

Meeting of the Southwest Corridor Management Committee
November 5, 2014

Members Present	Chair Susan Haigh	Brian Lamb	Nancy Tyra-Lukens
	James Brimeyer	Scott McBride	Cheryl Youakim
	Jan Callison	Peter McLaughlin	Jason Gadd (Alt)
	Linda Higgins	Will Roach	Jake Spano (Alt)
	Bill James	Terry Schneider	Peter Wagenius (Alt)
Members Absent	Keith Bogut	James Hovland	Matt Look
	Betsy Hodges	Jeff Jacobs	

1. CALL TO ORDER

Chair Susan Haigh called the November 5, 2014 meeting of the Southwest Corridor Management Committee to order at 10:05 a.m. at the Beth El Synagogue.

Chair Haigh congratulated all those in attendance who were re-elected yesterday on their positions, and also to Councilmember Youakim who was elected to the State House. Chair Haigh welcomed Council Member Jason Gadd to the CMC, who is from the City of Hopkins.

2. APPROVAL OF MINUTES

Chair Haigh presented the September 3, 2014 SWLRT Corridor Management Committee meeting minutes for approval. Mr. Will Roach made a motion to accept the minutes, Commissioner Linda Higgins seconded it, and the motion was then unanimously approved.

3. PROJECT UPDATE

Mr. Craig Lamothe provided an update on the SWLRT project. Mr. Lamothe reported on the status of the Advanced Design Consultant procurement. One proposal was received, from an AECOM-led team. AECOM was the lead for the preliminary engineering consultant west team in the preliminary design phase. Negotiations will be starting soon, and we plan to award the contract the end of 2014.

Mr. Lamothe reported that environmental field work is continuing. The wetland and delineation work has been completed and we will continue wetland permitting coordination, which will go through the end of 2015. The Phase II environmental site assessment work started in October, and will stop for the winter months and start up again in the spring.

4. BAC / CAC UPDATES

Ms. Sam O'Connell reported on the Community Advisory Committee (CAC) and Business Advisory Committee (BAC), which are both shared committees who support the CMC as well as the Community Works Steering Committee. These groups have not met since April, and will be started up again as we advance our design. The purpose of the committees is to have a voice for the community, and provide input on items such as designs at stations, public art, the Operations and Maintenance Facility, bike, pedestrian and park and ride facilities. There will be a two-year term commitment for each committee member. Each committee will have co-chair appointments, whose duties will be to help develop the meeting agendas and identify topics of committee concern. Staff support will come from both SPO and Hennepin County.

The communities themselves will appoint the membership, based on the number of stations in each city. For the CAC, the membership will be five from Minneapolis and Eden Prairie; three from St. Louis Park and Hopkins; and one from Minnetonka. There will also be five members from the Corridors of Opportunity Engagement grantees and three at-large members appointed by Met Council and Hennepin County Community Works.

For BAC membership, the communities will appoint two members from each city. The Chambers of Commerce from Minneapolis, Twin West and Eden Prairie will each appoint one member, and the Met Council and Hennepin County Community Works will appoint up to five at-large members. The next step for these committees is to hold the kick-off meeting in January, 2015.

Mr. Will Roach asked how the role of BAC/CAC will change. Ms. O'Connell mentioned the committees previously focused on alignment, freight, and the broader impact that the project will have on the community. As we move into 2015 - 2016, we will focus more on stations, design and the start of construction. We will also focus on projects that Community Works will be involved in.

Mayor Terry Schneider mentioned that he would like to see two appointments from Minnetonka, since the Shady Oak Station is shared between Minnetonka, Hopkins and Eden Prairie. These cities will work together on this appointment.

5. EXECUTIVE CHANGE CONTROL BOARD

Mr. Mark Fuhrmann reported that resolutions were approved as conditions of CTIB's 30% share and HCRRRA's 10% share of the SWLRT project for the creation of the Executive Change Control Board (ECCB). The resolutions show the parameters of the ECCB and the jurisdiction they would have. The ECCB will have oversight of the Locally Requested Capital Investments (LRCIs) greater than \$75,000, along with oversight of change orders greater than \$250,000. The ECCB would also review at regular intervals all change orders less than \$250,000 as information items. The composition of the ECCB, as spelled out in the resolutions, would be a five member board, with three CTIB commissioners, one HCRRRA Commissioner and one Met Council member, who will serve as the Chair of ECCB. There would also be non-voting seats with one representative from each of the five cities. Mr. Fuhrmann said there will also be a Technical Advisory Group (TAG) formed, which will be a staff group supporting the ECCB. This group would be staff from CTIB, HCRRRA, the five cities, MnDOT and SPO.

The four criteria identified for a scope deferral or LRCI would be: to improve benefits to the regional system; to improve connectivity to the community by increasing ridership; to increase safety and security for patrons; or to reduce operating costs. Any one or more of these criteria met would allow for a LRCI to be potentially recommended by the ECCB for funding. Mr. Fuhrmann stated that at the October meeting with FTA, it was mentioned that FTA is reluctant to fund LRCIs from the project contingency and are expecting the locals to provide the funding at 100% non FFGA local funding. SPO staff has met with the project partner staff to share this message.

Councilmember Brimeyer asked the definition of scope deferral. Mr. Fuhrmann answered that this term, scope deferral, was used on the Central Corridor Green Line, where the scope element was not included in the base scope. The term we use now is LRCI, which is the same as scope deferrals and are add-ons after the base scope. The FTA was open for the Green Line using project contingency on scope deferrals. Mr. Fuhrmann emphasized that FTA is now less willing to have federal dollars pay for any of the locally requested capital investments, or scope deferrals.

Councilmember Brimeyer asked if a change order is something already in the scope as being approved. Mr. Fuhrmann said that change orders speak to the base of the project, and could be either contractor initiated, or initiated by Metro Transit. Mr. Fuhrmann said discussion is being held with CTIB and HCRRRA on what will constitute an emergency meeting of the ECCB to address change orders, as we don't want the process to cause a delay to the project or the contractor. We are currently defining what the emergency is and how and when these meetings would be called. Once defined, this will be brought back to the CMC.

Commissioner Callison asked Mr. Fuhrmann whether in his conversations with FTA, a sense of criteria they might apply in deciding whether or not to make contingency funds available. Mr. Fuhrmann said all FTA said was, if it were to be considered eligible for federal funds, it had to do with the operability of the SWLRT line. It would need to be a core item, not an add-on item.

Councilmember Spano said some items will change with the station area improvements as we move forward, such as with the TSAAP process where we engaged the community in what needs to happen around the lines. As items are fine tuned and pieces are brought into the project, how will those be funded? Mr. Fuhrmann responded that those items are carefully developed and fully disclosed so we are aware of them. In working through the municipal consent process last summer and approved by the Council of the base scope and budget, the immediate connections such as sidewalk connections may be in the base budget. Those additional TSAAP investments would need to be funded 100% locally.

5. LOCALLY REQUESTED CAPITAL INVESTMENTS (LRCIs)

Mr. Lamothe reported staff has been working with the project partners as to what is required for the functionality and operability of the project since 2013. Some items were added and over the course of the design process were ultimately captured in the Council action for the approved scope and budget in July of 2014. The items that do not meet the requirements were listed and reviewed with the partners. These Locally Requested Capital Investment (LRCI) items have value, but are above and beyond the operability and functionality of the project. They are not a part of the approved budget, but could be included as part of construction bid packages. To proceed forward with these LRCIs, they require environmental clearance to meet state requirements, whether they are 100% locally funded or not. For the most part, to move forward with any of the listed LRCIs, there needs to be 100% non FFGA funding.

Mr. Jim Alexander reviewed the list of LRCIs that the cities and the county submitted. The geographic breakdown of LRCIs is: 16 in Eden Prairie; 8 in Minnetonka; 6 in Hopkins; 8 in St. Louis Park ; and 4 in Hennepin County. Mr. Alexander listed each of these LRCIs and also showed the locations on maps. Mr. Alexander stated that staff continues to meet with city and county staff on this list of LRCIs.

Mayor Schneider asked what the design cost would be if a city has the money for the item, and could this design cost be added in the project scope? Mr. Alexander said we started discussions with the project partners, and we do have costs for many of the LRCIs and are looking at what design fee would be associated with them. There is also environmental documentation that needs to be completed. As a start, we are looking at the base construction cost and applying 10% for the design. For the environmental work, it would be a 1% to 3% cost, depending on the complexity. These fees would be paid for by the local entity through a subordinate funding agreement that's based on framework in a master funding agreement. We are currently working on these agreements with the cities and county.

Councilmember Spano asked about the grade separation at Beltline. If this becomes something the community wants, is it understood that SPO would move the existing trail crossing which is currently east of the station to the new location? Mr. Alexander stated yes, there is room to move the bridge further to the west. Mr. Alexander said an estimate for this additional piece is about \$500,000 for the

construction costs, which doesn't include any contingency or escalation fees. This cost was discussed with St. Louis Park staff.

Commissioner McLaughlin asked about the count of LRCIs needed by the end of the year. Has staff looked at a strategy for the different categories of improvements that cities are seeking and also has staff looked at different sources of funding. Mr. Lamothe said these LRCIs were reviewed through two lenses, design and environmental to see when we need to proceed forward. The dates that we would need to move these forward is mostly driven by the environmental piece. Mr. Lamothe said the first cut is for the financing of the design, and the local communities are ready to do that.

Commissioner McLaughlin asked what the design costs would be. Mr. Lamothe said it would be 10% of the estimated construction cost is for the element. As an example, for the \$500,000 pedestrian bridge over Beltline, it would be about a \$50,000 design fee.

Commissioner McLaughlin asked where joint development falls within this definition of improvements to a level beyond what is required for the functionality of the project. Mr. Lamothe said that joint development is not a LRCI, as it is defined by FTA as an enrichment. It is being looked at differently because the 50% local funding that would be matched by federal dollars. If any of the joint development opportunities were to move forward, there would be no CTIB, HCRRA or State funding associated with them. It would be local money matching the federal dollars.

Commissioner Callison asked if some of these improvements could be approved by the ECCB if they meet the four criteria. The schedule is aggressive in terms of trying to commit the funding. Once the city agrees to fund the design, the city will also be funding the real work. Where does CTIB come into this? Mr. Lamothe said the ECCB formation is lagging behind this schedule. Ideally, the ECCB would weigh in on the eligibility by applying their four criteria to determine what LRCIs above \$75,000 is potentially eligible for project funding. Mr. Lamothe said there is more risk by the project partners hoping their LRCI makes it through the ECCB process and are deemed eligible for contingency use. They are committing ahead of time for the design and environmental costs. The safest thing is if a city wants to go forward with any of their LRCIs, 100% of the funds need to be provided by the local partners to ensure they are part of the project.

Mayor Schneider asked about timing. To spend an amount like \$50,000 on the design fees, the cities will need to make sure they have the funding for the rest of the work. This requires a policy decision be made by the councils to say which items should be focused on to get the funding. What is the timing for this? Mr. Lamothe went through the schedule for the LRCIs. We received most of the LRCIs in September, with some form of action taken on many of them with either a separate resolution or through the municipal consent approvals. The first step was to evaluate the LRCI impacts on the overall project schedule. We looked at them both through design and environmental areas. In December, we need to identify the funds for the design and environmental efforts. We are in the process of executing master funding agreements by the end of 2014 with each project partners, independent of the LRCIs. We then need subordinate funding agreements set up by late 2014/early 2015 for the design and environmental costs.

Mr. Lamothe said the environmental process needs to be followed, to have the FEIS completed in 2015. We need to do some level of environmental work to get these clearances. For the LRCIs that have no design yet, we need to do some design work during the month of December. In early 2016, the partners need to commit the resource for the construction. We are working with partners to find alternative funding, and currently we are actively supporting two different project partners on two different LRCIs going after funds that are made available through the regional solicitation.

Mr. Lamothe said we went through the screening process through the design and environmental areas and put the LRCIs into three different tiers. Level 1A is the most critical tier. This is where the LRCI goes beyond the project footprint, and is not covered by any of the environmental survey work that we have completed to date or significant design effort is needed. Level 1B are projects that are within the project footprint and right of way. These areas have already been covered from survey work standpoint, but still involve significant design work and environmental clearance. Level 2 is for items that are more aesthetic in nature, don't pose a significant impact on the design or environmental process. Level 1 needs staff confirmation by December 1, 2014 and a policy commitment by December 31, 2014. Level 2 needs staff confirmation by February 1, 2015 and a policy commitment by March 31, 2015.

When we put the RFP out for the advanced design consultant, the list of LRCIs was included. Proposers are fully aware they may be asked to design these elements. The preliminary engineering consultants are still under contract to provide limited support for the environmental process. For those LRCIs that are in the level 1 category and there is not sufficient design to assess the environmental impact, we can develop that design up to a level to be analyzed for the environmental documentation and not have an impact to the project.

Mayor Schneider said the cities are going to need to decide what their priorities are so we can keep the project on schedule. We haven't planned on setting up these kinds of meetings and getting staff input before the 1st of December.

Councilmember Spano said in St. Louis Park there are a couple pieces of property identified for the use of the project. HCRRRA purchased some land south of the Beltline Station for the purposes of a park and ride, and St. Louis Park acquired property on the corner of Hwy. 7 and Beltline for economic development. Now the roles were flipped and we are looking at surface parking on that parcel. Are there funds in the project budget to purchase that piece of land from the city? Mr. Lamothe stated that project does not include budget for this piece of property on the north side of Beltline Station. All publicly owned property that is needed for the project would come to the project by way of no cost to the project. This includes locations down at Mitchell Road where there is a large park and ride on municipally owned property.

Councilmember Spano stated the land is unusable for the purpose which it was purchased. Whether SPO owns it or not, it can't be used for economic development if it's a surface parking lot. Should we be buying land to make sure it's there for the stated goal of the project to drive economic development or not. Mr. Lamothe said park and ride sites were being looked at on the south side of the corridor and when it was made known that the city was pursuing with purchasing that property it was suggested we move the park and ride from the south side to the north side, which would require use of city property at that time. It would also require acquisition of Vision Bank. It would likely be a transit use area as it is shown now as a surface lot and ultimately the need for something different in the future.

Mr. Brian Lamb responded that this represents an example of the need to look for other funding sources that may be available down the road. We have a new TOD office at Met Council, and there may be opportunities for us to think about the best use of that or other parcels along the corridor. There may be funds available, but not project related funds.

Mayor Tyra Lukens said that Eden Prairie only has one council meeting coming up and they won't be able to commit to the design work prior to December 1. She asked if Eden Prairie can postpone the staff confirmation date by one week. Mr. Lamothe said yes, this can be extended one week.

Mr. Lamothe went through the next steps and stated we are currently in conversations with HCRRA and CTIB staff on the ECCB structure. The goal is to convene the first ECCB meeting in December.

5. ADJOURNMENT

Meeting adjourned at 11:25 a.m.

Respectfully Submitted,

Dawn Hoffner, Recording Secretary