1. **CALL TO ORDER**

Chair Adam Duininck called the June 24, 2015 special meeting of the Southwest Corridor Management Committee to order at 8:40 a.m. at the Beth El Synagogue.

2. **APPROVAL OF MINUTES**

Chair Duininck presented the June 3, 2015 SWLRT Corridor Management Committee meeting minutes for approval. Council member Jennifer Munt made a motion to accept the minutes, Commissioner Jan Callison seconded it, and the motion was then unanimously approved.

3. **TECHNICAL CAPACITY REVIEW**

Mr. Mike Wilson from Accenture reported on the recently conducted Technical Capacity Review. Accenture conducted an independent review on the Southwest Project Office, which focused on the current SPO organizational structure along with the project management processes and systems. A total of 13 interviews were held comprising of 19 different team members and partners from across four different partnering organizations. The evaluation was focused on the following four focus areas: processes, tools, organization structure and communication.

In summary, Accenture feels that the SPO team has the right capabilities and is operating at a level expected for a project this size. The summarized recommendations include: develop a system to define and move between transition and phases of the project; continue to design, document and communicate processes and methodology; implement a cost tool and integrate with a schedule management tool; further develop the risk management plan and a formalized risk manager position and role; and standardize communication and reporting.

Mayor Hovland asked for more clarity on the statement of project partners have differing expectations on how decisions should be made. Mr. Wilson stated that having different parties with different expectations on how decisions are made is not unusual for a project of this size with this many stakeholders. This led to a suggestion to have better communication for all parties on how decisions are made and how they are then communicated to all parties.

Commissioner McLaughlin asked what is meant by team members when talking about the team members not being aware of the Risk assessment process. Mr. Wilson stated that this refers to project office staff. There were some staff that understood the FTA risk management process, and some didn’t fully understand that the risk process was linked to the FTA process. Commissioner McLaughlin stated the communication to the funding partners is also important. Mr. Wilson stated that it’s important for all
the funding partners to have clarity on the key risks on the projects. You can then better understand the risks in terms of funding and cost. Support is shown for the risk register and risk plan as being communicated to the funding partners.

4. RESPONSE TO QUESTIONS FROM JUNE 3 MEETING
Chair Duininck mentioned the answers to the questions raised at the June 24 meeting has been provided as a handout in the packets today, to allow for more time on discussing the cost reduction ideas. Mr. Wagenius mentioned that the city of Minneapolis heard at the last CMC meeting that the Royalston Station ridership is wrong. It is significantly higher than 198 riders. The station usage is over 3,000. Mr. Wagenius also mentioned that Mayor Hodges has sent a letter to Met Council on other questions that require an answer, which they would like before the CMC vote on July 1. Mr. Wagenius would like to know the impacts of what the cuts might be for all the stations that were in question, including Penn. We need to know what buses would be connecting to Penn, and need to know the impacts as well as the potential mitigations for any cuts. Mr. Lamothe will work with city staff and get the answers as quickly as we can.

Council member Spano asked for an answer to the following question: Can the HCRRA property at Beltline be used for the Park and Ride bus pull out and passenger drop off. Mr. Lamothe will look at this.

5. ADVISORY COMMITTEE REPORTS
Councilmember Jennifer Munt reported that at this time, there is not a recommendation from the Community Advisory Committee, but they will offer their input to inform the July 1 decision. At their last meeting, the CAC reviewed the four cost reduction packages that staff presented. There was little support for Scenarios A and B because they were so draconian. They focused on understanding Scenario C and D. CAC members reviewed all the MOUs currently agreed to and are working on a consensus for their recommendation, and will apply the Met Council’s definition of equity as a lens on their decision making. The CAC is looking into better understanding the ridership in terms of how many are transit dependent versus choice riders; and the cost of eliminating a station and not being able to realize the transit oriented development there. Many CAC members also felt we would not be able to cut $341M from this project without cutting too much. We asked staff to provide a list of additional funding sources that could be used to add back items eliminated or deferred. A formal recommendation will be given to the CMC.

Mr. Will Roach reported that the Business Advisory Committee has been supportive of the Green Line Extension, and feels it is an integral part of a planned and integrated 100 year transit opportunity for our area. It will support 100,000 new high growth jobs to this corridor in the coming years; and is a transit mode that can bring the best economic development opportunity to a corridor in a cost effective solution. The BAC is concerned on balancing short term functionality with longer term economic development opportunities. They are concerned about the missed opportunity for leveraging existing infrastructure such as the park and ride ramp at Southwest Station. A motion was made and approved by the BAC for their support of ending the line at the Southwest Station and to avoid significantly impacting the rest of the project as currently developed and proposed. They will work to support the consensus of the CMC on this project.

Commissioner McLaughlin reported on the recent CTIB meeting. In regards to the $341M increase, there was a clear agreement that CTIB’s position is to cut the $341M. As the 30% funding partner, CTIB feels that because of the priorities across the region, there is a need to reduce the cost back to the original commitment of $1.65B.

6. POTENTIAL COST REDUCTION DELIVERATION
Mr. Jim Alexander reported that from the June 3 CMC meeting, there was little support for Scenarios A or B, and discussions have since been centered mainly around Scenarios C and D, ending at the Town Center Station. The criteria for evaluating the cost reductions include identifying at least $341M of cost reductions; to have adequate forecasted average weekday ridership to be eligible for New Starts funding; and must achieve consensus by all communities along the line. Mayor Tyra-Lukens mentioned it should also include the item of being a shared sacrifice by communities along the corridor. This makes it clear what the intent of this group stated last month. She suggested adding in consensus by all communities along the line be added in as a fourth criteria. Mr. Wagenius said the shared sacrifice must also acknowledge the prior sacrifices that have been made prior to the $341M cut. There was a long process with earlier cuts that were made.

Mr. Alexander said since the June 3 CMC meeting, SPO staff have been meeting with the project partner staff on the various model runs. Today we are looking for direction to do some final model runs in anticipation of a recommendation at the July 1 CMC meeting. Staff has also put together a matrix to look at other funding sources. Commissioner McLaughlin suggested we continue with design with certain elements as more funding may be found in the future. Mr. Lamothe stated we have recently learned that the FTA New Starts submittal date was moved from September 11 up to August 3. This submittal defines the project scope and what would be eligible for reimbursement under the FFGA. The rating from this submittal would go into President Obama’s final budget. If we advance designs that are not part of that scope as submitted in August, FTA has the ability to say they are not eligible for reimbursement.

Council member Gadd said there are other sources of funding that we are successful at getting, but would not have until after our decision is made here. He would like to make sure those other funds, particularly clean up funds, are taken into consideration. Mr. Lamothe stated that we are pursuing these, but the package being submitted needs to demonstrate the local match to the federal funds. We would likely not know the outcome of any applications for other funding until after our submittal. Commissioner Callison asked if updated information could be submitted following our New Starts submittal. Mr. Lamothe said our upcoming submittal needs to be very close if not identical to what we would submit for our request to enter Engineering status if we are to receive a quick turnaround by FTA staff. If we show something substantially different, we jeopardize the overall schedule to be able to get the FFGA.

Mr. Alexander reported on recent reductions that have been identified. One is FTA has agreed for us to drop the finance charge from 3% down to 2%, which is a $10M reduction with the caveat that the percentage will be re-evaluated upon request for the FFGA. Other reductions include design refinements to the OMF, which would be a $6.5M - $7.5M reduction; and to reduce the fleet by 3 more vehicles, which would be a $15M reduction. The refinement to the OMF is significant in that it also eliminates one relocation. The last item was agreed to with the understanding that the first chance of contingency would go towards additional vehicles. Commissioner McLaughlin reported CTIB is supportive of this reduction and having the first take on contingency for vehicles. Mr. Lamb stated that we view this as a tactical measure rather than a permanent reduction of the vehicles.

Mr. Alexander showed maps of the ending points of the scenarios. Scenario A which ends at Southwest Station, eliminates all park and rides and four stations, does not achieve the necessary cuts of $341M, nor the ridership needed. The Alternative Scenario A, which ends at Southwest Station and looks at eliminating two park and rides, deleting Mitchell Station and deferring Penn, would achieve the ridership needed, but does not meet the cost reduction needed.

Mayor Tyra-Lukens mentioned that Eden Prairie would like to offer the scenario where LRT would end at Southwest Station as recommended by BAC, with deferment on the Town Center Station. The
advantage of this would save three Eden Prairie stations. There are 12,000 – 15,000 jobs within the Southwest Station area. It does result in cost savings, but not down to the $341M. It would keep ridership high and puts the CEI at a favorable rating. Having a true multi-modal station is an advantage to the project. She would like the project office to continue to evaluate with Eden Prairie staff an option for Southwest Station that includes deferring Town Center and might include other amendments to increase ridership along that line.

Mayor Hovland asked if this is different than Alternate A? Mayor Tyra Lukens said yes, this alternative would defer Town Center. Alternate A has Mitchell Station deleted and Penn Station and Town Center are deferred. Shady Oak park and ride is also eliminated with this option.

Council member Gadd mentioned that the Shady Oak park and ride gives the ability for access to that station for the majority of north Hopkins, Minnetonka, Wayzata and the western suburbs from Excelsior Boulevard. The main cost is for the acquisition of a building to have access to Shady Oak Station. Any scenario that takes this station out of the project, also takes ridership and transportation opportunities to get to the station. Mayor Schneider agrees that access to Shady Oak Station is critical. It is not just the parking spaces, but the access to a key station that is critical. Mayor Schneider said the other elements besides acquiring the building for this location can be managed and deferred around. It could be a smaller park and ride but needs the connectivity at a lower cost needs to be on the table. Council member Gadd said other funding sources for clean up could potentially be used for the Hopkins Tech Center site. This location has impact beyond just providing the park and ride. It has impact on the redevelopment of the area, and provides stability back into Hopkins. Part of the reason Hopkins accepted having the OMF was the opportunity to have the redevelopment around the area.

Mr. Alexander said the park and ride at this facility requires the acquisition of the Tech Center building, which essentially occupies most of the parcel. This is where much of the costs are for this park and ride. Council member Gadd asked for the breakdown of the costs, besides the acquisition cost. Mr. Alexander will bring this breakdown back to staff.

Mr. Alexander stated that Scenarios B and D will have no further analysis and noted that D would not allow future expansion to the west. As discussions continue around Town Center, two options are being looked at, Scenario C and Alternate C. Scenario C ends at Town Center per the PE plan, and the alternative is to end at Eden Road, about 700 - 800 feet east of the PE plan. The modeling completed for these two scenarios assumes the same stakeholder options, with the only difference being the station location. Both allow for future expansion to the west. Neither scenarios include a park and ride around this area. Mr. Alexander stated that for the deferral of the Town Center station, it will be assumed that the foundation for the platform and any necessary conduits would be constructed with the project.

Council member Spano asked who owns the vacant parcel east of the Louisiana Station? Mr. Alexander stated the project would have to purchase some property around the southerly connector of remnant parcels, which could be populated with additional parking. This would bring the parking to 350 at Louisiana Station. These parcels were already identified for acquisition by the project.

Commissioner Higgins stated she would advocate to neither delete nor defer Penn Station, as this is a gateway to north Minneapolis residents. The area on the bluff above the Penn Avenue would be a wonderful area for development as well.

Council member Gadd mentioned both scenarios decrease the park and ride at Shady Oak and puts the parking on the OMF remnant parcel. This would remove the redevelopment opportunity at the OMF area and north of the Shady Oak station. This also forces all the traffic and ridership from the western suburbs to go to Louisiana.
Mr. Alexander stated that the estimated cost reduction for the deferral of Penn Station is approximately $12 – 14M. Under that scenario, the foundation would be built, but doesn’t assume construction of any subgrade elements for the skyway over to Penn Avenue. The estimated cost reduction for the North Cedar Lake Trail Bridge is $12 – 14M, which is separate from the Penn Station.

Mr. Alexander reviewed the summary of the two model runs on Scenario C and Alternate C. They both achieve the cost reduction goal of $341M and keep the cost effectiveness index at a medium range; both keep the ridership at over 31,000. Mr. Alexander reviewed the elements that are not in either of these two scenarios. If the add on items are enrichments, they will not affect the CEI. If not an enrichment, such as a station or park and ride, they could potentially affect the CEI. Mr. Wagenius asked if the potential add backs that impact the CEI depends part on the cost, is this for the cost per rider? Mr. Alexander responded that the CEI is affected by capital costs, ridership, operating costs and it does consider the cost per rider. Mr. Wagenius asked about the cost per rider that was to be provided to CMC members in the form of an additional column to the chart provided last month. Mr. Lamothe said staff looked further at this and when you only factor in the cost per rider, it may or may not have an effect on the CEI. You need to fully model the element you want to add back in. Mr. Lamothe said this can be provided to CMC.

Commissioner Callison asked about the Beltline Trail Bridge and the cost reduction for this item being shown as $13 – 14M. There is a $5.8M federal grant and she asked if this is included. Mr. Lamothe said this cost is the project’s investment in this item. The federal grant includes the additional segment to span over Beltline. Mayor Hovland said it would be worth knowing if other funding may be lost from other sources if the line weren’t approved or approved at a reduced scope. Mr. Lamothe said there are two other items that have other federal funds, one is the Beltline park and ride ramp on parcels north of the station and the other is the downtown Hopkins park and ride.

Chair Duininck mentioned that today there are two options that are presented to us that include some options to add back in items. There is also the option that Eden Prairie brought forth to look at Southwest Station, with the deferment of Town Center. If there are any other ideas for the project office to run through the model, they need to be to the project office by June 25. At the next meeting, the goal is to have the options to bring forward for discussion and approval. Chair Duininck asked for feedback from the CMC on any of their ideas.

Commissioner Callison would like to see the development of two options for next week. One is an option stopping at Town Center, but with parking. The other would be the Southwest Option mentioned by Mayor Tyra-Lukens, with the deferral of Town Center Station. She would like to see three additions to these options, which would be a range of park and ride options for Shady Oak Station; the Beltline Trail Bridge; and a third to include Penn Station, rather than deferred. She would suggest leaving Cedar Lake Trail Bridge out.

Mayor Hovland agrees with Commissioner Higgins on keeping Penn Station in.

Mayor Tyra-Lukens recognizes that if we go with either scenario ending at Town Center or get cut to Golden Triangle, it will have big ramifications on parking and infrastructure needs within that area. She would like to add back to the list items that would be needed with the increase in amount of parking at Golden Triangle Station, such as Shady Oak Road improvements from two lanes to three lanes; a signal at Valley View and Shady Oak; trail connections; and west 70th Street reconstruction.

Mayor Schneider said the number needs to be refined and to have the list show what is affordable. The acquisition of the property needs to happen, but other elements can be deferred such as park and rides.
What level of investment in that area can meet the basic accessibility issues. With the left over funds, then add back Penn Station and do other things to enhance the overall ridership.

Council member Spano said the add backs seem to have no impact on the CEI. For shared benefits, trail connections are good investments to make and benefit everyone along the corridor. Safety, ridership and economic development are all affected with trail improvements.

Commissioner McLaughlin agrees with Commissioner Callison’s idea of having two options to look at. He asked how Mayor Tyra-Lukens is evaluating the two options and what the argument and benefits are for going to Southwest Station and not ending at Town Center Station. Mayor Tyra Lukens said ending at Town Center will eliminate convenient access to all the jobs west of Town Center, and eliminating access for a lot of residents to LRT due to the lack of parking at Town Center. The Southwest Station is a station where 53% of the population within ½ mile radius is minority population. Currently we have a 900 vehicle ramp at Southwest Station and it is a transit destination with easy access. Eden Prairie is concerned with stopping at Town Center Station as a terminus for LRT, as there is not enough parking at this location for a terminus. There is also not sufficient roadway development for access to this location. The solution proposed for lack of parking would be pushing the parking to Golden Triangle, which she is concerned about the access for. With 500 – 900 parking spaces added to Golden Triangle area, there would have to be a lot of infrastructure improvements made. The lowest cost per rider does appear when LRT ends at Southwest Station.

Mr. Brian Lamb agrees and said that the Southwest Station already serves as a regional hub, for both the local and express service that run there. The visions for the future including the extension of the ABRT system would further provide the regional distribution. This would not be as conveniently operated if the terminus were at Town Center. There are operational benefits for having the terminus at Southwest Station.

Mr. Wagenius asked if Town Center station didn’t exist, what is the walk or bus solution to allow residents of other communities to have access to jobs in the Town Center Station area? Mayor Tyra-Lukens said it is important to get people to the jobs in this area, as well as Southwest Station and the jobs further west at Mitchell. The Southwest Transit Commission will be looking at options for the demand to find additional funding to run more local bus service. Mr. Lamb added that the last mile connection is critical planning and operational connection. You need the infrastructure to support the last mile connection. From an operational standpoint, Southwest Station is the best alternative to access the immediate areas.

Mr. Will Roach agrees with Commissioner Callison on her ideas for supplying two options for next week.

Mr. Russ Adams stated that the CAC wants a better understanding of where the affordable housing is near some of the stations that will be cut. Also where are the low wealth and communities of color located? The CAC values this project and to not fully achieve the full $341M reduction should be under consideration, by finding other funding sources. Mayor Tyra Lukens will have her staff send an itemized list of talking points regarding the importance of Southwest Station and details on the underserved populations.

Council member Spano asked for clarification on access items to stations, which St. Louis Park has taken on as LRCIs and plans to fund. If Louisiana will now be larger than Beltline, items may need to be shifted back to Louisiana. Council member Spano would like city staff to meet with SPO staff about how much time and investment should be placed on these LRCIs, and should some be shifted from
Beltline to Louisiana. Mr. Alexander noted that designs of LRCIs that may potentially be impacted by the cost reductions have been put on hold pending resolution.

Mr. Wagenius mentioned city staff has been working with SPO on costs. Now that ridership has been brought back into the equation, the solutions have been dropped down dramatically. Minneapolis staff has been told as it relates to Penn Station, the only option for Penn was deferral. City staff was told it could not be deleted because ridership would come out of equation and it couldn’t be put into budget due to being out of sync with CEI. Is this true? If this is true, does it also apply to other areas besides Penn? Mr. Alexander stated with the New Starts rating, we received a medium rating on the CEI, with an overall rating of medium-high. We would like to maintain this status. In terms of the elements, Penn Station was one of the items that could be on the reduction list, but could potentially impact the CEI depending on what we do. There are a number of items on the list that could affect CEI. The enrichment items won’t play a part in the CEI. Mr. Wagenius asked about the ‘add backs’ that have a CEI impact, which includes park and rides, Penn Station and Light Rail vehicles. Are there dangers to restoring any of these items? Mr. Alexander said we are only following FTA guidance on this as to what an enrichment is defined as.

Chair Duininck asked if enrichments would somehow be eliminated, would they not be eligible at a future time for federal money. Mr. Lamothe stated that the enrichments category where joint development, trail connections, and public art, are a function of MAP 21. Prior to MAP 21 these didn’t exist as FTA now considers them, but were under a different set of rules. We are not sure where these will fall with the new guideline that follows MAP 21.

Mayor Schneider stated that items that don’t affect our rating, like public art and landscaping are reasonably easy to add back in with local funds at a future date. Mr. Wagenius said this may not apply to the Cedar Lake Trail Bridge or Beltline Trail Bridge. He stated that the trail category, the bike path is already there and has a lot of investments already in place. We should try to have the shared benefits kept intact, such as the trail system. Commissioner McLaughlin stated that we are spending money in this plan to preserve the bike trail already. There are alternative sources of money available for bike improvements.

Council member Gadd mentioned with the CEI impact, we currently have a medium rating. There are other criteria, such as economic development which we currently have a medium high. The potential for economic development is high along this corridor. If something is added back in, could it potentially move us down on the CEI but move us to a high on economic development? Mr. Lamothe stated we have not focused on economic development because it is both qualitative and quantitative calculation; qualitative is determined by FTA. With deletion of a station, we are losing acreage of redevelopable property which does go into the calculation. We focus on the CEI because it is quantitative and a high focus on this at the federal level. All the other competition we are competing with have at least a medium for CEI.

Councilmember Elkins asked for the ridership impact at Penn and why does the chart show N/A? Mr. Lamothe said N/A was put on the chart because by deferring the station we are able to account for the ridership of the full build out of the station. Deferment of a station, FTA will help to pay for foundation and conduit of the station and does expect that station to be built in the future. As a result, FTA allows us to account for the ridership that would come with the station.

7. NEXT STEPS
Chair Duininck mentioned that any other input from CMC should be made to SPO staff by June 25. Mr. Lamothe mentioned the next step will be to have full model runs on the requests by the July 1 meeting. Later today, we will be going to the Met Council to provide an update, and will be going to the CAC on
June 30. The CMC will meet again on July 1 to develop a recommendation on the project scope. We will then go to Met Council Committee of the Whole on July 1 to report what comes out of the July 1 CMC. The HCRRRA will be briefed on July 7 and Met Council will take action on project scope and budget on July 8.

8. ADJOURNMENT

Meeting adjourned at 11:15 a.m.

Respectfully Submitted,

Dawn Hoffner, Recording Secretary