

Zip Rail TAC Meeting #8

January 28, 2016

3:00 to 5:00 pm

MnDOT Central Office, Conference Rooms G 13 and G 14

Attendees

See attached attendance roster.

Introductions

Dan Krom, MnDOT welcomed the TAC members. This is a Technical Advisory Committee meeting and comments from the public will be taken at the end of the meeting.

Re-Cap and Activities Since Last Meeting

Chuck Michael provided a quick recap on the activities since the last TAC meeting (please refer to Powerpoint presentation – slides 3 to 6). The Zip Rail project was initiated in 2012 and the federal Tier 1 EIS was initiated in 2014. The Final Scoping Decision Document (FSDD) was issued in early 2015. Also in 2015, there was interest from the private sector to develop the project and in January 2016, the Alternatives Analysis Report was issued.

Alternatives Analysis Report

Chuck Michael described the alternatives analysis process. The Alternatives Analysis (AA) report compiles all of the data that was developed for the Final Scoping Decision Document (FSDD) which identified eight build alternatives to be advanced to the Tier 1 EIS along with the no-build alternative. The Universe of Alternatives, Level 1 Screening Criteria, Level 2 Screening Criteria and the eight alternatives that were advanced to the Tier 1 EIS were described by Chuck Michael.

Praveena Pidaparathi, MnDOT noted that the Draft Scoping Decision Document (DSDD) that was distributed was typical of what MnDOT prepares for a scoping document and was at a very high level. There were over 400 public comments received on the DSDD. Based on public input, the Hwy 52 alternative was further refined to maximize the use of the existing Hwy 52 right-of-way. The AA report explains how we developed the eight build alternatives and documents all the data and information. The AA is a technical document, not an environmental document, and does not require an official public comment period.

Questions/Comments

- *Has the location of the terminus at the MSP airport been decided? We drew a circle around the MSP Airport area, not intending on doing any rail planning inside the boundary of the airport. The exact location of the terminus will be decided in Tier 2 phase if the MSP Airport is viable as a terminus. This has been explained in the FSDD.*

- *What is the difference between corridor segments CD52-1B and CD52-5; they appear nearly identical.* Response to this question was sent after the meeting to the questioner via email. Response sent: The CD52-1B study corridor was modeled to closely follow the existing Hwy 52 corridor. The CD52-5 study corridor, the “hybrid” corridor, was modeled as an alternative to CD52-2 (one to three miles west of Hwy 52) by closely following the existing Hwy 52 corridor while reducing some horizontal curves in the Zumbrota area to allow for higher speeds and shorter travel times. The CD52-1B study corridor segment was advanced to Level 2 screening, incorporated into study corridors 1.1, 2.1, 3.1, 4.1 and 5.1 and eliminated from further study due to travel times and ridership estimates. The CD52-5 study corridor segment was advanced to Level 2 screening, incorporated into study corridors 1.4, 2.4, 3.4, 4.4, and 5.4 with the latter four study corridors advancing to the Tier 1 EIS and study corridor 1.4 eliminated from further study.
- *On pg. 65, does the “Impacts to Natural Environment” correctly state that “Potential for farmland impacts higher than CD 52 corridors due to longer corridor” or should this statement refer to the CD 56 corridors?* Response to this question was sent after the meeting to the questioner via email. Response sent: The text is correct as shown.
- *The statements contained in “Consistency with Local Planning Efforts” are too broad to represent the various jurisdictions along the corridors.* Response to this question was sent after the meeting to the questioner via email. Response sent: The summary statements included in the Alternatives Analysis Report represent the best information available at the time the data was collected in 2014, on a system-level review. Additional, more detailed review will be accomplished during the Tier 1 and Tier 2 analyses if they continue in the future.
- *What is the difference between the 2/27/15 draft Alternatives Analysis Report and the final Alternatives Analysis Report?* We have tried to make the AA report a more readable document. There might be subtle changes. A file comparison of the two versions under question was prepared and sent to the questioner via email.

Project Status

Dan Krom gave an update on the current project status. We had a limited budget (\$2.3 million) to start with to complete a Tier 1 EIS. A complete environmental review process (Tier 1 and Tier 2) for similar studies is usually in the \$50-\$70 M range. We received around 400 comments from the public during the scoping period, which required resources and budget. Due to the complexity of the project we realized we didn’t have enough resources or funding to complete the Tier 1 EIS process and we stopped data collection by the consultant team in Fall 2015.

We also have interest from the private sector - the North American High Speed Rail group (NAHSR), which asked for an exclusive air rights agreement which wasn’t acceptable to MnDOT. NAHSR subsequently submitted an application for permits to MnDOT for work in the existing right-of-way. MnDOT issued these permits as it does to anybody who wants to conduct work in the right-of-way. Based on all of these considerations, MnDOT has made the decision to stop work on the Zip Rail Tier 1 EIS. We stayed focused on completing the AA report, and have decided this would be a good stopping

point for the project. The AA report has some shelf life if there is interest in continuing work on this corridor in the future.

Questions/Comments

- *How does Olmsted County feel about not completing the project? Consideration of other modes that was in the RFP was not done. None of the deliverables in the RFP were completed. Internal memos from the County through data practices request show that the last year was spent negotiating with the private company? What kind of bidding process was used to determine that NAHSR would be company to work on this corridor?* There are several inconsistencies and assumptions in your questions. First, there was no bidding process as no public funds have been requested. Second, the RFP (Request for Proposal) is not the measure of the work to be completed – the final scope of work is the correct measure. Third, most deliverables contained in the scope of work were completed and submitted. The private sector approached MnDOT stating that they would do the project with their funding. The data developed for the Zip Rail project is irrelevant to them as NAHSR would have to start from scratch and comply with MN and Federal environmental requirements. We are not handing off the data to NAHSR. [Note: Olmsted County supported the suspension of the project and on February 2, 2016 officially closed the project for the indefinite future.]
- *According to the billing submitted by Parsons Brinkerhoff in February 2015, they were 53% done for Tier 1 EIS, so what data did they come up with that hasn't moved forward?* At the time in question the consultant was 53% complete with their scope of work for that task and was primarily engaged in data collection for analysis, with some data feeding the AA report. The AA report development is not independent from the Tier 1 EIS work. We haven't spent all of the funding yet; we have around \$200,000 left on the project. We have done a fairly good job in bringing this to the current phase with limited available resources, and have completed the AA report.
- *When you hire somebody to complete a Service Development Plan and Tier 1 EIS and you spend the money and the deliverables are not completed; I don't know how Olmsted County feels about that or the Olmsted County taxpayers feel about that?* We initially contracted to advance 2 to 4 alternatives through the EIS; and when we moved eight alternatives into the Tier 1 EIS it is a significant increase in the scope of work and therefore the cost of the project. We did not budget to have eight alternatives moved forward nor did we identify any supplemental funding that would allow for the analysis of all eight alternatives. Project requirements and expectations change over time and it takes more resources to evaluate eight alternatives than it takes for two alternatives. We didn't have enough resources to complete the Tier 1 EIS process for all eight alternatives, so we stopped work with the consultant in Fall 2015 and focused on getting the AA report completed.
- *How will the public stay involved once the project moves on the private sector? How will it proceed further?* The private sector would have to follow a public involvement process like MnDOT does. At this time we don't have an idea what their plan is other than the fact that they would have to start from square one. MnDOT's role in the private sector project will be limited

to the agency doing oversight of the environmental process. We will not be spending any more resources on the Zip Rail project. Beyond that, you would have to ask the NAHSR group.

- *As a private entity, what is their process for land acquisition?* We do not know that yet. They can have eminent domain authority if they become a private railroad but they would have to get that authority from the Surface Transportation Board (STB).
- *Can we expect more transparency and honesty that you received a Service Development Plan from the private company and had a MOU drafted last May?* We may have received the documents but we didn't ask for them. Until and unless there is a formal request for approval by MnDOT we consider this and similar discussions by various parties to be preliminary.
- *Are you looking at the termini in terms of connectivity to other modes?* Yes, at both Union Depot and MSP airport we are looking to connect to other modes. Also the State Rail Plan looks at connectivity between the Twin Cities and regional centers.
- *Are suspending the project and shelving the project different?* No, they are not different; they mean the same and are interchangeable.
- *What is the status of the Service Development Plan?* Work on the Service Development Plan has also been suspended.
- *How are we looking at a no-build when we are not comparing it in the AA report? How can the private sector determine the need if the state cannot prove the need for the project?* At the FRA the statement of purpose and need is an objective not a proof statement, unlike a Certificate of Need process undertaken by regulated utilities. For a publically funded project, FRA will look at the Benefit/Cost analysis and local funding commitments to see whether or not a project can be built.
- *There were further comments on the need for the project. As taxpayers we don't see the need for our tax money to be spent on this project which has no public support and needs more accountability. The government should not be in the business of providing economic development but should provide transportation based on the needs of the public and the dollars for that should come from user fees like most of the highway funding comes from.* [Note: User fees (gas tax, tolls and licensing) cover only about half – not most - of the road funding in Minnesota.]
- *What are we doing from here on?* We will wrap up the work on the AA report and we will stop working on the Zip Rail project. [Note: All work on the Zip Rail project was officially suspended on February 2, 2016.]
- *So we spent funding on a project that doesn't have a need and didn't have funding and now are we continuing work because we have funding from the private sector?* We implemented this project because it was identified as a priority corridor in our State Rail Plan network of corridors like the Duluth corridor, Chicago corridor etc. [Note: We are not continuing work on the project. All work on the Zip Rail project was officially suspended on February 2, 2016. The private sector will need to fully fund their own project.]
- *If we had prioritized the projects in the State Rail Plan we would have spent the \$2.3 M on other publicly supported projects.* We did spend money on other projects including Union Depot and

Target Field Station. At the time we allocated funding for Zip Rail, we didn't need the funds for other projects.

- *Highway 52 is nowhere near capacity and Rochester has lost population due to IBM and other businesses leaving town; it has lower population that it had in 2010. It is kind of ludicrous to be spending money on an alternative form of transportation on Hwy 52 when there are other needs in the state. [Note: Rochester's population grew by 3.7% between 2010 and 2015 so it has not "lost population." Olmsted County population grew by 4.2% over the same period. IBM continues to be a major employer in Rochester and has not "left town."]*
- *\$3.3 M dollars (\$1.3M from Olmsted County) have been spent on a project that has no need and maybe should have been spent on a project that saves lives.*
- *What did the study finally find up to this point? What type of impact would this project have on property owners?* The main focus was to identify the alternatives to be advanced to the Tier 1 EIS. We began to collect data for the Tier 1 EIS but none of the detailed analysis on environmental impacts (water quality, wetlands noise, vibration etc.) was completed. The detailed environmental impacts are actually analyzed during the Tier 2 phase when the preferred route would have been identified.
- *Why would you do the alternatives analysis before the impacts are studied?* Any environmental process requires identification of reasonable alternatives prior to an impacts analysis; in this case the corridors to be analyzed in the Tier 1 EIS undergo a high level analysis. Once the preferred corridor is identified in the Tier 1 EIS, detailed impacts analysis is carried out in the Tier 2 phase.
- *Would it make a difference where the private sector has their capital funding from? They have a lot of EB 5 money; they have announced that they have collected billions of dollars by selling green cards? Does that matter to the state?* That is not a decision on our part. We don't know where the private sector funding comes from, whether your statements are accurate, and why that would matter to the DOT.
- *This is the TAC; we should keep the discussion to the technical level not political issues. The other questions should be kept for the CAC meeting.*
- *How will the remaining funding be used?* We would turn unused funds back to the source it came from; the remaining funds cannot be used for other projects.
- *How much of the money that was spent for the analysis of the no-build alternative?* The various levels of the environmental process have various levels of analysis. We were only at the scoping level, which is at a very broad level. The no-build alternative is part of every level however, you don't spend resources on the no-build alternative at the scoping level. When you get to the Tier 1 EIS level, you do the analysis on the no-build alternative because you have the other build alternatives with which to compare. It would not be until the Tier 2 level that we would know where in the mile-wide study corridors that the route alignment would be.
- *Comment no. 95 in the scoping document says the purpose of the project is too narrow and that failing to look at other alternative modes the project will fail to meet the requirements of the state EIS. Stated need for the project is also weak to serve solely a passenger rail project. The*

statement of purpose and need was reviewed and approved by FRA, the lead federal agency on the project. The FRA does not require evaluation of other modes when evaluating passenger rail projects.

Next Meeting

There will be no further TAC meetings held since the project has been suspended. Mr. Krom thanked the members of the TAC for their contribution.

General Q&A

There were no additional questions.

Attendance roster. T indicates that attendee participated via teleconference.

Mn/DOT	
Dan Krom	X
Praveena Pidaparathi	X
Garneth Peterson	X
Greg Paulson (D6)	X
Mark Schoenfelder (D6)	X
Mary McFarland	X
OCRRA	
Ken Brown	X
Chuck Michael	X
Dakota County	
Kristine Elwood	X
Dodge County	
Steven Gray	X
Guy Kohlhofer	X
Goodhue County	
Ethan Seaberg	T
Brad Anderson	X
Hennepin County	
Joe Gladke	X
Ramsey County	
Mike Rogers	X
Kevin Roggenbuck	X
Metropolitan Airports Commission	
Neil Ralston	X
Rochester-Olmsted Council of Governments	
Dave Pesch	T
City of Bloomington	
Kirk Roberts	X
City of Cannon Falls	
Ron Johnson	T

City of Mendota Heights	
Mark McNeill	X
City of Northfield	
Suzie Nakasian	T
City of Pine Island	
Jon Eickhoff	X
City of Rosemount	
Kyle Kigh	X
Southeast Minnesota Rail Alliance	
Tim Geisler	X
Citizens Concerned About Rail Line	
Heather Arndt	X
Nora Felton	X
Interested Parties	
Nate Carlson, Pine Island	X
Sandy Hadler, Cannon Falls Beacon	X
Jan Larson, CCARL	X
Shelley Nygaard	X
Barb Stussy, CCARL	X
Marie McNamara	X
Frank Pafko	X
Norma Monroe	X
Ted Seifert, Goodhue County	X
Dave McKenzie, SEH	X