

**ANCHORAGE METROPOLITANMETROPOLITAN AREA TRANSPORTATION SOLUTIONS
TECHNICAL ADVISORY COMMITTEE PLUS MEETING**

**City Hall
Mayor's Conference Room
632 West 6th Avenue
Anchorage, Alaska**

July 14, 2011

1:30 p.m.

Technical Advisory Committee Plus Members:

<u>Name</u>	<u>Representing</u>
Jennifer Witt	Alaska Department of Transportation & Public Facilities (ADOT), Central Region, Planning
Kim Rice	ADOT, Central Region
Cindy Heil	Alaska Dept. of Environmental Conservation
Lance Wilber	MOA/Public Transportation
Todd Cowles	Port of Anchorage
Stephanie Mormilo	MOA/Traffic Engineering Division
Jerry Hansen	MOA/Project Mgmt & Engineering Division
Steve Morris	MOA/Dept. of Health and Human Services
Jerry Weaver	MOA Community Development Department
Linda Kovac	Chugiak Community Council & CBERRRSA Board
Bruce Carr	Alaska Railroad Corporation
Carol Fink	Alaska Department of Health
Mike Saville	Public Transportation Advisory Board
Toby Smith	Alaska Center for the Environment

Also in attendance:

<u>Name</u>	<u>Representing</u>
Craig Lyon	MOA/Community Development Dept.
Vivian Underwood	MOA/CDD
Jon Spring	MOA/Consultant
Kris Riesenber (by phone)	Federal Highways Administration
Anne Brooks	Brooks & Associates
Gary Katsion	Kittelson & Associates
Jennifer Emerson	CH2M Hill
Bart Rudolph	Alaska Department of Transportation & Public Facilities (ADOT)
Aaron Jongenelen	ADOT

Stephanie Mormilo called the meeting to order at 1:36 p.m.

MR. KATSION invited the TAC+ Committee members and staff to introduce themselves.

He reviewed the meeting agenda, and gave a project update. He stated the project team is seeking basic approval of the rationale and reasonableness of revenue sources and forecasts, and project costs for the fiscally constrained portion of the MTP. The goal is to have a draft document in the next month, and a draft for the public by the end of August. The team has been in the process of comparing projected revenues with project costs. KABATA recently held meetings in New York with financiers, and Kevin Hemenway, KABATA CFO, would later provide a presentation. As part of the project screening process, it is important to know which projects are ready to go. Draft chapters for the Introduction, Goals and Objectives, and the Status of the System are complete and have been posted to the Web site. Chapter 5 will be sent to agencies soon. The consultants are framing Chapters 6, 7, & 8 and the Public Involvement chapter. These will go to the TAC for approval. The newspaper insert is close to being finalized. Two public meetings are scheduled for October. The meetings will follow an open house format. There is no change in the schedule. A public review draft document is anticipated by end of August, keeping in mind the July 14, 2012, deadline for MTP adoption.

The MTP process is in the middle of the third step, the financial constraint process. Lance Wilber's spreadsheet has been refined and upgraded to see what happens if there are changes.

MS. FINK asked if one meeting in Anchorage for public comment is adequate. MS. BROOKS said the preference is always to do more, but they are constrained by project scope and schedule. There will be other AMATS meeting opportunities, and more public involvement outreach will be provided by staff. MS. FINK asked how comments could be submitted. MR. KATSION responded that they may make comments in person at the meetings, on the web, and a number of ways. MS. FINK asked if it's clear on the website. MR. KATSION said it is, and that he would verify.

MR. RUDOLPH gave a PowerPoint presentation to explain the development of MTP revenue assumptions. New federal regulations require fiscal constraint. Handouts were given to the TAC members, and had been e-mailed earlier. He stated there needed to be coordination and buy-in now, particularly regarding additional financial strategies – are they reasonable? He explained since the last TAC meeting, some changes were made to the revenue source assumptions:

- No further federal Economic Stimulus assumed
- More detail by source, specified by mode
- State revenue source added for Transit
- Change for when inflation was added to revenue

He reviewed the Municipal, State, and Federal fund assumptions, which show a significant increase in the reliance upon state funding (from 18% to 55%), coupled with a decrease in anticipated federal funds (from 60% to 38%), that includes no new stimulus funds. Funding for roads will increase slightly from 88.6% to 91%, with transit decreasing from 6.3% to 4%.

Assumptions include transit and State Mental Health funds, and an Alaska Transportation fund, with funds apportioned by formula, adjusted for CPI starting in 2016. State GO bonds are assumed to continue at a rate averaged based on historical accounts. The State transit match amount for federal dollars is also expected to continue. Local funding is anticipated to drop from 11% to 7%.

MR. WILBER clarified the total number of local bonds going to projects in the MTP is only a portion of all bonds. MR. RUDOLPH reviewed assumptions for federal funds; funding is assumed to remain constant until 2024. CMAQ is currently 10%, and we do not anticipate any additional set-aside from DOT. We spend more than that amount now, but these funds may not continue. Regarding the AMATS allocation of federal funds, we anticipate about a 30% reduction in federal money with re-authorization, and assume adding CPI after 2024. For NHS, assume constant to 2015. HSIP is assumed to remain constant, but reduced after 2013.

MR. MORRIS asked it seems most of the funding appears to be from the Alaska Transportation Fund, and is that likely? MR. KATSION said since the bill was introduced before, they assume it will happen. MS. WITT said according to federal regulations, if legislation is introduced, it can be considered reasonable. MR. CARR asked if the distribution would be based on population. Mr. Rudolph said that had not been determined yet. MR. WILBER said the percentage of AMATS funding is closer to the percentage AMATS gets of Non-NHS funding through the SOA formula – AMATS gets 20-25% of that money. MR. CARR said historically it has been between 25-27%.

MS. KOVAC asked who decides if that percentage is 27% or 33%? MR. WILBER responded it's decided by ADOT&PF Headquarters. MS. WITT further explained part of the rationale [for the AMATS allocation] is because Anchorage has a tax base. Instead of being rewarded [for having the greatest population], AMATS is penalized; but the amount is higher than it would be under the federal formula. MS. KOVAC asked if it could be changed. MR. CARR responded yes, but we cannot expect it to change. MR. WILBER said what we are considering is, if the federal amount is down by 30%, is it reasonable we could build projects? Is this a reasonable methodology? We have struggled with the same questions. MS. WITT said that for State funds, do 5 years make a trend? Yes – it is hard to forecast 25 years out. Road bonds are going down and remain flat. MS. SCHANCHE said one issue is that the Governor has vetoed all grants for pedestrians, and she hoped this will not be a trend. MR. WILBER said this year is not a trend. MS. WITT added the MTP trends are based on 2005-2010.

MR. MORRIS said the methodology is easy to understand, but it counts a lot on state funding, and it needs to be more conservative regarding state funding. MR. CARR said he shared Lori Schanche's reluctance. The state is looking to fund big infrastructure investments. They may cut funding for local projects. MS. BROOKS asked if we change road ownership, we could improve routes with the CIP, as there are still a lot of MTP-funded roads. Arterials owned by SOA are the most in need. MR. WILBER said we cannot use municipal bond funds on state-owned roads. That won't happen, as it is illegal.

MR. RUDOLPH provided a summary of projects considered for inclusion in the MTP from the Anchorage Bowl and Chugiak-Eagle River 2027 LRTPs, the Eagle River CBD Study, the Anchorage Downtown Comprehensive Plan, the Hillside District Plan, modal workshops, transportation model deficiency analysis, and general discussion of the process to develop costs for projects proposed for inclusion in the MTP. He said the project list is just for discussion and that no one is tied to these projects, and the list could change. These projects were identified in current LRTPs, in existing plans adopted after 2007; from the transportation model deficiency analysis; and from the modal workshops. They include the top ranked projects for bicycles, pedestrians, and transit. He explained the existing LRTP and other adopted plan project cost estimates were inflated to 2010 dollars, while cost estimates for new projects were developed by MOA or ADOT&PF staff. All project cost estimates were allocated to either the short term (2011-2023) or the long term (2024-2035). Cost estimates were prepared for 78 road projects, for a total of \$2,677.3m; 128 Bike, Ped and Trail projects, for a total of \$130.1m; 10 ARRC projects totaling \$699m; and 15 transit projects totaling \$206.5m. Total MTP project costs are estimated at \$3,712.9m.

MR. RUDOLPH explained the Fiscal Constraint analysis. He explained the basic spreadsheet that was developed for reviewers' use, is based upon inputs previously discussed, that quickly computes whether the program is over- or under- funded. It is built on Lance Wilber's tool. The program, as described above, is over-programmed to 2035 by \$400m. Under this scenario, some projects will need to be moved to the illustrative program. If we get balanced by mode we should be able to have a whole program. MR. CARR asked if we do Air Quality in the illustrative program. MR. RUDOLPH said no, only if it pencils out. Projects total to \$2.4b over the 20-year program. Maintenance and operations are not included.

MR. CARR asked if they were going to have a work session when they cut/add projects. MR. KATSION said there would be a work session at the next TAC+ meeting, but that today they need to obtain approval for the revenue methodology as a starting point, and see if it is reasonable to carry forward.

MS. KOVAC agreed the state share is too generous. MR. CARR said he did not agree with all of the ARRC projects shown, only with C Street and Arctic Boulevard. MS. SCHANCHE did not agree with removal of the Coastal Trail. It has been on plans for years; the same with the Eagle River Greenbelt.

MR. HEMENWAY, KABATA CFO, gave an update on the Knik Arm Crossing. He said this development project is unique, as it is substantially funded with toll revenues. They had a Final EIS in September 2006, when they launched into the Public Private Partnership process with an RFQ in December 2006. They short-listed two firms, McQuary and Buoygues Trouveaux. There were setbacks when the Beluga whales were listed as threatened, and this held up the procurement process. The beluga crisis is now solved, and in November National Marine Fisheries said the construction of the bridge could proceed. They went to New York to a P³ Forum and spoke with several firms. This type of funding is predicated upon an availability fee. Phase I only is being pursued at this time, without the Ingra/Gambell interchange. They anticipate a formal RFP

approved in March, with proposals received in September/October 2012, and being under construction in 2013. MR. WILBER said we need to know their schedule and process for planning purposes. MR. HEMENWAY said that revenue is toll revenue from the public's perspective. Some P³ revenue is an advance payment. A legislative grant for KABATA is for a credit enhancement which lowers the cost of credit. The legislative bills are still pending. He expects the bills to be picked back up. There have been a lot of discussions with the Governor. These funds will be repaid.

MR. KATSION reviewed the project screening process. He offered to condense some of the remaining material for a workshop next week. Right now it is modal neutral, but that could be modified. For transit, they could look at ridership, would be tougher for bike/ped, not knowing the number of people affected. We know we need to cut projects. MR. CARR asked if safety is considered in "timing", or economic development, or keeping existing roads in good repair?

MR. KATSION said those are not in there yet – they were looking for quick elements. They need to do two more model runs, one with more enhanced program of transit, BRT, etc, and a final list with one final run. Next steps include going to the PC on July 28 with a list of projects included. MR. CARR said they should focus on revenue for the PC. MR. KATSION said what they need from the TAC is a recommendation to the PC for recommendations on assumptions.

MS. HEIL said she had no problem with recommending the methodology, but there was not enough time. They need to have a work session to tweak the methodology. Twenty minutes was not enough. She also had a question about the bridge revenues. She thought it passed the "red-face" test, but maybe needed some tweaks. MR. HANSEN said the revenue assumptions are rosy on the state funds, and also on Muni funds. No way will we have \$11m/year. \$2m is high. Bond funds are down. Trails haven't passed in years. Mode share is already determined by revenue. MS. WITT said she would defer to the Muni, and suggested they confirm that with the Administration. MR. SAVILLE said he is not comfortable with the federal level. The first 4 years are rosy. D.C. is "ugly" right now for all modes. MS. WITT said the federal side was vetted with Juneau and with FHWA. MR. SAVILLE said the methodology is ok, just need to look at the charts, and asked the consultants if they could run through their analysis.

The TAC+ meeting was concluded, and the TAC meeting resumed. Please see AMATS meeting minutes for the TAC meeting and action taken on the financial constraint analysis for the MTP by the AMATS TAC.