

Metropolitan Council
Beth El Synagogue, 5224 W. 26th Street, St. Louis Park 55416

Meeting of the Southwest Corridor Management Committee

September 3, 2014

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

1. CALL TO ORDER

Chair Susan Haigh called the September 3, 2014 meeting of the Southwest Corridor Management Committee to order at 10:05 a.m. at the Beth El Synagogue.

2. APPROVAL OF MINUTES

Chair Haigh presented the July 9, 2014 Special SWLRT Corridor Management Committee meeting minutes for approval. Commissioner Jan Callison made a motion to accept the minutes, Commissioner Matt Look seconded it, and the motion was then unanimously approved.

3. MUNICIPAL CONSENT PROCESS UPDATE

Chair Haigh reported that the municipal consent process is now concluded. She thanked all those around the table along with their staff that helped get us to this point. Mr. Mark Fuhrmann reported that municipal consent was approved by Minneapolis on August 29. This now concludes all cities and Hennepin County for approving the municipal consent for the SWLRT project. Mr. Fuhrmann also extended his thanks to the cities and county and their staff for their help in making this milestone happen.

4. PROJECT BUDGET UPDATE

Mr. Fuhrmann provided an update on the project budget, which remains at \$1.65B. The breakdown of the funding was shown, which is 30% from CTIB; 10% from Hennepin County Regional Railroad Authority (HCRRA); 10% from the State of Minnesota; and 50% from Federal Transit Administration (FTA). Mr. Fuhrmann stated that as of today, \$705 million of this money has been committed. The Federal Transit Administration would like to see the full pledge of local funding commitments before they sign the full funding grant agreement. FTA is also looking for a 70% funding commitment of the local money before entering into Engineering, which we now have. A breakdown of the commitment was shown, which is: \$496 million from CTIB; \$165 million from HCRRA, and \$44 million of the \$165 million committed from the State.

Mr. Fuhrmann explained that we are currently carrying approximately \$300 – 350 million of contingency. The contingency amount going into construction will be based on FTA's risk assessment. Both CTIB and HCRRA felt they need to be fully engaged working with the project to help manage this contingency. There will be an Executive Change Control Board (ECCB) created, which will consist of 3 CTIB commissioners; 1 HCRRA Commissioner; 1 Met Council member; and a non-voting member from each municipality. There would also be a technical staff support group created to go through the details as changes need to go forward for ECCB consideration. The purpose of the ECCB committee is to approve

change orders that exceed \$250,000; and approve scope deferrals and Locally Requested Capital Investments (LRCIs) greater than \$75,000.

Mr. Fuhrmann reviewed the LRCI process. Discussions with CTIB were held on what type of change orders will need ECCB review, and whether they are contract initiated change orders; Met Council or municipality requested change.

Councilmember James Brimeyer stated the threshold for this type of project seems too low. He asked how frequently will the ECCB meet or will they be on call? Mr. Fuhrmann stated that discussion on this was held at CTIB. We did inform CTIB of potential delay claims from the contractors and they agreed to increase this from \$150,000 to \$250,000. Mr. Fuhrmann feels that during heavy construction, the ECCB will need to meet regularly. This will need to be managed to keep the contractor moving forward.

Councilmember Brimeyer asked how FTA will react to this provision, and will it affect the contingency amount? Mr. Fuhrmann stated that we will share this information with FTA, although he doesn't feel it will change what the total amount of contingency will need to be. FTA will want us to figure out how the approval process will work without causing delay for the contractors.

Mr. Bill James asked if a change order comes through, what process is in place to work through the issue? Such as if St. Louis Park brings forward a request that is in conflict with another city? Mr. Fuhrmann said if the design of a change order or LRCI impacts multiple cities, the engineering team will then meet with the affected cities and work through the request.

Mayor Terry Schneider feels the concept of the ECCB has a lot of merit, and feels that if CTIB and HCRRA provide their portion of the funds, they will want to make sure the scope of work gets completed. What is productive is scope changes that are beyond the basic needs for the approved plan, such as extra bridges. He is comfortable with the \$250,000 amount, if it is on the items that are discretionary and there is a choice. If the item is non discretionary, and is something that is part of the construction process, he feels it should be handled with the contractor and not go through the extra layer of process. He suggests Mr. Fuhrmann work with CTIB and HCRRA to refine the review process to what's discretionary and what's non discretionary. Mr. Fuhrmann said this discussion was held, and he cited there are conditions that come up that aren't expected that do cost more. The other example is if there is a scope enhancement requested. Those items greater than \$250,000 should get the review and oversight of ECCB. Chair Haigh mentioned that she did make a motion at CTIB that was not seconded to increase the approved change order amount to \$500,000.

Mr. Will Roach asked if the CMC will continue to meet once the ECCB starts up. Chair Haigh said yes, the CMC will continue to meet, as there will be many issues to address as the project moves forward.

Councilmember Cheryl Youakim asked how the rankings from CMC of the LRCIs will be carried forth. Mr. Fuhrmann said the technical committee will take the list of LRCIs and begin to prioritize them. If a local jurisdiction wants to bring forward 100% of the funding, it would not be subject to the \$75,000 threshold and not be subject to tapping the contingency, therefore the item would go to the front. If the cities and county would not be able to fund a LRCI, it would then need to be prioritized to which would be most beneficial to the project. The criteria used will include: enhancing safety of the project; enhancing ridership; and enhancing the economic development opportunities. These are then factored in and the list is then brought back to CMC. Mr. Fuhrmann stated the CMC will look to which LRCIs will rise to the top and which are not as important to invest project money in.

SPO staff will have meetings in the coming weeks with city and county staff to set forth the process to fund the LRCI's through a master funding agreement (MFA) and subordinate funding agreements (SFA). This provides a mechanism to accept and bill a city for LRCIs. The MFA and SFA are items needed to fund the

design and environmental review of the LRCI's. In early 2016, a second SFA will be needed for construction of the LRCI. If the local jurisdiction provides 100% of the funding for design and environmental documentation for the LRCI, it guarantees that the LRCI will be in the construction bid document for the construction companies to include in their bids. When FTA staff were in town in August, they mentioned they will want to review LRCI list. FTA has expressed concerns with LRCI's that come up during the course of construction.

Councilmember Youakim asked if redevelopment plans would be included if it's a local or private match, such as around the Blake Road Station. Does the developer need to be identified right away? Mr. Fuhrmann said no, although the sooner we know from that development agreement the better. Mr. Fuhrmann said LRCIs will be further discussed in the fall, after more discussion is held with CTIB and FTA.

Mayor Schneider said the ECCB should focus on financial implications first. The other issues, improved access and improved safety, will be difficult for ECCB to understand as they are weighing the requests. He would strongly suggest the efforts be done concurrently. As CMC works through the list of LRCIs and prioritize them based on key criteria, then this would be a factor when coming to the ECCB. It may present a better framework for negotiating what is the correct percentage of participation by a particular municipality for that improvement. He suggests both groups should engage in the process so items that are critical rise to the top.

5. SIX MONTH LOOK AHEAD

New Starts Funding

Mr. Fuhrmann reported that FTA made a request to projects that want to get an updated rating. We have assembled our New Starts package and will be submitting it on 9/10. A map was shown of all 13 of the New Starts projects that are in the FTA pipeline for project development or engineering. Minnesota now has two projects in this phase, both SWLRT and Blue Line Extension (Bottineau LRT). There are only two other states that have two active New Starts projects in the request.

The evaluation rating matrix under MAP 21 was shown. This is for project justification (technical criteria) and the financial portion. The SWLRT was originally rated in the Spring of 2012, and we were given a solid medium rating. After the resubmittal, we are hoping to be increased to a medium-high rating.

Advanced Design and Engineering

Mr. Jim Alexander reported that the 30% plans have been completed and distributed to all cities and the county as well as other project partners. The review process on these documents will be similar to municipal consent plans. We will give the cities and county at least 30 days to review the plans, and then go through and resolve and incorporate any comments. The next step for the engineering process is to move forward with the procurement for the advanced design consultant. We will advertise the RFP for this later today. There will be a 45 day advertisement period and we look to get proposals in mid-October. We will then go through the interviews and negotiation process and hope to award the contract by the end of 2014 or early 2015. For the selection process, we will have an evaluation panel and a technical advisory group. The evaluation panel members will then vote and make the final recommendation to the Met Council.

Councilmember Higgins asked about the confidentiality agreements. Mr. Alexander stated that the selection panel needs to sign a confidentiality agreement to verify they have no conflict of interest in the evaluation of the proposals. This is a standard process for Council procurements.

Environmental Field Work

Mr. Craig Lamothe reported we have been conducting field work including wetland delineation and surveys. Other upcoming work includes the Phase II environmental testing, which includes boring and trenching on properties throughout the corridor. This work will start within the next 30 days and continue until the weather turns too cold. The work will then begin again in the Spring. We will be getting right of entries for all these properties and will start to be more visible in the communities. SPO staff will be working closely with the local city staff to ensure we provide proper notification to the property owners.

Right of Way – Field Title Work

Mr. Lamothe reported the other piece of visible work will be field title work. There are about 146 properties that we are seeking either partial or total acquisitions. As part of this process, we will be reaching out to the property owners to verify title information we have collected, gathering property information, and reviewing the acquisition process with each property owner. Where applicable, we will also review the relocation process with them. This work will begin this fall as well, and will be closely coordinated with the city staff so they are aware of it.

Mayor Schneider asked if the environmental impact statement will continue to be worked on and how does this work coordinate with it? Mr. Lamothe stated that these two pieces of work are not related to the SDEIS work. We anticipate to have the SDEIS document issued for public comment in the first part of 2015.

Public Involvement

Ms. Sam O’Connell reported on the next phase of public involvement. Items include coordinating with Hennepin County Community Works to re-seat the Business and Community Advisory Committees; holding the Supplemental Draft Environmental Impact Statement public hearings in Q1 2015; seeking public input on the LRT station and OMF design and landscaping through Kenilworth Corridor. SPO staff continues to work with the communities to keep them up to date on the project.

5. RAIL-VOLUTION CONFERENCE

Chair Haigh mentioned that the Rail-Volution conference is coming here to Minnesota the week of September 22, and she encouraged CMC members to participate if available.

Ms. Robin Cauffman stated she has been working on the Rail-Volution committee and in addition to the 80 workshops, there will be 26 mobile workshops. The SWLRT project is very well represented at the conference. Ms. Cauffman went over some of the conference sessions which Council and SPO staff will be co-leading. There is also a mobile workshop which will be touring development around SWLRT. Meg McMonigal (City of St. Louis Park) and Janet Jeremiah (City of Eden Prairie) will be leading this workshop. She encouraged attendance at this conference, which will bring visibility to all the work we do here. To date there are over 1,200 people signed up for the conference.

5. ADJOURNMENT

Chair Haigh stated that the SWLRT CMC meetings may only need to be held every other month now for the remainder of 2014. The October meeting will be canceled, with the next meeting to be held in November. More details will follow to CMC members on the meeting dates and locations.

Meeting adjourned at 11:05 a.m.

Respectfully Submitted,

Dawn Hoffner, Recording Secretary