

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

August 11, 2009

The Ramsey County Regional Railroad Authority met in the Council Chambers, Third Floor Court House, with the following members present: Bennett, Carter, Ortega (late), Parker, Reinhardt, Rettman, McDonough – 7. Absent: 0.

Chair McDonough called the meeting to order at 9:36 AM

AGENDA

Commissioner Reinhardt moved approval of the Agenda of the August 11, 2009 Board Meeting, seconded by Commissioner Parker. Roll Call: Ayes – Rettman, Bennett, Carter, Parker, Reinhardt, McDonough – 6. Nays – 0.

MINUTES

Commissioner Carter moved approval of the Minutes from the July 14, 2009 Board Meeting, seconded by Commissioner Parker. Roll Call: Ayes – Rettman, Bennett, Carter, Parker, Reinhardt, McDonough – 6. Nays – 0.

1. Ratification of Report of Contracts

Commissioner Reinhardt moved approval of the following resolution, seconded by Commissioner Parker. Roll Call: Ayes – Rettman, Bennett, Carter, Parker, Reinhardt, McDonough – 6. Nays – 0. (R09-29)

WHEREAS, Administrative Code 4.3.50A requires a report of all contracts approved by the County Manager; Now, Therefore, Be It

RESOLVED, The Ramsey County Regional Railroad Authority hereby approves the Quarterly Report of Contracts for the period of April 1, 2009 through June 30, 2009.

Chair McDonough moved to item 3, Transitway Impacts Research Program 2009 Funding Request and Presentation, because Mark Furhmann had not yet arrived to present the Central Corridor Project Update, which was item 2 on the agenda.

[Commissioner Ortega arrived during the following discussion]

2. Transitway Impacts Research Program 2009 Funding Request and Presentation

Commissioner Carter moved approval of the following resolution, seconded by Commissioner Reinhardt.

Tim Mayasich, Director Ramsey County Regional Railroad Authority, addressed the board to explain that Lee Munnich, Center for Transportation Studies (CTS), was expected at 10 am to do a presentation on the Transitway Impacts Research Program. The Ramsey County Regional Railroad Authority (RCRRA) expensed (expended) \$20,000 in 2008 towards transit studies. CTS is requesting \$20,000 from the RCRRA for 2009 to continue the transit studies. These in depth, economic studies are of value to the RCRRA, and it is therefore recommended that the board moves forward to support this expenditure for 2009. They would be given further information during Mr. Munnich's presentation.

Chair McDonough commented that the \$20,000 is a good investment for Ramsey County because the value they get back from participating is tremendous.

Commissioner Reinhardt agreed and said the question of economic impact also came up at the Rush Line Corridor open house in June. This is valuable and important information to have and it is what people want and expect.

Commissioner Rettman wanted to know who decides which issues are pursued for these studies.

Mr. Mayasich replied it is his understanding that CTS issues a request for proposals (RFP) for the different areas of study to the various departments of the University. Therefore, CTS decides which entity receives funding for their study but RCRRA does have input into it as a funder.

Chair McDonough suggested that they vote on the \$20,000 funding request first and then they can direct these kinds of questions to Mr. Munnich when he gives his presentation.

Commissioner Rettman asked if she could withhold her vote until after the presentation or if she could vote no now and then change it to yes if she decides to do so after she hears the presentation.

Chair McDonough pointed out that there would be no way to vote after the presentation.

Commissioner Reinhardt suggested that Commissioner Rettman vote yes now and then if she wants to change her vote to no afterward, she can ask for reconsideration.

Roll Call: Ayes – Rettman, Bennett, Carter, Ortega, Parker, Reinhardt, McDonough – 7. Nays – 0. (R09-30)

WHEREAS, Ramsey County and other Railroad Authorities and the University of Minnesota have supported research initiatives to study transitway projects' economic and community impacts through Transitway Impact Research Program; and

WHEREAS, The Transitway Impact Research Program has requested \$20,000 from the Ramsey County Regional Railroad Authority to research residential and commercial property values, land use patterns, neighborhood impacts, and travel behaviors; Now, Therefore be it

RESOLVED, That Ramsey County Regional Railroad Authority approves the expenditure of \$20,000 for Ramsey County Regional Railroad Authority's share of the Transitway Impact Research Program for 2009.

3. Updates

Tim Mayasich, Director Ramsey County Regional Railroad Authority (RCRRA), gave a few updates on recent RCRRA activities. The first update was on the Federal Railroad Administration ARRA grant application for the Union Depot. This application is being developed collaboratively with Mn/DOT and will request \$137.7 million for the development of the Union Depot as the multimodal transit hub. Mr. Mayasich said the Depot project is the only Track One Program Project in the state, meaning it is the furthest along in the project development process. In a recent conference call with the Federal Railroad Administration (FRA), positive feedback was received on the project including the FRA expressing its excitement about the project and its desire to see it succeed. The deadline for the grant submittal is August 24, 2009 and the project received unanimous support at the Mn/DOT Rail Forum. Mn/DOT will submit the final application to the FRA and they anticipate getting a response from FRA within 90 days after the application deadline. It is possible FRA could extend their awarding period through September 30, 2010, which would be beneficial for the RCRRA as it would allow them to get further along in the project development process. It was explained to FRA the RCRRA currently has enough funding to get through Preliminary Engineering, Final Design and some of the construction work, therefore a later grant award would be favorable and FRA was pleased to hear this.

Chair McDonough commented that this is really a big deal as the only project in the state that meets the criteria to move forward on a track one funding request and is a good example of the work that we have done in Ramsey County to position ourselves for these opportunities. He stressed that the unanimous support they have received throughout the state to move this project forward is important. The Union Depot project is rated highly and stands out because it has independent utility and does not rely on other projects to move forward. He mentioned that it will be extremely competitive and that the Union Depot project provides geographic balance, which is one of the FRA's guidelines in the grant application.

Commissioner Parker thanked Chair McDonough, Mr. Mayasich and the RCRRA staff for positioning them for this opportunity. She asked who the decision makers are in this process.

Mr. Mayasich replied that the FRA will make the final decision on who will be awarded a grant and at what level. He said they are well positioned with the support of Mn/DOT and the partners in the rail forum.

Commissioner Parker asked if including letters of support would help their chance in the selection.

Tim Mayasich said the contents of the application are really what FRA will be looking at. They could submit letters of support from the local state delegation and federal delegation, for example, but FRA will mostly be interested in the support and commitment from our other partners on the Depot such as Amtrak, Jefferson Lines, Greyhound and Metro Transit. He agreed that the independent utility aspect of the Depot is important and our job is to get the Depot ready to accommodate all the other modes coming into it.

Chair McDonough added that we have Amtrak's, Jefferson Lines, Greyhound's and Metropolitan Council's support. In fact, the state bonding share allowed \$21 million for transit projects in the metro area and the Met Council's initial proposal is to dedicate \$.5 million of that to the Union Depot in state funds.

Commissioner Parker suggested that they pursue the letters of support because it reaffirms their priority.

Commissioner Bennett commented that the LOCATE Task Force has consisted of representatives of the Union Depot partner entities, such as those previously mentioned, and they have attended every meeting. We have had a good working relationship with them for numerous years solely working on the Union Depot project and assuring that it becomes a reality.

Chair McDonough commented that much recognition goes to LOCATE because the original charge was to validate that the Union Depot made sense for an intermodal transit hub for our community and the east metro. They looked at many options and scenarios and landed exactly where it was expected but their work truly helped position the Depot as the right place.

Commissioner Reinhardt commented that we are moving forward into the next phase of the project as it becomes a facilities operation with the transit options coming into the Depot. She added that when the board was at a conference in Washington, DC, Chair McDonough arranged for FRA representatives to attend the conference. This allowed an early opportunity to connect with the FRA and inform them on the project. FRA mentioned that this was uncharted territory for them and they needed the expertise and advice that entities like Ramsey County could provide them. She was impressed with how open they are to figuring out the best way to achieve this and the most economical way to get the job done. She said we are well positioned not only because of the partners but also because of the outreach that has taken place.

Mr. Mayasich proceeded into the next update topic of the Union Depot Environmental Assessment (EA), which he said has been signed by the Federal Highway Administration (FHWA). The document

will be published in the Environmental Quality Bulletin on August 24, 2009, which will open a 45 day comment period. RCRRA will hold two public hearings at the Union Depot on the EA both to take place on September 9, 2009, the first one from 12:30-2:30 pm and the second from 5:30-7:30 pm. After the comments have been received and reviewed by the FHWA, we would expect to receive a Finding of No Significant Impact (FONSI) from the FHWA that should allow us access to the \$45 million of state relief funds that have been appropriated for this project.

Chair McDonough said this is another big step in this process. It is very good that the post office is on schedule to move its operations into Eagan, which happens on December 31, 2010, because we take possession on January 1, 2011 and will immediately begin construction to prepare for Amtrak to move into the building.

Mr. Mayasich concluded his update by mentioning that Mn/DOT is submitting a \$50 million FRA request for the Midwest Passenger Rail Corridor between Milwaukee, WI and the Twin Cities. Mn/DOT is collaborating with the Wisconsin Department of Transportation (WisDOT) on the application. WisDOT is looking at two corridors for their portion of that route. Regardless of which route is selected they have excellent access into the Depot.

Chair McDonough added that there is a track one funding request to build the Milwaukee to Madison connection and to complete the track upgrades needed for the Chicago to Milwaukee portion of the corridor.

Commissioner Parker asked that a map of the two proposed corridors be provided to the Board.

Mr. Mayasich commented that if they are awarded the FRA grant funding, the RRA would return to the Board for approval.

4. Central Corridor Project Update – Mark Fuhrmann

Mark Fuhrmann, Central Corridor Project Manager, began the Central Corridor Project Update by saying that it is an important month in advancing the Central Corridor Light Rail Transit (LRT) Project. The three topics he planned to discuss are the Final Environmental Impact Statement (FEIS) Comments and Schedule, Project Scope and Budget and 4th Street Advance Utility Relocation.

Mr. Fuhrmann said the FEIS was published in June, the comment period closed on July 27, 2009 and they received 200 comments, 90% of which were related to the University of Minnesota (U of M). Other concerns were impacts to businesses, noise and vibration, environmental justice impacts and parking impact. Mr. Fuhrmann explained that there are two critical action items taking place in August. On August 19 is the Receipt of a Record of Decision (ROD) from the Federal Transit Administration (FTA), which formally concludes the National Environmental Policy Process and closes out the project's environmental review, documentation and findings. Concurrent with the ROD, Metropolitan Council has requested a Letter of No Prejudice (LONP) to be approved by the FTA. Also taking place on August 26 is the Met Council's FEIS Adequacy Determination, as required by Minnesota in this process.

Chair McDonough wanted to clarify if the LONP is a common occurrence throughout the county on similar projects, and if there have been any projects that did not receive federal funding once the LONP was received.

Mr. Fuhrmann replied that FTA has said that they are not inclined to issue a LONP unless the project is a promising candidate for the full funding grant. He commented that five LONP's were sought and received for the Northstar Project before the receipt of the full funding grant.

Chair McDonough said this is important because there is still the risk of spending local funds and not reaching the point where a full funding grant agreement is signed and federal funds are received.

Even though this has never occurred following the receipt of a LONP, it could and once Met Council comes to Ramsey County and asks us to participate with local funds, the Board needs to recognize that while it is critical to spend the local funds there will be some risks.

Commissioner Rettman commented that they already approved part of that on the 4th street utility work and previously advanced funds.

Mr. Fuhrmann replied that the utility work, which began in July, is solely being undertaken by Xcel Energy at their expense. The Preliminary Engineering (PE) and Final Design funding agreement, which the RCRRA also authorized execution, clearly states that anytime the project seeks a LONP, Met Council must come before the RCRRA and seek permission to do so prior to advancing that local money.

For the next topic, Mr. Fuhrmann explained that the Project Scope and Budget is updated each year as part of the annual cycle for the federal New Starts process. The FTA recently issued their annual letter for the upcoming year New Starts Guidance, which details the FTA allowed changes in the Cost Effective Index (CEI). For the next annual cycle, they have adjusted the CEI to \$24.99, a \$.50 increase from the current rating for a "medium". The project CEI currently stands at \$24.37. The escalated CEI is listed at \$24.60, as the FTA requires all projects to normalize their costs and account for escalation and inflation. The inflation adjustment does not require new expenditures but allows our project to be on the same level as other projects. With the new CEI, there is a \$.39 capacity if the policy makers, the RCRRA and Met Council all agree that there is worthy scope and budget expenditures up to that level. The CEI is a pass/fail, which means any project that wants the federal grant must achieve a CEI of \$24.99 or less to rate a "medium" in the CEI evaluation to be eligible for the federal funds.

Chair McDonough commented that conversations then surround whether or not the \$.39 should be spent and how. If we did spend up to the \$24.99, it would increase Ramsey County's share of 10%, as well as the Counties Transit Improvement Board's (CTIB) share and the state's share because the federal dollars coming in would have to be matched.

Mr. Fuhrmann said they have been working closely with both counties, both cities and the U of M to identify potential items that are putting demand on the project scope and budget. There are 6-8 items that are currently being discussed with each of the funding partners. These Identified Scope Additions exceed the \$.39 capacity. This issue will be discussed at the Central Corridor Management Committee (CCMC) tomorrow and, at the end of this month, CCMC will provide advice to Met Council, who will need to decide on August 26, in determining the priority items and expenditures while keeping within the CEI limits.

Chair McDonough clarified that the CEI change is not a direct dollar to dollar comparison. A lower dollar amount but a higher CEI is an indication that it is affecting travel time or ridership. Higher dollar amounts with non-corresponding CEI means that it is a capital investment and not necessarily affecting travel time or ridership. Most of the time, we know the impact of the CEI when we make or change an investment, as we have seen.

Commissioner Bennett asked for a quick rundown of the identified scope additions, specifically the 4th Street/Cedar/Diagonal Right of Way (ROW).

Mr. Fuhrmann replied they made the adjustments to the alignment in downtown St. Paul to take the train tracks through the diagonal through the old Bremer Bank. This is just the ROW cost, as the old alignment was in street and there was no ROW, now we are going through that private property. This includes the acquisition of the building.

Commissioner Rettman asked if this was the City of St. Paul's responsibility.

Mr. Fuhrmann replied said they worked closely with the City, which sought legislative authority for new funding for acquisition cost but at the end of that session it was not successful. FTA will look to the project and need to see a cost as to what the current estimate is to acquire the building.

Chair McDonough clarified that this alignment change was a benefit to the project because it eliminated one station and decreased travel time, which increased the CEI. Ramsey County and the project office have taken the position that the issue of actually acquiring the ROW and assuring that the track and train can operate there is the responsibility of the project. Anything beyond that would be the responsibility of interested parties who would want to make those investments.

Commissioner Bennett wanted to confirm that if the station is eliminated and they make the diagonal, then the cost for the eliminated station is included in the creating the diagonal.

Mr. Fuhrmann replied the cost of the station is not included in the estimated CEI change but is strictly to purchase the ground necessary for the track. He said the cost for the station has already been subtracted. He added that going back to the old alignment of running track down Cedar Street and making a 90 degree turn on 4th street is no longer an option because the FEIS documented taking the train on the diagonal, which FTA is expected to sign off on.

Commissioner Bennett said the estimated CEI change of \$.22 is then a reality because there is no other option for this alignment.

Commissioner Carter said they acknowledge that the identified additions are unresolved issues and without an alignment there is no Central Corridor. She asked how the resolution of these issues impact the Record of Decision (ROD) and if Mr. Fuhrmann had any guidance as to how and when the other items might need to be resolved.

Mr. Fuhrmann replied that the Infill Station item, for example, relates most directly to Commissioner Carter's question of what will be a Met Council decision timeline to give the project direction on those items. He said he received a letter from the FTA last night on the Infill Stations stating that at the point in which the partners decide to activate one of those stations, FTA will require additional environmental documentation. This implies that the Infill Station item will not be ready for public review and comment next week, prior to ROD. Then based on discussions with FTA, they would have to identify a future point, when the proper environmental documentation has been obtained, in which they could advance an Infill Station into the overall project scope. The three U of M items at the bottom of the chart, Electro Magnetic Interference (EMI), Monitoring and Vibration, are currently the focus of intense negotiations at the policy level, which are the meetings that have included Chair McDonough, the two Mayors, Hennepin County and the Met Council's Chairman Bell. They have been meeting frequently to identify what mitigation measures and options are available to address the U of M concerns. He said the available options are starting to narrow down and hopefully they can continue to advance and bring consensus to those discussions, which will then inform the final language and the record of decision for next week.

Commissioner Carter followed up by saying that the Met Council, CCMC and other jurisdictions have all stated their priority that first available funds in the project would go to an infill station. She said they were very deliberate and intentional about including the additional station into the Supplemental Environmental Impact Statement (SEIS) so they would have the needed information in making a decision. With regard to the additional environmental documentation required for adding an infill station, she asked if Mr. Fuhrmann had any information about the volume of the additional documentation or its impact on the project.

Mr. Fuhrmann replied they have been searching for those answers from FTA within the last couple of weeks. They have not been fully disclosed what would satisfy their request for additional environmental documentation. He said he pointed out to them that the SEIS and the FEIS both talk about the three potential infill stations and the infrastructure below the track that the project is

committed to building, the traffic impacts of any of those three stations and the loss of on-street parking, and he reminded FTA that those specific impacts are identified in the environmental documentation. He said the letter from FTA about the additional documentation continues to be vague and the FTA has not yet clarified what the documentation will encompass. Therefore, they need to continue to have those discussions with FTA to clarify what it is they would require post ROD and they don't yet know what will be the quickest way to pursue this at this point.

Commissioner Parker wanted to confirm that the source of the mitigation funds does not matter as long as it is included in the project cost.

Mr. Fuhrmann replied that her assessment was correct.

Chair McDonough added there is potential that FTA could say a particular mitigation and the funds pertaining to it are appropriate and effective. However, a project could choose to mitigate to a higher standard and that gap could be paid for with outside funds, as long as the FTA agrees we did not need to spend those funds to achieve the appropriate and effective mitigation.

Mr. Fuhrmann said it is an accurate statement. He said, for example, a typical platform as is needed on the diagonal would cost about \$5 million. If the city wants to elaborate on that by enhancing materials or adding vertical circulations, then that would be above and beyond the project scope and be identified as a "betterment" and need to be funded by St. Paul at their sole expense. This would then not be part of the budget and not be part of the CEI calculations.

Commissioner Bennett asked for explanation of the Operations and Maintenance Facility (OMF) Façade Treatment.

Mr. Fuhrmann replied that it has to do with discussions they had earlier this year in March when they relocated the Maintenance Facility from south of Kellogg Boulevard, to north of Kellogg, to the old Gillette/Diamond building. He said the City of St. Paul, in their actions for the memorandum of understanding, wanted to put windows in the west side of that facility that would look out over the St. Paul Famer's Market to give it a more neighborhood/pedestrian feel.

Commissioner Bennett asked if those enhancements have the potential to be considered "betterment" additions, then should they not come from the city.

Mr. Fuhrmann said in the course of those negotiations with the City back in March, this now needs to be part of the base as it is a condition set forth in the approval by the City Council of the memorandum.

Commissioner Bennett asked what would happen if we do not have the funds within the \$.39. Do we not build the maintenance facility or get the grant to create it?

Mr. Fuhrmann replied the maintenance facility is part of the project scope.

Commissioner Bennett wanted clarification on why these are considered additions if they have to be there to do the project.

Chair McDonough clarified these are unresolved issues that all need to have solutions. There are several options for these solutions where some of the costs might decrease and we would still meet the needs and there are potential options where outside funds may help. Even though the CEI has increased by \$.39 and allows us more dollars to spend, these are the unresolved issues in the total potential demand on that \$.39. He said it will be very difficult to buy all the solutions with the \$.39.

Commissioner Parker asked Mr. Fuhrmann to expand on the U of M construction schedule.

Mr. Fuhrmann said the line item U of M Construction Schedule is the U of M requesting Met Council and the project that the U of M would control the actions and phasing of the Met Council construction contractor when they are operating and constructing in the University area. We know the estimated construction cost of those six blocks on the east bank, and this is increased with a 50% premium on that should the University decide and demand that they will manage the contractor and not the Met Council. He said, therefore, the estimated CEI change range is associated with the schedule management issues and, while the amount is being discussed, they are not a direct physical component of the construction.

Mr. Fuhrmann proceeded with the final topic, 4th Street Utility Relocation Contract Status. He said they went out for bids in July and received four bids, which ranged from \$13.5 to \$18.2 million. The bids were rejected due to their unbalanced nature. He explained this and said the bids incorporated St. Paul Water, St. Paul Sewer and District Energy work and they had estimates for these three subcomponents for the work. The estimates came in quite distorted between those three subcomponents and for this unbalanced reason they had to reject the bids last week and re-advertised on Thursday with new bids due Thursday of this week. With this new round of bidding, they hope the three subcomponents of the work will be much clearer to bidders and better will better match their estimates.

Commissioner Bennett asked who is paying for the water, sewer and district energy cost of relocation.

Mr. Fuhrmann replied that the state statute require the project to pay for relocation expense for the public utilities (water and sewer). State statute requires private utilities to pay their own expense (district energy).

Mr Fuhrmann said during the last week in August they will have the identified low bidders and will seek approval from the Met Council to award a contract contingent upon receipt of the ROD and LONP to assure that both Met Council and Ramsey County can be reimbursed for the advance local money for that work. He said this concludes the update and they have greatly appreciated the RCRRA's support on the project.

2. Transitway Impacts Research Program 2009 Funding Request and Presentation (continued)

Lee Munnich, Center for Transportation Studies (CTS), said he would provide an update on the Transitway Impacts Research Program (TIRP), a background on what it is about and how it relates to the Central Corridor and other transit projects in the twin cities area. He said the program began a couple of years ago The University of Minnesota (U of M) does extensive transportation research through the CTS. Much of the work that has been done related to roads and highways but they have not had a comparable transitway component until recently. With all the transit projects taking place in the Twin Cities, they decided to expand their research capacity to keep up with and get ahead of some of the work that is going on, which is intended to be a long term study effort. The basic topics of their study are "what are the economic, social, and health impacts of transitway corridors in the Twin Cities metropolitan area", which was launched in 2006 by the Hennepin County - University of Minnesota Partnership and supported by the CTS and the State and Local Policy Program at the Humphrey Institute. TIRP has many partners, including the cities of Minneapolis and St. Paul, the counties of Ramsey, Hennepin, Washington, Anoka and Dakota, and more than \$400,000 of TIRP's funding has come from these local resources.

Mr. Munnich said there are two studies that have been completed and others that are underway. They studied the "Hiawatha Line and its impacts on land use and residential housing value". They found that Hiawatha produced an increase of \$47.1 million in residential property value between 2004 -2007; the average value of homes located near stations increased: single-family homes more than \$5,000 and multi-family homes more than \$15,000; and compared to a control area, new housing construction occurred at a rate 183% more and single-family homes sold for 4.2% more. The second study they completed looked at the "demographic and behavioral differences between Hiawatha light

rail and other transit riders". They found that Light Rail Transit (LRT) provides equity by attracting captive riders (39%) and efficiency by attracting choice riders (69%); 33% of LRT riders are reverse commuters; 75% of LRT riders walk further than a ¼ mile to each station; 1/3 of LRT riders choose to park and ride; and LRT supports mode mixing – 50% of riders transfer to another transit service. Therefore, this study gave them a first look at some of the behaviors of people using LRT and as they look forward to Central Corridor LRT, it will give them a baseline to understanding to how people are using the line.

Chair McDonough commented Mr. Munnich's last point and said the willingness of riders to mode mixing causes a shift in how we plan for transit in a metropolitan community. It shows that the planning of intermodal hubs, such as the Union Depot, becomes critical.

Commissioner Rettman commented that she does have concerns on some of the issues and is curious about which studies would be researched next. She said she would like to discuss this with Mr. Munnich and obtain that information and answers to some of her questions at a future point in time.

Mr. Munnich agreed and said he would also invite some of his faculty to join the discussion.

Mr. Munnich closed his presentation by mentioning TIRP's research priorities for 2010, which includes economic and business impacts, neighborhood and social impacts, and environmental impacts. They will be obtaining faculty proposals to do these research studies.

Chair McDonough informed Mr. Munnich that when they took the vote on this item there were many positive comments about the value of the program.

There being no further business, Chair McDonough declared the meeting adjourned at 11:05 AM.