DESTINATION MEDICAL CENTER CORPORATION

RESOLUTION NO. 87-2019

Approving Downtown Circulator Locally Preferred Alternative

The following Resolution was offered by Michael Dougherty, seconded by Nick Campion.

BACKGROUND RECITALS

A. By Resolution 69-2018, the Destination Medical Center Corporation ("DMCC") accepted the Integrated Transit Studies, as an updated and refined framework for the development and implementation of the transportation goals of the Development Plan. One of the elements of the Integrated Transit Studies included enhanced transit service in downtown Rochester and surrounding neighborhoods through a downtown transit circulator (the "Downtown Circulator"). In furtherance of this goal, by Resolution 79-2019, the Board preliminarily approved the locations of mobility hubs, the transit circulator route alignment, and the tentative areas for the locations of park and ride facilities, contingent upon further analysis and engineering studies, and approved the further evaluation activities as a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11 and consistent with the Development Plan, subject to approval by the DMCC and the City of Rochester (the "City"), and modification of the Development District.

B. The City, in collaboration with the Destination Medical Center Economic Development Agency (the "EDA"), and Olmsted County, has completed an alternatives analysis of bus rapid transit and streetcar alternatives connecting the Mayo West Lot with Saint Marys Hospital, downtown Rochester, and Graham Park or the Seneca Foods site (the "Alternatives Analysis"). The Alternatives Analysis, on file with the City, evaluated four alternatives for the Downtown Circulator, relying upon technical analysis and public engagement.

C. The Alternatives Analysis identified a locally preferred alternative that defined the mode, conceptual alignment, and general station locations that can be refined through further station-area and transit-oriented development planning, as well as environmental and engineering efforts (the "Locally Preferred Alternative"). The Locally Preferred Alternative that emerged was Alternative 2, defined as bus rapid transit along 2nd Street Southwest and Broadway Avenue South, within a business-access and transit lane for approximately four miles, connecting the Mayo West Lot with Saint Marys Hospital, downtown Rochester, Discovery Square, and Graham Park or the Seneca Foods site.

D. The joint report submitted by the City and the EDA staff, dated September 18, 2019 (the "Joint Report" attached as Exhibit A), recommends Alternative 2 as best meeting the project's purpose, providing flexibility and timely implementation, as well as aligning with the City's Comprehensive Plan and the economic development contemplated in Discovery Square and the Development Plan, and minimizing disruption of existing neighborhoods along Third Avenue.

E. The Joint Report further notes that the City and its project partners intend to pursue Federal Transit Administration Capital Improvement Grant funds through the Small Starts Program, which requires documentation of commitments of funds. The DMCC has approved funding of the Downtown Circulator as part of its five year Capital Improvement Plan of even date.

F. The next phase of the Downtown Circulator, according to the Joint Report, will include further design and environmental analysis under the federal and state environmental review processes, as well as on-going public engagement.

G. Staff for the EDA and City now requests that the DMCC (1) approve the selection of Alternative 2 as the Locally Preferred Alternative for the Downtown Circulator; (2) authorize the expenditure of up to $3.872 million in the Capital Improvement Plan, to proceed with the next stages of development and engineering; and (3) approve application to the Federal Transit Administration for federal funding.

H. Staff intends, if necessary, to request modifications to the Development District, as defined in the Development Plan (the "Development District") to encompass the location of the Locally Preferred Alternative.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED, by the Destination Medical Center Corporation Board of Directors that it approves Alternative 2 of the Alternatives Analysis as the Locally Preferred Alternative for route and alignment (2nd Street and Broadway) and mode (bus rapid transit, or "BRT") for the Downtown Circulator, subject to approval by the Rochester City Council.

BE IT FURTHER RESOLVED, that staff is directed to initiate and implement the request for proposals process for the necessary next steps for the Downtown Circulator, including, but not limited to, engineering, environmental analysis, and additional design work, based upon the Locally Preferred Alternative, and the Joint Report.

BE IT FURTHER RESOLVED, that this Resolution does not preclude consideration of the Seneca Foods site as a potential transit circulator terminus.

BE IT FURTHER RESOLVED, that the DMCC Board affirms its support for the development of affordable housing at the transit village sites.

BE IT FURTHER RESOLVED, that the joint recommendation of the City and the EDA staff in the amount of $3.872 million in the 2020 Capital Improvement Plan of even date is approved, for the further design, engineering, environmental studies, additional analyses, and application to the Federal Transit Administration for funding of the Downtown Circulator, and the five year Capital Improvement Plan contains $7.59 million for furthering the project in 2021.

BE IT FURTHER RESOLVED, upon receiving a request from the City to modify the Development District to incorporate the Locally Preferred Alternative, as set forth above, the Executive Committee is authorized to commence the modification process under Minnesota Statutes Section 469.43, subdivisions 1 and 4, including submitting the proposed modification to

the City, making it available to the public, and arranging a public hearing. Any proposed modification will be considered by the DMCC after City approval and after holding a public hearing.

BE IT FURTHER RESOLVED, that the further evaluation, analysis, planning and recommendations with respect to the Downtown Circulator and the Locally Preferred Alternative, including preparation for and submission to the Federal Transit Administration, are deemed to be arising from and in furtherance of the Integrated Transit Studies, and the DMCC approves this work as a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, and consistent with the Development Plan.

BE IT FURTHER RESOLVED, that the Executive Committee is authorized to take such actions as are necessary and appropriate to effectuate the terms of this resolution and the timely progression of the approval process.

The question was on the adoption of the Resolution and there were 7 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS
Destination Medical Center Corporation

	YEA	NAY	OTHER
James V. Bier	X		
James R. Campbell	X		
Nick Campion	X		
Michael E. Dougherty	X		
Kim Norton		X	
R.T. Rybak	X		
Paul D. Williams	X		

RESOLUTION ADOPTED on October 18, 2019.

ATTEST: _____
R.T. Rybak, Chair
Destination Medical Center Corporation

EXHIBIT A

EXHIBIT A

September 18, 2019

Memo

TO:	**DMCC Board** **Mayor and City Council** **County Board**
From:	**Aaron Parrish, Deputy City Administrator** **Patrick Seeb, DMC Director of Economic Development and Placemaking** **Jarrett Hubbard, Project Manager** **Kevin Bright, Sustainability Director** **Jenna Bowman, Communications & Engagement Manager**
RE:	**Circulator Route and Mode Recommendation**

Introduction

In 2018 the City Council and Destination Medical Center Corporation (DMCC) accepted the Integrated Transit Studies (ITS) to create a framework for long term transportation investment in the Destination Medical Center (DMC) area. A key element of the ITS was the development of a downtown circulator.

The need for the circulator is driven by dramatic growth anticipated in downtown Rochester. The DMC Development Plan anticipates a 65 percent increase in downtown transportation and a 30 percent increase in population. Both the City of Rochester Downtown Master Plan and the DMC Development Plan identified the need for an aggressive increase in transit mode share, capturing 23 to 30 percent of all downtown commuters on transit.

Previously the DMCC and City Council adopted the concept of a roughly 4-mile-long circulator route with termini at Mayo-owned property on west 2nd street and the northern portion of Olmsted County's Graham Park. Figure 3 illustrates the alignment options and termini.

Both the DMCC and City Council adopted a set of evaluation criterial against which to evaluate the detailed route and mode of the circulator and directed staff to conduct such an evaluation and provide a recommendation to the respective bodies. The evaluation criteria report is available upon request.

The purpose of this memo is to summarize the analysis and recommendations.

Alternatives

The evaluation considered two mode options for Rapid Transit: Bus or Streetcar and two alignments: 3rd Avenue or Broadway. Therefore, resulting in four options. For the purpose of this report they will be identified as Alternative 1-4:

- Alternative 1: BRT on 2nd Street and 3rd Avenue
- Alternative 2: BRT on 2nd Street and Broadway
- Alternative 3: Streetcar on 2nd Street and 3rd Avenue
- Alternative 4: Streetcar on 2nd Street and Broadway

Each alternative would have its southern terminus at either the Graham Park or former Seneca Foods locations.

Alternatives: Evaluation Criteria & Report

To assist in the selection process the technical team developed a set of non-prioritized evaluation criteria. These criteria included both quantitative and qualitative assessments designed to be the basis for the decision-making process. DMCC and Rochester's City Council reviewed, revised, and approved the evaluation criteria in the 2nd quarter of 2019.

Public Input

The process created for obtaining input from the community comprised of two types of engagement. The first form of engagement involved staffing a booth during the weekly summer event, Thursdays Downtown, during the month of August, for three Thursdays. The booth displayed visual aids, which presented information to residents and visitors on the core details of the circulator. Information presented included the circulator's current status and other components of the evaluation criteria including but not limited to capital (construction) costs and proposed operation metrics. Due to the popularity and high volume attendance of the Thursdays Downtown event, teammates were able to have hundreds of interactions with the public. With a mostly positive reaction to the information presented, the overall synopsis is a general agreement that steps need to be taken to improve service and ensure employees continue to have access to downtown.

As the second form of public outreach, was an online five-question survey about the circulator. It was facilitated via Polco, a new platform being used by governmental entities across the country. The online survey was used as a means to reach citizens who may not have visited the booth and allow those who did another opportunity to provide feedback. The online survey is still active and continues to generate hundreds comments and suggestions.

Site Visits

Included as part of the process was the in-person and virtual review of many different types of rapid transit systems. The process began with the Integrated Transit Studies, which included the review of seven different modes including such recent technology advancements as magnetic levitation and autonomous vehicles. Then in May of 2019, a day long trip of the light rail transit (LRT) line between Minneapolis and Saint Paul, MN, known as the Green Line, was conducted with local and state elected officials, City and DMC teammates, and other interested parties from Rochester. Besides examining the Green Line LRT the trip also, offer the opportunity to see what a rapid transit line could do for commercial and residential development in a city.

In August, City Council members and teammates traveled to see and experience two existing BRT systems. The first trip was to Minneapolis, MN to ride and discuss Metro Transit's first BRT line, known as the A Line, on August 7, 2019. The A Line features most of the same components, such as off-board payment, as those being proposed as part of the circulator. The largest difference from the circulator is the A Line operates in traffic with signal prioritization. We are currently proposing a dedicated lane with signal prioritization. Additionally the tour offered the opportunity to experience transit oriented development (TOD) projects including housing, restaurants, and a grocery store all located on the route.

On September 17, 2019 a similar trip to Indianapolis, Indiana to experience the Nation's newest BRT, the Red Line, was conducted. The Red Line is a 13-mile BRT system that connects several city neighborhoods

to the state's largest concentration of jobs (downtown Indianapolis), including the state's largest hospital, several higher educational institutions. The Red line does run in a dedicated transit lane separated from normal traffic but the Red Line is center running and requires pedestrians and users to cross an open traffic lane(s) to board.

Recommendation

City staff and the DMC EDA are recommending a Bus Rapid Transit line along the Broadway Corridor as the Locally Preferred Alternative to proceed with to the next stage of development, engineering. Key reasons for this recommendation include:

1. ***User Experience***- Rapid Transit using bus vehicles offer an equivalent user experience when compared to streetcar including level boarding; quick loading and unloading; and station based fare payment.
2. ***Future Flexibility***- Less fixed investment in infrastructure allows for flexibility to adapt the system in the future as technology evolves. Our fleet can evolve as electric bus or other technology evolves to allow for more sustainable vehicle types.
3. ***Feasibility***- The bused-based Rapid Transit is less costly than the Streetcar option, so much so that it is far more likely to be implemented in a reasonable time frame. For example, the Streetcar option will trigger the FTA's New Starts application rather than the Small Starts, where we will be less competitive. Moreover, identified local sources of funds do not support the cost of a Streetcar system.
4. ***Integration with Previous Plans***- The city's recently adopted Comprehensive Plan designates Broadway as a Primary Transit Network corridor where we have just adopted TOD Zoning. Additionally, the Integrated Transit Studies called for a bus-based Rapid Transit solution for the circulator route.
5. ***Economic Development and Neighborhood Impact***- A Broadway alignment is consistent with the priorities outlined for the UMR/REC Zone and the investments contemplated in Discovery Square. A Broadway alignment minimizes the projected disruption of existing neighborhoods along Third Avenue.

Below are more detailed comments that provide the basis for the recommendation.

Mode

As part of this evaluation, two modes were considered for the circulator: bus rapid transit (Rapid Transit) and modern streetcar. Rapid Transit is an all-day, frequent, high-capacity transit mode that is proposed to utilize electrically powered bus vehicles and incorporates many of the characteristics of light rail transit (LRT). Rapid Transit typically operates in mostly dedicated lanes. Stations would be spaced ¼ to ½- mile apart in order to provide quick and fast service. Rapid Transit would incorporate transit advantages such as transit signal priority or traffic signal queue jumps. The vehicles themselves are designed to replicate many of the features of light rail. Rapid Transit vehicles would be larger and not have stairs to provide improved ADA access. Other amenities include improved stations and customer information, unique vehicles and branding, and off-board fare collection that allows for faster boarding.

Modern day streetcars are electrically powered rail vehicles which function best in urban areas with high transit demand. Streetcar lines are typically less than four miles long and operate on city streets in mixed traffic, although they can also operate in exclusive rights-of-ways, like what is proposed for the

Circulator. Streetcars have a lower passenger capacity than LRT systems but have higher passenger capacity than a typical bus (similar capacity to BRT vehicles). Streetcars usually make stops every few blocks and function more as a part of a local circulation system than a regional transportation system. Streetcars can operate in single-track or double-track configurations.

Modern streetcar service is particularly suitable for high-density, mixed-use areas with short average passenger trip lengths, areas where improved transit will benefit a high number of existing riders, and as an attraction for new or infrequent transit users like shoppers or visitors. Modern streetcars have also demonstrated promise for supporting high-density, mixed-use, walkable development in urban cores where people can live without a car and become regular and frequent transit users.

Mode Recommendation

The City and DMC EDA team recommend the development of a Rapid Transit system for the circulator and submission to the FTA's Small Starts Program. A Rapid Transit system offers greater benefits over the modern streetcar in the following areas: flexibility, FTA program alignments (schedule and competitive advantage), and funding alignment.

Flexibility

A BRT system has a greater capacity to adapt and be flexible. From the technology perspective, BRT guideway elements will function regardless of the specific BRT vehicle technologies selected, both in the implementation year and in the future. While the selection of streetcar includes more capital elements, including power systems and fixed rail guideways, the technology or infrastructure of a streetcar may last decades and will influence the selection of future vehicle types once implemented. For example, buses have a 12-year average lifecycle and streetcar vehicles have a 25-year average lifecycle. There is also flexibility advantage for buses during daily operations. If street construction should impact the BRT route a bus will be better suited to alter or change course but still meet the transit service needs of the community. Buses also have the advantage of being able to branch off to serve many different purposes and needs such as service to a special event or occasion and service to new neighborhoods, while rail lines take years to plan and build. Rapid Transit vehicles can also be more responsive to emergency vehicles than something that operates within fixed infrastructure.

FTA Program Alignments

FTA CIG Programs provide funding to select public transportation agencies for the development of transit projects such as a new fixed or non-fixed guideway, transit systems, and the expansion of existing systems (49 U.S.C. §5309). The primary two FTA CIG programs, which are funded through general federal revenue, are the Small Starts and New Starts programs. Each program has different levels of financial criteria which help determine eligibility. Both programs entail a highly competitive application processes, and only projects that receive the highest level rankings in the FTA's evaluation criteria become eligible for federal funds. Criteria used to evaluate projects include areas such as environmental benefits, operating efficiencies, and ridership counts; among others.

The Small Starts program is for transit projects, like Rapid Transit systems, with total estimated capital costs that do not exceed $300 million. It is considered most appropriate for smaller agencies and has only one application phase to complete prior to receiving a grant agreement.

The New Starts Program, designed to grant funding for project budgets that exceed $300 million, is the program typically sought by applicants with project budgets exceeding one billion dollars. This program

is deemed more competitive than Small Starts in that it requires two phases be completed prior to receiving a grant agreement. Unlike applicants of the Small Starts Program, New Starts applicants are jurisdictions, and geographical areas, with large populations and higher transit ridership counts than Rochester. It is projected that we would have a challenge competing within the New Starts program. Generally, it can take five to seven years to implement a project through the Small Starts program as opposed to six to ten years for a project in the New Starts Program. The graphic below illustrates the general steps and timelines.

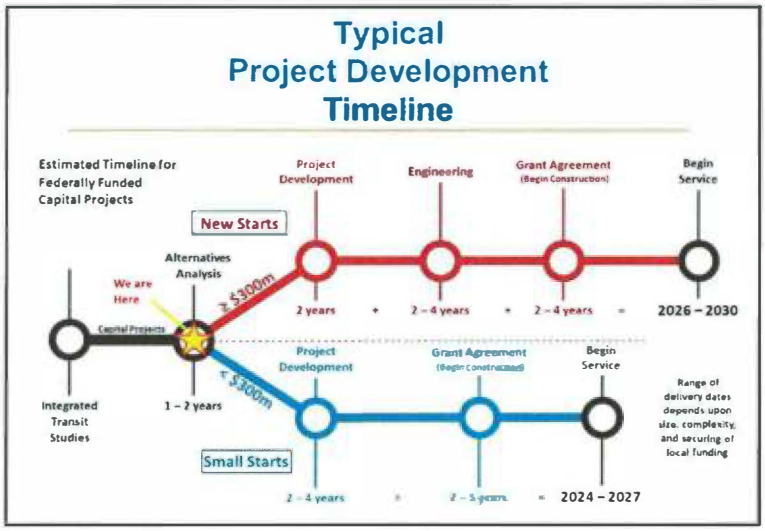

Figure 1: Example Timeline for FTA's Capital Investment Grant Programs

Based on this information, a Small Starts application process would provide Rochester the greatest success of being funded.

Funding Alignments

Many of the Evaluation Criteria utilized to review and compare Rapid Transit to Streetcar modes returned similar performance measures, such as opening day ridership and available land for redevelopment within a ½ mile of stations. Operation of the circulator will be the same regardless of mode choice with station wait times of ten minutes or less and end-to-end trips taking 25 minutes or less. Both modes, based on recent research, are similarly equal at catalyzing new development based on the fact both will have fixed routes with dedicated lanes. It is projected that Rapid Transit will provide a positive user experience, less expensive capital costs, less expensive annual operating costs, and a lower cost per rider.

Route

The circulator is slated to operate primarily east/west on 2nd Street SW and will travel south towards an existing Park and Ride and the proposed east transit village to be located on, or next to, Graham Park or the former Seneca Food site. To determine the route heading towards the eastern transit village the technical team analyzed the circulator operating along either South Broadway Avenue or 3rd Avenue SE. Broadway Avenue is the former US 63 Highway with two lanes of traffic each direction carrying 26,000 vehicles per day. The North end of the Broadway is characterized by downtown businesses and

transitions to highway commercial businesses on the southern end with Soldiers Field Park bordering the roadway to the west. 3rd Avenue Southeast is a 4 lane roadway carrying up to 13,400 vehicles per day and has mainly single family residential land uses.

Route Recommendation

The City and DMC EDA team recommend the selection of Broadway Avenue as the preferred north /south route between Downton Rochester and the Graham Park (East Transit Village) area. The benefits of the circulator operating on Broadway include, consistency with the City of Rochester 2040 Comprehensive Plan, access to key economic development destinations, and minimizing potential impact on surrounding neighborhoods.

2040 Comprehensive Plan: Planning to Succeed (P2S)

P2S introduces Rochester to the concept of a Primary Transit Network (PTN), a set of corridors envisioned to provide high frequency, high quality transit service that is more than a set of conventional bus routes and represents a departure from the traditional conception of transit as a service. PTN is a policy tool that identifies key corridors in Rochester where coordination of land use and transit infrastructure has the greatest opportunity to result in higher frequency and more sustainable transit service. Seven corridors were identified as having the best potential for creating a PTN including, 2nd Street SW, North Broadway, South Broadway, 4th Street SE, 37th Street NW, Valleyhigh Drive, and West Circle Drive. P2S 2040 supports the creation of TOD Zoning Districts along PTN Corridors to increase the number of people living and working near the corridor. The City Council took action on creating such a TOD Zoning District along Broadway in July of 2019.

Key Economic Development Destinations

An additional benefit to the placing the circulator along Broadway Avenue is the presence of key economic development destinations along the route. This includes the recent development of Discovery Square and future development of a University of Minnesota Rochester campus. The Broadway alignment also includes the existing destinations of Soldiers Field and the Crossroads Shopping area.

Placing the alignment along Broadway will catalyze on existing and future economic development efforts. One of the largest ongoing efforts is the 16 block downtown sub-district known as Discovery Square which is a collaboration with Mayo Clinic to create a highly connected urban life science hub. Up until 2019, the primary focus in Discovery Square was the 2019 opening of One Discovery Square, a 90,000-square-foot biomedical sciences building currently housing, medical software company Epic, medical technology accelerator Motion Medical and the University of Minnesota Rochester.

Neighborhood Impacts

There is no doubt that the character and look of Rochester, particularly Downtown, is changing. It is projected that the circulator route will encourage higher density transit oriented development. Third Avenue provides service to many neighborhoods that have a significant amount of naturally occurring affordable housing. Transit investments to encourage development beyond what was envisioned when these areas were recently rezoned to R2X. The Broadway alignment positions the circulator away from the single family residential neighborhood and closer to commercial development areas that have been identified and rezoned for transit oriented development.

Summary of Next Steps

1. Rochester City Council Study Session Presentation and Discussion- September 23rd, 2019
2. DMCC Board Review and Action- September 26th, 2019
3. Rochester City Council Review and Action- October 7th, 2019
4. Olmsted County Board Review and Comment- October 15th, 2019

Federal Transit Administration submission

Once DMCC and City Council have identified the Locally Preferred Alternative (LPA) for the circulator project, an entry letter to the Federal Transit Administration (FTA) as part of the Capital Investment Grants (CIG) Program will be submitted. The entry letter kicks off the formal process to be considered for the FTA's Small Starts program.

Figure 2: Rapid Transit Long Term Schedule

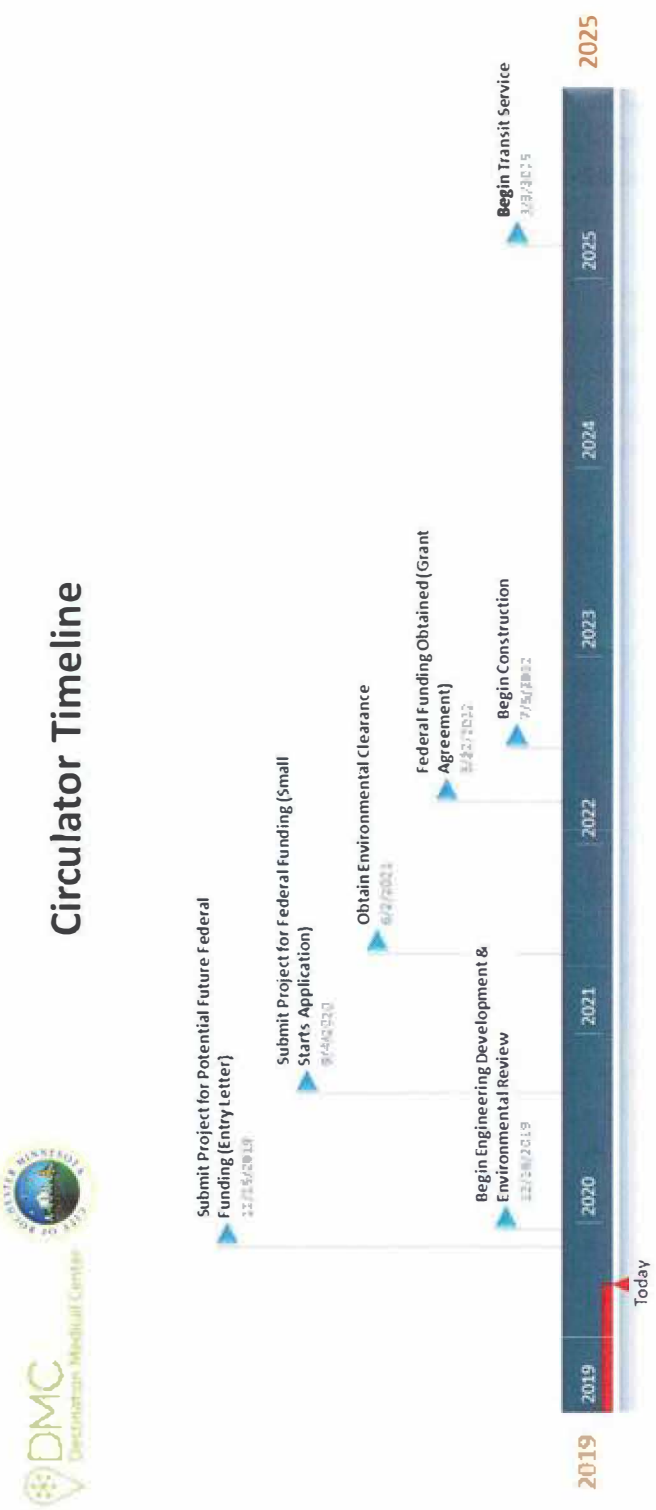

Figure 3: Rochester Downtown Circulator Alignment and Terminus Options