

**Meeting of the Southwest Corridor Management Committee
October 2, 2013**

Members Present	Susan Haigh, Chair	Jan Callison	James Hovland
	Brian Lamb	Lisa Weik	Terry Schneider
	Cheryl Youakim	Gail Dorfman	Peter Wagenius
	Peter McLaughlin	Jake Spano	Scott McBride
	Bill James	Jim Brimeyer	Kathy Nelson

Members Absent	Mayor Rybak	Jeff Jacobs	Keith Bogut
	Nancy Tyra-Lukens		

1. CALL TO ORDER

Chair Susan Haigh called the October 2, 2013 meeting of the Southwest Corridor Management Committee to order at 9:37am at the St. Louis Park Recreation Center.

Chair Haigh has read all the emails that she received and passed them onto project staff and Council Members. These emails have helped inform our decision making in this process and Chair Haigh really appreciates it. We began this process through the SWCMC with about 25 technical issues and have worked hard to resolve most of those issues. Today we are going to hear from the staff a final project budget and scope recommendation. The budget number that is being proposed today, \$1.56 Billion, is a project scope that will allow this budget to be cost effective, to compete well nationally, and continues to put us in a competitive position. It allows us to deliver a quality project that meets the needs of local communities, neighborhoods, and the region as a whole.

The timeframe urging us to move forward for this project is to finish engineering by the end of 2014, so we can get a Federal Funding Grant Agreement (FFGA) by the end of 2015. Our goal would be to begin construction in 2015 and begin ridership in 2018.

2. APPROVAL OF MINUTES

Chair Haigh presented the September 25 and Revised September 4, and September 11, 2013, Southwest Corridor Management Committee meeting minutes for approval. No comments or discussion on the minutes and the motion for approval was granted.

3. PROJECT SCOPE RECOMMENDATION

Mr. Chris Weyer gave an overview on the Project Scope Recommendation. Today, we are providing our staff recommendation for the SWCMC's consideration to help establish the scope for municipal consent plans. The municipal consent plans would then be brought to each of the cities and county for review and consideration. A technical packet of all the issues was provided at this meeting.

Mr. Peter Wagenius said it was at the September 4th meeting where we removed the Deep Bore LRT Tunnel option from consideration that the commitment was made that we were going to do a new look at freight and the two were directly related.

Technical Issue (TI) #21: Freight Rail – Mr. Weyer said the staff recommendation is to pursue both the north and south Shallow LRT Tunnel through the Kenilworth Corridor. Mr. Weyer presented a list of reasons for the Shallow LRT Tunnel recommendation. There would not be any acquisition of homes or businesses. However, there would be acquisition of a small portion of property parcels by the condo silos, to accommodate the tunnels. Mr. Wagenius asked if the freight track would need to be moved at any time during tunnel construction. Mr. Jim Alexander said yes, particularly when we get in the pinch point area the HCRRA tracks would have to move several feet north, toward the townhomes, to accommodate the excavation and the installation of the Shallow LRT Tunnel. Once that is complete, we anticipate the freight track would go back in place, pretty much where it is today.

Technical Issue (TI) #1: Eden Prairie Alignment – Mr. Weyer said the staff recommendation is alignment Adjustment #5. It brings the alignment down through the Comp Plan, which was suggested and recommended previously by the SWCMC. It would end at the Southwest Station, add the additional parking capacity, and contemplate co-habitation with Southwest Transit service and the light rail service at that location. We suggest not moving past that location. Mr. Weyer presented a list of benefits for the Eden Prairie Alignment staff recommendation.

Chair Haigh asked Mr. Weyer to provide more information on the size of the parking at that facility with this plan. Mr. Alexander said there is an existing structure today that has 924 stalls. However, we would need a separate structure of 1,225 stalls. In looking at the southern face of that building of the structure, the southern face of the new structure would be equivalent and we would essentially be moving the new structure to the east of the existing structure. We would have to acquire Ruby Tuesday and extend that structure all the way over to it. Chair Haigh said it needs to be emphasized that this would allow for Southwest Transit to also run express bus and local service, as well as LRT. This is one of the advantages of this option and it is agreeable to Southwest Transit, based on the conversation with the chair of their board on October 1, 2013.

Council Member Kathy Nelson said we are happy about the Comp Plan alignment, but there are some questions about the amount of traffic going in and out of this location. Even if the 5th (Mitchell Road) station in Eden Prairie is not built now, we would like to keep it open for a future site. Mr. Weyer said the alignment as we would design it, would allow for future expansion. Mayor Jim Hovland asked if the constructed park and ride that will be co-located with Southwest Transit is built into our budget or an off budget issue. Mr. Weyer said in this particular scenario, we would be building additional capacity for a co-habitation of the parking demand, which would clearly be a project cost.

4. PROJECT BUDGET RECOMMENDATION

Mr. Mark Fuhrmann provided an overview of the Project Budget Recommendation. The staff recommended budget for this project is \$1.56 Billion, which includes base, freight rail, scope reductions, and a 27% contingency allowance. Commissioner Gayle Dorfman said for a number of months or years, we had 30% listed as the required contingency, so why is it now at 27%. Mr. Fuhrmann said we went back to the FTA approved LRT \$1.25 Billion project and the assumed contingency amount was right at the 27%, so we extended that and continued that assumption, not altering it up or down. When we have talked budget and contingency with the FTA, they have been okay with that current assumption of 27%.

Mr. Fuhrmann presented a list of potential scope reductions provided by the cities, which also captures the \$80 million credit for truncating the line at the Southwest Station. We are not making a recommendation on any of these today. Commissioner Dorfman asked what is driving the \$30 million for the southerly connection. Is it the station location or the Canadian Pacific (CP) swap. What would need to change in order to eliminate the

\$30 million cost. Mr. Fuhrmann said the CP swap is about \$30 million and the southerly connection at about \$30 million, for a total potential savings of \$60 million. Staff is recommending not to eliminate the CP swap and southerly connection. Under the co-location of the Kenilworth proposal that we make to you today, that includes the CP rail swap. The CP freight rail today is on the south side of the corridor, so we move the freight rail tracks to the north side of the corridor and that is the CP swap component.

Mr. Fuhrman said the rationale for recommending that today to the SWCMC, is that it opens up tremendous opportunity for the communities for Transit Oriented Development (TOD). We heard that starting in Hopkins through St. Louis Park by moving freight rail to the north, and slotting in LRT on the south side of that corridor that is where the primary TOD opportunities exist on the south side. Having the best access to those future developments to the light rail platforms will maximize the development ability of those parcels through this middle section of the corridor. Assuming we move freight rail to the north, under the CP swap, that then eliminates freight railroad access to the existing switching wye on the south side of this corridor. The project then provides, to the north, a southerly connection to preserve that current movement from the CP track to go south MN&S. Under the federal regulations, we would need to preserve the capability for those railroads to make that movement ongoing to the south, as they have today. Commissioner Dorfman asked if it is the CP swap that drives the need for the southerly connection, not the location of the station. Mr. Fuhrmann said that is correct.

Commissioner Jan Callison said if we went back to the DEIS location of the station at Louisiana, so if we expanded our universe to three station choices. The DEIS one that is slightly south and one further south, if we went back to that first one, we would not have to rebuild the rails southerly connection. This whole extra expense is being driven by the station location that is now being shown as further south from where we originally identified it first. Mr. Fuhrmann said the DEIS Louisiana station location was assumed on the north side of the corridor. It is true under our design adjustment for bringing Louisiana station to the south side of the corridor that we are recommending to bring it off the corridor onto Oxford Avenue to provide a much enhanced access to the Methodist Hospital job center complex. The only way the ability to move the LRT station off the corridor to Oxford Avenue is enabled by doing the CP swap and getting freight rail over to the north side.

Commissioner Callison said if the station stayed on the corridor, we would not have to rebuild the southerly wye, we would not have to make this expenditure. Mr. Fuhrmann said that is correct. Commissioner Callison asked if we still have to swap the LRT and freight. Mr. Fuhrmann said the rationale that staff is applying here, is that we are moving the LRT station, which initially was placed on the north side of the corridor, which would have allowed for continued switching wye operations, there would not have been a need for southerly connection in that event. As the station moves to the south, and the CP swap is employed then we do need to create a continuing southerly access for freight rail.

Council Member Jake Spano said this is directly adjacent to the largest employer on the line and making access to that is really important. We have very little development opportunities on the north side of this track. Having it even barely on the south side of the track is better for us than obviously what we would prefer which is to move it even closer to Methodist Hospital. This is not a function of the freight issue, this is an LRT issue. This is an issue that both St. Louis Park and Hopkins have spoken up about and it is important for both of us at Blake station, as well as the other stations. There is an operational impact to the line if we do not do the CP swap. You in effect have to continue to use the switching wye to move trains north and south along the MN&S, which means you are talking about trains that are 4,500 feet in length, according to TC&W. The way they chop those up and move them through that space, you very likely are talking about having freight trains in those stations. That creates challenges for pedestrian access and appearance to these stations. There are TOD and ridership issues at Blake and we believe operational issues that are solved with the inclusion of this and we support the staff recommendation. Mr. Fuhrmann said FTA has elevated the importance of TOD for these light rail investments.

Commissioner Peter McLaughlin said municipalities have acknowledged the benefit in terms of development. From CTIB's perspective, there is some concern about the price tag of this project going up. In past projects, cities have contributed to the budget for the stations on Northstar and the city of St. Paul contributed for Central Corridor as well. CTIB feels the cities should be engaged in the process of creating these smaller foot printed parking spaces or at least subject those that the up tick in the price of that to the risks of the contingency process. Replicate some of the policies of the past in terms of cities contributions to increasing development potential.

Mayor Terry Schneider agrees that the CP swap is a component in making the rail line work like it was intended to work instead having it long term by having it on the wrong set of tracks. We made some assumptions years ago about the ease of doing a freight rail relocation. I do not want to be in the same position a couple years from now when we do this relatively easy CP swap that we find out there is all kinds of strings and restrictions attached. How do we manage the expectations of the reality to make sure that can happen within these budgets. Where are we at in discussions with CP and when will we know for sure it can be done without any implications. Mr. Fuhrmann said we have had ongoing conversations with CP about this concept of the CP swap and they are open to that, but we have not sat down and negotiated the transfer agreement. We believe that we have a interested and willing partner to execute this and have had conversations with CP that if we were to execute the CP swap, do they require a southerly connection to maintain that southerly movement. They have been very clear, that yes they do require that southerly connection.

Commissioner Dorfman asked with what is the recommended station location now for Louisiana and how that impacts the 10 minute walk shed, particularly the Meadowbrook housing area. Have we now created a station location that some of the dense employment and residential are now potentially outside that 10 minute walk shed. Mr. Fuhrmann said the recommended Louisiana station location is off of the rail corridor to the south of the rail corridor, which is the side we want to be on as that is the Methodist Hospital side. Mr. Craig Lamothe said we have not done a walk shed analysis, but we have done ridership models with different options looking at the Louisiana LPA option versus the Oxford option. We do decrease the walk time for those folks that want to take the train at this location, so we actually pick up ridership as compared to the LPA location. Primarily due to the reduction in the walk shed.

Mayor Hovland said we talked last week about some of the things that might help the City of Hopkins relative to their acceptance of the OMF at site 9A. I do not see anything in the budget relative to some of those betterment ideas. The total on those three locations they had was about \$33million, but there was some discussion by the project office about lending some assistance for making some modifications to Blake station. Is that anywhere in the base budget or was a decision made to not include any of those requested betterments for Hopkins. If so, what are we doing to mitigate the loss of tax base, jobs, and the OMF going into Hopkins. Mr. Fuhrmann said SPO and Hopkins staff with some help from Mayor Schneider's ideas continue to develop how we can offset some of that tax base impact caused by the OMF being located in Hopkins. On Blake Road station, our recommendation to have the park and ride on the south side in structured parking is included in the base LRT recommendation. The discussion last week on the Hopkins downtown station regarding having more of a plaza and more amenities, we are continuing those discussions those are very modest from a cost standpoint so we have not quantified that in the base or necessarily a betterment. Further discussions are needed on the Shady Oak station, but there is the idea of doing structure here to compress and consolidate the footprint to preserve more property on the north side of the station for future development.

Commissioner Callison said at the end of this Hennepin County should not own the right of way for the freight, light rail, and trail. That should be part of the conversation and hope part of what the SWCMC supports. I support the CP swap as it is the right thing to do. Also, I do not believe we should be paying \$6 million for an easement across the Golden Auto site and would like to see it taken off the list. This project should not pay for that access. Mayor Schneider agrees that the project budget should not pay for the easement. Council Member

Spano said he does not want to see this happen as you would be taking economic property and using it for parking. Also, eliminating the CP swap seems premature.

Commissioner Callison made a motion to use the Oxford properties for the Louisiana station park and rides in place of purchasing an easement on the Golden Auto parking lot site as a savings of \$6 to \$7 million for the project budget. Commissioner McLaughlin second the motion. Mayor Schneider agrees with the motion, but asked for a friendly amendment that the project budget does not pay for the easement, but the project would be open to another source of funds from the city or another entity to do that. Council Member Spano objected to the motion. The majority carried and the motion was approved.

Council Member Cheryl Youakim said on Attachment A, the structured parking at Blake is mentioned, but on the technical drawings it says potential. Council Member Youakim said she understands where Commissioner McLaughlin and CTIB are coming from for saving money and is really glad we are looking at the betterments and ranking them. However, for Hopkins, we heard CTIB loud and clear when they wanted to save \$500,000 in operating costs for putting the OMF in Hopkins, so we would also like to keep that structured parking in the base and for the SWCMC to not take any further direction and jeopardize those discussions that are already happening. Council Member Cheryl Youakim asked to keep the structured parking in the base for Hopkins. Commissioner McLaughlin agreed with that in light of Hopkins taking the OMF and indicated it is a fair trade.

Mr. Fuhrman indicated the base LRT project budget increased by 5% or \$53 million to \$1.55 Billion. We are competing against three other LRT projects that range from \$2 Billion to \$2.57 Billion and have a medium overall rating.

5. MUNICIPAL CONSENT CALENDAR

Chair Haigh said the project has already been working with the public works agencies, the cities, community development agencies, as well as elected officials. It is a very through process to gain input from the cities and county. Mr. Fuhrmann presented the municipal consent process which was instituted in 1998, prior to the Hiawatha project. Mr. Fuhrmann presented the municipal consent calendar showing the key dates and actions. Commissioner Dorfman asked if a Draft SDEIS will be ready prior to municipal consent. Mr. Fuhrmann said no, it will not be ready as it is on a scheduled path for 2014. We have been working very closely with FTA and will continue working with them once the government shutdown is done.

Mayor Schneider said between now and December 28 when the cities have to take action on municipal consent, to have some independent group look at and evaluate whether there are some design scenarios that are less expensive and impactful. So we can say that was truly ruled out. Council Member Spano said the Met Council is an independent body and a lot of SWCMC members had said this re-route is not a viable option as it stands. At some point we have to trust the team that we have and also the consultant that declined the work said nothing had jumped out at them. Council Member Spano asked that we pull that from the table and it remain off the table.

Chair Haigh said she rode her bicycle through the Kenilworth Corridor and found that people value the corridor as a place for people to bike, walk and recreation, providing good green space access and a dense urban environment. I think that is one of the reasons there is a recommendation here for a Shallow LRT Tunnel, to preserve the opportunity to enjoy the green space and still provide access for this transit option. The issues raised by residents and city about the importance of the quality of the lakes as a jewel is important for this region and state. The idea of the Shallow LRT Tunnel, keeping both the north and south tunnels, as it is reflective of the value of that corridor for the people who live there and use it throughout region is important. There still seems to be some confusion, the bike trail and pedestrian access will be temporarily relocated during construction, but preserved permanently. This option provides 200 trips a day through this corridor with very little visibility and intrusion into the corridor, maintaining as close to its existing condition as possible, and the cost is \$40 million less expensive.

Mr. Bill James said within the CAC, they have been talking about the corridor for nearly 10 years. The CAC collaborated on a lot of issues from environmental to TOD to affordable housing. Ultimately, the community has to live with the decision and everyone in the five municipalities has to accept the recommendations. We were very careful not to take a vote from the CAC for a formal recommendation, but we worked from a spirit of consensus. People do want the LRT, but with minimal impact on their existing life. There is some additional education that needs to take place to help them understand the specifics of it, but with proper leadership that can be done.

Mr. Wagenius made the following statement: This is a very sad day, a very disappointing day for many citizens of Minneapolis and that includes many long-time residents who feel they have been misled for 17 years. Mayor Rybak represents those residents and on their behalf, I'd like to state the following.

Mayor Rybak is a strong supporter of Southwest LRT and he has acted accordingly. He has gone above and beyond on multiple occasions. The Mayor didn't want Southwest LRT running on Kenilworth at all. He thought LRT should go where the most riders are through Uptown. He agreed with conditions that are now being violated to support the county's preferred alignment of Kenilworth, that was in 2010.

Now again in 2013, with the cost of dealing with freight rail turning out to be so much higher than expected, most of his constituents wanted him to immediately slam the door shut on the shallow-tunnels option. No delay; slam the door. If the Mayor was only thinking parochially, he would have done so and advocated only for his City's interest narrowly defined, as St. Louis Park has done so effectively.

The Mayor saw it as his responsibility, our responsibility to the region, and to the greater good, to try to keep multiple paths to success open. Even the paths he didn't want and paths against adopted City policy. He wanted to try to keep multiple options open, as long as others were doing the same. That is obviously no longer the case and I think it hasn't been for some time.

So why did the Mayor want to avoid putting all our eggs in one basket? As that is what got this project in such a giant mess in the first place. In particular, it has proven foolish to put all our eggs in one basket if the project believes the railroads own that basket, which obviously the project does.

There's seems to have been this impression that at the end of the day the railroads were going to act in the public interest, which is crazy. They are private interests. The failure is not theirs for acting in their interest; the failure is on the project for not anticipating that. That brings us to the representations that were made to the City when it agreed to drop further consideration of Uptown alignments, and support Kenilworth, again with conditions that are now being violated.

If someone had told Mayor Rybak in 2009 that there really was not a real plan for how to handle freight, and that the can was just being kicked down the road, he never would have agreed to support Kenilworth. If someone had told Mayor Rybak in 2009 that rerouting freight meant going to the Surface Transportation Board (STB), which the region would consider an unacceptable hassle, but keeping freight in Kenilworth would not, then he would have said you have a built-in incentive to not keep the very promises you are making to my City and me.

If someone had told Mayor Rybak in 2009 that the region would be unwilling to negotiate with the railroads and that the railroads would ask for whatever they wanted and the region would give it to them, he would have said then that's an open-ended cost escalator. You have no idea how much the promised re-route will actually cost in the end. Of course, no one told Mayor Rybak any of those things. I was there in the room with him. They said, "Mayor, your alignment costs \$1.4 billion and that's too expensive." He responded, "But you haven't factored in freight costs with your alignment." And they said, "No, Mayor. That's separate. We've got that covered. We have a plan."

Mayor Rybak is less prone to regret than anyone I have ever known, but I'm sure among his biggest regrets is the faith he placed in the assurances he was provided about freight in 2009. So for the City of Minneapolis, this project obviously flunks the fairness test. This project is breaking the promise made to Minneapolis so as to facilitate St. Louis Park breaking the promise it made to the region. Fairness is not the only measure. If it was, the Mayor would have slammed the door shut on the shallow tunnel, as so many have repeatedly asked him to do.

Transparency of the process is also an important measure. Most of all, this project suffers from a failure to factor in freight; seventeen years worth of failure to factor in freight. First, there was the failure to get a binding agreement with either St. Louis Park or the railroads 17 years ago. Some consider that ancient history, but we are still living with the impacts of that failure today. The failure to factor in freight continues to run right up to the present day. September 4 was not 17 years ago, it was just four weeks ago.

On September 4, Commissioner Dorfman said reroute as proposed works for the railroads. It is building a Cadillac version they would never invest to build for themselves for so few trains. Later, Commissioner Dorfman noted that there were still so many unanswered questions, and said I look forward to having this group come in, TTCI from Pueblo, Colorado, who I am told are absolutely, I have been told, the best in the business to take a look at what we studied in the past, but to give us a second opinion. I look forward to coming back together with more information.

On September 4, Mayor Schneider, whose advocacy for a responsible process we very much appreciate, spoke of the value of doing a thorough, exhaustive study reining in the expectations of the rail companies, not just satisfying Minneapolis, but the general public. Finally, on September 4, Chair Haigh said we are going to have a chance to hear from TTCI, so the SWCMC will be able to ask those questions when they come forward. I just want everyone to know this a thorough, honest, deep assessment of the relocation alternative in St. Louis Park. There are a lot of questions that people have raised. These questions are going to get answered in this study. Of course, TTCI didn't do the promised study and they are not here before us.

Mr. Wagenius said we expect that the weeks ahead will include a lot of focus on the product. The product reflects the hard work of great staff of many agencies, trying to make the best of this bad situation. Staff deserves a lot of credit for their hard work. The last two options that we are choosing between are not the logical products of a fair, transparent, and rational process. They are simply what is left. What is left from a process that contained serious flaws.

Commissioner McLaughlin said the Uptown option was not viable, it cost more, and the modeling showed it did not have more riders. There were promises made 17 years ago, but the world has changed since then and the railroad industry is not the same as it was 17 years ago.

Chair Haigh asked to delay a vote on the resolution today and have a meeting next week. Mr. Wagenius said he understood this meeting was a hard deadline and that was one of the reasons why Met Council did not seek to procure the services of another firm other than TTCI and were not willing to delay in the purpose of getting what we thought we were going to get, but we are still delaying. It seems unfortunate.

Mr. Wagenius said his recollection of the ridership numbers is that we have a new CEI that says in the federal rules that urban riders matter, which was not the case back then. I am not attempting to revive the Midtown Nicollet alignment. The mayor does not want the Midtown Nicollet alignment back, it was rejected for some reasons that no longer apply and some that do still apply, including at-grade operations on Nicolet. Everyone agreed that was not a good idea, which gave birth to a better way to serve Nicollet with the modern street car project. We do not know the frequency of the freight rail as it is in the private sector and the frequency can change.

Mr. Wagenius indicated people have asked why Mayor Rybak and Minneapolis City Council will not stand up to just those neighbors. We have been doing that consistently for the past months. There are a lot of people, as a result of this project, who no longer support LRT. There are two groups one called LRT Done Right and we have worked with them to answer their questions. Another group, Deep Tunnel Or Nothing, is raising money to sue the project. We have told them that this corridor was bought for LRT and you have had 17 years to realize that LRT is coming. We have stood up to those folks, but we also stood up for those folks. They were told LRT is coming and freight was going away. Our effort is to see that, that promise is kept.

Chair Haigh asked for a motion to table the resolution. Mr. Bill James, Council Member Cheryl Youakim, and Council Member Jake Spano opposed the motion. Majority carried and the motion was approved. Council Member Jim Brimeyer did not vote.

The meeting adjourned at 11:53am.

Respectfully submitted,
Lynne Hahne, Recording Secretary