



Southwest Light Rail (SWLRT) Business Advisory Committee Meeting
February 26, 2014
7:30 AM – 9:00 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, Curt Rahman, Dave Pelner, Gina Bystedt, Mark Gustafson, Michelle Swanson

Staff and other attendees: Sam O'Connell, Daren Nyquist, Dan Pfeiffer, Sophia Ginis, Jim Alexander, Tania Mahtani, Greg Hunt, Mark Wegner, Thom Miller, Rolf Peterson, Marion Greene, Chris Weyer

1. Welcome, Introductions and Approval of Meeting Minutes

Co-Chair Will Roach called the meeting to order at 7:40AM asking for approval of the November 27th BAC meeting minutes. Dave Pelner motioned to approve the minutes. Curt Rahman seconded the motion and the minutes were approved.

2. TC&W Railroad Company

Co-Chair Will Roach introduced TC&W Railroad Company President, Mark Wegner. Co-Chair Roach asked Mr. Wegner to talk about TC&W's history, their involvement with the TranSystem's report, and TC&W's response to the TranSystem's re-route concept.

Mr. Wegner began with a quick history of TC&W. TC&W was formed in 1991, operating from St. Paul out to Milbank, SD. Originally, TC&W ran on the Midtown Corridor until 1998, when they were re-located to the Kenilworth Corridor. Mr. Wegner became President of TC&W in 2007.

Mr. Wegner explained that they have closely followed the freight rail studies focusing on the Kenilworth Corridor. On January 23, 2014 he received a draft of the TranSystem's relocation concept. He outlined that while the concept meets American Railway Engineering and Maintenance-of-Way Association (AREMA) standards, TC&W maintains the same concerns they had with older concepts as published in their comments in the DEIS.

After TC&W read TranSystem's report, they realized they needed to respond to it and asked their engineering firm, CDI, to analyze the new report. Mr. Wegner explained that if relocation was going to occur, TC&W would like to see a route that first works on a physics perspective. If the physics of the new alignment were correct, then the conversation could turn to the economics of a new route.

A question was asked to Mr. Wegner if the Surface Transportation Board (STB) can force a re-route. Mr. Wegner responded that the STB governs freight rail economics and that their primary constituents are shippers. The cleanest way for relocation to happen would be for TC&W to abandon trackage rights. However, trackage rights are rarely, if ever, abandoned. Mr. Wegner explained that the City of Minneapolis wants to force an involuntary abandonment. However, given this scenario, shippers would protest loudly and the STB would likely listen to shippers over the city, simply because the STB would be focused on analyzing the economics of the situation. Mr. Wegner went on to explain that communities from the Twin Cities to South Dakota have invested tens of millions of dollars into infrastructure improvements that make shipping by rail more efficient and these investments would enter into any STB consideration.

A question was asked if there are any formal standards that could be agreed on to develop an acceptable freight reroute. Mr. Wegner responded that they have discussed the different design options with larger railroads and they have unofficially commented to him that they are derailments waiting to happen. Mr. Wegner explained that these are unofficial comments because each railroad company protects its track standards as trade secrets and they do not want to divulge anything that could increase the efficiency of a competitor. With that said, Mr. Wegner explained that AREMA standards are the closest thing there is to an industry benchmark. However, those standards are often considered to be the lowest level of acceptability; many freight companies build above AREMA standards. Mr. Wegner stated that a new locomotive is approximately an \$18 million dollar asset. Companies want to protect these assets and build their tracks in a way that does the best job of doing so. Mr. Wegner commented that when developing the Brunswick re-route concepts the Met Council asked TC&W for their track standards. As such, the Brunswick concepts meet TC&W's standards; the TranSystem's concept does not.

A question was asked if crude oil was shipped by TC&W. Mr. Wegner responded that no crude is being shipped. The tanker cars that are seen on TC&W tracks are ethanol or molasses. A follow-up question was asked if shipping ethanol was as dangerous as shipping crude oil. Mr. Wegner responded that while ethanol won't pollute like crude oil, if there was a derailment, it is still flammable.

A question was asked if Mr. Wegner believed that the Kenilworth alignment was the better option for TC&W. Mr. Wegner responded that he believed it was.

A question was asked if freight stays in the Kenilworth Corridor, how does TC&W operate there in the near and long-term. Mr. Wegner responded that just last week he got a request from a townhome association to meet with him to discuss freight in the corridor. He continued by saying that Minnesota has favorable farming conditions and shippers are increasing their access to freight. He foresees a solid future for TC&W in the Kenilworth Corridor.

Co-Chairs Will Roach and Dan Duffy concluded by thanking Mr. Wegner for his time and insights into the issue.

3. Project Updates

Jim Alexander provided updates regarding the draft reports and Sophia Ginis provided a recap of the February Town Hall meetings.

A. Draft Reports

Mr. Alexander began with outlining the water resources draft report. He explained the independent consultant's draft conclusion/recommendations, which were:

- No fatal flaws with the shallow LRT tunnel design
- Add lateral and nested piezometers
- Collect seasonal water level data
- Complete a comprehensive capacity analysis for sanitary and storm sewer systems
- Design the underground infiltration chambers for the 100-year design storm event
- Incorporate storm water pre-treatment devices in the design
- Complete a Phase II Environmental Site Assessment
- Revise the draft Water Monitoring Plan Determine key monitoring locations:
 - Define parameter and threshold criteria
 - Monitor infiltration chamber system
 - Sample groundwater quality near chambers and sites in the corridor away from the chamber
- Sample and analyze groundwater for hydrocarbons, chlorides, other potential contaminants

A question was asked if Minneapolis responded to the water report. Mr. Alexander responded that the city indicated that they did not need to meet with the consultant on the issue. However, the comment period is still open. The Park

Board and City hired Barr Engineering to study the proposed shallow tunnel design. The project office answered their questions in a memo sent on February 14. The Project Office has not yet received a response to this date.

Mr. Alexander continued with the freight rail relocation draft report discussion. Mr. Alexander explained that TranSystems identified two viable freight rail routes: 1) the Kenilworth Corridor 2) MN&S North Concept. In order to compare the two options on an equal basis, Mr. Alexander defined four variables: 1) safety considerations 2) property impacts 3) cost 4) operational considerations.

A question was asked about cost and why the TranSystem's concept was still being considered given the new cost increases and unknown costs could likely make it a more expensive option than the shallow tunnels. Mr. Alexander responded that he believes since the project office has been looking at this area for some time, there is a good understanding of what the cost drivers will be. Mr. Alexander also added that the additional variables that he presented are an attempt to provide a one-to-comparison of all of the options.

A question was asked about the deadline given by the Counties Transit Improvement Board (CTIB). Mr. Alexander responded that it looks like they want a path forward agreed upon by June 30th.

Co-Chair Duffy asked a question if the BAC were to write a letter of recommendation to the CMC, what would be the appropriate timing. Chris Weyer responded by the end of March.

B. February Town Hall Meetings.

Sophia Ginis provided a recap of the town hall meetings. She explained that there were over 625 attended for both the Minneapolis and St. Louis Park meetings with over 75 comments received. Comments on the draft reports are open until March 3.

4. Member and Committee Reports

A. BAC Representative to CMC

Co-Chair Duffy explained that there is a spot on the CMC for a BAC representative and asked the group for their recommendation. The group felt like having the BAC Co-Chairs as the representatives made the most sense. Will Roach was supported as the primary member and Dan Duffy as the alternate member.

B. Response to LRT Done Right Letter

Co-Chair Roach described the response to the BAC's letter to the Governor by the group, "LRT Done Right". He asked the group if the BAC should respond since there were inaccuracies portrayed in LRT Done Right letter. Co-Chair Duffy explained that he feels there should be a response and the group felt like a response could be coordinated via email. Duffy also added that if the group was to take a position, a full agenda should be dedicated to the discussion.

5. Adjourn

The meeting was adjourned at 9:20AM