

RAMSEY COUNTY REGIONAL RAILROAD AUTHORITY

January 26, 2010

The Ramsey County Regional Railroad Authority met with the following members present: Bennett (late), Carter, Ortega, Parker, Reinhardt, Rettman, McDonough – 7. Absent: None. Also present were Julie Kleinschmidt, County Manager, and David MacMillan, Assistant County Attorney.

Chair McDonough called the meeting to order at 10:55 AM.

AGENDA

Commissioner Reinhardt moved approval of the Agenda of the January 26, 2010 Board Meeting, seconded by Commissioner Carter. Roll Call: Ayes – Reinhardt, Rettman, Carter, Ortega, Parker, McDonough – 6. Nays – 0.

MINUTES

Commissioner Reinhardt moved approval of the Minutes of the January 12, 2010 Board Meeting, seconded by Commissioner Rettman. Roll Call: Ayes – Reinhardt, Rettman, Carter, Ortega, Parker, McDonough – 6. Nays – 0.

1. Selection of Consultant for the Economic Analysis and Development Potential Study for The Union Depot

[Commissioner Bennett arrived at this point]

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

Commissioner Rettman asked if the six month study would come back to the Board after its completion.

Tim Mayasich, Director, Ramsey County Regional Railroad Authority (RCRRA), replied that the consultant, HR&A Advisors Inc, will coordinate with Mortenson Construction who also has an economic component in their contract for The Union Depot design and construction. The RCRRA staff will update the Board on the study's progress and present the study's recommendations once completed.

Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0.
(R10-12)

WHEREAS, The Ramsey County Regional Railroad Authority (RCRRA) has worked to advance The Union Depot Multi-Modal Transit and Transportation Hub (Depot) to the benefit of the citizens of Ramsey County; and

WHEREAS, The RCRRA has expressed an interest in examining the economic impact and development potential of the Depot; and

WHEREAS, The Economic Analysis and Development Potential study will describe the economic environment in which the Depot will operate as a regional multi-modal transit hub and develop specific strategies that optimize future development opportunities within and adjacent to the Depot, and

WHEREAS, The Red Rock Corridor Commission in Resolution 2009-14 authorized the RCRRA the use of \$170,000 in 5339 federal funds for the completion of this study, and

WHEREAS, RCRRA approved a Subrecipient Agreement with the Metropolitan Council to access federal 5339 funds from the Federal Transit Administration; and

WHEREAS, In resolution R09-12, the RCRRA agreed to contribute up to \$42,500 covering the 20% match to federal funds for the completion of this study; and

WHEREAS, In resolution R09-47, RCRRA authorized the issuance of a Request for Proposals for an Economic Analysis and Development Potential study of The Union Depot Multimodal Transit and Transportation Hub; and

WHEREAS, A Proposal Review Committee ("PRC"), comprised of staff members from RCRRA, City of St. Paul, Metropolitan Council, Washington County RRA and Dakota County RRA was formed to review proposals from six firms; and

WHEREAS, The PRC interviewed three consultant firms; and

WHEREAS, The PRC recommends the selection of HR&A to complete an Economic Analysis and Development Potential study for the Depot on behalf of RCRRA; Now Therefore Be It

RESOLVED, That the Ramsey County Regional Railroad Authority (RCRRA) approves the selection of, and authorization to enter into negotiations with HR&A , HR&A, 99 Hudson Street, 3rd Floor, New York, NY 10013, for completion of an Economic Analysis and Development Potential Study for The Union Depot; and be it further

RESOLVED, That the Ramsey County Regional Railroad Authority direct staff to return to the Ramsey County Regional Railroad Authority for approval of a final contract for completion of an Economic Analysis and Development Potential Study for The Union Depot.

2. Approve Letter of No Prejudice Advanced Traffic Improvements for Central Corridor

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

Chair McDonough offered an explanation of this item, and said the Federal Transit Administration (FTA) is allowing them to move forward with Letters of No Prejudice (LONP) to keep the project on time and on budget. They issue these letters to allow us to spend local funds at 100%. Once the Full Funding Grant Agreement (FFGA) is reached, the federal funds will be matched. Until we have the FFGA, the local funds will be spent with a risk. However, almost every project in this country moves forward with a LONP and there has never been a project that has not received the FFGA by moving forward. The RCRRA did a LONP for the 4th Street utility relocation work that is currently taking place. They also are doing one for some work at the University. Additional LONP's will come forward with the Civil East contract in the near future.

Commissioner Carter commented that it may be possible for Ramsey County to explore with the Project Office the use of a potential early systems work agreement, a strategy which is now being used by the new Federal Administration, which would provide for payment of that early work.

Commissioner Bennett asked what Ramsey County has expended to date under the LONP and what they anticipate spending prior to receiving federal funds in September or October.

Mark Fuhrmann, Deputy General Manager for Metro Transit and Director of the Central Corridor Light Rail Transit Project, said the actual out of pocket expenditures for the RCRRA in terms of paying bills through November 30, 2010 is about \$200,000 to \$250,000. The expenditures are forecasted to be between \$11 million and \$12 million prior to the FFGA.

Chair McDonough clarified that there is a difference between committing the funds to allow a contract to move forward and actually having to expend the funds at the time of the FFGA.

Commissioner Bennett asked for the total cost of the 4th Street utilities work.

Mr. Fuhrmann said the engineer's estimate prior to opening bids last year was \$16 million and the award was for \$12.1 million.

Commissioner Carter asked if there is a plan to explore a relationship with the federal government for early systems work agreement with any of the work proceeding before the FFGA.

Mr. Fuhrmann said early systems work agreement is a tool the FTA uses to advance these projects forward while awaiting the FFGA. However, while this technique does lessen the risk for the local funding partners, it does require congressional action for FTA to issue an early systems work agreement and to make those funds available. There is no federal action required for FTA to issue a LONP.

Commissioner Ortega commented that there is minimal risk with the LONP and they should focus on the FFGA.

Commissioner Bennett asked about the cost to Ramsey County for acquiring the diagonal station at 4th Street and Cedar Street.

Mr. Fuhrmann said the early plan was for St. Paul to acquire the properties at the diagonal but this shifted last August to the project budget. Therefore, all project partners including the RCRRA per the 7% share will participate in the funding of that acquisition. He said the cost has not been determined because value of the property acquisition has not yet been negotiated. The Metropolitan Council is currently in the process of completing the appraisals prior to making offers to the property owners.

Roll Call: Ayes – Reinhardt, Rettman, Bennett, Carter, Ortega, Parker, McDonough – 7. Nays – 0.
(R10-13)

WHEREAS, The Ramsey County Regional Railroad Authority has worked to advance the Central Corridor and other transit projects that benefit the citizens of Ramsey County; and

WHEREAS, The Metropolitan Council is responsible for delivering the project according to Federal Transit Administration (FTA) and local project partners' requirements; and

WHEREAS, The Metropolitan Council will be conducting preliminary engineering and final design for the project in 2010; and

WHEREAS, In order to maintain the project schedule Advanced Traffic Improvements need to be made at the University of Minnesota; and

WHEREAS, The Federal Transit Administration allows for early construction under a Letter of No Prejudice; now, therefore be it

RESOLVED, That the Ramsey County Regional Railroad Authority hereby approve construction of the Advanced Traffic Improvements in the University of Minnesota area, upon receipt of an FTA Letter of No Prejudice, at a cost to the RCRRA of not more than \$600,000 from the existing RCRRA Central Corridor commitment of \$65,900,000.

3. Central Corridor Project Update

Mark Furhmann, Deputy General Manager for Metro Transit and Director of the Central Corridor Light Rail Transit Project, said he would highlight a few of the key points in his presentation of the project update. He referred the Board to the FTA 2010 Project Rating sheet and pointed out that the project's overall rating is "Medium High", and is one of about a half dozen projects in the country that have achieved that rating. In

about a week, it is expected that the FTA will release their updated fiscal 2011 New Starts report and will refresh this rating for the project. Also expected to come with the report is the President's proposed 2011 budget, which has been requested to contain a line item recommendation for Central Corridor.

Commissioner Parker asked how many of the half dozen projects in the country will receive funding.

Mr. Fuhrmann said his speculation is that it would likely be more than half but not all of them. FTA evaluates these projects based on their readiness. Our project is in a solid position and we have been working hard to receive favorable response and recommendation from the FTA.

Chair McDonough pointed out that even if Central Corridor is not included as a line item in the President's budget, it should not be interpreted that we are not in the position to move the project forward.

Commissioner Bennett asked how the project will be affected if the University and diagonal issues are not solved.

Mr. Fuhrmann said the issue of the outstanding U of M lawsuit may slow the project but may not disqualify the project from proceeding to its FFGA. As for the diagonal, they will have to work with the owner. If they are a willing seller it will be a quicker process. If they are unwilling to sell, then eminent domain can be initiated.

Mr. Fuhrmann then referred to the slide with the ENR (Engineering News-Record) Construction Cost Index to show how the construction costs have changed from 1999 to 2009, which is at 0.0 for this market in the last 12 months. The next slide showed the national unemployment rate from 1999 to 2009, which is currently at a peak of 10%. He added that the construction trade unemployment was more than twice as high at 22.5% at the end of 2009.

Commissioner Parker asked how many jobs will be created by the Central Corridor altogether.

Mr. Fuhrmann said 800 construction jobs will be created over the construction timeline of four years, from 2010 to 2014.

Mr Fuhrmann proceeded to the summary page for the FTA's schedule of issuing LONP for 2010, which showed the upcoming LONP for the Civil East, Civil West and Systems contracts. He also shared with the Board a Comparison of 2009-2010 Pre-Award and LONP Contract Commitment.

Commissioner Parker expressed her thanks on behalf of the Board to Mark Fuhrmann, Tim Mayasich and the RCRRRA staff for the work that has been done on this project.

ADJOURNMENT

There being no further business, Chair McDonough declared the meeting adjourned at 11:23 AM.