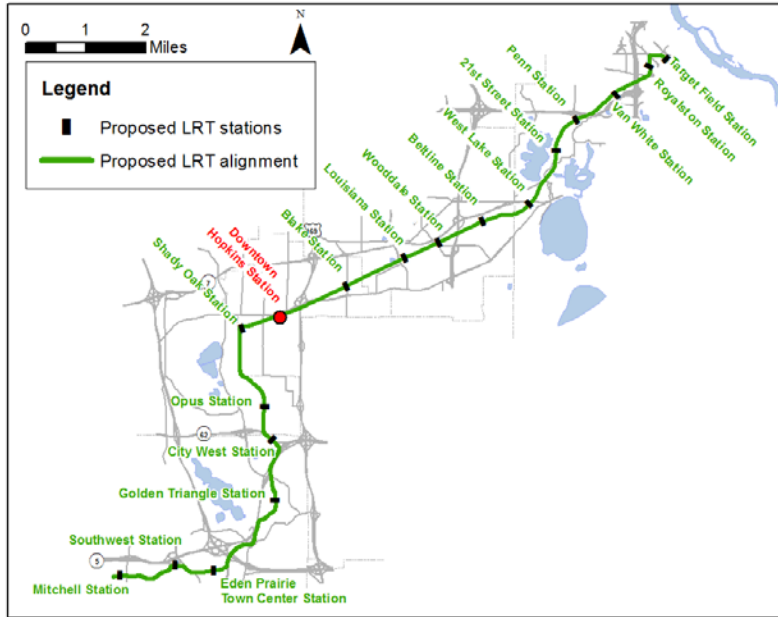
Attachments:

- Attachment A – Project Location Map
- Attachment B – 2017 Federal Funding Application (Form 1)
- Attachment C – Proposed Private Development Plans
- Attachment D – Southwest LRT Project Office Letter of Support

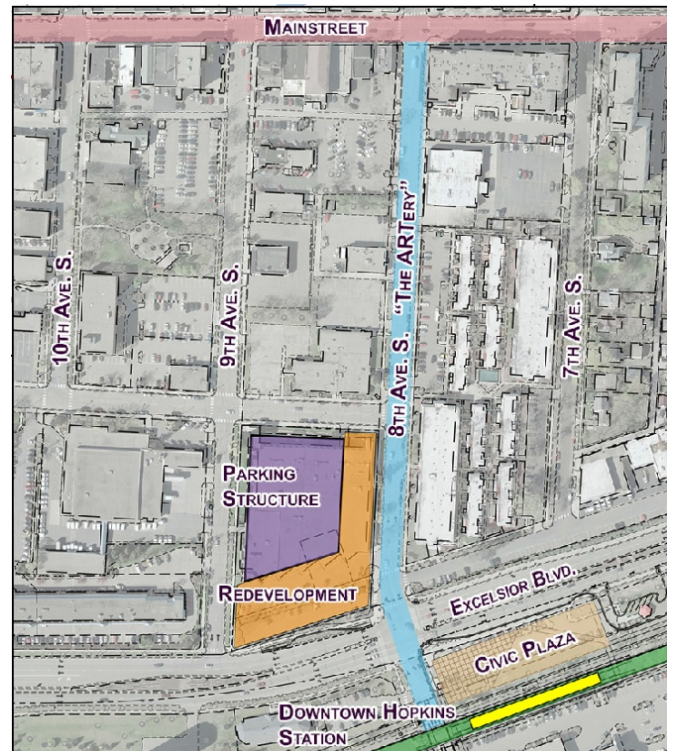
Cc Craig Lamothe, SWLRT Project Director

ATTACHMENT A

Project Location Map



Revised Site Plan



Original Site Plan

ATTACHMENT B

2017 Federal Funding Application (Form 1)

2017 Congestion Mitigation/Air Quality (CMAQ) Application – Transit Capital

INSTRUCTIONS: Complete and return completed application to the Metropolitan Council. Applications must be <u>received</u> by 12:00 PM at the Metropolitan Council on April 11, 2014.	Office Use Only
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I. GENERAL INFORMATION

1. APPLICANT: City of Hopkins			
2. JURISDICTIONAL AGENCY (IF DIFFERENT):			
3. MAILING ADDRESS: 1010 First Street South			
CITY: Hopkins	STATE: MN	ZIP CODE: 55343	4. COUNTY: Hennepin
5. CONTACT PERSON: Mike Mornson	TITLE: City Manager	PHONE NO.(952) 548-6301	
6. CONTACT E-MAIL ADDRESS: mmornson@hopkinsmn.com			

II. PROJECT INFORMATION

7. PROJECT NAME: Downtown Hopkins LRT Station Park-and-Ride Structure

8. BRIEF PROJECT DESCRIPTION (Include location, type of improvement, etc.). Include what you will be doing with the funds, (limit description to project scope). :

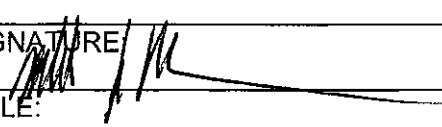
The City of Hopkins seeks a CMAQ grant of \$7 million to partially fund the acquisition of property and construction of a 240-space structured park-and-ride facility adjacent to the new Downtown Hopkins light rail station, part of the Southwest LRT (METRO Green Line Extension) project. This facility would provide park-and-ride capacity for LRT customers traveling east to Minneapolis and St. Paul and west to Eden Prairie, replacing a small surface park-and-ride lot (owned by the City and maintained by Metro Transit) that will be converted to a civic plaza.

9. INDICATE PROJECT OR PROGRAM CONSTRUCTION LETTING, COMPLETION, OR FULLY OPERATION DATES: Estimated letting for construction in 2016. The park-and-ride structure will enter service with the Green Line Extension LRT line in 2019.

III. PROJECT FUNDING

10. Are you applying for funds from another source(s) to implement this project? Yes No

If yes, please identify the source(s): Sec. 5309 FTA New Starts, Counties Transit Improvement Board, State of Minnesota, Hennepin County Regional Railroad Authority

11. FEDERAL CMAQ AMOUNT REQUESTED: \$7,000,000	15. MATCH % OF PROJECT TOTAL: 43% (Minimum of 20%)
12. MATCH AMOUNT: \$5,200,000	16. PROGRAM YEAR: <input checked="" type="checkbox"/> 2017 ONLY
13. PROJECT TOTAL: \$12,200,000	17. SIGNATURE: 
14. SOURCE OF MATCH FUNDS: Sec. 5309 FTA New Starts, Counties Transit Improvement Board, State of Minnesota, Hennepin County Regional Railroad Authority, City of Hopkins	18. TITLE: City Manager, City of Hopkins, Minnesota

ATTACHMENT C

Proposed Private Development Plans





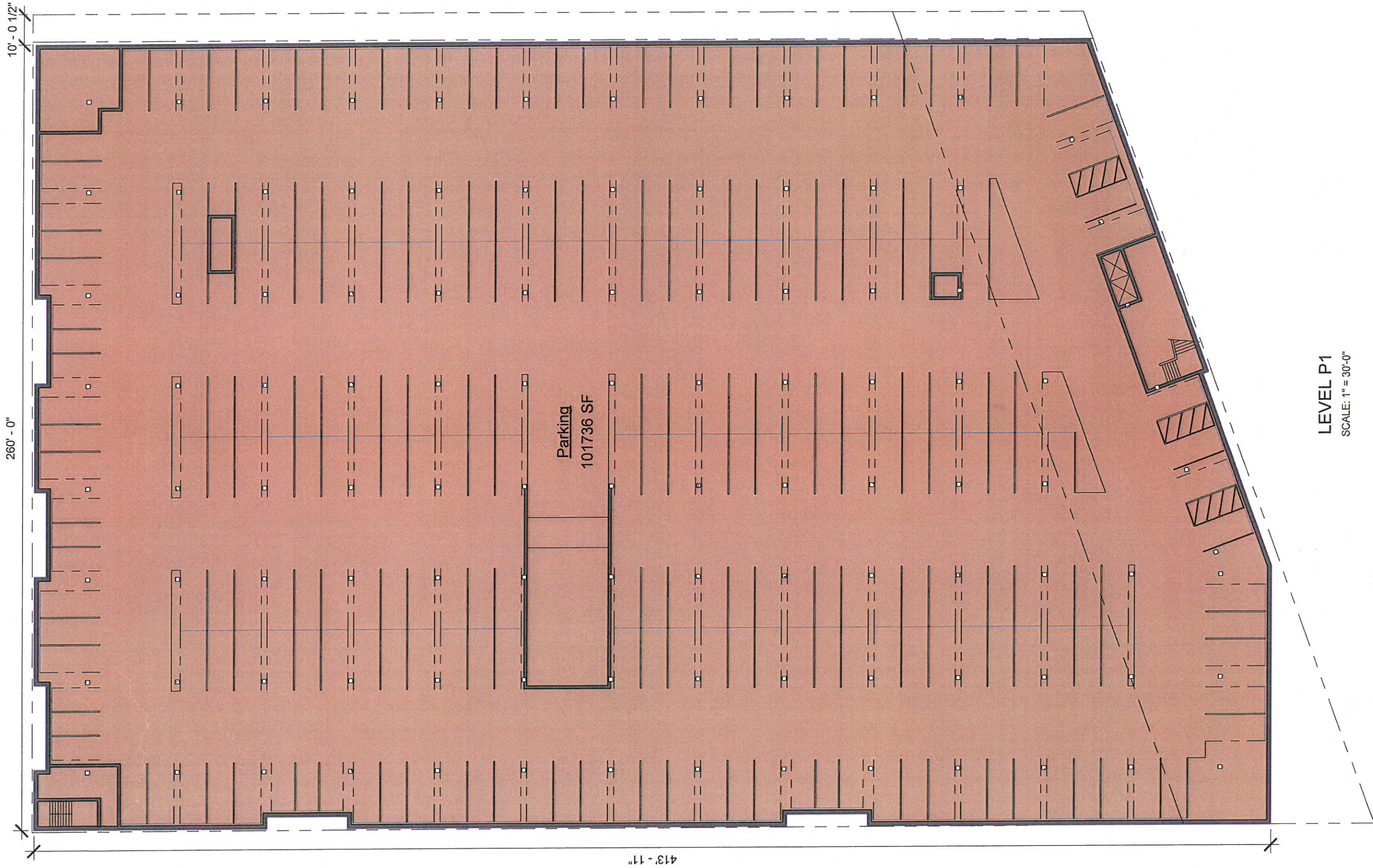












Parking
101736 SF

LEVEL P1
SCALE: 1" = 30'-0"

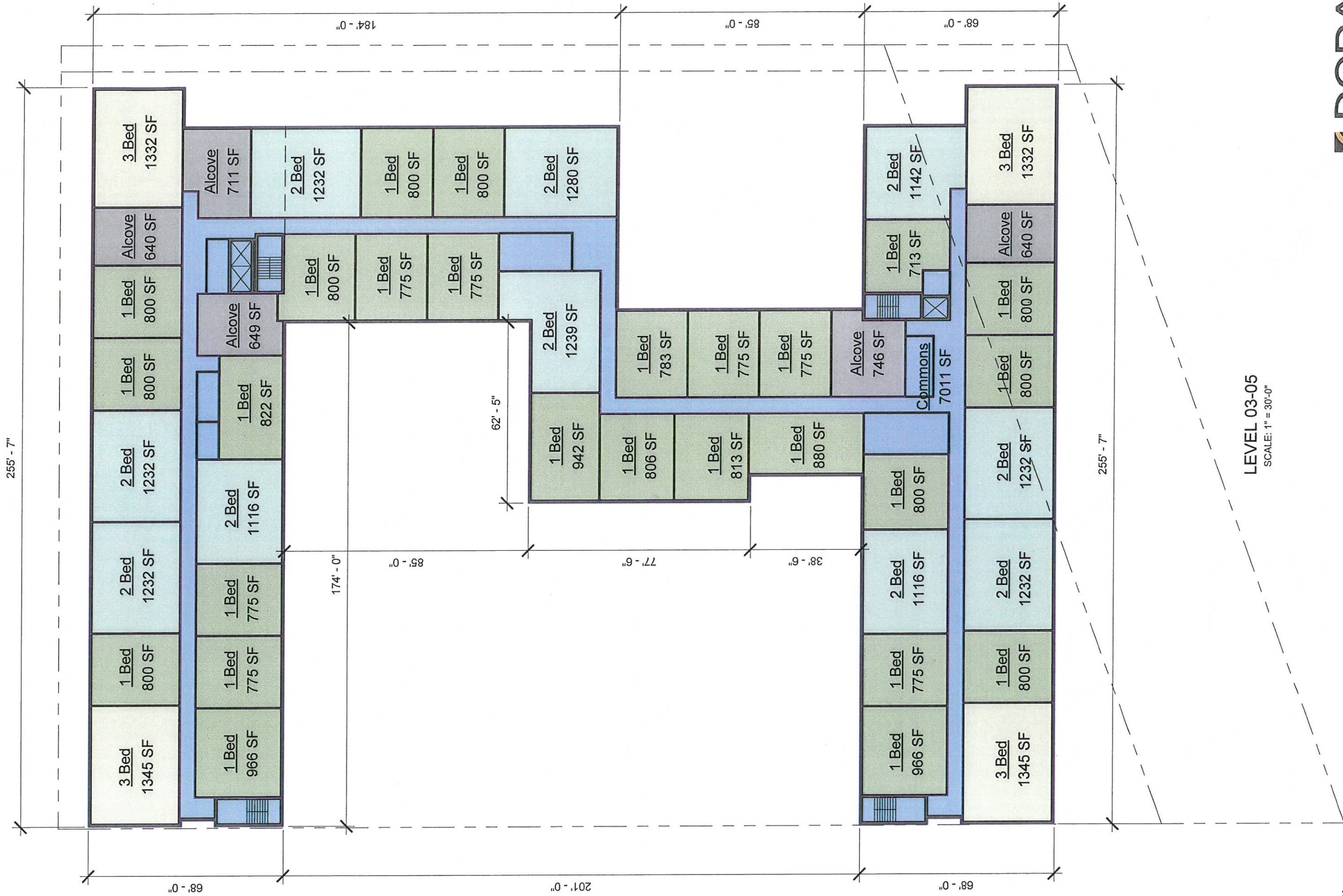
14' - 5 1/2"

255' - 7"

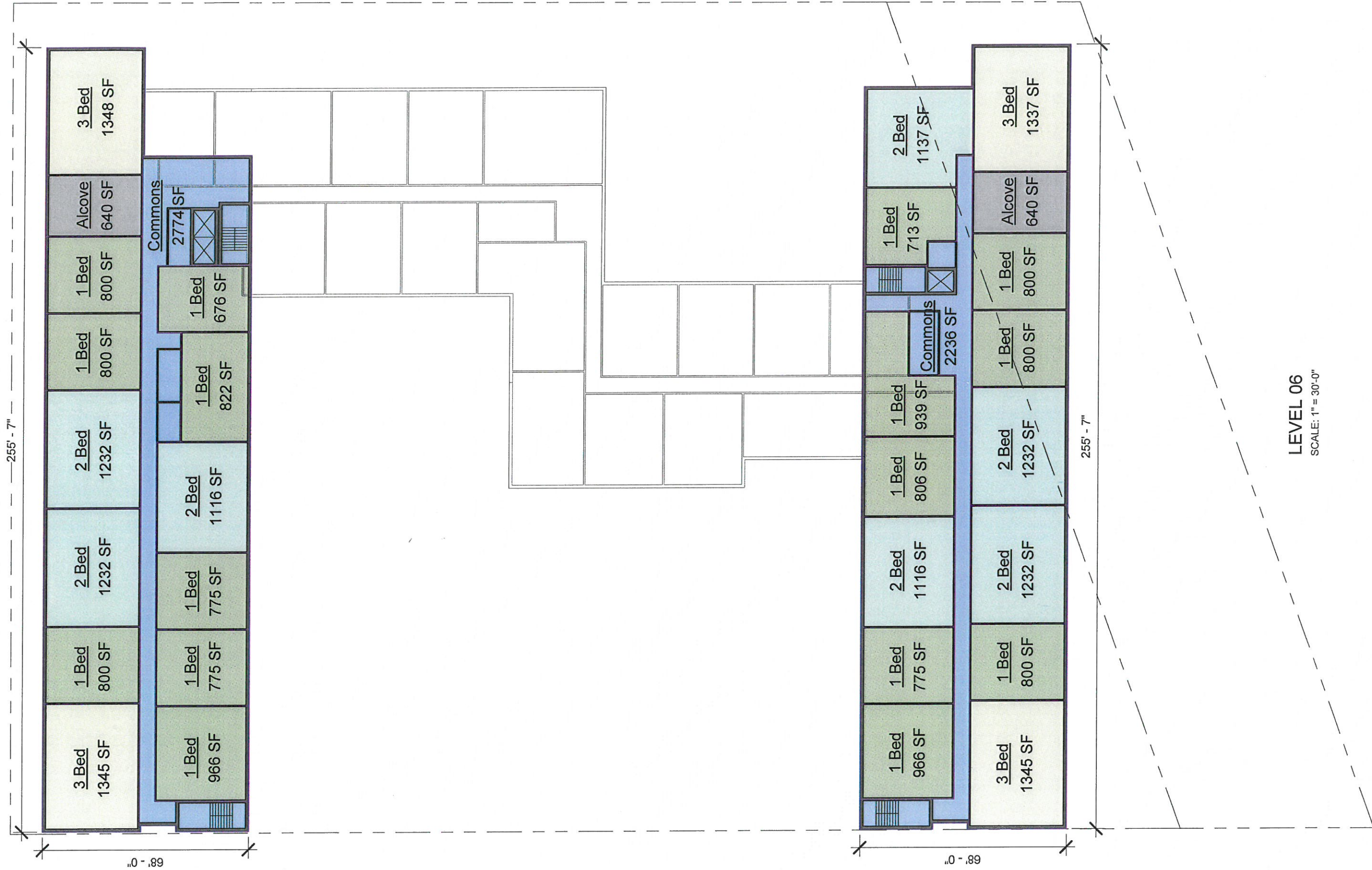
413' - 11"



LEVEL 1
SCALE: 1" = 30'-0"



LEVEL 03-05
SCALE: 1" = 30'-0"



LEVEL 06
SCALE: 1" = 30'-0"

ATTACHMENT D

Southwest LRT Project Office Letter of Support



April 30, 2015

Mr. Mike Mornson
City Manager, City of Hopkins
1010 1st Street S.
Hopkins, MN 55343

Re: TIP Project Numbers 132-080-002 and 132-080-003

Dear Mr. Mornson

The Southwest LRT Project Office is supportive of the City of Hopkins' scope change request to the Transportation Advisory Board related to the addition of a park-and-ride facility at the proposed Downtown Hopkins light rail station, part of the Southwest LRT (METRO Green Line Extension) project.

We understand that there are three changes being proposed in order to coordinate construction of the proposed park-and-ride with a proposed multi-family residential project:

- Change in the procurement method for the transit parking
- Change in the physical design of the park-and-ride structure
- Reduction in the number of transit spaces

We are very supportive of the City's goals related to encouraging high quality Transit-Oriented Development (TOD) at the station areas. Having transit facilities integrated with other uses, as opposed to a stand-alone facility, benefits transit in a number of ways. Integrated facilities use land more efficiently thereby encouraging increased density, which has a positive impact on ridership. In addition, studies have shown that having a mix of uses within a station area also increases ridership. Finally, the transit park-and-ride customer is benefited by having the park-and-ride located in a high activity area with services nearby.

We are also supportive of the proposed reduction in transit spaces provided at the Downtown Hopkins station. We are currently planning to construct a surface park-and-ride at the Shady Oak Station in Hopkins that will initially be constructed to meet 2020 demand. The site will be able to accommodate additional park-and-ride capacity in the future, either through additional surface parking or through the addition of a structure. The additional capacity would be able to include the 50 spaces originally planned for the Downtown Hopkins Station.

Given the benefits to the City of Hopkins and the Southwest LRT Project, we support the integration of the proposed park-and-ride facility into the proposed multi-family residential project. We understand that future operations and maintenance agreements will have to be negotiated when Metro Transit assumes ownership of the proposed park-and-ride and associated facilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig A. Lamothe".

Craig A. Lamothe, AICP
Project Director, Southwest LRT

www.swlrt.org