

Metropolitan Council
Beth El Synagogue, 5224 W. 26th Street, St. Louis Park, MN 55416

Meeting of the Southwest Corridor Management Committee
May 6, 2015

Members Present	Chair Adam Duinick	Matt Look	Nancy Tyra-Lukens
	Jan Callison	Scott McBride	Marion Green (Alt)
	Jason Gadd	Peter McLaughlin	Jake Spano (Alt)
	Linda Higgins	Jennifer Munt	Peter Wagenius (Alt)
	James Hovland	Will Roach	
	Brian Lamb	Terry Schneider	
Members Absent	Keith Bogut	Betsy Hodges	
	Dan Duffy	Jeff Jacobs	

1. CALL TO ORDER

Chair Adam Duinick called the May 6, 2015 special meeting of the Southwest Corridor Management Committee to order at 1:05 p.m. at the Beth El Synagogue.

2. APPROVAL OF MINUTES

Chair Duinick presented the April 1, 2015 SWLRT Corridor Management Committee meeting minutes for approval. Commissioner Jan Callison made a motion to accept the minutes, Mayor Terry Schneider seconded it, and the motion was then unanimously approved.

3. PROJECT BUDGET AND SCHEDULE UPDATE

Mr. Mark Fuhrmann provided an overview of the increased budget and schedule delay. The process of the Project Development phase was explained. When the DEIS was developed in 2012, there was approximately 1% of the design complete. With municipal consent the design was at 15 - 20%. Currently SWLRT is at the mid-project development phase, at about 40% of the design level of detail. We are working towards completing the 60% engineering plans in September, 2015 and then have the construction bid packages in 2016.

At the municipal consent level, the level of design included the desk review of the environmental site assessments identifying station footprints, general track location, grade and facilities. There are 16 miles on this project, with 42 structures, of which 34 of the structures being bridges of different types. The soil composition needs to be identified for this structure work. We are now completing our soil survey work. The additional technical due diligence work has shown us the additional level of detail of the soft soil conditions and engineering needed to address those conditions. With the cost applied to this work, it will be an additional \$341M. Commissioner Higgins asked if there will be another budget update at the 60% level. Mr. Fuhrmann responded that we typically provide budget updates at 30%, 60% and 90%.

The cost contributors for the \$341M increase include three main areas: environmental, where additional contaminated soils were found; engineering requirements, which are mainly driven by more soft soils that have been identified; and operational and safety requirements. There will also be additional property acquisitions and retaining walls needed due to the soft soil. The delay will also add to the cost. The project budget table was reviewed.

Mr. Fuhrmann reviewed some of the primary cost drivers for the areas. For guideway and track, there is an 80% increase in the retaining wall needs. Also, additional support is needed for the tunnel. For the stations, the cost drivers include joint development at Blake Station, which is non-CTIB/HCRRA funded; and a need for a vertical connection at three of the stations. Mayor Hovland asked for the cost breakdown for the stations, including the cost of the Penn Station, with the stairs and elevators. Also, what is the cost of extending the line from Southwest to Mitchell Road? Mr. Fuhrmann stated the approximate cost of extending the line is \$110M for the last mile and station, from Southwest Station to Mitchell Road Station. Mr. Fuhrmann stated that he does not have the station breakdown of costs, but the standard station will cost approximately \$5M, and the vertical connection will add \$5 - \$10M more.

Cost drivers at the OMF include additional contamination identified from the field work, along with higher movement of water across the site, which would require a culvert to contain the water. Additional businesses were impacted that would now require relocation. For systems, items included additional safety measures, including adding 5 gated LRT crossings. FRA suggested gating five shared LRT/freight crossings to meet FRA requirements. For non construction items, an additional 11 acres would need to be purchased; with an increase of 99 building occupancies, of which 43 are mini-storage units. FTA counts each of these storage units as one business. We also need the use of one more train, due to the more refined speeds that were identified due to the curves of the alignment.

Mr. Fuhrmann reported that the Supplemental Draft Environmental Impact Statement (SDEIS) has been reviewed by the FTA and will be published by the end of May. There will then be a 45 day public comment period with 3 public hearings held. Mr. Fuhrmann went through the updated project schedule, which shows the Record of Decision (ROD) being issued Q1/Q2 of 2016; and the Full Funding Grant Award (FFGA) issued in Q4 of 2016. Heavy construction would then be 2017 – 2019, with the revenue service date being 2020.

Mayor Tyra-Lukens asked about the additional vehicles and what is the new delta for travel time from Mitchell Station to downtown? Have the impacts on ridership been factored in? Mr. Fuhrmann responded that the additional travel time is an additional 6 minutes from Mitchell to Target Field. This needs to be factored in then from Target Field to Union Depot, which then brings the speed and train route as needing an additional train to maintain the 10 minute spacing along the 27 miles from Mitchell Road to Union Depot.

Mr. Peter Wagenius asked if there is availability to run some trains as two car trains rather than three car trains at various times, similar to the way Hiawatha did in the beginning. Mr. Fuhrmann stated that Hiawatha did operate two car trains until there were enough trains purchased to run three car trains. Metro Transit's Service Development closely monitors these loads. We will continue to refine and update the ridership forecast based on the travel time and updated input data from our regional model. The overall demand will be refreshed to see if we can run two car trains at times.

Mr. Wagenius asked how the projected ridership for year one compares to the experienced ridership of Hiawatha for those first years. Mr. Fuhrmann stated that the opening day ridership forecast is at 25,000 passenger boardings. On Hiawatha the opening day was forecasted at 19,000, and we were operating 24,000 – 25,000 riders per day. This has grown and from 2006 on it's been in the 29,000 – 31,000 passengers per weekday average. Mr. Brian Lamb referenced that it's not just what is needed for the peak, but we also need the spare ratio. The standard spare ratio for trains is 20%. In order to meet a fully vetted 3-car train it's 3.6 cars.

Mr. Jake Spano asked where the shared at-grade crossings will be located. Mr. Jim Alexander responded 5th and Blake in Hopkins; Wooddale and Beltline in St. Louis Park; and 21st in Minneapolis.

4. PROJECT OPTIONS WORK PLAN

Mr. Fuhrman reported on the four segments of the work plan. The first is to conduct a transit options review. This includes looking at some of the alternative analysis work that was done by Hennepin County. This will be updated with new census and input data. The second item is to have a third party performing a construction cost estimate review. The third will be to conduct a technical capacity review, which will be performed by an outside consultant to look at these management structure and processes that we have done over the last three years and how can they be improved upon. The fourth item is to identify potential cost reductions.

Commissioner Matt Look asked what the estimated cost of the third party review is? Mr. Fuhrmann responded that the transit option review will be conducted in-house, pivoting from the Hennepin County work that was previously conducted. The construction cost estimation review is being done under an existing contract by a third party engineering consultant firm known as the peer review consultant. There was flexibility built in that allows us to issue up to ten task orders for that firm to look at situations such as this cost estimating review. They will do a 30%, 60% and 90% review, with the 30% review completed. The value of the contract is \$3.5M over the course of 3 - 4 years. For the technical capacity review, Met Council is looking to bring in a third party consultant to do this work.

Commissioner Look asked how much of the SWLRT corridor is parallel with heavy rail track. Mr. Fuhrmann responded there is heavy rail in existence with BNSF's Wayzata subdivision from Target Field Station, moving west for a little over a mile; we also parallel the HCRRA owned track where TC&W operates in the Kenilworth Corridor. In St. Louis Park into Hopkins, LRT runs parallel to the Canadian Pacific freight rail. Commissioner Look asked what options exist to run commuter rail through this area, as this corridor will have more commuting type needs. Mr. Fuhrmann responded that this was dismissed in the Alternatives Analysis, due to having it be only a single track operation and it would be inter-mixed with the freight rail. With Northstar, it is double track which allows much greater flexibility to move freight and passenger through the same corridor. Mr. Fuhrmann also stated that the forecast demand for 2030 is approximately 34,000 – 35,000 passengers per weekday. Northstar has a capacity of 4,000 – 6,000 passengers per weekday. We would not have the train capacity for this corridor.

Mr. Fuhrmann said there are four transit options, which include: no build, which is a do nothing approach; enhanced bus, which is to increase the frequency of bus service and operate on the existing road network; bus rapid transit, which is more frequent, longer service days and would operate on the dedicated right of way that HCRAA owns; and light rail transit option, which is the 16 mile, 17 station option. The key metrics identified to evaluate these four options include cost; ridership; travel time and reliability; access to jobs; and economic development.

Commissioner Callison asked if the no build option assumes there is road construction that will accommodate growth in the area? Mr. Fuhrmann stated the no build looks at the same horizon year. It would assume there would be road improvements per the transportation policy plan in the long range capital improvements.

Mr. Fuhrmann presented the schedule for the work plan, which is to have the preliminary results of the transit options review scheduled to be presented to CMC in early June. The Peer Review consultant is

working on the construction cost estimate review, and we hope to see this report in early June. For the technical capacity review, a management expert consultant will be brought in to review how we can manage more efficiently. This will be held in May, with the results in June. The fourth task is the potential cost reduction options. We will invite any cost ideas that the SPO will then evaluate. We have been working closely with Hennepin County staff this week to develop a list of ideas.

Mr. Fuhrmann went through the scoping principles, which were adopted in March of 2013. We are currently rated as a medium high with the FTA, which we will strive to maintain. We want to avoid any adverse impacts for further delay to the schedule. Mr. Fuhrmann went through the New Starts rating components, which are 50% project justification and 50% financial rated. In February, the SWLRT project went from a medium rating to a medium-high.

Mr. Fuhrmann shown the sample matrix that was created. This will be populated with the list of scope items that will be identified to be evaluated against the criteria.

Councilmember Spano asked if the delay to 2020 would push into a different construction season? Mr. Fuhrmann responded that yes, it will push us into a new construction year. We had hoped to start heavy construction in 2016, and now it will be 2017. We are still striving for the full funding grant agreement (FFGA) by the fall of 2016.

Mayor Schneider stated the sample matrix is critical for analyzing the potential savings. Another factor to consider is operational costs. Mr. Fuhrmann agrees that the operating cost is critical and will be added to the matrix. We are looking into items that can be consolidated for the day to day operations, and some ideas to consolidate in the OMF would be the paint and body shop and the wheel truing area. SPO is working with Rail Operations on these ideas.

Mr. Will Roach asked about the contingency. Mr. Fuhrmann said that with the new estimate, we are carrying 27%, or a little over \$400M cost contingency. FTA is the one who makes the determination of the contingency percentage. Mr. Roach asked if some of these dollars are unused, can that then help us in the potential cost savings? Mr. Fuhrmann stated that FTA does not allow us to tap into the current contingency. This is in a holding area until FTA does their final review. Once complete, it is then part of their recommendation for the project to move into engineering. Under current federal guidelines, FTA will then lock in on the cost of the project for their 50% participation, along with locking in on the contingency.

Commissioner McLaughlin stated there was positive discussion at the CTIB meeting this morning. It was suggested at this meeting that the cost savings of \$341M should be shown on the bottom of the matrix and move forward from there. It was the hope at CTIB that through multiple efforts, we could identify a cost savings and produce a level of savings and come back to the budget number we had before.

Mayor Hovland agrees the target should be to reduce the cost by \$341M. He feels it is important to keep in mind we are trying to build a system. We shouldn't go back and look for a reroute. He feels we should stay with the route and mode type chosen and approved. There are six other projects with medium high rating around the country, and we need to be mindful of the cost effectiveness rating so we can maintain our rating. The goal should be to get our full funding grant agreement signed by this president. Mayor Hovland thanked the SPO for all the work they have been doing on this.

Mayor Schneider said each city should have their ideas, with the Project Office using their expertise on evaluating them. The primary list should come from the project office. Mr. Fuhrmann stated that the project office will come up with a slate of options that will total more than \$341M. We will then look to the CMC to help find the right balance of cost reductions. There will be three lists of reductions, the \$1M - \$9M; the \$10M - \$99M; and those cost reductions that would be greater than \$100M.

Councilmember Jennifer Munt stated that at the recent Community Advisory Committee (CAC) meeting, they all were in favor of keeping this project moving forward. No one mentioned that we should consider anything other than LRT. The CAC stands ready to help reign in the cost of the project. It would be helpful to have the matrix populated with the menu of options. When any project gets to the 40% phase, this is when you have to revisit the scope and reign in the costs. This has been done successfully on three prior projects, which have been completed on time and on budget and she has full confidence that this can be done on this project.

Mr. Roach mentioned the Business Advisory Committee (BAC) also met and the businesses truly believe this line will give access to jobs and should move forward. They are looking for what changes can be made to make the SWLRT line viable, workable and affordable.

Commissioner Look reminded that this project started as a \$1.25B and then moved to \$1.65 and now is at \$1.99B. The current price is going up and needs to be reviewed. This is an extension of a line, not a new line. He said the ever increasing cost needs to be reined in.

Council member Gadd stated that the city of Hopkins remains fully engaged. It's not just what is happening in the southwest corridor, but the entire system for the region. We also need to look at the long term impact. If we cut park and rides down, then in 20 years when they are needed, what is the additional cost going to be. The cities all work very well together along this line, and it is now up to us to maintain this partnership and look at ways to make sacrifices and ways to cut the cost.

Commissioner Callison stated we do need to find a way to bring the costs down, which we are committed to doing. We all need to work together as this is a critical project for our region and we have been committed to this project for decades. This region works together and these communities will find a way out of this. We will meet the expectations and this project will be cost effective and create what is needed for the communities in our region.

6. UPCOMING CMC MEETING SCHEDULE

Mr. Fuhrmann went over the upcoming CMC meetings, which will be on May 20, June 3, June 24 and July 1. These will be check in and progress report meetings. At the May 20 meeting, SPO will give the CMC the report on the cost reduction. At the June 3 meeting, we will give the report on the transit options along with the construction cost estimate that the peer review consultant is working on. On June 24, we will come back with the independent consultant review on the management practices of the project as well as further deliberations on the preferred mode and the scope and budget of that option would be. At the July 1 meeting, the CMC would provide a recommendation that would then be forwarded to the Met Council. This is a 60 day work plan. We would then assemble the package that needs to be submitted to FTA on September 1.

Commissioner Higgins asked if the July 1 meeting could be moved back a week, due to the 4th of July holiday. Mr. Fuhrmann said the following week may also be hard to get attendance due to the 4th of July. The July 1 would be one week before the Met Council meeting of July 8. Chair Duinick

mentioned this will be looked into, but feels that it is important to have this benchmarked to be resolved by the first week of July.

7. NEXT CMC MEETING

Chair Duininck mentioned that the next May CMC meeting will be May 20 at 10:00 a.m. The location will be emailed to members, as it will either be at St. Louis Park City Hall or back at Beth El.

7. ADJOURNMENT

Meeting adjourned at 2:25 p.m.

Respectfully Submitted,

Dawn Hoffner, Recording Secretary