

TRANSPORTATION ADVISORY BOARD
Metropolitan Council
390 N. Robert St., St. Paul, Minnesota 55101-1805

Minutes of a Meeting of the
FUNDING AND PROGRAMMING COMMITTEE
May 21, 2015

MEMBERS PRESENT: Tim Mayasich (chair), Colleen Brown, Bob Byers, Jenifer Hager, Craig Jenson, Jane Kansier, Mary Karlsson, Elaine Koutsoukos, Bruce Loney, Eriks Ludins, Gina Mitteco, Paul Oehme, Ryan Peterson, Steve Peterson, Ann Pung-Terwedo, Amanda Smith, John Sass, Tom Styrbicki, Michael Thompson, Cynthia Wheeler, Andrew Witter, and Joe Barbeau (staff)

OTHERS PRESENT: Meg Beekman (City of Hopkins), Charles Carlson (Metro Transit), Nick Egger, (City of Hastings), Mary Gustafson (Metro Transit), Brian Isaacson (MnDOT), Molly McCartney (MnDOT) Christina Morrison (Metro Transit), and Carl Ohrn (Metropolitan Council)

1. Call to Order

The meeting was called to order at 1:30 p.m.

2. Adoption of Agenda

MOTION: Thompson moved to adopt the agenda. Seconded by Karlsson. The motion was approved unanimously.

3. Approval of the Minutes

MOTION: Oehme moved to approve the minutes. Seconded by Jenson. The motion was approved unanimously.

4. TAB Report

Koutsoukos reported on the May 20, 2015 Transportation Advisory Board (TAB) meeting. TAB sent potential alternatives for reallocation of 2016 CMAQ funds to the Funding and Programming Committee for further review. Four action items were approved

- A 2015-2018 streamlined TIP amendment was approved for the St. Croix Boom Site in Washington County. Civil engineering is being added to the project scope and increases the project cost by \$75,500. The funding will come from unused preliminary engineering from another project for this site.
- A scope change request for Hennepin County CSAH 53 reconstruction was approved.
- Release of the 2015 TDM Solicitation was authorized.
- The list of 2014 Regional Solicitation projects was approved and will be included in the Draft 2016-2019 TIP. TAB approved the Mid-Level Base Scenario; 51 projects will be funded.

5. 2014 HSIP Solicitation Project Selection – Action Item

Barbeau said that the projects included in the agenda packet were provided at the previous meeting. The projects were selected in the Highway Safety Improvement Program Solicitation, which is run by MnDOT on TAB's behalf.

MOTION: Karlsson moved to recommend approval of the projects. Seconded by Byers. The motion was approved unanimously.

6. TIP Amendment – Metro Transit Orange Line Design – Action Item

Barbeau said that Metro Transit is requesting a TIP amendment to add design and engineering for the future Orange Line bus rapid transit (BRT) corridor in Burnsville, Bloomington, Richfield, and Minneapolis.

Christina Morrison and Charles Carlson provided a project update. The update included information on location, stations, ridership, funding, station-area planning, and budget.

Barbeau said that the Interagency Air Quality Committee determined that this project is exempt from conformity determination because it is an activity that does not involve or lead directly to construction.

Mayasich asked where the local match come from. Carlson said that it comes from Metropolitan Council Regional Transit Capital (RTC) funds.

MOTION: Ryan Peterson moved to recommend approval of the TIP amendment. Seconded by Karlsson. The motion was approved unanimously.

7. Scope Change Request – City of Hopkins Downtown LRT Station Park-and-Ride Structure – Action Item

Barbeau said that the City of Hopkins received \$6,000,000 in CMAQ funding from the 2014 CMAQ Solicitation for right-of-way acquisition and construction of a 240-space park-and-ride lot. The total project cost was \$12,200,000, rendering the local match at just over 50%. The City is requesting a scope change that would alter the project in three ways:

- Change the procurement method. Because a developer has purchased the land and wishes to begin construction as soon as possible, the 2017 award would be used to purchase a parking area from the developer, as opposed to being used directly for construction and land acquisition.
- Change in the physical design of the park-and-ride structure. The original design was a two-level parking structure. The requested design includes parking on one level in a residential development. The parking spaces have moved closer to the LRT station.
- Reduction in the number of spaces. The application requests a reduction from 240 spaces to 190.

The total project cost is reduced from \$12,200,000 to \$7,635,000. Should the applicant keep the entire \$6,000,000 CMAQ award, the local match would be 21.4%, which is within the minimum required match. Staff shared the proposal with the scoring committee members. The scoring system for this solicitation is not numeric, but based on ratings of “high,” “medium,” and “low.” Scorers did not feel that the project deterred from its original intent, so staff feels that the scope change should be approved.

Staff asked that the amount of federal funding be examined. This project was originally awarded \$6 million in federal CMAQ funds for what was a \$12.2 million project. Approval of this request would bring the project total to \$7,635,000. The entire \$6 million could still be provided; the local match would be 21%. However, fewer parking spaces are provided. Options include:

1. Allow the applicant to keep the entire \$6 million.
2. Reduce the \$6 million federal portion by the proportion that the entire project cost has been reduced.
3. Reduce the \$6 million federal portion by the proportion of the parking spaces being reduced.
4. Recognize that this project was eligible to receive \$7 million in funding and did not receive that due to the amount of funding available in the solicitation. Assuming a \$7 million maximum contribution had been awarded, options 2 and 3 above could be re-worked to higher amounts.

Koutsoukos asked whether funding amounts have been reduced in the past. Ohrn replied that they have.

Meg Beekman, City of Hopkins Community Development Coordinator, provided a project overview that discussed project location and the nature of the development proposed for the site.

Mayasich asked how residential and transit parking will be separated from each other. Beekman said that the apartment users will enter from access points that are separated from the transit user access points.

Steve Peterson asked whether the transit user waiting area is a new addition to the project. Beekman replied that it is.

Ryan Peterson asked whether the lot could see increased demand for parking if other Southwest Light Rail Transit stations do not come to fruition. Beekmen replied that she is not sure, given that station changes are not yet known.

Ryan Peterson asked how the amount paid to the developer will be determined and whether the United States Department of Transportation (USDOT) is comfortable with the method. Beekman said that an evaluation about how much to pay will have to occur. Koutsoukos added that she has been in contact with USDOT and this arrangement is eligible.

Jenson asked how far along the development is in the approval process and whether the lot will be owned by the City. Beekman replied that the developer has purchased the property and will have no problem completing the project. The City will purchase the lot from the developer and eventually sell it to Metro Transit, which will ultimately own the lot.

Oehme asked whether the City's cost will include land acquisition. Beekman replied that it will.

Thompson asked how the project landed on including 190 spaces. Beekman replied that that was dictated by the design of the building.

Thompson said that this project leverages a private developer and that he supports the entire \$6 million federal allotment to remain. MOTION: Thompson moved to recommend approval of the City's scope change request as requested. Seconded by Koutsoukos.

Ryan Peterson asked what would happen if the Committee voted to delay its decision until decisions are made about the Southwest Light Rail Transit Line. Beekman said that the project is supposed to be underway in December and that a delay of six months would cost the project a year. Barbeau added that if TAB does not approve this in June, it would have to get a TIP amendment after the TIP is approved sometime near November 1.

Mayasich asked whether there is to be any commercial space in the development. Beekman replied that the developer is working with a potential owner of a bicycle shop and bar.

Mayasich expressed concern with separating the parking for riders and non-riders.

Wheeler asked how it would be guaranteed that the park-and-ride lot would exist in perpetuity. Beekman replied that Metro Transit would own the lot as it does all other lots.

Pung-Terwedo asked whether the site is in a tax increment financing (TIF) district. Beekman replied that it is not but that there may be TIF funding.

Brown said that if this motion passes, it will need a Federal Transit Administration (FTA) number in the TIP.

The motion was approved unanimously.

8. Scope Change Request – City of Hastings Vermillion River Regional Greenway – Action Item.

Barbeau said that the City of Hastings received \$720,000 in Transportation Enhancement (TE) funding for construction of three trail segments to help complete the Vermillion River Regional Greenway in the 2011 Regional Solicitation. The City proposes local construction on one of three trail segments and has already constructed a portion of another segment. The project, originally estimated at \$900,000, is now estimated at \$805,000. The applicant is asking for the federal contribution to be reduced from \$720,000 to \$644,000. Staff and project scorers reviewed the proposal and concurred that no change in project score would have occurred. One scorer asked that the Committee take a close look at the amount of funding by which the project is reduced. The scorer cautioned that the applicant should not receive extra consideration for changes in construction costs and greater knowledge as to what it would take to build the project, as this would be unfair to other applicants that are funded based on what they knew at the time of application.

Nick Egger, City of Hastings Public Works Director, said that a part of the trail that runs behind the Veterans Administration building is a pinch point in need of separation from the building. Segment 1, to be built by the City in a separate project, is easy to build.

Thompson asked whether all of the project's improvements are being completed but with less federal money. Egger replied that this is the case.

Byers asked whether the intent of bicycle projects is to serve transportation, as opposed to recreation, which was confirmed. He suggested that Segment 2 seems to serve recreational purposes. Egger replied that the existing trail was constructed to get to the point where this path would be served. It was retained from the original application.

Loney asked how wide the trail is. Egger replied at all parts of the trail are a minimum of 10 feet in width.

MOTION: Thompson moved to recommend approval of the City's scope change request as requested. Seconded by Mitteco. The motion was approved unanimously.

9. 2016 CMAQ Funding Options – Action Item

Steve Peterson said that due to previous project withdrawals, TAB currently has \$12.3 million in 2016 CMAQ funds that must be reallocated to new projects. In addition, it is expected that an additional \$1 million in past CMAQ funding will become available for reallocation this summer due to two current transit projects closing out under budget. Decisions regarding reallocation must be made quickly in order for the selected projects to be included in the draft 2016-2019 Transportation Improvement Program (TIP), to be released for public review in late June (federal policy does not allow TIP funding set-a-sides in the first year of the TIP).

At the April TAB Executive Committee meeting, potential reallocation policy alternatives were discussed. No vote was taken. Comments included:

- Utilize the adopted Federal Funds Management Process to the degree possible. This would involve either advancing previously selected transit projects to 2016 or repaying eligible 2017 advance construction (AC) so that the 2016 funds are used and the available funding is moved into 2017 or later.
- Allocate the available funds to projects in the transit modal category to the degree possible since this is the modal category where the available funds originated.
- Focus on getting more projects funded using projects that were submitted but likely will not be funded in the current Regional Solicitation.
- Consider funding the transit on-board survey as a unique special project request.

Based on this general policy direction, staff brought preliminary funding options to TAC at its May meeting. TAC asked that the item be sent to the Funding and Programming Committee meeting in May, then to TAC in June, and to TAB in June.

Because it is currently fiscal year 2015, the future year funds process of the Federal Funds Management Process should be used to allocate the 2016 funds. Priorities in the process are:

1. Payback of advance construction (AC) within the same mode to which the funds were originally allocated for projects that advanced because the sponsors were able to construct them sooner. No transit AC projects exist within this category.
2. Payback of AC within the same mode to which the funds were originally allocated for projects that moved due to previous deferrals. No transit AC projects exist within this category.
3. Regionally selected projects in the same mode able to be advanced. One current project, the Mall of America station improvement, scheduled for 2017 funding, could potentially move to 2016. However, it is not clear that the remaining project funds will be available for the project to be accelerated to 2016. Therefore the options shared with the Committee do not assume this project would move to 2016.
4. Pro-rate remaining federal funds to regional projects in the current program year up to the allowable federal maximum. – This step is not applicable for future program funds reallocation.

5. Payback AC from regionally selected projects in another mode using steps 1-4 above. Approximately \$8.4 M of AC payback is available to be utilized in 2016. This action would use \$8.4 M of the available 2016 funds, and simultaneously make \$8.4 M available for reallocation in 2017.

Staff compiled options for further consideration based on the following preliminary policy direction.

1. Advance existing transit projects and/or pay-back AC in other modal categories if needed to move the available funds to 2017 or later where they can be utilized to fund projects in the current Regional Solicitation.
2. Advance and/or select additional transit projects from the current Regional Solicitation project list to the degree the funding allows.
3. If funding remains, fund the special request for the transit on-board survey, which will provide an additional project in the transit mode.
4. If funding still remains, select additional projects from the current Regional Solicitation in other modes.

Given that TAB has now selected a 2017-2019 Regional Solicitation project list, two options are proposed. Each includes the next three highest ranked Transit Expansion projects not funded in the Regional Solicitation scenarios sent to TAB in May. These three projects require \$10,714,527 in federal funds. Funding these three projects would result in \$2,585,473 remaining 2016 funds. This was determined to be insufficient to include the next transit project – the TH 169 park-and-ride lot, which requested \$7,000,000 in federal funds. In order to keep the funding in the same mode as much as possible, the \$800,000 transit on-board survey is then funded in both options. Option 1 funds two Multiuse Trails and Bicycle Facilities projects and one Pedestrian Facilities project. Option 2 funds two Pedestrian Facilities projects.

Mayasich asked what road project could have been eligible for AC. Brown replied that the St. Anthony Bridge project is eligible.

Mitteco noted that Option 1 showed over-programming and asked whether that would be a concern. Steve Peterson replied that the project would be funded in 2018 so it is not of concern.

Jenson said that he supports Option 1 because it funds the 13th of 30 bicycle trail projects while Option 2 would lead to the majority of pedestrian projects being funded. MOTION: Jenson moved to recommend Option 1 to TAC. Seconded by Sass. The motion was approved unanimously.

10. Draft 2016-2019 Transportation Improvement Program – Action Item

Barbeau provided a brief presentation on the TIP and funding sources and mode share within. Tom Styrbicki provided a presentation on funding distribution, significant projects, and key changes. Mary Gustafson, Metro Transit, provided a presentation on transit funding sources, key projects, formula funds, capital planning, spending, and funds distribution.

MOTION: Koutsoukos moved to recommend that the draft TIP be adopted by TAB for release for a public comment period. Seconded by Thompson. The motion was approved unanimously.

11. Other Business

Steve Peterson said that TAB members expressed confidence in the Regional Solicitation scoring process. He added that project costs are inflated with few exceptions, such as on buses and operations. Applicants expressed uncertainty about what year to apply for and this will be explored going into the next Regional Solicitation.

12. Adjournment

MOTION: Ryan Peterson moved to adjourn the meeting. Seconded by Thompson. The motion was approved unanimously and the meeting adjourned.