



**Portland-Milwaukie Light Rail Project
Steering Committee Meeting
Monday, Sept. 27, 2010
TriMet Offices**

Meeting Notes

Members Present:

**Nancy Bennett, Office of Multnomah County Commissioner Kafoury
Jim Bernard, Commissioner, Clackamas County
Dan Blocher, TriMet Director of Capital Projects
Deborah Kafoury, Commissioner, Multnomah County
Sue Keil, Director, Portland Bureau of Transportation
Robert Liberty, Councilor, Metro
Neil McFarlane, General Manager, TriMet
Alice Norris, Mayor, Oregon City
Lynn Peterson, Board Chair, Clackamas County
Susan Stone, Councilor, Milwaukie
Rick Williams, Chair, CAC
Rian Windsheimer, ODOT Region 1**

Members Absent:

Lisa Abuaf, Portland Development Commission

Welcome and Introductions presented by Neil McFarlane, TriMet General Manager; Chair, Steering Committee

Neil opened the meeting by noting position changes at TriMet, including his elevation to general manager and the recent promotion of Dan Blocher to his former position as Director of Capital Projects. Neil asked Dan and members of the audience to introduce themselves.

After introductions, Neil provided background for the meeting by putting the Federal Transit Administration's (FTA) recent funding decision in perspective. The picture is not particularly different from that experienced with other TriMet projects. These always end up being somewhat epic struggles, he said, and we are in the midst of that now. In these situations, we always try to balance the scope, budget and willingness of federal partners to participate. Of late, we have

made excellent progress in that regard. We have more work to do, but we are on our way.

Project Recalibration presented by Dan Blocher, TriMet Director of Capital Projects

Dan presented the results of the project recalibration required when the FTA decided on July 23 to match local funding at 50 percent rather than the requested 60 percent. Noting that the average match for projects of \$1 billion or more has been 34 percent, 50 percent is not what TriMet had hoped for but is satisfactory.

The lower federal match required project recalibration. This is not unprecedented. Something similar occurred with the South Corridor/I-205 project at about the same time. We had just submitted for Final Design approval on that project when FTA changed the rules on what to count as project costs. This required us to find additional funding and revise the project. We did that. We're there again.

To bridge the funding gap for PMLR, we can cut costs, add funds, or a combination of both. Adding only local funding would require another \$137 million. Cutting expenses would require about \$300 million in reductions. Either way is difficult. Cutting to that substantial degree would challenge our project schedule, which would have enormous cost implications. An advantage of adding local dollars is that the federal government matches each local dollar with a federal dollar. The best approach balances the two. Since late July, we have been working on this balanced recalibration.

On the funding side, we have had some successes:

- \$10 million: Congestion Mitigation Air Quality funds through the Oregon Department of Transportation.
- \$27.4 million: JPAC at Metro approved an increase in future MTIP allocations. This was a unanimous JPAC vote. It demonstrates a regional commitment to this project.
- Other possibilities: Looking at whether public owners would be willing to donate right of way. Donations would save costs and would be counted as a local contribution that then garners additional federal match.
- Other areas: We are about halfway to where we want to be.

On the scope reductions, we have also made great strides:

- FTA contingency exercise. The FTA earlier in the project had required us to create a list of potential scope reductions if, later in the project, we needed to oversubscribe contingency funds. This exercise provided a jumping-off point to look at potential scope reductions now. Some items on the list were not available today; we added others.

We created specific criteria for any particular reduction:

- It could not compromise safety or security.
- It could not jeopardize quality relative to previous TriMet projects.
- It would have higher value as a reduction if we could add it back later with minimal rework or project impact.
- It would not require much re-engineering, thus allowing us to maintain our final design approval schedule.
- Additionally, the reductions should be spread equally throughout the project.
- \$62.3 million in total scope reductions have been achieved.

Our current project status is that we have revised our Final Environmental Impact Statement (FEIS) to reflect the above added local dollars and scope reductions. This brings the project back into balance. We are in the process of updating the Final Design materials. We are trying to stay on schedule to achieve Final Design approval by year-end.

By obtaining Final Design approval by year's end, we will continue our efforts to begin the critical in-water bridge construction next summer, between July and October.

We will work closely with FTA to make sure they understand the changes. \$62 million in cuts is significant but is not a major change in the overall project. At a meeting last week in Seattle with the FTA regional leadership, we walked them through the changes. They were supportive. They understood the issues. They complimented the substance and depth of the work. They have already begun their work of updating their review documents.

We are pleased and optimistic. The project is strong and supported by FTA. They're showing tremendous commitment to achieving what is now a shortened final design period.

Discussion

There were no questions.

Dan Blocher asked Dave Unsworth and Rob Barnard to present specific scope reductions. They highlighted the list of reductions included as a part of the committee handout. They started with systemwide elements, and then moved to station area reductions.

Following their review of the items, they responded to committee members' questions:

- Robert Liberty asked for clarification of the contingency reduction. The total has been reduced from approximately \$160 million to \$150 million.

- Alice Norris asked about the impact of omitting ice caps and switch heaters. Rob Barnard said the lack of those devices could lessen system reliability in foul weather. He emphasized, however, that these could be easily added at a future date.
- Deborah Kafoury asked whether staff had a priority list for adding items back in to the project should funds become available. Dave Unsworth said staff will work with the project team leaders (from committee members' staffs) and the project management group to discuss priorities. There will be a lot more discussion on what comes back, he said.
- Susan Stone asked whether the ice caps and switch heaters were crucial to keeping the line going in foul weather. Rob Barnard said they are not a safety issue but a matter of service reliability. He and Dave Unsworth emphasized the relative ease of adding these back should funds become available. Neil McFarlane noted a staffing component of the switch issue: Without the switch heater, TriMet operators must manually maintain switches. Neil added that, before long, TriMet will have to find a way to bring back these two items. Susan asked if it would cost more to bring these back later. Dave agreed this is an important concern and should be discussed when the team is discussing priorities. He reiterated that they picked things that could easily come back. Rob noted that all these cuts represent a point of time on a continuum. It is a snapshot in time in order to get over the process hurdle.
- Robert Liberty asked about pedestrian improvements across Powell Boulevard. Dave Unsworth said the project will improve not only the existing Powell overpass for bicycles and pedestrians, but also from Powell Boulevard to Clinton Street.
- Robert Liberty noted he's heard from residents concerned that changes in designs at Harold Street would eliminate a future Harold Street station. Dave Unsworth said this is not true. While it makes it more expensive, a future station can be built there.
- Robert Liberty asked for clarification of the footprint of the Tacoma Park & Ride parking lot. Is this bigger than for a garage? Dave Unsworth said yes, it is, and asked Leah Robbins for further explanation. Leah explained the lot would take up the entire area of the site. The alignment will not move, but everything to the south of the alignment will be for parking.

Discussion

Neil McFarlane asked Rick Williams to provide feedback from the PMLR Community Advisory Committee.

Rick Williams: The overall project changes were more palatable. There is angst about the Park & Ride facilities, pedestrian crossings and bridge. All we ask is to be involved in the put-backs and reprioritization. The individual station changes are tough, because they impact members' neighborhoods. There's a lot of angst but people recognize it is being done for the right reasons.

Rian Windsheimer: Can you get a 50 percent federal match through the project? At what point do the matching federal dollars go away?

Dave Unsworth: Last Tuesday we applied for Final Design with a 50 percent match. That point is generally where the ceiling is set with New Starts funds. As long as we're not asking for more money, we're probably fine. If you have cost savings, you may be able to bring scope back in. Adding scope, changing the dollar figure, becomes very difficult at this point.

Sue Keil: Nobody likes the cuts. But I'm sure we don't like them any (less) than any other jurisdiction. I'm confident there will be some savings to allow the return of some of these items.

Dan Blocher: We've had different experiences on our other light rail projects. On Interstate MAX, we had a very favorable construction market. Most of our construction prices came in below budget. That allowed us to add back a considerable number of items at the end of the project. We did not have that experience on the Green Line. The market was not favorable. We needed every bit of our available contingency. If we keep the PMLR on schedule, we believe we have a much better likelihood of having a favorable market. For your perspective, we have seen it work both ways.

Alice Norris: With the reduction of Park & Ride facilities, especially at Tacoma, is it possible to forgo a traffic light at Southeast 32nd? The neighborhood has vocally opposed that signal. It makes sense to remove that signal if you will not have the corresponding traffic from a smaller Park & Ride garage. The traffic signal could be added if the Park & Ride expanded.

Dave Unsworth: We know that intersection is broken today. It warrants a new signal. Our coming in triggers a signal there. Part of the reason is the queue length. Traffic engineers have told me that removing a signal is not a good idea, but we could still have that discussion.

Robert Liberty: How was the 6 percent reduction in the contingency developed?

Dan Blocher: The contingency is derived in two ways. TriMet develops one based on its experience, and the FTA uses a risk assessment process. We have the right amount based on our analysis, and we have some headroom on FTA risk analysis.

Neil McFarlane: It's very important to (FTA) to have the contingency level match their expectations. They don't want to see projects get in trouble. They tend to be more conservative than we are on appropriate contingency levels.

Dan Blocher: In the past, the contingency pool was up to the owner to decide how to use. Now the FTA requires a contingency management plan. You can

draw it down up front. If bid prices come in high, you can't use it all. We have to work together with FTA on it. There is a limit to how we can use the contingency at each phase. This topic could come up in the future if we begin talking about add-backs.

Rick Williams: TriMet staff is going out to many individual jurisdictions. I'm sure we'll hear more input about these (scope reductions) from local representatives once the word gets out.

Neil McFarlane: This was not a fat project to start with. We're proud of that, but when there's a budget reduction, someone will lose something they wanted.

Project Status with Federal Transit Administration presented by Dave Unsworth, TriMet Deputy Project Director

Two months ago, we heard (from FTA) we likely would not get the 60 percent match we'd requested. On Aug 23, we visited the Seattle office of the FTA. They told us then that they could help us if we got our work done fast. They gave us a date of Sept. 15 to get the Environmental Impact Statement back in their hands. Metro and TriMet met that date, and that document is now in Washington, D.C. We hope to hear back shortly that it's fine. If all goes well, we expect it will be published in the Federal Register on Oct. 22. Following two waiting periods totaling 40 days, the National Environmental Policy Act (NEPA) paperwork will be complete. A Record of Decision will be issued, in essence saying FTA is satisfied and ready to take other federal actions. Before that, we can't spend any money. That is an important juncture to occur.

In March, we submitted information based on the project scope, schedule and budget. It gets pored over by the Financial Management Oversight Consultant (FMOC) and the Project Management Oversight Consultant (PMOC). They follow specific orders on how to evaluate the project. Those groups must pass muster on those documents for us to move forward. We know we've done an "A" job. We revamped and resubmitted all those again last Wednesday (Sept. 22). We have now given our FMOC and PMOC a ton of homework. We expect that work to be done in November. The next major milestone of getting into final design is around Jan. 7. That's good news. We think we're moving well in this recovery effort.

The last item is the Letter of No Prejudice. This allows TriMet and the region to spend its money without jeopardy. That means the dollars we spend are able to be matched when the project moves into Final Design. That's important. It's what we'll need to move forward and start building the bridge. We anticipate that letter will come in December.

All looks well. Neil and Dan will travel to Washington D.C. this week to speak with members of the Oregon congressional delegation and FTA. Our job is to make three or four groups happy: the FMOC, PMOC, FTA Region 10 and FTA

headquarters staff. Everyone must be in consensus that this project is ready to move forward. At this point, we think they will be, based on all we've done so far.

Discussion

Neil McFarlane: It's a humongous effort. The combined staffs have been doing a terrific job. It's not easy. Our objective as Portland, Oregon, USA, is to perform at an A level and set an example for the rest of the country. I think there's recognition from FTA that these are high quality products.

Construction Update presented by Rob Barnard, Project Director; Leah Robbins, East Segment Director

Rob Barnard said the take-away message is, the team has been working hard to make sure the designers and contractors are at the starting blocks when we get approval so that they can move forward in a timely fashion.

Among the details he provided:

- Three potential contractors have been selected on a short list for Willamette River bridge construction. The current schedule is to receive a price from them in mid-October.
- We are getting ready to issue an RFP to select a Construction Management General Contractor (CMGC) for the east side.
- We have selected a Final Design team for the west segment.

Rob noted that the project has lost some time. To meet budget and schedule, it's important to bring those teams to bear right away. This will help us take advantage of contractors' good ideas and pricing. We have lost some time. But in the TriMet way, if we start late, we will finish on time. We're poised to do that again.

Leah Robbins highlighted progress on the east segment:

- Competition has been keen for the CMGC contract on the east segment. The process should be complete by November. It's most important to get the contractor on board for Final Design.
- We are preparing other construction contracts, such as for the Park Ave. Park & Ride facility.

Discussion

Robert Liberty: Why are there separate contracts for the west and east segments and the bridge?

Rob Barnard: We are trying to find a team with a unique skill set for the task at hand. Each of the three requires special skills.

Robert Liberty: When will bids be in?

Leah Robbins: The design-build contracts for the river are coming up in the fall. Both CMGC contracts should be completed while we're in Final Design.

Neil McFarlane: Asked Dan Blocher to address Robert Liberty's question in general.

Dan Blocher: Dan discussed the benefits of working with a CMGC. He noted that the CMGC approach has resulted in substantially fewer change orders.

Deborah Kafoury: Are you finished doing your combination of reductions and additions to meet the new target?

Neil McFarlane: We're still in the hunt for an additional \$54.6 million.

Robert Liberty: (FTA) is comfortable with that?

Neil McFarlane: So far.

Robert Liberty: With the \$62 million, that's roughly like matching \$31 million. So we need about \$100 million, and you've identified some \$40 million now. So \$40-plus million and \$54 million minus \$62 million equals the project.

Alice Norris: What is required of us? Nothing right now?

Neil McFarlane: Nothing right now.

Public Comment

Terry Dolan, Oak Grove: I am a former TriMet employee, I spent 30 years in Operations. In early 1986, we were just coming out of a recession, and there was a lot of talk that light rail was a boondoggle. In the governor's race, Norma Paulus suggested stopping the project at Southeast 11th Avenue and Morrison Street, before it got started. At the same time, I was taking the first test vehicles out East Burnside and finding nothing but big smiles, waves and power salutes. As we continued extending tracks down Burnside, I found the same response. I took the first train into downtown Portland and had a similar response in 1986. I took the first trains to Hillsboro and Interstate Avenue, with similar responses. People in the corridors approved. Critical voices called it the wrong investment. I am profoundly aware of how people are always on the move. This community will grow. Every city that will succeed will have rail systems. Buses function well, but

they don't do the heavy lifting of rail. I urge you to find every detail, pursue every opportunity to keep this system alive and growing.

Mike Silas, landscape architect. I was part of the committee looking at the bridge and working with the city of Milwaukie. I want to congratulate the staff on its great job. I appreciate the balance of the cuts. We in the design business recognize they're necessary to continue. I'm very happy the bridge itself has not been compromised. I'm disappointed the overlooks are gone. But overall, you've done a good job of retaining its integrity. As you start to add back, I would focus on pedestrian connections. It's easy to lose sight of people getting to the train.

Eleanor Hunter, chair of Oak Lodge Community Council. I wanted to convey the community's great thanks and gratitude for ensuring the line is going all the way to Park Avenue. We are really seeing the Park Avenue station be a catalyst to trigger the revitalization of McLoughlin Boulevard. Thank you to staff for what you've done and how you've made it such a public process.

Cindy Tyler: I'm extremely impressed with everything that has gone on to date in planning this project. I've been interested in it since it was just whispers in the wind. One question about recalibration: Did anyone consider reducing the width of the pedestrian/bike lane on the bridge? Or is there a specific engineering reason for 14 feet? What kind of savings would we be looking at?

Rob Barnard: The team looked hard at this. We did a pedestrian and bicycle demand analysis. It was a very thoughtful, long process, with many stakeholders and analysis to get the right width. We took a long hard look.

Neil McFarlane adjourned the meeting at 4:28 p.m.