1. CALL TO ORDER
Chair Alene Tchourumoff called the May 24, 2018, meeting of the Southwest Corridor Management Committee to order at 1:30 p.m. at the St. Louis Park City Hall.

2. APPROVAL OF MINUTES
Chair Tchourumoff presented the March 28, 2018, SWLRT Corridor Management Committee meeting minutes for approval. Councilmember Steve Elkins made a motion to approve, Mayor James Hovland seconded the motion, and the minutes were approved.

3. CHAIR’S UPDATE
Chair Tchourumoff reported that the Civil Construction bids were opened on May 3 and that staff are currently hard at work to get a better sense of what the bids mean for the overall project budget. The existing $1.858B budget that was developed in August 2016 has had several factors that have increased the cost. These factors include delays due to freight rail negotiations and additional environmental analysis, finalizing the civil plans and escalation costs of materials such as steel. The new project budget is $2.003B.

The Legislative session ended on May 20. Ultimately the outcome of the session did not have an impact on SWLRT. At this time, the Governor has not yet taken action on the bonding bill, which includes $50M for arterial BRT and $50M for the Heywood bus garage.

4. ENVIRONMENTAL UPDATE
Jim Alexander, SWLRT Project Director, provided an environmental update. Changes on the east end of the project include extending the corridor protection along the BNSF Wayzata subdivision and a tail track extension. We received the Amended Record of Decision from FTA on May 15 for these changes.

5. PROJECT UPDATE
Mr. Alexander reviewed the background of the project budget. In 2016, the project received approval to enter engineering from FTA. The budget at that time was $1.858B, which was based on 90% design plans. Back then we were looking at revenue service of 2021, and it is now anticipated to be 2023. Mr. Alexander stated that the budget is revised to $2.003B based on the factors cited by the Chair and represents a 7.8% increase from the 2016 budget. FTA’s contribution, which requires a Full Funding Grant Agreement (FFGA), is fixed at 50% of the budget at entry into engineering, or just under $929M. Any project costs above this will need to be paid with local monies. The Project will request Hennepin County and the Hennepin County Regional Railroad Authority (HCRRA) to cover the cost increase.

Mr. Alexander reviewed the cost drivers for the new budget of $2.003B. The main drivers for the schedule delays include the need to finalize the freight rail agreements associated with the Bass Lake Spur and Kenilworth Corridor combined with a Surface Transportation Board (STB) action. The STB action will allow the transfer of the property from CP to the Met Council for the Bass Lake Spur and from HCRRA to the Met Council for the Kenilworth Corridor. The action also includes HCRRA taking on the common carrier role on the Bass Lake Spur and retaining this role on the Kenilworth Corridor. Cost of delay due to additional environmental analysis and the civil procurement were also factors.

As a result of the cost increases it was decided to re-allocate the light rail vehicle maintenance functions to existing system facilities. The revised plan for the Hopkins site is to include a rail support facility, pocket track, storm water ponding and parking. The maintenance and storage for the light rail vehicles will be at the Franklin facility. Mr. Dan Duffy asked about the future of the expansion of the Hopkins OMF. Mr. Alexander noted that the
site is still needed for the project and we are presently evaluating concepts. It originally had the storage and light maintenance and we are now looking at having those activities at the existing facilities.

The funding pie chart will move from 50% funding from FTA to 46% from FTA, or $928.8M. The funding comparison was reviewed. Mr. Alexander said the contingency was at 20% in 2016, or $309M. Today we are proposing to have 14% contingency, which would be $238M. This revised amount needs to be reviewed and approved by FTA. The City of Eden Prairie recently adopted a resolution to acknowledge the CMAQ grant received and had approval of their 20% local share. The cost of $7.7M for the station is now incorporated into the project.

Mayor Hovland asked if the revised budget requires approval by the CMC. It was said no approval needed, but a recommendation can be made. Mayor Hovland made a motion and Mayor Spano seconded to recommend the revised budget to Met Council and Hennepin County. Motion was unanimously approved.

Mr. Alexander explained the need for the Executive Change Control Board (ECCB). The ECCB is a body to approve any draws from contingency as we move forward. This board will meet on a regular basis and approve change orders that draw from contingency and are over $350,000 in value. The board will consist of the Chair of Met Council as the ECCB Chair, one other Met Council member, three Hennepin County Commissioners, and a non-voting member from Ramsey County, as this is an extension of the Green Line. The board will also review all change orders.

The Project Office submitted a request to receive a Letter of No Prejudice (LONP) from FTA. This is needed prior to awarding the Civil Construction contract so the work can be matched with federal funds once we get the FFGA. Both FTA and Hennepin County will need to approve the LONP. Once approved, we can award the contract. There is a 90-day validity period on the Civil Construction bids, so we want to have this completed in early August. We would then issue a Limited Notice to Proceed to the contractor.

Commissioner McLaughlin asked is the STB approval is needed prior to any of this happening. Mr. Alexander said that the STB action is needed prior to awarding the Civil contract. Once the STB ruling is made, we can close on the Bass Lake Spur with CP and close on the Kenilworth Corridor property with HCRRA.

Commissioner Greene asked if the LONP is a higher or lower risk than the STB approval. Mr. Alexander stated that both are needed.

Mr. Alexander reviewed a map showing the anticipated areas of work during the LONP period. Activity includes work at Southwest Station, bridge activity throughout the corridor, freight rail track work and Kenilworth tunnel work.

Chair Tchourumoff stated that there was a significant amount of work that went into getting us to this current budget. We have some milestones to cross with the FTA and the STB to be able to get into construction later this fall. She commends SPO, Hennepin County, and city staff for helping with these cost cuts. It has been very challenging with these last rounds of cuts.

Councilmember Jason Gadd mentioned that a meeting was held with Hopkins and the Project Office to go through the impact of modifying the OMF location. It’s been a tough decision and is a tough impact on the city of Hopkins as well. He appreciates the SPO staff continuing to partner and willingness to work with Hopkins. Factors of the change include the impact of future development, financial impact, traffic flow through the city and to recoup some of the loss tax base.

6. ADJOURN
Chair Tchourumoff proposed the June 6 CMC meeting will be canceled. The meeting was adjourned at 2:30 p.m.

Respectfully Submitted,

Dawn Hoffner, Recording Secretary