EXECUTIVE CHANGE CONTROL BOARD  
Friday, January 15, 2016  
10:00 – 11:30 a.m.  
Meeting Minutes

**Voting Representatives Present:** Adam Duininck, Jan Callison, Peter McLaughlin, Nancy Schouweiler, Lisa Weik, Marion Green (Alt), Scott Schulte (Alt)

**Non-Voting Representatives Present:** Nancy Tyra-Lukens, Paul Miller, Terry Schneider, Anne Mavity, Debra Brisk, Scott McBride

Chair Adam Duininck opened the meeting at 10:05 a.m.

**Opening Remarks**

Chair Duininck welcomed those in attendance, followed by introductions.

**Approval of January 26, 2015 Minutes**

Commissioner Schouweiler made a motion to approve the minutes of January 25, 2015. Commissioner McLaughlin seconded the motion. Meeting Minutes were approved unanimously.

**Review In-Kind Land Transfers**

Mr. Craig Lamothe, SWLRT Project Director, welcomed everyone around the table to participate in the conversation and noted that the voting is open to the five voting members. Mr. Lamothe reviewed the current project scope and the background summary of the approvals made for the current scope.

The first action is Resolution 01, which would confirm the future land transfer from Hennepin County to Metropolitan Council, adding the current estimated amount of $30M to the project cost estimate, to bring the project cost estimate to $1.774B. This would not result in any increase to CTIB, HCRRA or state funding. The resolution was reviewed (resolution attached).

Chair Duininck asked once we have a refined cost or appraisal, would it then need another action of ECCB. Craig stated yes, and noted that there are other land parcels from other public partners that are currently under evaluation and appraisal. Once SPO gets concurrence from FTA on what they deem those values of in-kind future transfers are, those parcels will be brought forward to the ECCB. Commissioner Callison asked why approve the amount now if it needs to be approved again after FTA concurrence. Craig stated that we want to recognize the $30M amount since it has been brought to CTIB. Commissioner McLaughlin also stated that if we have an increase in budget but not a cost to local partners, it is important to vote on.

Commissioner McLaughlin made a motion to approve the presented resolution. Commissioner Nancy Schouweiler seconded the motion, which was then unanimously approved.
Review Project Schedule

Ms. Joan Hollick, SWLRT Deputy Project Director, reviewed the completed 2015 milestones and major upcoming milestones, including those that will need review by ECCB members, starting with today’s review of the 60% project cost estimate. The upcoming ECCB reviews are anticipated to be in March for the 90% cost estimate update on the civil plans; in June for the 90% cost estimate update on the Systems and OMF plans; and later this summer for the 100% cost estimate for the project.

In addition to the 2016 milestones, the local funding commitment timetable was shown. The local share of the current estimate total is $887.1M. This amount must be committed to by July 1, 2016, so SPO can demonstrate to FTA in the request to enter into the engineering phase of work that 100% of the local funds are committed. To date, the project has received local commitments of $737.2M.

The current project schedule summary was shown, with four critical paths being identified for construction activity, including: the Kenilworth Tunnel in Minneapolis; Excelsior Boulevard Bridge in Hopkins; work in the Louisiana Station area in St. Louis Park; and the OMF in Hopkins. These are driving the construction completion date for the project. Additional risks to the project include: State Funding; ROW acquisition for freight rail properties; relocations for the properties at the proposed OMF; FFGA timing; labor market availability. The mitigation strategies were shown and include: obtaining Letters of No Prejudice (LONPs); accelerating the construction schedule; and continuing workforce and contractor outreach.

Commissioner Callison asked if it is realistic to still open in 2020 with this aggressive schedule. Joan acknowledged that the schedule is aggressive, and noted that SPO has built sufficient detail in the schedule to fulfill it, and SPO believes 2020 is achievable, but dependent on receiving the Record of Decision this summer and getting a start on early construction activities in 2016. The anticipated plan is to start before the FFGA is committed by the FTA, using LONPs.

Commissioner Callison said two items she feel should be included to the risks are: litigation and the change in federal administration.

Ms. Chris Beckwith, Deputy Program Director for New Starts Rail Projects, reviewed the LONP process. FTA issues these “Letters” which permit project sponsors to incur construction costs prior to execution of the FFGA. For CCLRT, nine LONPs for a total of $103M were received from FTA, with commitment from the local funding partners. These letters require local funders to make funding commitments prior to receiving the FFGA. Pre-award and LONP activities both need to be approved by local funding partners. The way this process works is, we submit via a letter stating our project summary, a description of the LONP activity and justification for advancing the activities. Along with the request is a resolution from the funding partners for the LONP.

It was asked which of the above listed risks would be closed out prior to the FFGA. Chair Duininck stated that we will know the state funding by this summer; the other risks will be known as the project advances.
Mark Fuhrmann mentioned that, historically, with prior New Starts projects that bridged over transitions of new administration, these project still secure their FFGAs. Mr. Fuhrmann stated that the September 2016 entry to engineering is critical. Once this is granted, this is the final gate to then proceed forward to securing the FFGA.

Review Cost Estimate at 60% Design
Ms. Beckwith reviewed the contingency and risk phases. There are four types of risk: requirements; design; market and construction. Some of the risks under each of these categories was shown.

Once the FTA conducts a risk assessment, the contingency level and hold points will be established. An example contingency drawdown curve was shown. Commissioner McLaughlin asked where the LONP for construction bid falls on the curve. Ms. Beckwith stated that the LONP would be required before the civil construction contract is awarded.

Mayor Schneider asked as there is more certainty, and the percentage is lower than we scheduled for, does the excess contingency then go back to FTA? Ms. Beckwith stated that the project may not utilize all of the contingency. The money is intended to be held for construction risk. We cannot use the money for any scope deferrals with SWLRT per direction from the FTA.

Mr. Jim Alexander, Director of Design and Engineering, stated the design plans and cost estimate for the project are now 60% complete and noted that the 90% civil plans would be completed later this month. It was also noted that the project is currently under environmental review and subject to the Record of Decision, which is anticipated to be received from the FTA this summer. With the 60% level of completion, there are more detailed drawings and quantities. The 60% estimate includes refined labor rates and costs are based on vendor material quotes. Mr. Alexander noted that as the design advances, more detail is known and therefore there is reduced risk in the design and suggested that the contingency percentage could be reduced.

Commissioner Callison asked if the SouthWest Station layout is complete. Mr. Alexander stated that there has been a lot of collaboration with SouthWest Transit and the City on the design. The plan has been shared with the SouthWest Transit Commission and Eden Prairie City Council. Mayor Tyra-Lukens mentioned that Eden Prairie originally had some concerns about aesthetics, but it is much better now, and Mr. Alexander stated staff is continuing to refine the aesthetics.

Each of the areas was reviewed with their cost estimates with comparisons between the 30% and 60% level of plan completion. The areas included: guideway and track; stations; support facilities/OMF; site work, special conditions; systems; and Right of Way. Each area included suggested contingency levels based on SPO staff’s level of certainty with the design.

Mr. Alexander noted that SPO staff met with the Technical Advisory Committee (TPAC) on 1/14 to discuss the aesthetics of the stations and OMF. The next step is to bring this discussion to the BAC, CAC and CMC in Feb. Staff has also been meeting regularly with cities and county to address comments on the plans and to advance the design.
Mr. Alexander stated that MnDOT is assisting SPO on Right of Way (ROW) acquisitions required for the project. The ROW is more defined at 60% plan completion, although there are still uncertainties as we do not yet have appraisals, which will be underway as the project advances. Mr. Alexander stated the 30% estimate included latent contingency in the ROW costs and SPO has determined that this should be included in the contingency amount.

Mr. Alexander stated that going into the 90% cost estimate, SPO believes that the contingency can be drawn down in some of the areas and will be prepared to discuss this with the ECCB later in the spring.

Mayor Schneider asked which category does the noise and sound issues fall under. Mr. Alexander said that this is accounted for in the special conditions.

Commissioner McLaughlin asked about the rational and contingency level for the soft costs. Mr. Mike Janish, Manager of Project Controls, stated that following the FTA model, the soft costs do not carry a specific allocated contingency. There is an unallocated component in the soft costs.

Commissioner McLaughlin said for vehicles, are staff comfortable with the amount only going up $3M from 30% to 60%. Mr. Alexander stated this increase accounts for the escalation from 2014 to 2015 and is in line with recent annual increases. There is 5% contingency in the vehicle costs, which is similar to what was used for CCLRT.

Scott McBride made the comment that Jim Alexander and the SPO team has been making an extraordinary effort to complete the design plans in such a quick timeframe. Staff went from 30% to 60% and then plans to issue 90% very quickly. The list of elements in this project is extraordinary and staff has done a great job getting us to where we are at. Mr. Alexander also stated that MnDOT staff are on board helping with the bridge review, along with many experts helping the project move forward, including HNTB, which is charged with conducting peer reviews on the design plans. We have a very positive working relationship with our partners including the county, cities, MnDOT, Three Rivers and the Park Board. Everybody is at the table and we continue to have regular design review meetings to make sure we are capturing comments and that things are done appropriately.

Mr. Lamothe reviewed the five other parcels that are under consideration to be in-kind land transfers. There is a set of criteria that needs to be met for FTA to consider to count a public parcel as in-kind land. The five in-kind land parcels are estimated at approximately $5M total, which could all be met with a federal match, all subject to appraisals and FTA concurrence. Mr. Lamothe reviewed the five areas and noted that the parcel at the proposed Beltline park and ride will most likely be removed from consideration as it does not appear to meet the criteria.

As more information is received on these parcels and once concurrence from FTA is obtained, they will be brought back to the ECCB for consideration.
Action for Requested City/County Scope Elements

Mr. Lamothe said the other action for ECCB consideration is Resolution 02, which requests approval to include four elements into the base project: pedestrian underpass at Blake Station; pedestrian underpass at Louisiana Station; pedestrian underpass at Wooddale Station; and a pedestrian bridge and access road at Beltline Station. The items were then shown on maps.

The action is to approve these additions to the scope, which would add $16.2M, of which $8.1M would be locally funded, and $8.1M matched by federal funds. The project cost would be brought to $1.79B. This would result in no increase in the CTIB, HCRRA or State funding. The resolution was reviewed (resolution attached).

**Commissioner McLaughlin made a motion to approve the resolution, Commissioner Callison seconded the motion, which was then unanimously approved.**

Councilmember Ann Mavity mentioned that this area of St. Louis Park has only three roads that connect the north and south sides of St. Louis Park and every single one is at an LRT station. These kinds of connections for safety and access are very important. Hennepin County Community Works has been working on developing around these areas, with better road access and new city blocks. This is needed to leverage this investment.

**Next Steps**
Chair Duininck mentioned that the next meeting will be scheduled in the March timeframe, to review the cost estimate of 90% civil design elements.

Meeting adjourned at 11:25 AM.

Respectfully Submitted

Dawn Hoffner