

**Meeting of the Southwest Corridor Management Committee
September 25, 2013**

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

1. CALL TO ORDER

Chair Susan Haigh called the September 25, 2013 meeting of the Southwest Corridor Management Committee to order at 8:39am at the St. Louis Park Recreation Center.

I thank everyone who has been working on this, city, county, and policy makers. We have recommended that the Operations and Maintenance Facility (OMF) site be located in Hopkins. We have dropped the highest cost freight rail option at deep bore tunnel and we did go over the independent water resources review that we got from the Minnehaha Creek Watershed District. Today you are going to hear about the meeting that occurred yesterday with the TTCI group, the cities, the county, and project staff, and some background about the role of the Surface Transportation Board (STB) as it governs our freight rail. We are going to hear an update about the discussion with Hopkins regarding the OMF. Our task today is to work towards that final project budget. Chair Haigh's perspective on this, is that we want to end up in a range closer to the \$1.5 Billion figure. A final budget recommendation will come next week and you will have an opportunity to vote on them next week. The committee will make its own recommendation and then we will move that recommendation forward to the Met Council. Transportation Committee meeting is set for October 7, 2013 and a full vote with the Council is scheduled for October 9, 2013. This is a process to get us to make decisions for regional investment that is going to serve the 900,000 plus growth in this region in the next 30 years.

2. APPROVAL OF MINUTES

Chair Haigh presented the August 7, August 14, August 28, September 4, and September 11, 2013, Southwest Corridor Management Committee meeting minutes for approval. The motion for approval was granted.

3. TRANSPORTATION TECHNOLOGY CENTER INC. (TTCI) UPDATE

Mr. Jim Alexander said SPO had a meeting on September 24, 2013 from 10:00am – 2:00pm with TTCI that started off with a tour of SWLRT. We covered where the relocation routes could go up through St. Louis Park off the Bass Lake Spur to the Wayzata subdivision. We also took a tour of the Kenilworth Corridor to give TTCI an idea of what TC&W operates on today. We had representation from the county, cities of St. Louis Park and Minneapolis, SPO staff, and TTCI. The railroads were not on the tour, but they were at the meeting.

We had a vigorous discussion on the work we have done to date. We essentially reviewed the freight rail relocation designs that the project office has developed to date talking about the MN&S modified and Brunswick alignments. We got into a discussion about the modeling process that TTCI would normally do. They indicated that they look at how the freight train operates or interacts with track geometry, so they look at forces on the rails and how the cars interrelate with each other. They also look at fuel and power consumption required to run over a segment of track. They did note that this is only part of the puzzle, if you will, that there are other factors that we need to look that this entity does not get involved in. It gets down to the railroads need to assess safety and risk on any track.

Mr. Alexander said we talked with TTCI about some of the components of Mayor Rybak's letter from September 20, 2013. Chair Haigh asked if the SWCMC members have seen the letter and members indicated they have seen it. Mr. Alexander said in terms of the outcome, we received good feedback from TTCI and they said we have done very good and thorough work that was very comprehensive. The bottom line is, as you possibly heard in the press already, that as they looked at this and they talked with us and the BNSF, CP, and TC&W railroads, they decided there would be a conflict of interest if they undertook this assessment. I want to emphasize that as we went through our discussions yesterday, that they felt that we have done a thorough effort in our evaluation, our development of possible relocation designs up through the MN&S alignment.

Commissioner Gayle Dorfman asked, so they had the blessings of all three railroads to come here in the first place and they went on a tour and you had this meeting and they talked about their assessment based on what they had seen yesterday and the discussions. Then they indicated after all that, that they had a conflict? Did they indicate more specifically what that conflict was? What did they learn while they were here that they did not know before they came, that would have led them to reach that conclusion? Mr. Alexander said he does not want to put words in TTCI's mouth, as they are not here today, but in our discussions as we reviewed the relocation designs and got into the nitty gritty of what they do and really got to the bottom line we are looking for them to run their model on the MN&S modified, as that is where we were looking first. They indicated based on their evaluation looking in the Kenilworth Corridor and comparing any of the relocation designs they felt that any of the relocations were not any better off than what the Kenilworth has to offer today. As I mentioned last time, TTCI is a whole subsidiary of the American Association of Railroads (AAR). Primarily, there is a climb in elevation that is required for all the relocates as we all know the Bass Lake Spur is lower in elevation than the MN&S modified. They felt that they would be in a compromising position if they got some data points, if you will, out on their analysis and put that out in the arena. They emphasized that it is only a piece of the puzzle and they emphasize the railroads really need to do that safety and risk assessment on any segment they do and that is not something that this group would do. The railroads also need to assess the operations on how they will operate through a Corridor. TTCI does not do that. They essentially look from an engineering perspective on those forces from the car onto the rail and how the cars interact with each other on a particular geometry. Commissioner Dorfman said that is exactly the analysis we were hoping they would do and I am still unclear. I know you can not speak for them and they may not have been explicit, but given everything you said I still do not understand how they reached a decision. I could see where they would say we are just not going to do it, because we think, as they said, SPO has done a pretty good job of assessing alternatives, but they did not seem to explain, based on what you said, on why they feel they have a conflict to do that basic technical work that we had asked for.

Mr. Peter Wagenius said the issue of the conflict was raised in the public, in the media, and at this table. We are discussing the good feedback we got from them and that they came here without telling us they had a conflict, got on a plane without telling us they had a conflict, participating in meetings without telling us they had a conflict, rendered some kind of opinion and then afterwards told us they had a conflict and we are discussing how the feedback they provided us might be good feedback and I just note at our last meeting Mayor Jim Hovland expressed references to the hydrogeological analysis that he believed that if we were going to get input from somebody, they should come to this meeting so we can ask them questions and of course they are not at this meeting, because they have taken themselves out because they had a conflict and they are not here

and we cannot ask them questions. I do not know how we can consider that good feedback. Chair Haigh said she wanted to respond to Mr. Wagenius, that representatives from the City of Minneapolis were at that meeting and believe they did ask them questions, as were representatives from Hennepin County, St. Louis Park, and the project office, so many people were in that discussion yesterday. Chair Haigh said that was an unfair characterization of what happened. The city, county, and project staff all engaged in yesterday's meeting in good faith with hopes that there would be additional work. Mr. Wagenius said let me be clear, I am not in any way calling into question the participation of the cities, the county, or the Met Council. I am simply saying, in reference to TTCI and TTCI alone, that if they had a conflict, it was their obligation to tell us that before hand and they did not do that and they are not here to answer our questions.

Mayor Terry Schneider said it is hard to evaluate the pros and cons of what they could or should or might provide, but as an observer looking at the overall picture, the thing that appears to me that it is very obvious that we're not fessing up to is we cannot tell the railroads what to do. If we want to hire a consultant, we come up with the plans and say railroads this is a workable plan you have to accept it, that does not work. That is not the way the process works, so if the expectation is we are going to try to confer a better option that they have a chance to review, maybe that will work. My guess is that TTCI said I can do a bunch of stuff, but have absolutely no bearing on what the railroad wants to do, will do, or approve. Bottom line, if we do not satisfy the railroads and they say we are going to pass on this one, we just have to understand that.

Commissioner Peter McLaughlin said I am not sure that is the right standard Mayor Schneider. My recollection is the railroad put 150 pages of comments into the environmental process largely about safety. It was not about whether this line in Kenilworth was a little better than the one that was proposed, it was about safety. It was about there are going to be derailments, horrible dangers to the lakes, there is going to be all this stuff. That is what they asserted. We were trying to get some real information about that question and that is why I am ticked off at this company for wasting our time, for coming out here, running us around, and making us wait for three weeks. It is a crappy way to do business and the assertion that somehow they cannot opine on something, because they think that there is nothing that is better than the Kenilworth, that was not the question that was being asked. There were assertions made by the railroads that there were horrible safety problems. These people are supposed to be the best in the country by dealing with safety problems and they took a pass because their funders, the railroads, probably did not want them to do it. Chair Haigh said she does not disagree and she wishes we would have known this beforehand and we would not have wasted everyone's time, including staff, the cities, and the county in this process. However, it is what it is and said we made a good faith effort to make it work. I have no opinion as to whether they made a good faith effort or not. Now we are faced with a different situation.

Commissioner Dorfman said we want to be careful about saying we want to satisfy the railroads and we want to make sure that we get alternatives for both light rail and freight rail that are safe is paramount. Already they have been mentioning operational, power, and liability issues, so at what point does satisfying the railroads sink this project. What does satisfying the railroads mean for this project?

Council Member Jake Spano said Mr. Alexander indicated they generically said that work was comprehensive. Did they speak to the safety of one route verses another? Did they make any distinction in that preliminary examination? I think what this has demonstrated is that Met Council does represent St. Louis Park, Eden Prairie, Minnetonka, and the region and they are an independent body that is tasked with doing this work and I think that we need to at some point turn more to Mr. Alexander and Mr. Chris Weyer, the engineers of Met Council, and say you guys are the ones to arbitrate these issues and present us with that data so we can make an informed decision. My concern here is that we start talking about finding yet another consultant and I do not know what that does for us in our process that informs the decision next week. I think Met Council is the independent body that has the engineers and analysts that are suppose to give us this information and we need to turn to them.

Mr. Wagenius said to Mr. Spano's point, I am not interested, Mayor Rybak is not interested, the City of Minneapolis is not interested in the opinions of a group that behaved in a manner that was accurately characterized my Commissioner McLaughlin and Mayor Rybak shares the Commissioner's frustrations. I will just point out that we talked about this in advance of them coming here. I said that if we are only bringing them here to check Mr. Mark Fuhrmann's math, that is a waste of time because we have confidence in Mr. Fuhrmann's math, that is not the issue. The issue was we wanted somebody to question the underlying assumptions that were brought to the table, not by Met Council, not by Mr. Fuhrmann, but by the railroads. It is my understanding at the meeting yesterday that they said at the time they were opting out that they were concerned that the assignment if they took it would be used for some kind of negotiation with the railroads. Exactly, that was the intention of us bringing them here, so their assumptions could be questioned and some kind of negotiation with the railroads could take place. We talked about this in advance of the confidence we have with the Met Council and staff and we do. It was precisely for the purpose of being able to have some kind of negotiation otherwise it would have been a waste of time two weeks ago, not today.

Mr. Alexander gave an overview of the Surface Transportation Board's (STB) role. We hired a company called GKG out of Washington D.C. to help us with understanding how STB works in this field. We have been working with them to understand the STB processes. The STB is a regulatory agency the Congress charged in approximately 1996 with resolving railroad rate and service disputes and reviewing mergers. They have jurisdiction over railroad rate and service issues and rail restructuring transactions, which would apply in the relocation option. Board approval is required with any changes in the existing railroad track, new track, extension into new markets, and abandonments. Class exemption applies if no industries are served on the line for two years and if overhead traffic is rerouted. This would apply if we were to abandon the Kenilworth Corridor and part of Canadian Pacific's (CP) Bass Lake Spur to do a relocation and essentially there is no industries served that we are aware of through there for the last few years and overhead traffic can be rerouted. That is essentially the relocate condition we have. Under that condition, Board approval may not be required for that situation and the carrier would file for an exemption. Commissioner McLaughlin asked if any industries have been served for two years. Mr. Alexander said we believe not within this reach east of Louisiana all the way up to the Cedar Lake junction, just north of the Kenilworth Corridor. Commissioner McLaughlin said so what is your source of ambiguity for not being absolutely certain those customers have been served or is there some other source of ambiguity on why this would not apply? Mr. Alexander said we do not believe there is any firms, any shippers out there the last two years on that segment of track. We would be more sure on the class exemption once we have a discussion with the STB. We think it is a clear path, but until we have the conversation with STB, we need to confirm that. Commissioner McLaughlin asked Mr. Alexander if he has looked at our contract with the railroads? Mr. Alexander said yes, we have. The contract may be under state jurisdiction, but STB reaches out to all freight within the United States.

Mayor Jim Hovland said when I look at the trackage rights agreement that the Hennepin County Railroad Authority has with TC&W, the rate determination is unilateral and belongs solely to the TC&W and that the condition of determination of relocation coming on 30 days notice provides that STB also has to approve that abandonment or relocation. It strikes me that the contract was crafted in the late 1990's, that experienced lawyers were thinking STB did indeed have a role here in determining whether or not freight could leave the Kenilworth Corridor even if freight wanted to leave the Kenilworth Corridor. I would be cautious about reaching any kind of a conclusion without expert assistance as to whether or not any of these provisions apply to this situation. Chair Haigh said it was not her intent in bringing this forward, for us to become experts on the STB or to provide legal advice and appreciates Mayor Hovland's interpretation of that legal agreement. It was to provide general knowledge for people about the role of STB, as there seems to be some confusion and some of the messages Chair Haigh has been getting from the public.

Commissioner Dorfman said she assumes STB approved abandonment of the Kenilworth Corridor when Hennepin County bought it for the purpose of transit and then approved reintroducing the freight on a temporary basis at the time that decision was made in about 1997. Mr. Alexander said we are looking at getting

that documentation to understand what happened. Mr. Wagenius said to do that, we would appreciate an understanding of the difference between the county's and the railroad authority's within that and if there is any history there of HCRRA being a party to that to give us additional leverage beyond what we have been talking about.

4. OMF UPDATE

Mr. Chris Weyer gave an update on OMF and presented some aerials. At the last meeting, we were given direction to go back with the City of Hopkins staff to talk about some of our opportunities and challenges that we would have if we were to site the OMF at 9A. We have had several meetings with Hopkins staff on several of their concerns and how we can address those. Mr. Weyer said the Hopkins staff has been extremely generous with their time, thoughts, and open ideas on this process. I want to call out Ms. Kersten Elverum, Mr. Steve Stadler, and Mr. John Bradford for their efforts and taking a look at this, as this is not an easy decision for anybody and we recognize that. The city would like to have more control over the Shady Oak station area and site as it relates to the station area and park and ride. We are taking a look at what we can do in the shady Oak area to help off set that loss of tax base impact and the city is concerned about the loss of jobs in the area. We will continue to meet with them to help find what opportunities are in the area and other parts of Hopkins as we move forward. We need to work with Hopkins to help secure some non-project funding for the ARtery connection along 8th Avenue to Mainstreet. We would also bring the park and ride at Blake station to the southwest corner and pursue some commercial development wrapped within that. The city would like to wrap up some of these terms in a general agreement. They want to see some commitments as part of that process and we have heard that and understand.

Mr. Weyer introduced Ms. Kersten Elverum to provide more detail on the city's perspective. Ms. Elverum said everyone has been very understanding of our situation. We are looking at about \$130,000 annual tax base loss and need to find some way of making that up, as well as reestablishing some job base and some businesses that feed our local economy. This has been structured to keep impacts to the project budget to a minimum and we have been sensitive to that. Commissioner McLaughlin asked what is your estimate of the taxes that will be generated on this site by the new development? Mr. Weyer said we are sitting down with the city within the next week or two to review that. We can come back with that information after we sit down with Hopkins to see if they see the same numbers as what we are looking at. Council Member Cheryl Youakim said Hopkins has been working on redevelopment for a long time, despite light rail, so they were going to benefit from some redevelopment to begin with. We are a small city with not a lot of funds in our EDA, so any redevelopment that we do is going to require TIF, unless we find other mechanisms so we can realize that tax base sooner. We are trying to find ways that are outside the project cost to get us to that point. That is what we are looking for the most help on. Ms. Elverum said they are looking at a redo of Blake Road that would require some local investment. Commissioner McLaughlin asked what the cost is for the Blake station park and ride. Mr. Weyer said \$8-\$10 million. We see that site as a TOD opportunity, which FTA has pointed out as being important to the overall project. Ms. Elverum said when looking at the Shady Oak station, there is still a lot of work to be done and we would want a Memorandum of Understanding (MOU) before municipal consent. We are worried about our businesses getting relocated and available land for them. Regarding the Blake Station, Council Member Spano said St. Louis Park has businesses just a few blocks from this site, so doing this station will also serve St. Louis Park. Mr. Spano handed out a letter from St. Louis Park and Hopkins that went out to everyone this week, regarding why St. Louis Park thinks the CP swap is important. Mayor Schneider said he is assuming it would be feasible to do a staged development where you did surface parking needs at the station until a certain time period and include that funding as part of joint development, so you do not have to do it immediately with a sequencing to take place. Mr. Weyer said there are examples throughout the region including the one being built in Anoka right now where that is exactly what is happening. We had a surface parking lot on opening day of Northstar and now they are building with different funding sources through CMAC grants and other local sources a parking structure. Commissioner McLaughlin asked how long funds can sit there and be applicable. Mr. Weyer said there are several variables: timing and if we were to build a surface structure with federal funds the FTA does have issues with us taking out the initial infrastructure built

with their funds and rebuilding. Mayor Schneider said they have a meeting with Hopkins on October 1, 2013 to propose some sharing of tax base and other techniques to help with the loss burden. Ms. Elevrum said they obviously cannot deliver a developer for a joint development project at the Shady Oak Station site in the next three months. We need a clear path as to how to continue to work towards that and have some control over when that parking gets changed and how that is structured. We also have concerns about putting a surface lot down knowing that in the future transit customers will be temporarily displaced during construction.

5. PROJECT BUDGET TARGET

Mr. Mark Fuhrmann presented the project budget target. We will talk about scope reductions and locally requested betterments as it relates to the base budget. One way a locally requested betterment can be assured in the scope and base budget is for the SWCMC and Met Council to say betterment C, for example, is in the base scope and base budget. Also, if the local sponsors for that requested betterments are willing to provide non-project funds, will also guarantee it. The scope will be incorporated into the base, but funded by others. We will have a contingency and tiers of priority in ranking for those requested betterments. Commissioner McLaughlin said some of these items may not be able to be funded with contingency because contingency is tied up and not released in a timely fashion.

The LRT Base Project cost of \$1.355 - \$1.39 Billion includes what the SWCMC approved for the Eden Prairie Alignment on September 4, 2013, with that recommendation specifically approving the Eden Prairie Comp Plan Alignment through Southwest Station with more discussion today. The SWCMC also recommended on September 11, 2013, the OMF at Hopkins with a project cost base increase of \$30-\$40 million. Council Member Kathy Nelson asked if this only includes going through Southwest Station and not through Mitchell station? Mr. Fuhrmann said the base project cost includes the full extension to the western terminal at Mitchell station. The freight rail subtotal cost is \$235-\$290 million, which would be added to the running total for an overall \$1.59-\$1.68 Billion. If we save somewhere else when funding becomes available, we have an opportunity to add back in "x" million for something we had to take out to get to a certain budget. Mr. Fuhrmann said that is a technique we did on Central and was very helpful and effective to implement more of those local requests early. Those items we could not fit into the base budget and those items that the locals were unable to guarantee funding on the front end, we did put them in our bid specification as an add alternate. We requested specific line items for that particular scope element and when prices came back we could then assess whether the base scope budget could absorb that and if not, whether the local sponsor could afford it.

Mr. Fuhrmann presented the potential scope reductions. Commissioner Jan Callison said she thought the last time we looked at this option that there were three scenarios with different sized park and rides at the end of the line in Eden Prairie. We were talking about potentially getting to Southwest Station building some park and ride spaces in the range of hundreds of spaces. Mr. Fuhrmann said that is closest to Option #1 where we would provide additional park and ride spaces at Southwest station to serve what we estimate the demand to be at Southwest Station for LRT. Commissioner Callison said you are not including an option that stops at Southwest, so it does not go onto City Center and has new parking built for LRT with Southwest Metro and SWLRT co-existing with substantially increased parking. Mr. Fuhrmann said that is correct, we have not illustrated that option here and would be option number 5. Council Member Nelson said it would have to be an option. A couple of things the committee needs to take into consideration: right now the parking at Southwest station for the bus line is full everyday. There is not room to put in a bunch of LRT rider cars into that facility. You could not end at Southwest station co-habiting without putting in at least another 900-1,200 spaces. You were assuming there was going to be 900 spaces at City Center plus hundreds at Southwest station in addition. Not going into Southwest station at all does have other implications to ridership right now because the bus that reaches into Chaska and Chanhassen where people could take the bus in and LRT the rest of the way or take the bus into a different side of downtown. You do not have the bus and light rail coming together, you do not reach into Carver County and those are fast growing suburbs. Also, along Technology Drive, between Mitchell Road and Southwest station, are several very large employers and the basis for UnitedHealth Group going into another very large entity where they own land. At some point, taking everything in and out of Southwest

station alone you have some severe traffic issues. Mr. Brian Lamb said to Council Member Nelson's point, that is absolutely right and consistent with option number three. It says in order for the light rail to locate at Southwest station there will be a need to replace, spot for spot, the currently used bus park and ride spot. Whether that is at that location or Mitchell Road or a combination of spots, it is saying essentially that to the project cost that you would be able to end the station there and then figure out how to ultimately replace the 900-1,000 spots within the cities vision of where those spots are best located. Council Member Nelson said Southwest Transit has to approve our going into there and some discussion is going on about that. We do have to be invited in. Also, their headquarters are located there. Mayor Hovland confirmed the ramp is full everyday and if we co-locate with Southwest station, we have to think about building another park and ride. Mayor Schneider said the dollar amount for savings on Option #3 is not accurate, as you factor having to do something to replace that parking. It makes no sense to disconnect the Southwest Transit with the light rail. The region would benefit by having those two co-located at the Southwest LRT station. I would consider truncating the line at Southwest station and adding the parking capacity to do that, and have funds available to pay for all the freight rail co-location issues for the Kenilworth and then be able to incrementally add that on in the future when funds are available for an extension of the line. Mr. Lamb said as a rule of thumb, for structured parking it is between \$15,000-\$20,000 per space. At 1,000 spaces, would be \$15-\$20 million net impact on the overall budget. If you are going to look at option three with its range of up to \$85M, you probably have to subtract \$15-\$20M regardless of the funding source. Mayor Hovland said he likes Mayor Schneider's idea and that we should try to co-locate bus and LRT and figure out a way to solve the parking issue. Mr. Lamb said this bears more discussion between the project office, Southwest Transit, and Eden Prairie because there are many options available including building more than one facility to off set any loss in park and ride capacity at Southwest station. If you look at the resolutions that have been passed, that provides some really difficult operational considerations that this committee and ultimately the Met Council needs to take a very close look at. For example, the idea of having exclusive park and ride spots that would say if you are taking LRT, you cannot use this available spot and that becomes impracticable on a daily basis. What is important from a regional perspective is branding. This is a \$1.5 Billion investment. The resolutions state that the branding remains to be Southwest station and I think that needs to be reconciled at some point. There are other components of the resolutions that provide some real challenges for us moving forward. Co-location is going to be a very difficult process to make work, not only on the front end, but ultimately when you have two providers in the same spot that operational considerations get to be very challenging. The heart of Option #3, is just saying that if the line truncates at Southwest station and recognizing there is a viable and long term bus service that needs to be made whole that this is in the realm of the savings that you might incur that \$90M minus, liberally even if you assume the replacement of their offices and other things, upwards of \$18-\$20M.

Mr. Fuhrmann presented an aerial of the Southerly Connection. Commissioner Callison said based on the golden auto site, I would be hard pressed to pay \$6-\$7 million for an easement across that site and not inclined for this project to bear that cost. Commissioner Dorfman asked for clarification on the relationship and impacts connection between the CP swap, the Southerly Connection, and the Switching Wye. Mr. Fuhrmann said assuming the CP swap, there needs to be some substitute southerly connection. The reason is current shippers to the south are currently served by CP and/or TC&W. We believe there would be some requirement that would need to call for a continuing ability to serve to the south on that MN&S Corridor. They cannot use the wye if freight rail moves to the north assuming a swap. Mayor Hovland asked if there is a staff recommendation on whether we should or should not do the CP swap? Mr. Fuhrmann said our staff position has been to implement the CP swap and implement a Southerly Connection as we have incorporated that in the base scope budget. Mayor Hovland said with respect to the potential cost savings that I think we need to factor in, is that there are about a half dozen homes on the east side of the trail between the channel bridge and the Burnham Road bridge, that somehow we are going to have to mitigate. Mr. Fuhrmann said mitigation dollars are not included, so that would be a reduction in savings that we itemize.

Mr. Fuhrmann presented the locally preferred betterments list based on input we heard from the five cities and county. The list shows costs associated with each betterment that would be included in the base if identified.

Mayor Schneider asked when the prioritization of betterments will take place. Mr. Fuhrman said an action to prioritize contingency uses would be in concert with FTA when we create our contingency plan. At “x” percent complete FTA allows “x” dollars of contingency at each release point over time. Commissioner McLaughlin asked when is the next iteration of cost estimates going to be created and when do we get locked into a number? Mr. Fuhrmann said our current plan is to make application to FTA in the late spring 2014 timeframe and move to the next step of engineering. At that time we have to refine these project cost estimates. Upon approval to enter that engineering phase, FTA will say their 50% share is locked in at that point based on that estimate that we would be making in about 9 months. We would make a subsequent application for the Full Funding Grant Agreement (FFGA) and say our participation is at that level and if there is any additional cost, it is a local responsibility. Commissioner McLaughlin asked if we will have some different cost estimates in the May/June timeframe. Mr. Fuhrman said that is correct and reflective of our completed 30% design diagrams and plans that are the basis for refining all of these cost estimates.

Mr. Bill James asked if there is a date for publishing the SDEIS? Ms. Nani Jacobson said we are targeting a first quarter 2014 publication date of the SDEIS. Council Member Spano said the St. Louis Park school sent a letter to SWCMC and Met Council outlining some concerns they had and I was wondering if staff had an opportunity to look at that and when they might see a response. Chair Haigh said we have received that letter, reviewed it, and taking it into the record. I do not know that we were planning to prepare a specific response.

Mr. Wagenius said it is my understanding that yesterday when TTCI declined to take up the work that was offered to them, they never indicated that the work could not be done. They simply said the work would not be done by them because of their conflict of interest. I understand they indicated that there are other firms that could be used to do that work and not have that conflict of interest. I appreciate that this just happened yesterday and staff may not have had a chance to develop a detailed response but I am assuming that we are going to hear back from them subsequently about how the questions we committed to answer and study we committed to do is going to be completed. Chair Haigh said at this point, I am prepared to come back with a recommendation from the project office about the final budget for the staff. I think we really made a good faith effort to get the additional information that has been requested by the Mayor and City of Minneapolis and I am not sure with our goal of trying to invite each of the cities to provide their municipal consent process prior to the legislative session that we can delay and spend more time trying to find additional experts. That is the approach that we would like to take right now. We did not hear any offers of other experts at that meeting yesterday and we feel that the experts that were hired by the project staff to do the design on the freight rail alternatives have done a thorough and good job. Our policy question is what choice do we make and that is the discussion we will have next week.

Mr. Wagenius said just a couple of weeks ago we were talking about a commitment to give a serious look, so we would be in a position to push back against the railroads desires and that was part of the rationale for being willing to narrow down our list of options. This is not Mayberry where there is one doctor, one lawyer, one guy that works at the railroad. I am disappointed to hear that. I also want to be recorded as voting no on approval of the minutes for the September 4 and September 11 meetings. At that time I indicated a concern about a potential conflict with TTCI not being able to do the work because of their relationship with the railroads and that is not reflected in those minutes. Chair Haigh said staff will go back and look at those minutes and if Mr. Wagenius would like to withdraw his request we could have these minutes approved again. Mr. Wagenius said that would be fine. Chair Haigh said next week we are going to have a discussion on the full project budget and we will be making a recommendation.

The meeting adjourned at 10:45am.

Respectfully submitted,

Lynne Hahne, Recording Secretary