

**Meeting of the Southwest Corridor Management Committee
March 26, 2014**

Members Present	Jan Callison (Acting Chair)	Will Roach	Matt Flory (CAC Alt)
	James Brimeyer	Terry Schneider	Tim Henkel (Alt)
	Linda Higgins	Nancy Tyra-Lukens	Jake Spano (Alt)
	Brian Lamb	Cheryl Youakim	Peter Wagenius (Alt)
	Peter McLaughlin		
Members Absent	Chair Susan Haigh	James Hovland	Matt Look
	Keith Bogut	Jeff Jacobs	Scott McBride
	Betsy Hodges	Bill James	

1. CALL TO ORDER

Acting Chair Jan Callison called the March 26, 2014 meeting of the Southwest Corridor Management Committee to order at 8:35 a.m. at the Beth El Synagogue.

2. APPROVAL OF MINUTES

Commissioner Callison presented the March 12, 2014 Southwest Corridor Management Committee meeting minutes for approval. Commissioner Callison noted that the minutes did show former Commissioner Gail Dorfman in attendance, which will be removed. There were no additional comments or discussion on the minutes. Mayor Terry Schneider made a motion to approve, Mr. Will Roach seconded the motion and approval was granted.

3. NEW STARTS PROGRAM UPDATE

Mr. Mark Fuhrmann gave an update on the New Starts program. A map was shown of the 12 other New Starts projects currently in the country. The New Starts projects that are in the FTA pipeline were shown along with the status of each project at this time. In 2014, three more projects were added and a number of them from 2013 advanced in the various phases. In the 2015 budget, two more projects were added. Two of the original 10 projects from 2013, which include SWLRT, are still in project development and did not advance. The proposed budget for New Starts projects in 2015 is \$2.5B. Commissioner Peter McLaughlin stressed that the list went from 10 up to 15 projects from 2013 – 2015. Five projects have caught up to SWLRT, and our project has not moved procedurally. The other projects will continue to pass us if we are not moving. Half of the money for our project is needed from the FTA. Commissioner McLaughlin also stated that the “legacy” systems can now tap into the New Starts money. The message is that we need to move this project forward. If we don’t move forward the other projects will pass us and the money will no longer be available.

4. FINAL INDEPENDENT REPORTS

Mr. Jim Alexander reported that the three final reports have been received and are now up on the web site. The draft reports were received in January, followed by February and March presentations along with Town Hall Meetings to gather comments. In March, the reports were finalized and released.

Mr. Alexander went over a summary of the final reports. For freight rail relocation, Mr. Jim Terry from TranSystems led the study. The viable options were consistent with the January draft report as the

MN&S North option and the Kenilworth Corridor. Mr. Terry does acknowledge that the design criteria must be agreed to by CP and TC&W if the MN&S North option is selected. The identified cost of \$112M was presented in the draft report as the capital cost for the MN&S North option, which did not include ROW or unaccounted costs. We came up with a built up cost of \$220 - \$240M, which includes contingency and year of escalation, which Mr. Terry does acknowledge in his final report. Mr. Terry assumed that the removal of freight rail from MN&S to Cedar Junction was in the \$112M, which we disagreed with. The final report acknowledges most of the SPO's adjustment of unaccounted costs.

For the Water Resources Report, Mr. Alexander stated that Ms. Della Young from Burns and McDonald completed the final report, which SPO found to be consistent with the January draft report. There were minor comments on the Kenilworth Tree Inventory Report, and the final report is also consistent with the January draft report. One item changed is the final report was updated to include maps showing a 12" or greater diameter trees in response to comments.

Mr. Alexander went over the timeframe of the design options, starting in July 2013 and ending October 2013. The recommendation in October 2013 was the Kenilworth shallow LRT tunnels. After the design options for the freight rail alignments, and the report put out by TranSystems in 2014, it was then narrowed down to MN&S North and co-location in the Kenilworth corridor.

Mr. Peter Wagenius recalled that during TTCI last fall, Mayor James Hovland expected the expert from TranSystems to be in attendance today. Was anyone from TranSystems invited to be here today? Mr. Alexander stated no, they were not invited to today's meeting.

Mr. Wagenius asked if the freight is left in Kenilworth Corridor, would the reverse curves that are present today get better or remain the same? Mr. Alexander stated that the proposal would be to move the freight tracks south of Cedar Lake Parkway about 3 feet to the west temporarily, complete construction, and then move the freight back in place the way it is today. When the track goes over the channel, it would move the freight rail track about 40' to the west and then have the tracks remain in that location. As we progress further, as Burnham crosses over the corridor, the freight tracks wouldn't be moved. The curves that are there today would remain as they are, which is an acceptable, viable freight rail operation today.

Mr. Wagenius mentioned while looking at page 31 of the final freight rail report, he questions whether the safety elements and phasing plan has been developed and captured in the cost estimates. Mr. Alexander stated that we did capture the safety elements. It was approximately a \$6M range that was added for the CTC system. It was also noted that whatever we end up with, we need the railroads involved. We need to validate whether the CTC is appropriate with the users and operators of the system. The cost estimate did account for this. Mr. Alexander also stated that the phasing plan was captured in the cost estimates. We would take care of the freight first, then proceed to the tunnel construction. The construction sequencing is all captured in our estimate.

Mr. Wagenius asked about the ownership of land under the tracks with the co location scenario. He understands the County's preference would be that they want to cease ownership of the land under the tracks, and have the Met Council, or some entity of the state, take ownership of the land under the tracks. Where is the Met Council at with this? Mr. Alexander said this will have to be resolved as we move through design and into operations. Mr. Alexander cannot predict when this will happen, but the conversations will begin in the coming months. Mr. Wagenius asked if there is any risk for the land to go back into the private sector, like TC&W? Mr. Alexander said discussions will be held with the parties to get this sorted out.

Councilmember Cheryl Youakim asked if Met Council would retain the land regardless where the freight ends up? Mr. Alexander said yes, it is not specific to just the Kenilworth corridor. There is an interest in discussing property ownerships along the line as we progress into Eden Prairie.

Councilmember Jake Spano asked about the 12,000 to 18,000 feet of track that was mentioned in the final TranSystems report that would need to be constructed for the reroute. Also, in the final report there were about 45 homes that would need to be taken with the reroute. Are these homes in the cost estimate or will Met Council be including in their project budget? Mr. Alexander said under the relocate, the CP swap for the storage track would need to go elsewhere and it was talked about to be outside of the metro area. This track was included in the estimate. Mr. Alexander doesn't recall Mr. Terry quoting 45 residents needing to be taken. The number of relocations, along with the handful of others that we identified, were included in the estimates. Councilmember Spano will find this comment in the report and get back to SPO on this number.

Mr. Wagenius said that on page 34 of the final report, whether the freight rail is transferred to the MN&S North or remains on the modified Kenilworth Corridor, there are a number of safety improvements that should be included as part of the overall project. The city recalls that TC&W didn't look at all the improvements as upgrades as our residents would. They refer to one of them as an imposition. Can these improvements be insisted upon by Met Council, or can TC&W use veto power over whether they are implemented or not. Mr. Alexander stated that we acknowledge that Mr. Terry does have a number of safety elements that he suggests be implemented on Kenilworth Corridor should we move forward with that. We need to have the conversations with the railroads to find out what exactly is required and what would we need to have a safe operation.

5. SHALLOW TUNNEL UPDATE

Mr. Alexander discussed the design of the shallow tunnel under the channel. This was done in response to the Park Board's resolution of February 5 where they asked the Council to look at this for technical merits. Images were shown of the long tunnel and the short tunnel under the channel, along with the sequencing of the construction for this. Mr. Alexander explained the process for the tunnel construction. Staff are looking at the idea of installing sheet piles to anchor the concrete seal into the ground, particularly during construction. We are suggesting leaving the sheet piles in place after construction for an added measure to keep things in place for the waterproofing. Staff is checking with other entities and suppliers for the best way to construct this tunnel successfully.

Mayor Schneider asked the time frame added for this sequencing, is this due to the excavation through the channel from a weather standpoint, or because of all the activity and everything taking longer. If it's from the weather timing, could that timeframe be kept up the same as expected by moving this portion out of sequence? Mr. Alexander stated that a couple things are driving the schedule. The bridge still needs to be built, we also need to get the concrete seal and micropiles in place, get the water out and the tunnel built and then put it all back together, which all takes time. We are suggesting at least another year added to the overall schedule to get this accomplished under this channel configuration.

Commissioner McLaughlin asked if the year's worth of inflation needs to be charged to the cost of the entire project or could you apply the inflation rate to just this tunnel area. Mr. Alexander deferred this question to Mr. Fuhrmann's schedule update.

Mr. Roach asked if any historic perspectives apply to the tunnel construction? Mr. Alexander stated the channel does have historic significance and we have been working with MnDOT's Cultural Resources unit. The trussel bridge out there today isn't historic itself, but there are other bridges out there that these bridges might want to replicate. There would need to be more conversations on this if the shallow LRT tunnel is the configuration.

Commissioner Linda Higgins asked about the added year's time to the building of the line. Commissioner Callison responded this will be discussed in the schedule update.

Commissioner McLaughlin asked if today there is 45' width of bridge structure. Mr. Alexander stated yes, and he showed the comparison of the four options. The two shallow tunnels going under the channel (long and short) would be 43' in width, the MN&S North option would be 54' and the Oct. 9 shallow LRT tunnel proposal would be 74'. There is a small gap now between the existing bridges, and with the Oct. 9 shallow LRT tunnel, there would be a larger gap of 40' between the bridges.

Mr. Alexander went through the cost comparisons. With the LRT shallow long tunnel under the channel it would be an additional cost of \$65 – \$85M. For the LRT shorter tunnel under the channel, it would be an additional \$30 – \$40M. This option would also bring 21st Street Station back in to the project scope.

Councilmember Jim Brimeyer asked where the freight track would be from Lake Street to the BNSF line, in the future as to where it is today. Mr. Alexander showed the map, if the shallow tunnel is used, the same freight location will be used up to the pinch point of the corridor between Cedar Lake Parkway and Lake St., where we suggest the freight rail be moved temporarily 3' until construction is complete. As we move up to the channel, the freight will be about 40' to the west permanently. Up towards Burnham Road, the track is joined where it is today and it would remain as is.

Mayor Nancy Tyra-Lukens asked what the deep tunnel under the channel operating costs are? Mr. Alexander, stated that this material was presented at the last CMC meeting, and he doesn't have the materials with him today. It is a fairly minimal cost, and Mr. Alexander will provide to Mayor Tyra-Lukens.

Mr. Wagenius asked if the budget includes buying people out if they don't want to stay through construction? Mr. Alexander stated there is no money allocated for purchasing property other than BNSF and some slivers of property. We don't have a need for any taking of homes in this area. Mr. Wagenius asked if people are willing to stay through construction impacts, but their property value is diminished, is there any compensation for this? Mr. Alexander stated that a pre construction survey will be done as to what things look like so it can be documented. If issues occur during construction they will be rectified.

Mayor Schneider mentioned that in the Opus area there is an area with 400+ units that have a narrow corridor with a vegetated bank that the units look out on. During construction this will be disrupted and these residents were concerned. They understand the reality of it is they have to put up with the construction, and they understand they will benefit with it long term but don't get compensated during construction.

Commissioner McLaughlin stated that if the values of property goes up near LRT stations, which it is shown does happen, we don't capture those either.

Mr. Alexander went through the comparison chart for the shallow tunnel long, shallow tunnel short, MN&S North, and Kenilworth shallow tunnel. The chart listed the four options and compared the items: number of relocations; buildings within 150' of the freight rail tracks; average freight rail trains per day; number of LRT operations; combined width of the bridge; and total width of the rail/ped corridor over the channel.

Mayor Tyra-Lukens commented that as we look at the money spent in the Kenilworth corridor, we need to look at the ramifications those decisions have on the original route and the benefit to the region of the

original route. In the fall, it was passed to continue through engineering and environmental work the Mitchell Station. Now the Southwest Station is considered as the terminus and, although she feels it is a much better design than the original design, she is unhappy that Mitchell Station is pulled out of the discussion. Mitchell Station provides access to over 5,600 jobs for the region. This is more than Wooddale, Beltline and West Lake Stations. The only stations that exceed this in terms of number of jobs is Royalston and Louisiana Stations. We need to keep in mind when going forward for our decisions in the Kenilworth Corridor the maximum benefit for the region of the entire Green Line.

6. PROJECT SCHEDULE

Mr. Alexander reviewed the schedule. The schedule as it was presented in November of 2013 was shown, and then the revised schedule as it is today, following the postponement. It is now scheduled to go to Met Council for approval on April 9, get the municipal consent plans out and approved by the end of June, and the Record of Decision would be Q2/Q3 of 2015. The environmental process then happens and we get the full funding grant agreement in Q2/Q3 of 2016. The revenue operation would be moved out to 2019. Mr. Alexander stated that if we are looking at something other than what was presented on Oct. 9, there would be a need for more time added for design. The MN&S North and going under the channel would both need more time and the schedule dates would need to be adjusted.

Commissioner McLaughlin asked if there could be a quarter listed for revenue operation rather than just 2019. Mr. Alexander stated that typically on these projects we like to keep it to the year as it is so far out. Mr. Fuhrmann also stated that the opening date is negotiated with FTA and then becomes a part of the full funding grant agreement as to the revenue operation date. Mr. Alexander stated that once the scope is defined, we will continue to look at how we can save time.

Councilmember Spano asked about the additional time for the MN&S North being up to 5 months and the additional 3 weeks for the tunnel option. How does that fit into the CTIB deadline that is coming up? Mr. Alexander stated that if one of these options were chosen, we would not have municipal consent done by end of June. Commissioner McLaughlin asked if the additional time for studies could be started once the Met Council votes and before the municipal consent votes? Mr. Alexander stated we feel we have done enough work to date on this, what the timing is for is to get the details in the municipal consent packages that go out to the cities and county. Commissioner McLaughlin stated the intention of CTIB was to proceed with the decision. To continuing to pause was detrimental to SW corridor and the other corridors in the region. The 5 counties from CTIB all said Southwest is next after Central Corridor. There are multiple corridors behind Southwest. CTIB feels they can't sit forever and they want to proceed. That's why the resolution was passed for an answer by the end of June.

Councilmember Spano stated St. Louis Park feels the TranSystems proposal moved forward without talking to the freight company. In the report it said the next step is find out what the freight company will accept. They should have started with this. Has the Met Council received the City of Minneapolis's willingness to explore the channel tunnel as an option? Mr. Wagenius stated that the design was shared with the Park Board and Hennepin County two days before publicly unveiled. Nine days after that, Met Council staff met with city staff. Policy makers were then briefed by city staff with a list of unanswered questions related to the tunnel. That's the current status. Mr. Roach asked if the City of Minneapolis has any questions on the viability of this? Mr. Wagenius stated there were a lot of questions on the viability of this option.

7. PROJECT BUDGET

Mr. Fuhrmann stated that on October 9, 2013, the CMC approved a resolution of a scope and budget of \$1.553B. This was with the OMF in Hopkins, ending the line at Southwest Station, and shallow LRT tunnels with a bridge over the Kenilworth Channel. The added considerations include: where freight rail will reside, cost of delay, and the Eden Prairie extension to Mitchell Road. Mr. Fuhrmann went

through the cost additions for each of these options, which are: Kenilworth shallow LRT tunnel would add \$45 – \$50M, due to the 1 year additional time. This 3% escalation cost for this is for construction costs, engineering costs, and ROW costs. Any year of additional delay, this factor is applied. For the two under the channel tunnels, it would extend into 2020, so the additional cost of delay would be \$90 – \$100M. The other option of MN&S North would be minimal additional capital costs, but an additional cost of delay of \$135 – \$150M, as this would bring it into calendar year 2021.

In response to Commissioner McLaughlin's earlier question, Mr. Fuhrmann stated that the 3% escalation cost for the most part needs to be applied to the entire project, as there is the cost of the environmental work and the project management work that is still necessary for the additional year. The additional amount may not need to apply to the work on building some of the bridges in Eden Prairie, or the parking structure in Hopkins or Eden Prairie. There may be some inflation costs that can be saved there by doing these under the current schedule.

Commissioner McLaughlin asked if the 3% inflation factor has been used all along? Mr. Fuhrmann responded yes, for both Central Corridor and Southwest LRT.

Mr. Fuhrmann stated the cost to extend to Mitchell Road is a range of \$75 – \$80M. It was requested in the resolution to do additional environmental and engineering, which this effort has been continued with staff.

Mr. Fuhrmann showed a summary of the four options and their year of opening, project costs, with and without the addition of Mitchell Station.

Councilmember Spano asked about the adverse discontinuance ruling. STB staff indicated it takes about a year to do adverse discontinuance. As Hennepin County owns part of the Kenilworth Corridor and they would need to take action in state court for a finding. CP also owns part of the Kenilworth Corridor and in order to affect the reroute, once Hennepin County settles with TC&W, CP would then have to take their business partner to STB for an adverse discontinuance. If this is correct, was it factored into the delay? Mr. Fuhrmann responded that CP does own the western end of Kenilworth corridor. We did not try to estimate if this involves another round of discontinuance discussions or if it can be merged as a larger discontinuance action for the whole corridor including CP and HCRRA segments.

Mayor Tyra-Lukens asked if the extension to Mitchell Road of \$75 – \$80M includes the station and ramp? Also, is there a concurrent credit to this figure due to the fact that we don't need a ramp of 1,000 stalls at Southwest Station? Mr. Fuhrmann responded that the figure was adjusted and credited. The Mitchell Road extension is about a 900 space structure at Mitchell and a downsized structure of about 450 at Southwest Station. If we terminate at Southwest, then the structure is 1,050 space capacity. The \$75 – \$80M adjusted the overall parking costs.

Mayor Tyra Lukens asked if a portion of the costs of delay are built into the project costs and could these be explained? Mr. Fuhrmann said the low end of the range, \$45M is for delay, which gets us to \$1.598B. Mr. Fuhrmann stated that there is a one year delay under the first option - Kenilworth shallow over the channel, and a two year delay with the Kenilworth shallow under the channel. There is an additional \$65M for construction, and a second \$45M for the second year of delay. That is why there is a \$110M increase in those two options.

Councilmember Youakim asked for a slide for the length of the trains that would be stacking in the Hopkins area. Mr. Alexander shown the slide for the staging in the Hopkins area. SPO staff also talked with Hopkins staff on this. Today, there are three primary staging areas. For 80 car trains, they store waiting for access onto BNSF line. Another scenario is to store the train in the Woodale area, east of

Blake. For the longer trains, today they stage just west of TH 169. For the MN&S North option, the staging areas go away from the Kenilworth Corridor, and all the trains would be staged in Hopkins/Minnetonka area. Mr. Alexander said if this option goes forward, more discussions would need to happen with the railroads. Mr. Wagenius asked if TranSystems concurs with this. Mr. Alexander said what we understand from TC&W is they do not want to stage their train on a sloped track so they wouldn't be staging east of Blake. Discussions also would have to continue with BNSF if this plan moves forward. He can't speak for TranSystems on this.

Councilmember Youakim stated she asked TranSystems this question, and Mr. Terry answered they would be staged somewhere west of the project area. Mr. Terry stated to her they would have to leave that up to TC&W because they are operating the trains along the line.

Commissioner McLaughlin asked how many trains are currently stored in Hopkins. Mr. Alexander stated currently there is on average one unit train per day stored there. Should MN&S North prevail, there would be two unit trains on average stored per day. They are not allowed to block intersections when they are stored.

Mr. Wagenius stated that Mr. Terry proposes that the MN&S track is upgraded from Class 1 to Class 3 standards with the proposed reroute. The SPO asked earlier why Class 2 track isn't sufficient? He would like Mr. Terry's answer to this question. Mr. Alexander will ask Mr. Terry this. Commissioner Callison asked for this to be emailed to members the answer to this.

8. NEXT STEPS

Mr. Fuhrmann reported that the Business Advisory Committee met on 3/25 and the Community Advisory Committee will meet on 3/27 with the same information that was given to CMC today. We plan to bring a recommendation back to CMC on 4/2 for consideration and action. Mr. Fuhrmann stated that the staff recommendation will be emailed out on March 31, prior to the April 2 CMC meeting. Later on April 2, we will report to the Met Council Committee of the Whole any action that comes from CMC for further discussion. On April 9, we will come back to Met Council seeking action. There will be public comment taken on April 2 during the CMC meeting. We will also accept public comment on the April 9 Met Council meeting.

Commissioner Callison stated she would like staff to bring back the answers of the CMC questions today on the class 2 vs. class 3 upgrade; the safety upgrade in Kenilworth; and the corridor ownership.

Mayor Schneider asked if we covered all the options and are there some that don't make sense to proceed with so we can focus on a variation of one or two options that staff will recommend? Commissioner Callison said this may be something for CMC to consider, are there some of these options we feel we shouldn't go forward with at this point? Mr. Fuhrmann stated Chair Susan Haigh felt it important to put these four options, along with ending at Southwest and ending at Mitchell before the CMC. Mayor Schneider said his sense is that to satisfy the cities needs and the job creation, competitive New Starts application and legislative approval, there needs to be give and take and some difficult weighing. The one area is if we try to spend more money to put LRT under the channel, which is doable but expensive, and does this preclude the ability then to extend the line to Mitchell Road. If we can get rid of the north tunnel, that may allow extension to Mitchell Road to be on the budget. We also need to find balance to accommodate Minneapolis's concerns for the co location alternative. In looking at all the analysis of freight rail relocation and the impacts, he couldn't conceivably see this as an option for the table. Which leaves us with the variations of a workable co location option. The deep tunnel would keep the 21st St. Station open and would be great if workable. The shorter version would make better sense. Mayor Schneider stated that the freight rail relocation and long tunnel under the channel should be off the table. He sees it narrowing down to the shallow tunnel, and the deeper shorter shallow tunnel.

Councilmember Youakim thanked all of CMC, who all took time away from their work to do this process. She also thanked the staff for all the answers to our questions. She felt the resolution that we approved last fall is good to look back on. From the resolution, it states the Council established the Corridor Management Committee to advise the Council in the design and construction of the SWLRT project. We have been doing a good job of this and need to keep this in our mind next week when we vote. When we are here we need to be thinking of the line as a whole. Municipal consent is where we think about our individual cities. This table is meant to be thinking of the line as a whole and to advise the Council of the design and construction of the SWLRT project.

Councilmember Spano also feels the reroute should be off the table. Freight companies made it clear that they won't accept it and the impact to the construction process would be devastating. The time we spent with the TranSytems report and the hydrology report and vegetation studies have provided us with a few basic pieces of information which are concurred in these reports. The environmental impact to the lakes is not a concern. Kenilworth Corridor is safe, economical and viable as it exists now. We need to go back to what we did in October.

Mr. Roach mentioned the BAC met 3/25 and have had discussions on today's concepts. BAC is excited about the redesign aspects at Southwest Station from the cities' standpoint as well as how it supports ridership. Also Hopkins new funding request was mentioned at BAC. They reviewed two letters, one from Park Nicollet to Chair Haigh for their support for the SWRLT and a letter from SW Corridors Investment Partnership showing their support. The BAC will also be sending a letter to the Chair for their support.

Commissioner Callison stated that we will discuss this again next Wednesday and she thanked CMC for adjusting schedules for today.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Dawn Hoffner, Recording Secretary