



**METRO Blue Line Extension
Business Advisory Committee Meeting
November 3, 2015
Blue Line Project Office
5514 West Broadway Avenue, Suite 200
Crystal, MN 55428
8:00 AM – 9:30 AM**

Meeting Summary

BAC Members: Randy Boushek, Ben Colglazier, Tim Geisler, Alison Pence, John Slama, Denny Walsh, Jeff Washburne, Jim White

Agency Staff and Guests: MarySue Abel, Paul Danielson, David Davies, Sophia Ginis, Erik Hansen, Nick Landwer, Kathryn O'Brien, Dan Pfeiffer, Juan Rangel, Scott Reed, Jim Toulouse, Alicia Vap

1. Welcome and Introductions

2. Revised Project Scope and Cost Estimate – Mary Sue Abel

The original scope of the project was presented in previous meetings, and was introduced in the Draft Environmental Impact Statement (DEIS). As the scope is refined, certain factors need to be taken into consideration. In terms of cost uncertainty, as amount of engineering increases, cost uncertainty decreases.

The project office will be formally applying to enter into engineering with the Federal Transit Administration (FTA) in August 2016. That is when the project budget is set with the FTA. The DEIS cost estimate assumptions were made in 2012 with a mid-point of construction assumed to be 2017. The revised cost estimate updates those assumptions. The project contingency has decreased because project office knows more. Base year estimate is now 2015, and forecast year is based on the mid-point of construction, which is now anticipated as 2019.

Ben Colglazier asked what the project office has used so far. Mary Sue stated that we have a project budget of 42 million, and roughly half has been used.

Denny Walsh asked if contingency is included in 1.488 billion. Mary Sue Abel responded that yes, the contingency is included in the overall cost estimate.

Project Scope

There are new scope requirements that were not added in the DEIS:

- Olsen Memorial Highway – the DEIS assumed partial reconstruction of highway, but based on the amount of work the project will need to reconstruct the entire highway.

- Plymouth/Golden Valley stations – the project office is recommending that both stations be built, so new scope is the construction of Plymouth Avenue Station with vertical circulation.
- Pond LRT structures – it has been determined that soils are poor in the area of Golden Valley Pond and Grimes Pond, and that structures are needed to bridge LRT over these areas. This helps reduce the impact to floodplain..
- Road bridges – the project office recommends reconstruction of 4 bridges (Plymouth Ave, Theodore Wirth Parkway, Golden Valley Road, and 36th Ave). By replacing the bridges, particularly at Theodore Wirth Parkway and Golden Valley Road, freight can stay on existing embankment through Golden Valley Pond. The Golden Valley Road station can now be center platform, which helps save costs on station amenities (ticket machines, canopies) and avoids confusion for riders.
- Bass Lake park and ride – a 171 spot park and ride needed
- 63rd Ave station – the project office recommends pedestrian overpass/secondary access over freight to platform. There is a need to maintain two access points to the station.
- LRT bridge at 73rd – the project office recommends constructing a bridge over CSAH 81 at 73rd Ave. Denny Walsh asked if CSAH 81 is a house moving route. Mary Sue responded that, yes, the portion of 81 that the project is impacting is indeed a house moving route. A house moving route is about 7 feet higher than normal highway clearance. It could be cost savings if Hennepin County moves the route, but in the cost estimate it is assumed that CSAH 81 will continue as a house moving route.
- 610 Roadway network – need to make sure that OMF and station are in right location. Need to look at roadway configuration. OMF was realigned. This is one area, just like the Olson Memorial Highway, where cost participation is a possibility. 610 could be shared with the city of Brooklyn Park, and the Olson Memorial Highway cost could be shared by MnDOT.

Ben Colglazier asked if thought has been given to access over 81 in Robbinsdale. Nick Landwer responded that the project office is not currently evaluating CSAH 81 in Robbinsdale. Crossing needs will be deferred to the county. Paul Danielson added that 42nd Ave is a through road, as is 40th Ave.

Ben Colglazier commented that access through that area is important and is a premium. He was speaking specifically of the crossings across the railway in Robbinsdale. Mary Sue Abel responded that the LRT trains are short, and crossings do not take very long. Paul Danielson added that the crossing of LRT lasts about 45-50 seconds. In this instance, 41st gates will be up when 42nd gates go down.

- 39 ½ Ave cost will reflect that the crossing will remain open in the cost estimate. This is the most expensive option, but the decision to close the crossing may come later.

Randy Boushek asked how often trains will come by at a crossing. Mary Sue responded that two trains converge in a 10 minute window.

- Light Rail Vehicles (LRVs) – there is a need to buy 28 vehicles, which is 2 more than DEIS
- Freight rail – based on discussions with BNSF Railroad there is a need for corridor protection treatments (walls, ditches, retained embankments)

The project scope also features a number of items that count as reductions toward the cost estimate

- Split platforms all now center platforms
- Operations and Maintenance Facility footprint reduced
- Floodplain mitigation reduced due to bridges over ponds
- 63rd Ave – updated ridership model eliminated need for additional parking than what currently exists today

Cost estimate

The project cost estimate is the total cost of project. It includes everything from staff time to capital improvements to right-of-way acquisition. It also includes finance costs, as money will come in installments from funding partners.

Cost drivers

There are categories of cost drivers for the increase in the updated cost estimate. The new scope items; \$67 million for LRT structures, \$31 million for the reconstruction of roadway bridges, \$53 million for freight rail requirements, \$13 million for constructing the Plymouth Ave station, \$23 million for reconstructing Olson Memorial Highway, and \$37 million for reconstructing the road network north of 610. There are also advanced engineering drivers that amount to \$202 million, and inflation that accounts for an increase of \$60 million. The advanced engineering can simply be described as what we know now (15% engineering) that we did not know at the time of the publishing of the DEIS (1% engineering).

John Slama asked how the project office knows if it has done enough geotechnical borings to come to more concrete decisions about the quality of the soils. Kathryn O'Brien responded that phase 1 of soil sampling has been completed, but the environmental sampling (phase 2) is not allowed by railroads on their property due to liability issues. Soils in the railroad corridor will need some kind of mediation.

Paul Danielson added that as part of the geotechnical survey process, field workers are obligated to report if they hit contaminated soil, even if they don't test it.

Cost-Effectiveness Index (CEI)

Federal Transit Administration's New Starts Program rating criteria has changed under MAP 21.. As a result of revised scope and cost estimate, CEI is anticipated to improve from Medium-low to Medium. Cost is just one of six criteria used to evaluate a New Starts project.

Project Scope and Cost Rollout – Next Steps

The project office is seeking feedback on the updated scope and cost estimate and a resolution on scope and cost estimate from the Corridor Management Committee on Nov 12. The revised scope and cost estimate will be presented to the Metropolitan Council Transportation Committee on 11/23. After the Transportation Committee, the full Metropolitan Council will take action on the updated scope and cost estimate on 12/9 and taken action on the request to distribute Municipal Consent plans to the cities.

Randy Boushek asked how the increase in the cost estimate will affect funding partner stakes. Will each funding partner need to review and approve updated scope and cost estimate? Mary Sue responded

that there would be presentations given to all of the funding partners, who will have the ability to ask questions. These presentations would act mostly as information items.

Boushek followed up, asking from whom will it be most difficult to get funding approved for the project? Would it be the State of MN? Mary Sue responded yes. Boushek clarified that the state's commitment is about 10% of \$1.5 billion, or \$150 million.

Jeff Washburn asked if the funding is sought at the state level through bonding measures? Mary Sue responded that yes, bonding is usually how mass transit funding is sought. Sophia Ginis added that they have also given general funds to fund projects.

Look Ahead

The project office looks to submit Municipal Consent plans in December, and will look to complete the Municipal Consent review and approval process by early March, prior to the legislative session. In August, the plan is to finalize 30% plans and apply to the FTA to enter into the Engineering phase of the project.

Municipal Consent

Municipal Consent is a statutory process. It is meant to provide an update on project. Municipal Consent provides general layout and footprint, showing basic physical design components, including:

- LRT track location
- Station location and layout
- Roadway features
- Turn lanes
- Lane widths
- Traffic signals
- Sidewalks
- Pedestrian crossings
- Operations and Maintenance Facility (OMF) location
- Freight track location
- System elements

Municipal Consent is a 75 day process. After the Metropolitan Council approves the project scope and cost estimate, the intent is to distribute MC plans the week of 12/14. At least 30 days after distribution the Metropolitan Council, Hennepin County, and the Hennepin County Regional Railroad Authority will hold a joint hearing on the week of Jan 18 (probably on Jan 19). After the joint public hearing, the cities have 45 days to hold their own hearings and take action on municipal consent.

After Municipal consent, work will begin on advanced design elements (utility relocation, station design, safety). The project office will continue to work on regular basis with committees and partners, and continue to collaborate with city councils.

Randy Boushek asked if any challenges with Municipal Consent are anticipated. Nick Landwer responded that the project office does not anticipate challenges regarding the design information that has been

provided so far. If cities come back with resolutions on top of that information, the project office will work with them to address those issues.

Boushek followed up, asking if there are any cities considered to be more challenging than others. Mary Sue responded, saying that no city is a slam dunk at this point. The project has been working with every city. Golden Valley has been very vocal about a park and ride. We are working with the Minneapolis Park and Recreation Board (MPRB) to further analyze a Golden Valley Station parking possibility. Golden Valley staff and elected officials continue to ask about this park and ride, and we hope to have that resolved fairly soon. Kathryn O'Brien added that on Nov 4, the MPRB hopes to pass a resolution that addresses further collaboration on parking.

Denny Walsh commented that the project is different from Southwest, which has gained a lot of attention for going through the Municipal Consent process multiple times. The BLRT staff have done a good job at working with the cities. Mary Sue added that the project office will set up review meetings with cities as we move through other phases of completion.

3. Discussion and Develop BAC Positions Statement – Denny Walsh and Dan Pfeiffer

Dan Pfeiffer noted that the Chair of the BAC (Denny Walsh) sits on the Corridor Management Committee along with a co-chair of the Community Advisory Committee. Position statements are used to convey the sentiments of the committees about broad or specific aspects of the project. Position statement can take many forms to address revised scope and cost estimate.

Denny Walsh commented that at Corridor Management Committee, he noted the following: staff have done a good job working with cities and citizens to address issues and including people in the process. The project office has learned a lot in 3 years since DEIS. They want to make sure that there are no surprises in terms of cost increases (such as the increase on SWLRT from \$1.4 B to \$1.9 B) Hopefully they have a good handle on cost and there are no big surprises going forward. In general, high marks.

Jeff Washburne commented that from a business perspective, this position statement is an opportunity to offer language to future groups that will be sensitive to the interests of the business community. There are opportunities for future and existing businesses, and the project should be transparent and in tune with the community. This project should not be about just giving away property without taking the pulse of the community. Also, there should be an effort to not lose existing businesses along the way. On Olson Memorial Highway, for example, there is room for development.

Denny Walsh commented that he hears so far that there should be sensitivity for existing businesses in addition to focus on future development. He noted that it is also important to continue to work together with all of the different partners.

Tim Geisler asked what the construction timeframe is for BLRT. Has that been changed or is it up for debate? Mary Sue Abel responded that the project office is working towards a construction timeframe of 2018 – 2020. 2018-2019 would largely involve, civil construction, 2019-2020 would focus on systems, and in 2021 the line would open for revenue service. She noted that delays in state funding could delay the Full Funding Grant Agreement from the FTA and delay construction by a year.

Tim Geisler asks about the timeline for finding partners for redevelopment opportunities. Mary Sue responded that Hennepin County leads the redevelopment process, not the project office (the Robbinsdale parking garage is a unique and complex case, and a lot of work still needs to be done to figure that situation out). Denny Walsh added that each respective city will work with Hennepin County on zoning and funding for redevelopment/development opportunities around the project.

Alicia Vap commented that businesses that are impacted by acquisition. The Metropolitan Council can begin meeting with property and business owners to gather background information but cannot make offers to acquire property until the ROD.

Tim Geisler noted that if one was starting a small business, could they plan 5 years out? Or is it the “if you build it they will come” scenario? This seems like a scenario in which established businesses can plan in advance whereas new businesses are at a disadvantage.

Denny Walsh noted that from a city’s perspective, it is important to stay in touch with city leaders, since they will be in touch with Metropolitan Council and developers.

Alicia noted that there are limitations on property acquisition until the Record of Decision (ROD) from the FTA has been issued on the Final Environmental Impact Statement (FEIS). Waiting for ROD can be frustrating for developers, as they may want to anticipate the market and move on property in a timely manner.

Tim Geisler asked from the perspective of the chamber of commerce, what date are we looking at to be notified of the timeline for property acquisition. Sophia Ginis responded that it depends on who owns parcels. There are factors such as private vs. public ownership; privately owned property that is not impacted by project can be looked at now. There will be a specific and different Property that is expected to be impacted by the project may take a little longer to sort out. Mary Sue Abel clarified that as far as the project is concerned, once the FFGA is obtained, the project office will know that funding is secured (anticipated for spring 2017). Dan Soler added that like any developer, once the financing is in place, that’s when the project office can start to move forward on acquiring properties. Kathryn O’Brien commented that existing businesses have used grants or other funds to make improvements to their properties during construction.

Randy Boushek stated that the regional chamber is broadly supportive. That said, they would be concerned by costs and scope increases and uncertainty. The chamber wants to make sure that the project office has the information that is needed and that there is responsible development of projects in terms of scope and cost.

Colglazier expressed concern about the Golden Valley stations, wondering how they will serve GV businesses. He is not convinced that they provide benefit in that way.

Alison Pence stated that there is benefit to access for [Courage Kenny Rehab Center] patients that is great. Additionally, there is a benefit for access to non-bus transit that is huge and worth moving forward. She thinks we will probably see people moving to the corridor who have injuries.

Dan Soler commented, noting that there was some talk a year ago, about linking the business area near Highway 55 and Douglas Drive to a Golden Valley station in order to capture population to west and north.

John Slama noted that from an education perspective, there are a small number of students who are mostly commuters. It is significant to have reliable access to LRT just down the road. There is big value for lower socio-economic students.

Denny Walsh thanked the committee for the comments. He directed David Davies to help him construct a position statement that reflected these sentiments. A draft statement would be circulated among committee members before being presented at the CMC meeting on November 12. Dan Soler noted that it may be possible to include the statement as a handout at CMC. The BAC and CAC chairs will be asked to say something about their positions.

4. Hennepin County Community Works Update – Dan Pfeiffer

Brooklyn Park's wrap-up meeting will be on November 4th. Crystal is also having a station area planning meeting on November 4th.