

Metropolitan Council

City of St. Louis Park Chambers, 5005 Minnetonka Boulevard, St. Louis Park 55416

Meeting of the Southwest Corridor Management Committee

April 3, 2013

Members Present	Susan Haigh, Chair	Peter McLaughlin	Lisa Weik
	Jim Brimeyer	Brian Lamb	James Hovland
	Nancy Tyra-Lukens	Jan Callison	Peter Wagenius
	Gail Dorfman		
Members Absent	Scott McBride	Jeff Jacobs	Keith Bogut
	Mayor Rybak	Bill James	Terry Schneider
	Cheryl Youakim	Kathy Nelson, Alt.	

1. CALL TO ORDER

Chair Susan Haigh called the April 3, 2013 meeting of the Southwest Corridor Management Committee to order at 10:01am at the St. Louis Park City Hall.

2. APPROVAL OF MINUTES

Chair Susan Haigh presented the March 6, 2013, Southwest Corridor Management Committee meeting minutes for approval. The motion for approval was granted.

3. LEGISLATIVE UPDATE

Chair Haigh gave a Legislative Update. The legislators have been on break for the last week and just returned April 2, 2013. The House and Senate Transportation Committee bills are not out yet, but we expect them to be out April 8th or 9th, 2013. We will have a better sense of where they stand with respect to the governor's proposed budget, with the additional half cent sales tax and whether or not there will be a proposed gas tax component in either of those two bills. So far, conversations have been positive and we have been continuing to meet with the Chairs of the Taxes Committees, however it is a difficult session with many, big issues on the table. Chair Haigh urged the SWCMC to call their legislators again and express how important this project is.

4. MAP-21 GUIDANCE

Mr. Mark Fuhrmann presented the MAP-21 Guidance. Southwest LRT had an overall project rating of Medium in the New Starts project rating, under SAFETEA-LU. This is the same rating Central Corridor had at the same stage (Preliminary Engineering) that SWLRT is currently in. Central Corridor has now advanced to a Medium-High overall project rating in the Full Funding Grant Agreement (FFGA) stage. The change in rating is due to an elevation of all financial ratings from the 2008 CTIB Creation Bill of a ¼ cent sales tax which has been stable, reliable, and dedicated for transitways in this region.

Commissioner Peter McLaughlin asked why the SWLRT Land Use rating was not a Medium-High as it was for Central. Mr. Fuhrmann said FTA did not give an indication of that, but that the existing densities at Central are

higher and SWLRT has an opportunity to show we have many green-filled sites that are ripe for development and others are available for redevelopment. We will need to highlight those in our station area plans.

Mr. Fuhrmann said we have not yet seen the official proposed rule making for MAP-21. Statutorily, there are six MAP-21 Project Justification Ratings in the Federal Law. FTA has maintained five, but adjusted the definitions substantially and materially for those five. They dropped Operating Efficiencies and inserted Congestion Relief, which the FTA has not yet ruled on this item to define it. Commissioner Peter McLaughlin asked in the absence of a specific rule, how does this apply to SWLRT? Mr. Fuhrmann said thus far, the FTA has published all of the Project Justification Ratings with the exception of Congestion Relief, as it has not yet been adopted. SWLRT will take what the FTA has published, plus prepare for Congestion Relief as proposed for adoption and submit our updated project to the FTA in September 2013.

Under Economic Development, a new MAP-21 rule, the FTA wants to see more significant and substantive plans and policies in place, as well as financial incentives to help promote affordable housing. They also want to see agencies establish a joint development policy, which is already in process at the Metropolitan Council, and they are looking for private sector development at station areas along the corridor. The FTA has given guiding factors on what is needed to achieve a High rating in the Economic Development category. One of these factors has some new wording that says, adopted and enforceable growth management and land use conservation policies in the region. The FTA has not given a definition on the newly added word, enforceable.

Commissioner Gail Dorfman asked, if these new MAP-21 guidelines around Economic Development and affordable housing are factors that now get considered as the issue resolution teams need to look at alternatives for routes and stations. Mr. Fuhrmann stated, at this moment, yes qualitatively. We have not gotten to the point of narrowing those options, for example the Eden Prairie Alternate Adjusted Alignments that we talked about at the last SWCMC meeting. We looked at what the Eden Prairie zoning map calls for to maximize those Economic Development opportunities, at for instance an adjusted location for the Eden Prairie town center station. Once we lock down where the tracks and those stations are at the west end of the alignment, then we will have to capture some of the practical data working with your development staff to identify where we can maximize the leverage of Economic Development opportunities. Mr. Fuhrmann said right now we still have 8-10 adjusted alignments through the Eden Prairie town center area and will begin to narrow that in the next month, to 2-3 finalists adjustments. We can then overlay the Economic Development, the cost piece, the ridership piece, and create that decision matrix for the cities/policy makers to take a look at.

Under Land Use, a new rule states, Existing “legally binding affordability restricted” housing. This rule means, identifying and quantifying those housing units that have some certificate of financing from local HRAs or EPAs that require that unit for a period of 10-25 years to be certified as affordable units. FTA wants to see these maximize in the transitway corridors. Another new rule is pedestrian accessibility, but FTA did not include existing pedestrian accessibility. To the extent we can demonstrate existing pedestrian connectivity but also in those transitional station area plans maybe new linkages for pedestrian and bike accessibility will serve us well. The FTA wants to see a high cost for parking to create greater incentives for people to ride the train. They also want to see the legally binding housing certificates, if this corridor can demonstrate that it has 10% or more of the regional certificated low income affordable housing, that will give us a boost in our rating. This will take some work with the cities to identify and quantify what that is in the corridor. Mr. Peter Wagenius said they had some input from the Center for Transportation Studies (CTS) when they met with the House and Senate Transportation and Finance Committee. They said we have a lot of surface parking lots in high value areas like downtown Minneapolis and downtown St. Paul. They are telling us we are behind the curve in terms of other regions, in reflecting the fact that we supposedly value this land but we do not treat it as though it is precious. This would affect our ability to densify in this corridor.

Chair Haigh indicated she is struck by the great focus on Land Use in MAP-21 and that we need to think in a different way about how we work together, do corridor planning, the roles of cities, and the roles of the Met

Council. The Met Council has been going through the process of doing a Transit Oriented Development (TOD) Think Tank and trying to think differently about how we incorporate Land Use and partner with cities and counties in Land Use going forward. You can see that directionally this is going to be so important for us to get up to speed to be competitive.

Under Cost Effectiveness, they have done away with travel time saved and have greatly simplified it. The new formula takes the annualized capital plus the annual operating cost divided by the number of passenger trips. FTA said the way to achieve a high rating is by minimizing capital and operating costs and maximize riders. We would need to be under \$4.00 per rider with this formula, which SWLRT will not be able to achieve and no other projects in Minnesota will ever achieve that. We are currently at \$14 per rider with a Medium-Low rating and will need to significantly reduce that amount to get a rating of Medium.

Under Environmental Benefit, it used to be a pass/fail, but the FTA has become much more rigorous. The focus will be on human health, safety, energy, and air quality. Council Member Jim Brimeyer asked if the FTA is putting a dollar value on safety. Mr. Fuhrmann said yes, it is 3 cents per ton of carbon reduction alternated by the number of reduced vehicle miles traveled.

Under Mobility Improvements, the FTA wants to look at the total linked trips, which is not new. However, transit dependent riders will now be counted twice and FTA defines that from zero car households. We wanted to encourage FTA to look at it a bit more broadly for this factor. We suggested if there are for instance 3 drivers of age in a household who all may have jobs, but with 1 car then that means there are 2 transit dependents in that household. Commissioner Dorfman asked if seniors were counted as transit dependent. Mr. Fuhrmann indicated seniors were not counted and that the factor is driven by the number of cars owned in the household. MAP-21 includes a new type of project that is eligible for these general fund dollars and it is called Core Capacity. It was defined to appeal to the legacy systems such as Chicago, Philadelphia, Boston, New York and possibly some middle aged systems like Atlanta and Washington D.C., where if they can demonstrate with a physical infrastructure investment they can increase their capacity by 10% or more. That allows them to qualify and compete for these New Starts projects along with us. The FTA has not been able to fully define what constitutes as Core Capacity projects. Therefore, the FTA does not expect to see any Core Capacity projects receiving monies under the 2-year MAP-21. Commissioner McLaughlin asked if the FTA will segregate the Core Capacity projects from the New Starts projects. Mr. Fuhrmann said it is currently undefined.

Under Small Starts, assuming we do receive some portion of additional revenue stream through the legislative session in the next 7 weeks, we are going to need to look at some Small Starts projects initiatives here in this region. Some of these criteria are streamlined and adjusted a little bit, so we need to be conscience of this as we assemble our future projects of which some may be Small Starts.

The New Starts Financial Rating consists of three subfactors. In the Current Capital/Operating Conditions (weighted at 25%), the FTA will look at and factor into their rating the average age of our bus fleet. The FTA would like to see a fleet age of 6 years or younger. Currently, Metro Transit's fleet age is approximately 6.1 years. The FTA will also look at bond rating, positive cash flow, assets to liabilities ratio, and service cutbacks. Under the Commitment of Capital/Operating Funds (weighted at 25%), the FTA wants to look at how much non-federal funding we are bringing to the project on the capital side and long term committed funds for the operations and maintenance facility (OMF). The last factor consists of Reasonableness of Capital/Operating Cost Estimates (weighted at 50%).

The Small Starts Financial Rating is defined as projects with total capital cost of <\$250M and <\$75M in federal funds. The financial evaluation has been simplified to include securing local share, operating and maintenance costs of <5% of operating budget, and we will receive an automatic high rating if our local funding is >50%.

Some key issues of local financial commitment include: local sources of capital and operating funds to be stable, reliable, and available within the project timetable and FTA does not address whether local expenses for Project Development will be an eligible local match for the FFGA. We expect this to be addressed in the next policy guidance.

Mayor Nancy Tyra-Lukens asked when you come to the cities for municipal consent, will you be discussing only the light rail project or will you also be talking about the regional impact on existing transit service in that community? Mr. Fuhrmann said the municipal consent law requests that we come to each city with the final configuration of the track alignment stations, where the park and rides are going to be. The municipal consent package we submit will be with more of an engineering focus and not so much the bus and rail service angle.

Another component of MAP-21 is the Program of Interrelated Projects (PoP) that was addressed informally and somewhat spontaneously under SAFETEA-LU by Salt Lake City and has been successful with 4 New Starts projects in this calendar year. The law says this must constitute at a minimum of 2 New Start projects, 2 Core Capacity projects, or a combination thereof. PoP must meet FTA criteria and repayment is required if PoP is not implemented in a reasonable, specified timeframe.

5. SWLRT PE TECHNICAL ISSUES

Chair Haigh noted that the SWCMC will not be making any decisions on technical issues during today's meeting, as it is for informational purposes only. However, decisions will need to be made by the SWCMC in the summer 2013 timeframe.

a. TECHNICAL ISSUE #23 – OPERATIONS AND MAINTENANCE FACILITY (OMF)

Mr. Jim Alexander gave an overview of the OMF. The OMF initial site selection criteria includes: site size of 10-15 acres, a site that is flat and rectangular, ability to efficiently move LRT to and from the site, good roadway access to the site, and the site is compatible with adjacent land use. There were 18 sites along the corridor that were identified for placement of an OMF, each with its own challenges, of which 4 of those sites were in the DEIS. To help scale down these 18 sites, we created 13 evaluation criteria broken into two categories: operational characteristics and site characteristics. Some of the criteria include operational effectiveness, land use, future economic development around that area, and acquisitions. Mr. Alexander presented a number of maps showing the locations of each of the 18 sites and pointing out some of the key businesses in those areas, as well as, some of the challenges in those sites. Mr. Alexander stated SPO will be bringing to the SWCMC the narrowed down list of OMF sites.

Mayor James Hovland asked what the cost would be for an OMF. Mr. Fuhrmann indicated the Central Corridor OMF was \$44 million. Mayor Hovland asked if we could do this work at the \$45 million facility we already have on the green line on the east end or is there room to add onto that facility. What analysis was done to determine a standalone facility was needed on the west side of the green line. Mr. Alexander said Central Corridor's OMF is on a very tight 8 acre site and Hiawatha is about 15 acres, with both sites built out to their capacity. The system, which includes SWLRT, is looking at a fleet of approximately 126 trains. Also, when we are looking for FTA funding for the project, we cannot say we are going to obtain a site that is going to accommodate our fleet for the next 20 to 30 years. We would not be able to put that into the funding request and be eligible. FTA would say we do not have those other future projects yet to justify that we will cost share to fund that facility. OMF sites need to be located on the alignment to be efficient.

Mr. Alexander went through some OMF comments from the March BAC and CAC meetings. The key themes brought up were: traffic impacts, development/redevelopment, noise/vibration, and compatible land use.

The next steps are to narrow the sites list to 5 or 6 sites and hold public open houses in the cities in May.

b. TECHNICAL ISSUE #21 – FREIGHT RAIL

Mr. Jim Alexander gave an overview of Freight Rail. The FTA requires an analysis of co-location and relocation in order to enter into Preliminary Engineering. We have had a number of meetings with the railroads – BNSF, CP, and TC&W to talk about freight rail. Mr. Alexander presented a chart showing the existing train volumes, which have been validated by the railroads. As we look at the Kenilworth Corridor, we will need to look at the track characteristics and the DEIS proposed design. When looking at these characteristics of curvature, maximum grade, and maximum compensated grade, the railroads have said, do not make it worse than it currently is. Mr. Alexander presented some maps showing co-location 1-3 and relocation 1-5.

Mr. Alexander went through some freight rail comments from the March BAC and CAC meetings. The key themes brought up were: relocation of trails, impacts to commercial properties, and strong opinions about location of freight rail.

The next steps are to hold co-locate and relocate design workshops with the advisory committees and have public open houses in June/July. We anticipate having a freight rail recommendation in summer of 2013, municipal consent in Q3 2013, and an approval by the end of 2013.

6. COMMUNICATIONS AND OUTREACH UPDATE

Ms. Sam O’Connell gave an update on Communications and Outreach. Ms. O’Connell presented a list of community outreach activities that took place in March. During the March BAC and CAC meetings, 90% of their work was focused on OMF and freight rail. Katie Walker also shared some of the work they are doing on the Station Area Action Plans (TSAAP) where a gallery of boards were displayed showing all 17 stations. Jay Cowles, co-chair of Itasca project, gave an overview of transit return on investment at the BAC meeting.

Ms. O’Connell indicated the Met Council has gone through a website redesign and she presented a snapshot of the new site. SPO will also be in attendance with Hennepin County at the station area planning open houses to answer any questions.

Commissioner Dorfman handed out a booklet of the SWLRT station area profiles and a list of the station area planning open houses slated for April and May of 2013.

The meeting adjourned at 11:30am.

Respectfully submitted,
Lynne Hahne, Recording Secretary