



Southwest Light Rail Transitway (SWLRT)

Business Advisory Committee Meeting

June 17, 2015

Southwest Project Office

6465 Wayzata Blvd, Suite 500

St. Louis Park, MN 55426

7:30 AM – 9:00 AM

Meeting Summary

BAC Members/Alternates in attendance: Dan Duffy, Will Roach, Curt Rahman, Duane Spiegle, Gary Orcutt, Rick Weiblen, Mark Gustafson

Agency Staff and Guests: Jim Alexander, Joan Hollick, Nani Jacobson, Craig Lamothe, John Welbes, Dan Pfeiffer, Sophia Ginis, James Mockovciak, Nkongo Cigolo, Alysen Neese, Greg Hunt, Katie Walker, Meg Beckman, Mathews Hollingshead

1. Welcome and Introductions

The meeting was called to order by BAC co- Chair Dan Duffy. Mr. Duffy welcomed the committee members and offered his appreciation to those present for making time to attend this extra meeting, pointing out its value to the CMC's process of deliberation on the future of the SWLRT. He stated that the purpose of this meeting was to get the BAC's feedback and recommendations on the different LRT proposals currently being considered to cut 341 million from the project in order to maintain the original budget of 1.65m. He also mentioned that he would like the committee to conclude this meeting with a formal statement to be presented to the CMC on June 24th.

The minutes of the previous meeting were reviewed and accepted without objection.

Construction Cost Estimate Review –

SPO's Joan Hollick presented. She provided an overview of the evaluation of the current construction cost estimate using the existing Peer Review Consultant (PRC), and a review of the SWLRT project budget quantities and unit costs compared with other LRT projects nationally, against industry standards, and, the PRC's professional experience implementing similar LRT projects. She concluded by stating that the current construction cost estimate is developed to an adequate level of detail with all major elements of the project accounted for. In addition, the cost estimate's level of accuracy is appropriate for this phase of project development, and is within range of cost for similar LRT projects. Finally, Ms. Hollick stated that there are elements of market risk remaining in the unit price and quantity cost estimate in areas of bridges, tunnels and retaining walls. A question was raised about the size of

the construction contingency, and the percentage represented in the costs projected in her presentation. She replied that the SWLRT contingency is approximately 28 percent.

3. Transit Options Review

The SPO's Craig Lamothe presented an overview of the methodology of the Transit Options Review, contrasting and comparing corridor transit options that included LRT, No Build, Enhanced Bus, and Bus Rapid Transit (BRT). He reviewed the transit options from previous analyses with updated data using the metrics of cost, ridership, travel time and reliability, and, economic development. Mr. Lamothe emphasized that the staff tried to make this analysis as comparable as possible. He concluded that the models found that the LRT had the shortest transit travel time, highest ridership and highest reduction to annual VMT; but also the highest capital costs and highest annual operational costs. The 'no build' option would cost nothing and provide no change in transit improvement. A committee member mentioned that there were costs indirectly in the maintenance of the current transit options. Continuing, Mr. Lamothe stated that the Enhanced Bus option represented the lowest capital and operating costs, but resulted in the longest travel times, lowest ridership and lowest increase to access for transit dependent riders. It also offered the smallest reduction to annual VMT. The BRT option had only slightly lower capital costs than the LRT, an annual operating cost comparable to the Enhanced Bus option; and, higher ridership than the Enhanced Bus. Nevertheless, it resulted in half the ridership of the LRT, 39%-43% of the LRT congestion relief, and in scheduled impacts due to restarting the New Starts, Environmental and LPA processes. A question was asked about whether or not the SPO had a calculated cost per rider for capital and ridership. Mr. Lamothe stated that it had been made, did not know the statistics off hand, and could get that information later. Another member asked if the BRT option, utilizing the basic alignment of the current LRT proposal would hurt the project's CEI scoring because it would be less environmentally friendly. Mr. Lamothe replied that by replacing a non-emission transit option with an emission transit option would require two bus 'platoons' emitting emissions with only half the ridership of the LRT, and further add to the current congestion downtown.

4. Potential Cost Reduction Discussion and Recommendation

The SPO's Jim Alexander presented a compiled initial list of potential cost reduction items, reduction scenarios, and the refined scenarios ending at Eden Prairie Town Center. These included grouped potential cost reductions (e.g. like changes to the OMF and/or deleting park and rides, etc.) and the range of cost savings for each item [of the 54] listed. He reemphasized the Corridor Management Committee's (CMC) guidelines for the cuts; that the reduction proposals must total at least 341 million dollars, forecast average weekday ridership of 29-30,000, and, must reflect shared sacrifice by all communities along the line. He went through Scenario A, ending at the Southwest Station, B, ending at the Golden Triangle; Scenario C, ending at Eden Prairie Town Center Station, and, Scenario D ending at Town Center at Flying Cloud Drive. Mr. Alexander also listed the Stakeholder Options/cuts up for consideration.

The committee went on to consider each Scenario, starting with Southwest Station. Mr. Lamothe stated that although maintaining Southwest station made sense to reach ridership goals, the cost of maintaining it and still reaching the necessary cost reductions would mean "gutting" the rest of the alignment of Park and Rides, depriving Minneapolis of stations, and still falling around 22 million dollars short of budget requirements. It was mentioned that Eden Prairie has stated that they want to

preserve the Southwest Station. A question was raised about whether or not property owners would sell their properties for less than market value in order to reduce costs toward this end? Mr. Alexander expressed receptivity to this idea, but noted that typically business owners were not that generous.

When the discussion moved on to Scenario B (ending at the Golden Triangle) it was stated that the Eden Prairie Council had little appetite for this option. Because while it achieved the financial goals, it did not meet the CMC's metric of spreading the reductions out throughout the communities along the line. The committee was reminded that the CMC were starting with the proposal to end at the Town Center somewhere, and ending at Golden Triangle as a last resort. The problem with Scenario B was that it took the ridership levels below the required threshold. The conversation shifted to a concern about how to duplicate the functionality of the Southwest Station in any of the alternatives where it was eliminated (e.g. how to replicate a transfer station for convenient access coming in by bus, car, etc.)? Mr. Alexander answered that it would present a number of difficulties.

The committee went on to consider Scenario C (ending at Eden Prairie Town Center Station). It was noted that while this spread out spending cuts along the whole alignment, they might be too deep and negatively impacted ridership numbers jeopardizing the project's FTA rating. A discussion began focused on the difficulties of developing adequate parking for this option. The current plans for street parking were no more than 120. Truncating the line would require "bulking" parking at the Golden Triangle Station to 710, and the public being directed there. Finding the space/property to develop parking at any of the proposed Town Center locations would be challenging. A comment followed about the lack of public visibility this Scenario posed. Mr. Alexander stated the hope that through a concerted "education campaign" the public would learn to park and ride at the Golden Triangle Station.

Finally, the committee talked about Scenario D (ending at Town Center at Flying Cloud Drive). Mr. Alexander stated that the EP City council was not enamored with this option because it precluded the opportunity to move west in the future. The issue of an adequate transfer station came up again, with the additional observation that the congestion on smaller roads would make the circulation of a transfer station very difficult. Questions were asked like 'how would feeder buses get out?', 'how would it affect traffic?', or, 'how would it impact the efficiency of intersections?': 'how would EP accommodate a ramp and ending the alignment at a station on Flying Cloud?' It was mentioned that this option would require municipal consent and this posed additional challenges to the development of the entire LRT. A committee member asked how future add-ons would be funded. Mr. Lamothe stated that the money would likely be all State and Local money. But, as in the case of the Phoenix LRT, there are Tiger Grants available to help alleviate the costs of future alterations covering up to 80% of the total cost. He also added that these funds are very competitive and not guaranteed.

Mr. Alexander mentioned an additional scenario being studied called C-Prime in which the final station would be located on Eden road in an alternative location.

As the discussion continued, Co-Chair Duffy reiterated that the purpose of the current alignment was to create access and connections to the major businesses and transfer stations in the SW Station area. General business feedback included the difficulty of retaining employees and the need for effective transfer locations. He reiterated his point of view that if SW station is eliminated its functionality would have to be replicated in any station at the end of the line. And it was difficult to imagine this within the scope of any alternative scenario currently being explored to end the line at Town Center. He also

mentioned that when the idea for the LRT was discussed years ago the consensus was if they went ahead it should not be cut short. He asked whether or not the cuts being proposed were consistent with the original intent of the project as it was originally envisioned? He also questioned the rationale of cutting the line so deeply that it potentially jeopardized the federal grant? Mr. Alexander stipulated that the final location of the last station in EP would not affect the grant. However, its impact on ridership, etc, could negatively affect the rating of the project, and therefore affect the grant. Mr. Duffy implied that SW Station is still the best option and perhaps CTIB and HCRRA would be willing to spend more money towards this end. Including the Federal matching funds, SW Station would cost around 85 million more in today's dollars after the deductions were made by eliminating Mitchell Station. Another member emphasized the importance of keeping in mind the reality of a reverse commute and that the traffic went both ways in and out of the city. Someone else stated the wisdom of spending the extra money now to avoid opening the 'Pandora's box' of having to go through the municipal consent process again in Minneapolis. The committee proposed cutting Mitchell station, saving the 100-125 million it represented, leaving the rest of the line as it was, and finding the extra money to match the federal grant. It was mentioned that the SW Station was important because it also factored largely into long term development plans the City had for its City Center location. They concluded that the difficulty of ending the line at a Town Center location was finding adequate parking. Cutting SW Station required gutting the Parking facilities throughout the entire line and made ridership goals troublesome. They were told that the CAC had arrived at essentially the same conclusion to recommend keeping SW Station and asking HCRRA and CTIP to find the extra money to pay for it. All things considered, it was tacitly agreed to that this was the best option for EP and the region, maintaining the original intent of the line, and avoiding gutting the project and deferring important elements in the service for an unspecified, unfunded future date.

As a result of this discussion a motion was made, seconded and agreed to by the BAC that all members of relevant committees considering the future of the SWLRT support ending the line at the Southwest Station, and, to avoid significantly impacting the rest of the project as currently developed and proposed.

5. Adjourn

Meeting adjourned at 9:10AM.