

Minutes of the

SPECIAL JOINT MEETING OF THE TRANSPORTATION & MANAGEMENT COMMITTEES

May 23, 2018

LOCATION: Metropolitan Council Chambers, Saint Paul, MN

Committee Members Present: Chair Katie Rodriguez, Co-Chair Steve Chavez, Gary Cunningham, Deb Barber, Steve Elkins, Richard Kramer, Marie McCarthy, Jennifer Munt, Edward Reynoso, Lona Schreiber

Committee Members Absent: Jon Commers, Gail Dorfman, Cara Letofsky, Harry Melander, Sandy Rummel

TAB Liaison Present:

CALL TO ORDER

A quorum was present when Chair Rodriguez called the special joint meeting of the Council's Transportation & Management Committees to order at 2:03 p.m. on Wednesday, May 23, 2018 in the Metropolitan Council Chambers, Saint Paul, MN.

APPROVAL OF AGENDA

Motion by Schreiber, seconded by Elkins to approve the agenda. Motion carried.

BUSINESS

Consent Items:

1. There were no consent items on the agenda.

Non-Consent Items:

1. **2018-127:** Southwest Light Rail Transit (Green Line Extension) Revised Budget
Metro Transit Transit System Development SWLRT Assistant General Manager Jim Alexander presented this item.

Elkins asked what impact this has on the footprint of the area. Alexander said that the plan is to stay within the existing footprint. Alexander added that they have title possession of all of the parcels and are exploring how best to have the four parcels turned into one. Elkins asked if it was true that since most of the land has been acquired and businesses relocated, if this ends up being a smaller footprint it could create additional redevelopment options for Hopkins. Alexander concurred but said the components will take up a large amount of space. Munt asked how many jobs are being created at the rail support facility. Alexander said it has been estimated that 70-80 jobs will be created. Reynoso asked if labor cost increases are expected. Alexander answered that unemployment rates have remained relatively steady, so the challenges are similar. Cunningham requested the priority order listed for the cost drivers. Alexander shared that the cost drivers are examples, not in a hierarchical list, but steel and fuel prices are significant, copper and labor will also be components to monitor. Cunningham commented that when the bids were put out, there were individuals who had mentioned that steel costs would be up because of hurricanes, he asked if that had come to pass. Alexander answered that the bids were still close and there are a lot of factors that go into bids so speculation is difficult. Reynoso asked if the increase of steel prices has a correlation with the steel tariffs created by the Trump Administration. Alexander

answered that Metro Transit met the contractor halfway by fixing an index to April on steel prices.

Co-Chair Chavez commented on steel pricing indexing and asked if there is the opportunity in the project to do any hedging in either direction for steel or diesel fuel. Chavez asked that Metro Transit think of ways to be creative to mitigate expenses. Munt asked why Hennepin County has to contribute 204 million if the cost increase is 145 million. Alexander answered that it is because of in-kind land donation to draw the overall budget down. Rodriguez said that Hennepin County is not contributing an increase, it is the same amount had the in-kind land donation been kept in. Cunningham commented on the 14% of contingency being held and asked what the national average contingency kept for these projects is and if the Federal Transit Administration (FTA) has accepted 14% as a contingency on any other project across the country. Alexander said that the FTA looks at the overall risk on the project. Metro Transit Deputy General Manager Mark Fuhrmann shared that he monitors peer projects and a 14-16% contingency range is typical, but it's based on the project's risk profile so this summer the FTA will recommend a contingency. Cunningham asked for clarification that if there is an increase, it will have been prompted from the FTA. Alexander said that while a risk assessment was done already done with the FTA and now a risk refresh must be done to evaluate the current situation. Cunningham asked if there are other risk areas for this project that may be on the contingency piece that could increase the project by more than 3 or 5 %. Alexander expressed his confidence in the current number, he answered that the purpose of the contingency is to account for unknowns. Munt asked when the groundbreaking will take place. Alexander answered that activity will start taking place in the fall. Schreiber thanked Alexander for his work spelling out acronyms used in the narrative. Cunningham asked for more background on the composition of the committee. Alexander said it was modeled off of the Executive Change Control Board (ECCB) with Counties Transit Improvement Board (CTIB). Cunningham asked if the Transportation Committee approved the composition. Alexander answered that this is a new configuration but based off of the CTIB composition which he thinks the Transportation Committee approved. Cunningham asked if the representation proportions are the same as CTIB. Alexander expounded on the CTIB differences. Fuhrmann said the CTIB ECCB composition has slightly changed with Southwest. Munt and Rodriguez voiced their appreciation for staff finding cost savings while not sacrificing the benefits to the public.

Motion by Munt, seconded by Reynoso:

That the Metropolitan Council take the following actions related to Southwest Light Rail Transit project:

- Approve the updated cost estimate of \$2.003 billion as the project budget; and
- Acknowledge the revised project schedule that anticipates a revenue service year of 2023.

Motion carried.

2. **2018-128:** Southwest Light Rail Transit (SWLRT) Green Line Extension Third Amendment to the Cooperative Funding Agreement with HCRRA

Metro Transit Transit System Development SWLRT Assistant General Manager Jim Alexander presented this item. There were no questions or comments from Council members.

Motion by Munt, seconded by Elkins:

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute the Third Amendment to the Cooperative Funding Agreement with HCRRA for the Southwest LRT (Green Line Extension) to:

- Extend the funding agreement to August 31, 2018;
- Increase the amount of HCRRA's share of project funding by \$4,219,863 (from \$63,269,282 to \$67,489,145); and

- Further clarify roles and responsibilities regarding use of contingency, liability and insurance in the corridor, financing federal grant reimbursements and costs associated with the unlikely event of a project shutdown and procedures for collaborative decision making.

Motion carried.

3. **2018-129:** Southwest Light Rail Transit (SWLRT) Green Line Extension Fourth Amendment to the 2017 CTIB Capital Grant Agreement

Metro Transit Transit System Development SWLRT Assistant General Manager Jim Alexander presented this item. There were no questions or comments from Council members.

Motion by Munt, seconded by Reynoso:

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute the fourth amendment to the 2017 CTIB Capital Grant Agreement for the Southwest Light Rail Transit (SWLRT) Green Line Extension to:

- Extend the 2017 CTIB grant from May 31, 2018 to August 31, 2018;
- Increase the spending authority by \$4,431,337 (from \$179,834,921 to \$184,266,258); and
- Further clarify roles and responsibilities regarding use of contingency, liability and insurance in the corridor, financing federal grant reimbursements and costs associated with the unlikely event of a project shutdown and procedures for collaborative decision making.

Motion carried.

INFORMATION

1. There were no information items on the agenda.

ADJOURNMENT

Business completed, the meeting adjourned at 2:58 p.m.

Jenna Ernst
Recording Secretary