



Southwest Light Rail (SWLRT) Business Advisory Committee Meeting
November 27, 2013
8:00 AM – 9:30 AM
Southwest Project Office
6465 Wayzata Blvd, St Louis Park, MN 55426

BAC Members and Alternates: Co-Chair Will Roach, Co-Chair Daniel K. Duffy, Brad Bakken, Mark Bogursky, Curt Rahman, Dave Pelner, Michelle Swanson, Rick Weiblen, Stephanie Peterson, Pat MulQueeny

Staff and other attendees: Mark Fuhrmann, Sam O’Connell, Daren Nyquist, Dan Pfeiffer, Sophia Ginis, Craig Lamothe, Kathryn Hansen, Jim, Alexander, Tania Mahtani, Greg Hunt, Thatcher Imboden, Chuck Darnell, Robin Kaufman, John Doan, Kim Koempel, Peter Worthington

1. Welcome, Introductions and Approval of Meeting Minutes

Co-Chair Will Roach called the meeting to order at 8:01AM asking for approval of the October 30th BAC meeting minutes. Michelle Swanson motioned to approve the minutes. Rick Weiblen seconded the motion and the minutes were approved.

2. Transit Oriented Development (TOD) and Joint Development (JD) – Second Discussion

Craig Lamothe and Kathryn Hansen continued the conversation on TOD and JD from the October 30th BAC meeting. Craig Lamothe provided a quick review of the Metropolitan Council’s TOD strategic action plan and outlined the structure of the Council’s planned TOD Office.

Kathryn Hansen outlined the specific requirements for a project to be eligible for Joint Development, which include:

- Create economic benefit
- Enhance public transportation
- Provide a fair share of revenue for public transportation
- Require tenants to pay a fair share of costs of occupied facility

Kathryn Hansen continued by outlining the various benefits of joint development, including:

- JD can increase transit ridership
- Foster economic development
- Increase local tax base
- Leverage Federal funds
- Reduce the need for TIF and make sure revenue stays local

While there are benefits to JD, Ms. Hansen also explained that there are implicit challenges, which can include:

- Adding more partners to a project
- JD federalizes a project, which then requires NEPA processes and FTA approval of legal structures and finances
- JD can may also limit the flexibility of traditional local funding streams

The next section of Ms. Hansen’s presentation reviewed the currently identified JD opportunities for Southwest LRT. Ms. Hansen explained that stations were divided into three tiers of opportunity:

- Tier 1 stations had:
 - Transit element
 - Joint Development opportunity consistent with TSAAP/City plans

- City support for Joint Development opportunity
- Market support for timing of development in sync with construction and opening of the SWLRT
- Joint Development opportunity not competing with other PPP, Private, or Public TOD plans
- Preliminary financial analysis shows opportunity for revenue generation and increased tax base potential
- Tier 2 stations had:
 - Joint Development opportunity identified but one of the Tier 1 characteristics not present
 - TOD Office will assist in seeking funding and support development of Tier 2 opportunities in partnership with cities and county
- Tier 3 stations had no identified opportunities at this time

Tier 1 stations included: Royalston, West Lake, Beltline, and Blake

Tier 2 stations included: Eden Prairie Town Center, Golden Triangle, Shady Oak, Louisiana, Wooddale, Penn

Tier 3 stations included: Mitchell, Southwest, City West, Opus, Downtown Hopkins, 21st Street, Van White

For Tier 1 stations, Ms. Hansen outlined the estimated financial structures which include:

- \$62.4 million of capital costs, half of which would be paid by the Federal Government
- \$224 million in private investments
- \$1.8 - \$2.1 million in annual revenue

A question was asked if property owners around the Tier 1 stations were interested in the program. Ms. Hansen explained that property owners will be approached. Finding a willing seller is the most preferred situation because it makes the process move a little more quickly.

Ms. Hansen walked through the current development plans for each of the four Tier one Stations:

- Royalston
 - Pedestrian connection canopy to Farmers Market
 - Farmers Market shell (27,500 SF)
 - Pad preparation
 - Building demolition
- West Lake
 - 150 district parking stalls
 - Road and utilities
 - Pad preparation
 - Environmental remediation
- Beltline
 - Additional district parking structured (200 stalls)
- Blake
 - District parking structure (200 stalls)
 - Road and utilities
 - Pad preparation
 - Building demolition

A question was asked about adding an extra 150 parking spot near Royalston and the complications it could cause for existing businesses. Ms. Hansen responded that a district parking plan is being developed to alleviate pressure in the area and reduce car use.

Another question was asked about the criteria used to develop private investment cost. Ms. Hansen explained that currently construction costs are used to make that estimate.

Questions were asked about funding beyond site preparation and if JD projects can migrate away from stations. Ms. Hansen answered that there are examples of the FTA willing to invest in services to build a shell of a building like day

care and social services. JD projects can move away from stations, but there has to be a clear connection to a transit element specific to the project.

Ms. Hansen concluded her slide presentation by outlining next steps, which include:

- 10/30 BAC JD Part 1 - Complete
- 11/7 CAC JD Part 1 - Complete
- 11/27 BAC JD Part 2 - Complete
- 12/4 CMC JD Parts 1 and 2 - Complete
- 12/5 CAC JD Part 2
- 12/11 Metropolitan Council JD Parts 1 and 2
- 12/19 SWLRT Community Works Steering Committee JD Parts 1 and 2
- Prepare and Submit “pre-qualification” packages to FTA for review and approval: Winter 2013/2014

Co-Chair Will Roach asked the group for feedback on the Tier 1 opportunities. Several members responded that it appeared Minneapolis was receiving most of the JD projects and that the western portion of the line lends itself to more mixed use developments. Ms. Hansen commented that the project is looking to foster mixed use developments and place jobs along with housing. She added that this region is new to an organized TOD approach and it will take a little time to build the right connections.

The conversation wrapped up with several questions regarding outreach to developers. Ms. Hansen responded that the Metropolitan Council had a lot of discussion with developers to develop their TOD strategic goals. However, in terms of Southwest LRT, advice from the BAC would be useful in assisting this work.

3. Project Update and Next Steps

Jim Alexander provided updates regarding the freight rail analysis scope, the water resource evaluation scope, and the Kenilworth Corridor landscaping/greenscaping analysis.

Mr. Alexander explained the purpose of the freight rail study is to review existing studies/designs; assess viability of options considered; and identify any new options. The consultant for the study will:

- Coordinate with cities and County on analysis
- Review DEIS freight rail relocation design and comments
- Review previous freight rail relocation studies
- Review SPO relocation designs
- Interview freight railroads
- Identify any new viable options
- Present results to joint BAC/CAC, CMC

Mr. Alexander provided an overview of the routes that will be reviewed, which include:

- United Transportation Union Route
- Appleton/Benson Far Western Connection
- Granite Falls/Willmar Western Connection
- Chaska Cut-Off
- Hopkins-St. Louis Park Route
- MN&S Southerly Connection via Union Pacific
- Midtown Greenway Route

A question was asked if the United Transportation Union route was an existing line. Mr. Alexander responded that there is not yet a lot of detail on this route. New tracks would be required to get on the MN&S alignment and new track would be required to get through Theodore Wirth Park. However, more details will be forthcoming.

A member commented that any change in the freight situation will have regional implications.

A question was asked that since so much focus is on the channel between lakes, is there any other solutions to solve the problem. Mr. Alexander responded that from a technical perspective, there are many possibilities, but there are costs associated with them. Mark Fuhrmann added that the Counties Transit Improvement Board rejected a deep bore tunnel option due to high costs.

Next steps for the freight rail analysis include:

- Identify firm and contract them to complete the scope
- Finalize contract in late November

Mr. Alexander continued to explain the water resource evaluation scope which will look at water resource impacts with the construction of shall LRT tunnels in the Kenilworth Corridor. The consultant conducting the analysis will:

- Coordinate with city, county, park board, watershed district
- Review all previous reports and documents
 - SPO draft Basis of Design
 - SPO draft Water Monitoring Plan for construction and ongoing operations
 - Minnehaha Creek Watershed District /Wenck technical memo
- Present results to joint BAC/CAC, CMC

Mr. Alexander explained that the project office is collecting proposals from water resources firm and finalize a contract in a few weeks.

In terms of the landscaping/greenscaping analysis, Mr. Alexander outlined the purpose of the study is to systematically identify existing vegetation and identify re-vegetation opportunities with the Kenilworth Shallow LRT Tunnels. The project office is undertaking this work and will:

- Coordinate with city, county, park board, watershed district
- Review previous studies
- Inventory trees, understory vegetation and groundcover
- Identify re-vegetation opportunities
- Develop a public involvement plan and charrette process

Sam O'Connell provided an overview of the upcoming stakeholder involvement activities regarding the upcoming studies. These activities include:

- Coordinate with city, county, park board, watershed district
 - Review previous studies
 - Inventory trees, understory vegetation and groundcover
 - Identify re-vegetation opportunities
 - Develop a public involvement plan and charrette process
- Mid-January 2014
 - Present draft reports and seek input:
 - Technical staff with the cities, county, park board and watershed district
 - Joint SWLRT Business & Community Advisory Committees
 - SW Corridor Management Committee
 - Public testimony opportunity
 - Metropolitan Council
 - Public testimony opportunity
- Late January 2014
 - Present final reports and approve project scope and budget:
 - Technical staff with the cities, county, park board and watershed district
 - SW Corridor Management Committee

- Metropolitan Council
- Met Council authorizes distribution of municipal consent plans

Ms. O'Connell also provided an update on upcoming key project milestones, which include municipal consent in Q1 2014 and SDEIS published in Q2 2014.

4. Hennepin County Community Works Report

Thatcher Imboden, Hennepin County, provided an overview of the county's TOD program. Mr. Imboden reported that the county has contributed \$22 million in TOD investment since 2003 and is available to assist development on the Southwest LRT route. Eligible uses include: site prep, utility relocations, site improvements, sidewalks, landscaping, transit connections, and related expenses.

Mr. Imboden reviewed several of the county's most recent TOD investments including the Mozaic Bridge across the Greenway Corridor in Minneapolis, site clearance of the Boeser Site in Prospect Park, and beautification work around Bloomington's Central Station.

5. BAC Letter of Support

Co-Chairs Will Roach and Dan Duffy asked the group for their thoughts regarding sending Governor Dayton a letter of support for Southwest LRT from the BAC. The group reviewed a draft letter and was generally supportive of sending it to the Governor. To gauge the interest of absent members, an email will be sent out asking for their thoughts on the matter.

6. Member and Committee Report/Public Forum

Co-Chairs Will Roach and Dan Duffy reminded the group that meetings will start at 7:30AM in 2014.

7. Adjourn

The meeting was adjourned at 9:45AM