

Action Transmittal

Transportation Advisory Board



Committee Meeting Date: August 15, 2024

Date: August 8, 2024

Action Transmittal: 2024-39

Scope Change Request – SouthWest Transit Mall of America Service

To: TAC Funding & Programming Committee

Prepared By: Robbie King, Planner, 651-602-1380
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Elaine Koutsoukos, TAB Coordinator, 651-602-171

Requested Action

SouthWest Transit requests a scope change to adjust the service area to remove the Golden Triangle, add the Airport, and increase the operating time for its Mall of America service.

Recommended Motion

That the Funding & Programming Committee recommend approval of SouthWest Transit's scope change request to adjust the service area to remove the Golden Triangle, add the Airport, and increase the operating time for its Mall of America service.

Background and Purpose

In the 2016 Regional Solicitation, SouthWest Transit was awarded \$5,603,505 in the Transit Expansion category to operate a new fixed-route bus service along the I-494 corridor from Southwest Station in Eden Prairie to the Mall of America in Bloomington. This service was originally planned to operate from 5:00 am to 7:00 pm Monday to Saturday and provide service beginning at the Mall of America, intersections adjacent to I-494 & Highway 100, I-494 & France Avenue, and I-494 & Penn Avenue, and the Golden Triangle, terminating at Southwest Station. To operate this service, SouthWest Transit requested regional solicitation grant money for acquisition of eight 35-40 foot cutaway buses. Since the grant was awarded, buses have been ordered and will be delivered for service to start in early 2025.

A thorough analysis was performed by SouthWest Transit to analyze ridership along the I-494 corridor and customer needs have changed dramatically since 2016. This analysis has resulted in three requests as a part of this scope change.

Request 1: SouthWest Transit requests removing the Golden Triangle from the service area

In 2023, only 1,201 unlinked passenger trips were taken from Golden Triangle to other service areas. Further, existing ridership from SouthWest Transit's Prime microtransit service shows that 45.3% of rides beginning within the Golden Triangle were within Eden Prairie. Therefore, SouthWest Transit identifies the requested scope change as removing redundant service from Golden Triangle.

Request 2: SouthWest Transit requests extending service to Minneapolis/Saint Paul Airport terminals

SouthWest Transit's Prime microtransit service has operated for three years and the agency has

observed a 719.5% increase in rides to the airport. Ridership to the airport is 9.8 times greater than in the Golden Triangle.

Request 3: SouthWest Transit requests increasing service days and hours

As a result of ridership trends to and from the airport, SouthWest Transit requests increasing service days and hours. Weekday service will operate from 5am to 7pm with 30-minute frequency. Weekend service will operate as an express from 5am to 11pm with 45-minute frequency.

Relationship to Regional Policy

Projects that receive funding through the Regional Solicitation processes 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 allows project sponsors to adjust their projects as needed while still providing substantially the same benefits described in their original project applications.

Staff Analysis

Approval/Denial of Scope Change: Table 1 shows a scoring analysis. This was scored through the 2016 Regional Solicitation process. Since the project was funded, new ridership data has been collected and organized by SouthWest Transit to show that requested changes will benefit the project. Staff concur that the requested changes represent an enhancement to the project. The application’s score of 513 is 75 points higher than the highest-scoring unfunded project in the Transit Expansion category. In light today’s conditions, the proposed project is an improvement over the original project and staff recommends approval of the change.

Table 1: Scoring Analysis

Measure	Max Score	Original Score	Scope Change	Notes
1A. Role in Transit System: Employment	50	28	0	No change
1B. Role in Transit System: Connectivity	50	17	+	Likely to change
2A. Usage	350	39	+	Likely to change
3A. Equity	130	108	0	No change
3B. Housing Score	70	64	0	No change
4. Emissions Reduction	200	200	0/+	Potential for some change
5. Multimodal	100	0	0	No change
6. Risk	50	50	0	No change
7. Cost Effectiveness	100	7	0	N/A
TOTAL	1100	513	0/+	Potential for some change

* 0 = no change
 + = small improvement, ++ = moderate improvement, +++ = large improvement
 - = small diminishment, -- = moderate diminishment, --- = large diminishment

Funding and Budget: While the total cost of the project is increasing, additional Regional Solicitation funding cannot be applied to the project. Shown in Table 1 is the change in the funding to respond to the projected change in Transit Operating Cost shown in Table 2.

Table 2: Funding Analysis

	Original Funding	Proposed Funding	Funding Change
Regional Solicitation Grant	\$5,603,504.80	\$5,603,504.80	\$0
Local Match (20%)	\$1,400,876.20	\$1,976,131.70	\$575,255.50
Total Project Funding	\$7,004,381	\$7,579,636.50	\$575,255.50

Table 3: Budget Analysis

	Original Cost	Proposed Cost	Cost Change
Construction Cost	\$1,600,000	\$1,600,000	\$0
Transit Operating Cost	\$5,404,381	\$5,979,636.50	\$575,255.50
Total Project Cost	\$7,004,381	\$7,579,636.50	\$575,255.50



TAB has the following options regarding retention of federal funds. The key language in the Scope Change Policy is “while adding eligible project elements is permitted, federal funds cannot be shifted away from any removed elements to new project elements unless the removed elements are being done as part of some other programmed project. Note that the Golden Triangle will continue to be served through microtransit services. Federal funds cannot be added to a project beyond the original award.”

1. Require removal of a portion of federal funds based on removal of the Golden Triangle as an “element.”
2. Allow for full retention of the federal funds because the microtransit service has been added and serves the Golden Triangle. Note also that if the funding is taken away it is lost to the region. Because of this staff recommends approval with retention of all federal funds.

Routing

To	Action Requested	Date Completed (Date Scheduled)
TAC Funding & Programming Committee	Review & Recommend	August 15, 2024
Technical Advisory Committee	Review & Recommend	September 4, 2024
Transportation Advisory Board	Review & Adopt	September 18, 2024





SouthWest Transit

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July 24, 2024

Nicole Clapp
Grants Manager
Metropolitan Council
290 Robert St N
St Paul, MN, 55101

Subject: Amendment Request for Application '05324 TE SWTransit SWTransitSA MOA Service'

Dear Nicole:

Based on a thorough analysis of current ridership along the 494 corridor and other impacted service areas by the project under application #05324, SouthWest Transit is requesting a formal scope change to '05324 TE SWTransit SWTransitSA MOA Service', that SouthWest Transit (SWT) was awarded as a part of the 2016 Regional Solicitation for the Fixed Route Service between SouthWest Transit Service Area and 494 Corridor. Our customers' needs have changed dramatically since 2016, and this necessitates changes to service so that we can better serve their needs:

- Our 2023 community surveys show that more people in our service area of Eden Prairie, Chanhassen, and Chaska are commuting to the 494-corridor area in Bloomington compared to 2019 (22% vs. 17%).
- Emerging commuting patterns show that the Golden Triangle employment area in Eden Prairie has become only a minor destination for commuters.
- Airport service through our microtransit service SouthWest Prime was launched in 2021 and has demonstrated a significant need to connect to the airport both for employment and travel.
- A thorough financial analysis shows that we can dramatically increase service hours into the evenings and weekends with the same grant dollars in order to serve workers and travelers better.

As per original 2016 Regional Solicitation application, SWT intends to operate this project to connect the SWT service area with numerous employment areas that exists along I-494 corridor, including, Mall of America, intersections at I-494 & I-100, I-494 & France Ave, and I-494 & Penn Ave.

This amendment request consists of multiple formal scope changes to the original grant, which would extend service hours and add an additional service day for the 494-corridor bus route with the remaining minimal operational costs covered by SWT. It includes three formal scope change requests:

1. Removing Golden Triangle from the Service Area:

SWT is requesting a formal scope change to the project for removing the Golden Triangle area from the service area of this project. The existing ridership data is based on SW Prime, SWT's on-demand micro transit service. In 2023, there were only 1201 Unlinked Passenger Trips (UPTs) to and from Golden Triangle to SWT's other service areas, of which only 7.79% of the trips were along the 494-corridor, which means this scope change will not negatively impact the project. Also, 45.30% of the trips in Golden Triangle were within Eden Prairie, out of which 83.46% trips were within our current Mobility Hub (application #11024), a TAB-funded award that will serve the area via micro-transit with a convenient connection through Southwest Station. This effectively removes the potential for overlapping and redundant service.

2. Extending service to MSP airport Terminals

SWT is also requesting another formal scope change to amend this project to extend the terminus to the MSP airport, instead of the Mall of America. This scope change will not threaten or negatively impact the project but enhance it by adding service to one more popular destination. SW Prime has provided service to the MSP airport terminals for three years and has seen 719.5% of growth since it's starting in 2021(1,447 UPTs in 2021 to 11,859 UPTs in 2023), triggering a review to transition the service to a fixed route by adding a section from MOA to MSP in this project. Also, the analysis of SW Prime ridership between the Golden Triangle and the airport reveals a significant disparity in demand. Specifically, the ridership to/from the airport is 9.8 times more than that in the Golden Triangle. Moreover, trips to and from the airport constitute 60.44% of the total SW Prime ridership (19,430 UTPs) along the corridor in 2023, indicating a substantial portion of overall demand.

Table 1-SW Prime 2023 Ridership Data for MSP and Golden Triangle Area

S.N.	Type of Service	Unlinked Passenger Trips (UTPs)	Remarks
1	Golden Triangle Inbound (trips from GT)	537	Only 7.79% of the trips were along the corridor. 45.30% of ridership in GT were within Eden Prairie, out of which 83.46% was within May Mobility service area
2	Golden Triangle Outbound (trips to GT)	664	
Total Golden Triangle		1,201	
3	MSP Inbound (trips from MSP)	2,786	Total MSP ridership 9.8 times more than total GT ridership, and covers 60.44% of overall ridership in 494-corridor
4	MSP Outbound (trips to MSP)	8,957	
Total MSP		11,743	

3. Increasing Service Days and Hours

SWT is requesting the third formal scope change for increasing the service days from Monday through Saturday to all days' service, with additional late hour service on all days of the week. The final route for this project prioritizes optimizing service efficiency and establishing robust connections with other regional transit services. To achieve these goals, the route will operate with two distinct service patterns: express and local. The express service will run mostly along the I-494 offering shorter trip durations and faster travel times to the key destinations of the Mall of America and MSP terminals. Meanwhile, the local route will focus on serving employment corridors during weekdays along I-494 with more frequent stops, enhancing accessibility and facilitating seamless connections with other regional networks along the corridor. This integrated approach provides passengers with flexibility and choice based on their specific travel needs, ensuring a comprehensive and efficient transit experience.

The requested additional service to MSP airport would generate customers every day throughout the week as people travel irrespective of the days in the week. As per Metropolitan's Airport's Commission, the average passenger loads are strong from 5:00am through 7:00 pm, as shown in the graph below. Meanwhile, there is a large influx of employees from 3:30am-8:00am followed by 12:00pm-3pm, with the lowest influx of employees between 8pm to midnight. Hence, all-days service, with additional late-night service would make the 494 service more reliable and convenient.

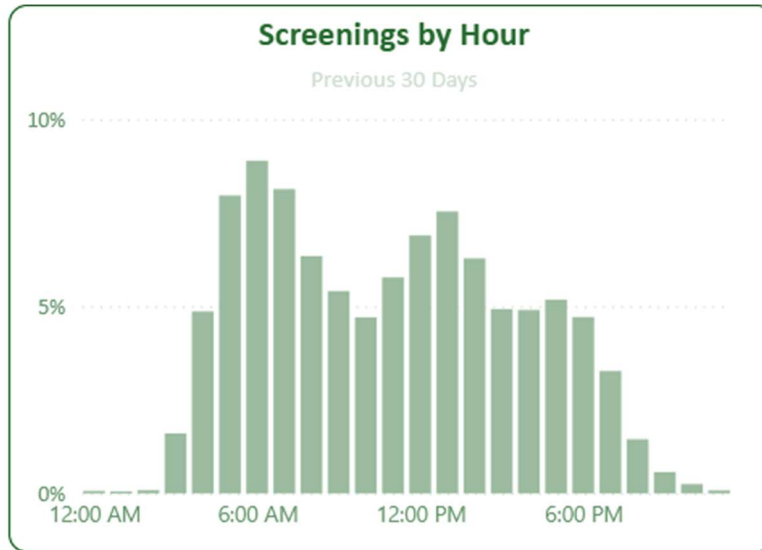


Figure 1- Average Daily Passenger Load Distribution of MSP Airport for June 2024
(Source: Metropolitan’s Airport’s Commission)

Weekdays service: The variation in the service patterns will be operated alternately with 30 minutes frequency between 5am-7pm, which complies with the original grant. The additional late-night service will be express routes only, with a frequency of 45 minutes.

Weekend Service: Only express routes will be operated from 5am-11 pm, with a frequency of 45 minutes.

Total Operating Cost Analysis:

The cost analysis for extending service hours on weekdays and adding service on Sundays indicates that the total operating expenses will slightly exceed the original grant amount. The estimated total operating cost incorporates additional dispatch hours and increased administrative expenses due to these extended service provisions. The total operating cost of the project for all three service years (2025-2027) is estimated to be \$5,979,636.25, which exceeds the operating cost covered in the grant i.e. \$5,404,380.75, by \$575,255.50. Despite the budget overrun, this amount is deemed insignificant when considering the substantial benefits to the community, including expanded service to MSP airport, Sunday service, and extended late-night service hours. SWT recognizes the added value these scope changes will bring to our service area and the community. Therefore, SWT is prepared to fund the additional \$575,255.50, in addition to the required 20% local match for the grant amount.

The table below summarizes the changes pertaining to the above-mentioned formal scope changes to this project:

Table 2- Service Levels of the 494-Corridor Project in the Original Grant and Amendment Request

S.N.	Description	As per Original Grant	As per Amendment Request
1.	Service Area:		
	Golden Triangle Area	Included	Not Included
	MSP airport Terminals	Not Included	Included
2.	Service Pattern	Single pattern	Two patterns: Local & Express
3.	Service Days	Monday-Saturday	Local: Monday-Friday Express: Monday-Friday & Saturday-Sunday
4.	Service Hours	5am-7pm	Local: 5am-7pm Express: 5am-11pm
5.	Frequency	30 min.	Weekdays: 30 minutes between 5am-7pm by running two patterns alternately, 45 minutes express only between 7 pm-11 pm. Weekends: 45 minutes express only
6.	Total Operating Cost (Service years 2025-2027)	\$ 5,404,380.75 (including 20% Local match)	\$ 5,979,636.25 (Additional \$575,255.50 will be covered by SWT in three years)

Thank you for the opportunity to submit this formal scope change request. We invite any questions and ask for your support for these changes.

Sincerely,

Erik Hansen
Chief Executive Officer
SouthWest Transit

CC: Stephanie Alexander, SWT Director of Operations
Sunita Kasichhwa, SWT Transit Planner