

Metropolitan Council

Meeting of the Southwest Corridor Management Committee
February 2, 2022

Members/Alternates Present	Chair Charlie Zelle Asad Aliweyd Molly Cummings Dan Duffy	Irene Fernando Debbie Goettel Patrick Hanlon Jim Hovland	Chris LaTondresse Will Roach Jake Spano Brad Wiersum
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1. CALL TO ORDER

Chair Charlie Zelle called the February 2, 2022 meeting of the Southwest Corridor Management Committee to order at 10:00 a.m. and welcomed attendees.

2. APPROVAL OF MINUTES

Chair Zelle presented the December 1, 2021, SWLRT Corridor Management Committee meeting minutes for approval. Dawn Hoffner read a correction she received which was: Under Item #4, the sentence was changed to read: Commissioner LaTondresse commented that the dollars spent for redevelopment has already been \$1.6B. Mayor Hovland made a motion to approve the minutes. Commissioner Goettel seconded the motion. Mayor Wiersum abstained from the vote as the Mayor did not attend the December meeting. After a roll call, the minutes were approved.

3. CHAIR'S UPDATE

Chair Zelle provided some insight on the recent project delay and increase and thanked the CMC as they show their support during this time. This project will address the associated costs and schedule delay. Chair Zelle introduced Jim Alexander, SWLRT Project Director, for the Project update.

4. PROJECT UPDATE

Mr. Jim Alexander, SWLRT Project Director, provided detail on the main items the Council is working on with the Civil construction contractor, LMJV on the settlement agreement. There are three key challenges; first is the addition of the corridor protection wall to the project, second is the unforeseen conditions related to the Kenilworth tunnel construction including the addition of the secant wall, and the third component is the addition of the Eden Prairie Town Center station. Jim reported the Council continues to engage its engineering consultant to provide their expertise on Project issues. We also brought on the independent expert firms of Venable and Trauner to help with settlement agreement as well as scheduling and costs.

Due to the challenges, we need to add time to the schedule to complete Civil construction, and we are working with LMJV on a settlement agreement to address schedule and cost issues. An additional approximately 34 months will be needed to complete the Civil work, which brings us to third quarter of 2025 to complete Civil construction. Once we have agreement with LMJV on the Civil construction schedule we will need a revised schedule and cost for the follow-on Systems work, along with supporting contracts and testing. This will lead us to a revised Project cost and revised opening day, which is now projected to be in 2027.

Project staff has authorization from Met Council to proceed with completing negotiations on the settlement agreement. The Executive Change Control Board (ECCB) on January 28 approved advancing the settlement agreement, and at a future ECCB meeting the board will consider the final approval of the negotiated settlement agreement. The approvals include the negotiation of a settlement agreement up to \$210,000,000, which would come from Project contingency. The agreement will include a mediation process to resolve outstanding issues, followed by arbitration if needed.

We are looking at modifying our testing approach to help with the timeline to opening day by performing testing in segments, from west to east up to the Kenilworth tunnel and from Target Field to the tunnel.

Chair Zelle said we are committed with our partners to go forward and solve the funding gap and finish the project, and we are working with our funding partners to identify funding solutions.

Jim reviewed some comparisons of project costs from peer agencies including Portland, Seattle and Houston. We are under the cost per mile of many comparable projects. With our projected added costs, the Project would be about \$180M to \$190M per mile, where comparable peer projects run well above that and are between \$200M – \$500M per mile.

Construction highlights and images were shown of the stations, bridges and tunnel work. A video was shown of the Kenilworth tunnel work.

Jim shared the statewide economic impacts from the Project. 65 out of the 87 Minnesota Counties have someone bringing home a paycheck from the Project.

For outreach, staff will be holding Town Halls and attending City Council meetings in March. We will continue our regular construction updates via emails, and tours will begin again in the spring.

Chair Zelle appreciates the information given and asked for feedback from CMC.

Commissioner Goettel asked if the trains that are already on site will be used prior to the project opening or will they be kept in storage. Jim responded that 26 of the 27 trains are here and currently undergoing commissioning. We are also installing additional security cameras on the trains. The intent is to have the trains in revenue service once commissioning is completed and camera equipment is installed.

Mayor Spano asked for a better sense of why some items such as not being able to use traditional piling methods weren't identified when we went from preliminary to final engineering. Also, when the bids were going out and the crash wall was identified, what was the detail in there that we didn't know the cost?

Jim responded on the Kenilworth tunnel, it was identified during preliminary engineering that due to potential impacts to nearby residential buildings, sheet piling, which was planned to be used for the support of excavation to construct the tunnel, could not be installed with traditional methods such as using impact or vibratory hammers. The Council's consulting engineers evaluated options for the support of excavation for the tunnel. Based on their advice, who considered input from suppliers that provide equipment that minimize vibrations as well as input from specialized geotechnical and construction firms, the engineers recommended that a hydraulic press-in piler be used to install the sheets to minimize vibration impacts.

However, during construction the contractor was not able to install the sheets to the required depth with the press-in piler alone, so the contractor, with advice from the equipment supplier and input from the engineers, had to use an auger to drill into the soil ahead of the sheets as the sheets were being pressed into the ground. This caused ground settlement next to the sheets and resulted in delays. Being so close to the condominium building and parking ramp, out of an abundance of caution staff requested that the engineers evaluate an alternative support of excavation method adjacent to these structures. The engineers determined that a secant wall could be used in lieu of the sheets. This resulted in additional delays to develop the design plans for the secant wall and for the contractor to re-sequence tunnel construction. With these issues, the contractor needs more time to build the tunnel, which is the primary driver to the overall schedule delay.

Regarding the crash wall, this element was not in the bid documents as it was under environmental review at the time. This was a known risk during the procurement by the funding partners. The wall was subsequently added to the Civil construction work by a change order. The initial cost estimate for the wall did not adequately take into account the complexities of building adjacent to active freight rail.

Mayor Spano stated we need to look at ways to move forward with the project. What conversations with the Governor's office, State or FTA have we had to talk about our flexibility and to assess our options moving forward. Also how do we plan to share publicly our plan on how these will be funded? As a CMC, we need to be more involved. Perhaps every other month be high level meetings and the opposite months be more in detail. Encourages Met Council to reevaluate how engagement with partners and public is held. Need the public to feel confident, and Mayor Spano said St. Louis Park is available to help in any way to bring this project forward.

Commissioner Fernando agrees, we need our communities' trust and we need to keep transparency. We are here to build a regional transit system to connect people to their jobs, health care, family and livelihood. Chair Zelle agrees, perhaps work sessions could be added for this group.

Mayor Hanlon thanked Jim for his presentation and offering the tours. We do need the cities to be involved and committed, and Hopkins is committed. Hopkins residents have been inconvenienced with traffic, trails detours, and the blight at the Shady Oak site as it is a storage site. We do need assurances that we will be on time, so developers can count on these timelines. Would like his staff and himself to be part of the communications for creative opportunities and options for Hopkins to be a marquee development site on the transit line.

Commissioner LaTondresse asked how the mediation process is similar to the way we go through change orders now. Jim responded we will first work with the contractor to resolve issues and will take unresolved issues to mediation. If we mediate, the mediator will give their opinion, and if we don't agree, it will go through a binding arbitration process.

5. CITY DEVELOPMENT UPDATES

Julie Wischnack, Community Development Director of Minnetonka, said that due to time, she will come back at a future CMC meeting to present, but reported that there are 1,400 units under construction in Minnetonka at this time, with half being affordable housing.

Kersten Elverum, Director of Planning and Economic Development in Hopkins shared their city developments. Some of the Hopkins projects were highlighted, with a major project happening every 3 – 5 years. Kersten went through some of their projects:

- Vista 44. This development was approved in 2019, breaking ground this summer. This is 4 stories, 50 units, and located between Shady Oak and Downtown Hopkins stations.
- Burnes Building – Trelis. This is 100% affordable housing to be located on Main Street and within walking distance to the Hopkins Station. There will be 43 units, moderately priced for families.
- Blake Road Station – Trilogy. This will be a 3-phase development with 770 apartments and 11,000 sf of retail. The first phase is currently under construction.
- 325 Blake – Alatus. This development will be 25% affordable housing, with 833 units and 18,000 sf retail. Hopkins is working with Watershed District on this one. Construction to start this summer. This will be near the Blake Station.

Kersten shared a video of the 325 Blake development.

Will Roach asked if there are opportunities to address park, trails and bike paths with the new schedule. Jim responded that agreements need to be in place with Three Rivers Park District and TC&W Railroad before we can open segments along the South Cedar Lake Trail. We are currently looking at opening the segment between Hopkins Depot to 11th Avenue South in Hopkins pending completion of construction and executed agreements. Another candidate is the segment between Beltline Boulevard and Wooddale Ave. Opening of other trails is further out and staff will provide projected opening dates later this spring.

7. ADJOURN

Chair Zelle thanked all for participating today. The meeting adjourned at 11:35 a.m.

Respectfully Submitted,
Dawn Hoffner, Recording Secretary