



Southwest Light Rail (SWLRT) Business Advisory Committee Meeting  
October 30, 2013  
8:00 AM – 9:30 AM  
Southwest Project Office  
6465 Wayzata Blvd, St Louis Park, MN 55426

**BAC Members and Alternates:** Co-Chair Will Roach, Co-Chair Daniel K. Duffy, Brad Bakken, Mark Bogursky, Michelle Swanson, Rick Weiblen, Stephanie Peterson, Steve Chelesnik, Steve Faber

**Staff and other attendees:** Sam O’Connell, Daren Nyquist, Dan Pfeiffer, Sophia Ginis, Craig Lamothe, Kathryn Hansen, Allison Bell, Tania Mahtani, Greg Hunt, Chris Weyer, Greg Hunt, Thatcher Imboden, Joe Gladke, Robin Kaufman, Andrew Millett, Katie Walker, Kim Koempel

**1. Welcome, Introductions and Approval of Meeting Minutes**

Co-Chair Will Roach called the meeting to order at 8:05 AM. Brad Bakken motioned to approve the meeting minutes for the October 1 BAC meeting. Rick Weiblen seconded the motion and the minutes were approved.

**2. Transit Oriented Development (TOD) and Joint Development (JD)**

Craig Lamothe outlined the Metropolitan Council’s definition of transit oriented development, which reads: “walkable, moderate to high density development served by frequent transit with a mix of housing, retail, and employment choices designed to allow people to live and work without need of a personal automobile.” Mr. Lamothe explained that the Met Council is establishing a TOD office that will be available to work with local governments and support Hennepin County Community works Transitional Station Area Action Planning around the Southwest LRT Project. This office is a new development for the council and TOD will become a central part of future transit planning.

Allison Bell explained the development of the Met Council’s TOD policy and TOD office. Ms. Bell explained that TOD intersects with many of the Council’s priorities and planning initiatives, including Thrive MSP 2040 and Corridors of Opportunity. Ms. Bell outlined the work that went into development of the TOD policy, which ran from May 2012 to July 2013 and included interviews, as well as three separate think tanks involving community stakeholders. The Met Council is expected to formally adopted the policy in November 2013.

In the interviews with partners, Ms. Bell explained that she received a lot of feedback about how the TOD office should operate. Much of the feedback focused on building strong, nimble partnerships with local actors that could proactively plan TOD projects. As part of this feedback, the Met Council developed a TOD strategic action plan that maintains four steps:

1. Establish a TOD office
2. Adopt a TOD policy
3. Create an internal working group
4. Create an external advisory group.

Along with these steps, four strategic goals were also developed:

1. Maximize development
2. Support regional economic competitiveness
3. Advance equity
4. Support a 21<sup>st</sup> century transportation system.

A question was asked about how the process will work for identifying TOD opportunities early in the Southwest LRT project. Ms. Bell answered that each project has been different. On Central Corridor, there was the Central Corridor

Funders Collaborative that focused on finding opportunities. Southwest LRT could develop that type of group. However, Ms. Bell noted that timing is key; starting the conversation too early will burn people out.

Another question to Ms. Bell asked about the specific development aid the TOD office will offer. Ms. Bell responded that the TOD office will be able to be a liaison for developers and community stakeholders, identifying parcels and serving as a portal to access a wide array of funds.

Kathryn Hansen outlined the joint development program as it relates to the Southwest LRT project. Ms. Hansen explained that the Southwest LRT project is the first time that the Met Council has included JD as part of the planning phase. Joint development is a subset of TOD that is conducted in partnership with the Federal Transit Administration (FTA). The FTA defines JD as having four basic components: 1. Related to a transit project 2. Integrates commercial, residential or mixed-use development 3. Includes public, private or non-profit development with transit capital improvements 4. FTA financial assistance.

Ms. Hansen explained that to be eligible for a joint development project four, basic requirement must be met:

1. Project creates an economic benefit
2. Project enhances public transportation
3. Project provides a share of revenue for public transportation
4. Project requires tenants to pay a fair share of costs for occupied facility.

If a project can meet these requirements and is eligible for joint development, Ms. Hansen explained that the FTA can provide low interest loans for a variety of development activities, including: land acquisition, relocation costs, demolition, site preparation, infrastructure, site amenities, design & engineering work, construction of exterior commercial space, and station master planning.

Ms. Hansen mentioned that while joint development can only work in specific areas where the project has site control, JD projects can increase ridership and spur economic development. Additionally, leveraging federal funds can ensure that revenue stays local and reduce the need for local governments to implement TIF financing.

Ms. Hansen ended her presentation by reviewing several local joint development sites, which included: the Eagan Transit Station, Southwest Village in Chanhassen, Southwest Station in Eden Prairie, and the La Crosse Grand River Station.

A question was asked about the specific help that the Southwest JD/TOD program can provide for developers. Ms. Hansen responded that since the project is partnering with each city along the alignment, the office can be a good access point for the developers to the city development process. These relationships will help get the right people at the table, jump starting the development process. Additionally, the FTA can provide 0% financing if a specific project meets JD qualifications.

A question was asked about decision making in the JD/TOD development process, specifically, who decides what gets built and what doesn't? Ms. Hansen responded that these development projects are just like any other real estate transaction. The project is looking for willing sellers. In terms of JD, the only difference is that the FTA is looking at meeting certain density and transit goals.

Another question was asked about the assurances developers have if a tenant backs out of JD project. Ms. Hansen responded that since your investors are FTA and other local entities at low interest loans, there is little debt service to worry about.

Katie Walker of Hennepin County stated that Hennepin County has had a TOD program in place since 2003 and since that time, has invested \$22 million in various projects assisting in mostly site and infrastructure improvements.

A question was asked if a project adjacent to a station could qualify for joint development. Ms. Hansen responded that a transit element must be present. However, through easements and ground leases, the transit element needs to get worked out on a project-by-project basis.

Chair Roach commented that on recent trips to Denver and Phoenix to study their transit system, he was impressed by the type of developments LRT projects can spur in short periods of time.

### **3. Project Update**

Co-Chair Will Roach provide project updates from the Corridor Management Committee, explaining that committee's approval of the OMF site in Hopkins, ending the line at Southwest Station in Eden Prairie, and endorsing the shallow tunnel option in Minneapolis. Chair Roach also explained Governor Dayton's announcement of a 60-90 day project pause to further examine issues in the Kenilworth corridor related to water quality concerns, vegetation, and freight re-routing.

Co-Chairs Roach and Duffy asked the group if a tour of Kenilworth Corridor would be of interest. After some discussion, the group agreed that it would be useful.

### **4. Business Advocacy**

Co-Chair Will Roach led a discussion focusing on how the BAC can advocate for the Southwest LRT project. Co-Chair Roach suggested that a letter of support be drafted and signed by the committee that could be delivered to elected officials. Committee members were supportive of this idea. Co-Chairs Roach and Duffy will draft a letter to review at a future BAC meeting.

### **5. Member and Committee Reports**

Co-Chair Will Roach announced that the Minneapolis Regional Chamber of Commerce Policy Committee will be hosting a presentation on the Southwest LRT project at 7:30AM on Friday, November 1. Co-Chair Roach also mentioned the Minnesota Chamber will have a similar conversation on November 6.

### **6. Adjourn**

The meeting adjourned at 9:33 AM. The next meeting is scheduled for November 27.