

# T Transportation Committee

Meeting date: July 9, 2012

Council Meeting: July 25, 2012

## ADVISORY INFORMATION

<b>Date:</b>	July 3, 2012
<b>Subject:</b>	147 <sup>th</sup> Street Station Phase 2 Joint Powers Agreement with DCRRA and City of Apple Valley
<b>District(s), Member(s):</b>	16-Wendy Wulff
<b>Policy/Legal Reference:</b>	Regional Transitway Guidelines
<b>Staff Prepared/Presented:</b>	Arlene McCarthy, MTS Director (651-602-1754) Lindsay Sheppard, Metro Transit Senior Engineer (612-349-7679)
<b>Division/Department:</b>	Metropolitan Transportation Services and Metro Transit

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Joint Powers Agreement (JPA) with the Dakota County Regional Railroad Authority (DCRRA) and the City of Apple Valley to provide the City with the option to fund the METRO Red Line 147<sup>th</sup> Street Station Phase 2 so that it is constructed concurrent with Phase 1.

### Background

The METRO Red Line will be the first BRT transitway in the Twin Cities region with station-to-station service anticipated to start in spring 2013. The DCRRA is the lead agency responsible for Cedar Avenue BRT Stage 1 implementation. In December 2010, the DCRRA adopted the Cedar Avenue Transitway Implementation Plan Update (IPU). Stage 1 included two walk-up stations at 140<sup>th</sup> and 147 Streets in Apple Valley for the proposed Red Line station-to-station service. The Council will own these two stations with Metro Transit staff leading their design and construction.

In July 2011, the DCRRA approved station concepts for the 140<sup>th</sup> and 147<sup>th</sup> Street stations providing for enclosed shelters on both the northbound and southbound sides at each station location.

Since early this year, the City of Apple Valley has advocated for the 147<sup>th</sup> Street station to include a skyway over Cedar Avenue and a larger enclosed passenger waiting area. The IPU and substantial technical analysis of the transitway/roadway design and operation, ridership projections, station sizing and operations as well as a Regional Transitway Guidelines consistency review conducted by DCRRA and Council staff do not indicate the need for a skyway until Transitway Stage 3 between 2020 and 2030.

On March 27, 2012, the DCRRA adopted a revised design for the 147<sup>th</sup> Street Station that includes provisions for the Phase 2 expansion of the station to readily add a skyway and larger passenger waiting area at a future date as determined necessary based on actual ridership and operations. The Council submitted plans for the 147<sup>th</sup> Street Station that reflect the revised design to the City of Apple Valley for site plan review and building permit authorization .

Staffs from Council, DCRRA and the City met on numerous occasions to discuss scenarios for moving this project forward. DCRRA and Council staffs have maintained that the

skyway and expanded facility are premature and that inclusion of Phase 2 as part of the initial construction would require the City to fund Phase 2 construction and incremental operating costs. However, recognizing the potential benefit of the skyway at higher ridership levels, County staff developed a payback approach for some or all of the City-incurred Phase 2 costs based on actual ridership at the 147<sup>th</sup> Street Station exceeding the 2030 forecast of 600 average annual weekday boardings.

The City has indicated some interest in this approach, but advised it would like to know actual capital costs before making a decision. County staff proposed (see Attachment A) that the Phase 2 work be developed as a bid alternate so the City will know the actual cost of the Phase 2 work prior to making a decision. On June 28, 2012, the City took official action to approve the 147<sup>th</sup> Street Station site plan and provide building permit authorization, contingent upon the bidding documents being prepared to include a bid alternate for consideration by the City to advance the Phase 2 work at its cost based on actual bid prices.

**Rationale**

Authorizing the JPA will allow the Council, DCRRA and City of Apple Valley to move the METRO Red Line project forward by providing the City with the option to fund the 147<sup>th</sup> Street Station Phase 2 component of the project, informed by the actual bid price.

**Funding**

The estimated costs for the 147<sup>th</sup> Street Station are:

Capital/Construction:	Phase 1	\$1,660,600
	<u>Phase 2</u>	<u>\$2,370,000</u>
	Total	\$4,030,600
Annual Operating:	Phase 1	\$20,000 - \$35,000 incl. all snow removal
	<u>Phase 2</u>	<u>\$45,000 - \$55,000</u>
	Total	\$65,000 - \$90,000

The City of Apple Valley would be responsible for the Phase 2 capital and annual operating costs with potential reimbursement per the proposal contingent on actual ridership.

**Known Support / Opposition**

DCRRA is expected to take action at its July 10 meeting to authorize the bid documents to include a Phase 2 bid alternate. The Apple Valley City Council and DCRRA are expected to approve the JPA at their July 26, 2012 and July 31, 2012 meetings, respectively. It is anticipated that the City Council may not unanimously support the JPA.



**Brandt Richardson**  
County Administrator

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June 25, 2012

Tom Lawell, City Administrator  
City of Apple Valley  
7100 West 147<sup>th</sup> Street  
Apple Valley, MN 55124

Dear Tom,

Based on your June 14, 2012 response to my recent letter, I have taken the opportunity to develop a concrete proposal for the City of Apple Valley to accomplish our mutual goals around the 147<sup>th</sup> Street Station in the Cedar Avenue BRT project. I have consulted with the Metropolitan Council's Regional Administrator in the development of this proposal and I believe it is something with which we can all move forward.

Essentially I am putting into writing the attached offer to give the City a clear option to advance-fund the overpass at a known cost and without further delay to the start-up. While I know that documenting these discussions in writing introduces an unaccustomed level of formality into our considerations, I think it is very important to document the proposals in writing so that we are all operating with clear concepts and understandings.

Most important of all, I think, is that *we now believe that this option could be exercised without additional delays for FTA approvals and environmental work; if decisions are made in a very timely way, our staff believe the schedule can be kept.* We had feared that even if Apple Valley made a prompt decision to advance-fund the overpass, it would nonetheless delay the start-up due to additional required approvals and reviews. After consultation with the relevant agencies, we now believe the schedule can be maintained if decisions are made quickly by our governing boards.

The attached proposal reflects much of what we have discussed recently. We have addressed the City's desire to have a known cost for a bid alternate for the pedestrian crossing, and to have influence on the incremental maintenance costs if built.



I believe the proposal responds to Apple Valley's concerns in several ways:

1. The Dakota County Regional Railroad Authority (DCRRA) and Council will bear the cost of designing, bidding, environmental reviews, etc. for a bid alternate to add the overpass. This is in addition to already having borne the additional cost of Stage 1 to make provisions for the possibility of a pedestrian crossing.
2. The City will have a known bid – a firm cost – on which to base its decision about advance-funding the additional construction cost of the overpass.
3. The City can exercise some control over maintenance costs. Rather than accepting the Metropolitan Council estimates, there are a couple of different approaches which can be used if the City believes it can hold down the cost of maintenance.
4. The City will be repaid for the advance-funding of the overpass if its beliefs about the more immediate usage and need for the pedestrian crossing prove to be accurate.

In turn, it is extremely important that all of us commit to rapid turnaround in the decision-making by our governing boards. I know from the perspective of DCRRA board members that it is imperative that the Cedar Avenue BRT experience no further delay in the start-up schedule.

Obviously, this is my recommendation which I would present to the DCRAA for their determination. Although it does put the DCRAA at risk of future reimbursement to the City with no identified source of funds, I believe it is a commitment they would make to the City.

I hope this is something that you will advance to your City Council for favorable consideration so that we can keep this project moving.

Sincerely,



Brandt Richardson  
County Administrator

cc: Dakota County Regional Railroad Authority  
Pat Born, Metropolitan Council Regional Administrator  
Lynn Thompson, Dakota County Physical Development Division Director  
Mark Krebsbach, Dakota County Transportation Engineer

## 147<sup>th</sup> Street Station Stage 2 Proposal

To accommodate the City of Apple Valley's (City) request for the Cedar Avenue Transitway 147<sup>th</sup> Street Station to allow the Stage 2 pedestrian skyway and passenger facility expansion to be constructed at the time of Stage 1 construction, the City, Dakota County Regional Railroad Authority (DCRRA) and Metropolitan Council (Council) agree to enter into a joint powers agreement (JPA) based on the following terms prior to advertising the 140<sup>th</sup> and 147<sup>th</sup> Street Stations project for bids.

The DCRRA and Council will:

- Complete design of the construction plans, specifications, and bidding documents to include the Stage 2 skyway and passenger facility expansion construction as a bid alternate to the Stage 1 project at no cost to the City
- Prepare Stage 2 revisions to the environmental documentation and obtain approvals at no cost to the City
- Pay for all capital costs associated with Stage 1 station construction
- Provide construction engineering and administration at no cost to the City
- Pay for ongoing Operating and Maintenance (O&M) costs associated with Stage 1

The City will:

- Be responsible for 100% of the Stage 2 skyway and passenger facility expansion construction bid alternate capital costs, with the opportunity to decide to proceed or not proceed with the bid alternate after bid opening
- Decide to proceed or not proceed with the Stage 2 skyway and passenger facility expansion bid alternate within 15 calendar days of the bid opening by City Council Resolution. If the City decides not to proceed, or does not take official action to proceed with the Stage 2 project within 15 calendar days of bid opening consistent with the terms of the JPA, only the Stage 1 portion of the station will be awarded and constructed with the initial project.
- Not unreasonably withhold approval of traffic and parking management plan; this includes not requiring drop-off access at either the 140<sup>th</sup> and 147<sup>th</sup> Street stations when station-to-station service is initiated
- Not unreasonably withhold issuing signage permits for the 140<sup>th</sup> and 147<sup>th</sup> Street stations

If the City decides to proceed with the Stage 2 skyway and passenger facility expansion, the City will:

- Have approval authority and be responsible for 100% of change orders, extra work, and any other additional capital costs associated with the Stage 2 skyway and passenger facility expansion.
- Pay for the ongoing incremental O&M costs associated with the Stage 2 skyway and passenger facility expansion.
  - Options for O&M responsibility include:
    - O&M performed by private contractor under contract to Council or by MVTA under contract to the Council with actual costs determined by the Council
    - O&M performed by City staff or private contractor under contract to City with actual costs determined by the City

- Options for incremental cost share measurement and allocation include:
  - Fixed share (%) of combined Stage 1 and Stage 2 project O&M divided between the Council and the City
  - The Council pays an agreed upon lump sum Stage 1 O&M cost and City pays remaining O&M cost for combined Stage 1 and Stage 2 project

If the City decides to proceed with the Stage 2 skyway and passenger facility expansion, the DCRRA will:

- Payback some or all of the Stage 2 skyway and passenger facility expansion capital costs if the average annual daily ridership at the 147<sup>th</sup> Street Station exceeds 2030 estimates of 600 boardings per day in the following manner:
  - 100% of the actual capital costs incurred by the City for the Stage 2 skyway and passenger facility expansion construction if the average annual daily ridership exceeds 600 boardings in year 2014, 2015, 2016 2017, or 2018. Payback by the DCRRA would occur over a period of five years beginning two years after the ridership threshold is met.
  - If the ridership threshold is met in 2019 through 2030, the DCRRA will pay back to the City 1/12 (one-twelfth) of the actual capital costs incurred by the City for the Stage 2 skyway and passenger facility expansion construction for the year the threshold ridership is met and each subsequent year through and including 2030. Such payments would begin the year after the ridership threshold is met and continue annually through 2031.
  - If the average annual daily ridership threshold of 600 boardings is not reached by the year 2030, there is no payback to the City.