

**ANCHORAGE METROPOLITAN AREA TRANSPORTATION SOLUTIONS
POLICY COMMITTEE MEETING**

**Mayor's Conference Room, 8th Floor
632 West 6th Avenue
Anchorage, Alaska**

**February 25, 2010
1:00 p.m.**

Policy Committee members Present:

| Name | Representing |
|-----------------|---|
| Patrick Flynn | MOA/Municipal Assembly |
| Sheila Selkregg | MOA/Municipal Assembly |
| Lance Wilber | Alaska Dept. of Transportation & Public Facilities, Regional Director (ADOT/PF) |
| Cindy Heil | Alaska Dept. of Environmental Conservation (ADEC), Air Quality |
| Dan Sullivan | Municipal Mayor |

Also in attendance

| Name | Representing |
|----------------|---|
| Craig Lyon | MOA/Traffic Department |
| Bob Kniefel* | MOA/Traffic Department |
| Teresa Brewer | MOA/Traffic Department |
| Van Le | MOA/Traffic Department |
| Jennifer Witt* | ADOT/PF, Central Region, Planning |
| Dave Post | ADOT/PF |
| Lois Epstein* | Alaska Transportation Priorities Project |
| Mike Foster | Knik Arm Bridge and Toll Authority (KABATA) |
| Dale Paulson | KABATA |
| Andrew Niemiec | KABATA |
| Alison Lohrke | Dowl HKM |
| Bruce Carr* | Alaska Railroad Corporation |
| George Vakalis | MOA Municipal Manager |

*AMATS Technical Advisory Committee members

1. CALL TO ORDER

CHAIR WILBER called the meeting to order at 1:04 p.m. All Policy Committee members were present with GEORGE VAKALIS filling in on behalf of MAYOR SULLIVAN until his arrival. A quorum was established. MAYOR SULLIVAN arrived at 1:08 p.m.

2. PUBLIC INVOLVEMENT ANNOUNCEMENT

CHAIR WILBER encouraged public involvement in this meeting of the AMATS Policy Committee. He explained staff would first make their presentation, followed by any comments from Committee members, and the floor would then be open to public comment.

3. APPROVAL OF AGENDA

MR. FLYNN moved to approve the agenda. DR. SELKREGG seconded. MR. LYON noted the online version of the agenda included an agenda item for “self-certification.” However, this item was not ready to present to the Policy Committee and was not included on the final agenda. The Agenda item for the “Jobs Bill” is not an action item and was moved under informational items on the agenda. *Hearing no objections, the agenda as revised was approved unanimously.*

4. APPROVAL OF MEETING MINUTES

MR. FLYNN moved to approve the minutes of September 24, 2009. MR. VAKALIS seconded. *Hearing no objections, the minutes were approved as written.*

5. BUSINESS ITEMS

a. First Quarter Obligation Report

DAVE POST, Alaska Department of Transportation & Public Facilities, presented an update on the AMATS 2010 Project Obligation Report for the first quarter. The report represents what AMATS anticipates obligations for this fiscal year. At the end of the first quarter, policy is staff is relying on estimates and will have competing considerations as the process goes further along. At this point, AMATS is required to be at plus or minus 15%, and at the end of the second quarter it will be plus or minus 10%, and ultimately it needs to be fiscally constrained in terms of obligations.

The two items needing formal action on from the Committee are:

Project G-2, Huffman Road Reconstruction, Old Seward Highway to Pintail
Requires an additional \$400,000 due to cost increases in the design phase.

Project G-5, O’Malley Road Reconstruction
Requires an additional \$1.5 million in design because when the TIP was adopted the money for the design phase had inadvertently been omitted.

MR. POST briefly discussed the Pavement Replacement Program noting the \$2.4 million normally anticipated using AMATS funds for in part because of the economic stimulus funds is at \$690,000 level in terms of TIP funds. As informational items only, he noted the Eagle River Loop Road reconstruction is essentially done, but there was additional design phase funding that

was needed during the construction phase in order to go ahead and get the permitting and finalize some of the design elements.

In response to MR. FLYNN's questions on the status of the Dowling Road project, MR. POST explained with potential for additional federal funds coming to the State and AMATS, the Dowling Road project is a venue for getting additional federal funds to that program. He noted although there is additional state funds for the project, there are insufficient state funds for both phases to go to completion construction. There are competing bills in the House and Senate in Congress requesting additional funds for the State, but the level is in limbo.

With regard to Project #5, Spenard Road/Minnesota-Hillcrest, the first phase should be done this summer. The Second phase, Fireweed to Hillcrest is still in design. The design is being managed by the Municipality, and responsibility for construction will depend on the funding source.

With regard to the additional funds required for design issues on the Eagle River Loop Road project, DR. SELKREGG expressed concern about the additional funds required, and how the process for these design changes works. Staff is to provide a status report on this project. DR. SELKREGG asked for an assessment on who was responsible for the error.

The Old Glenn Highway construction cost had an increase of \$1.4 million pertaining to the utility relocations and a variety of cost overruns. No approval is required for this change because there is a policy adopted by AMATS that approval is automatic if the project is in the construction phase, as this project is.

He noted a few minor changes to Transportation Enhancements including \$150,000 increase for Muldoon road in design funding for the landscaping and pedestrian improvements, and \$100,000 on the potential for right-of-way needs on the Glenn Highway Trail Rehabilitation project. Congestion Mitigation Air Quality (CMAQ) is tracking consistently to the adopted TIP.

Due to an error in the spreadsheet, Mr. Post noted there is approximately an additional \$1.9 million because costs for the pavement replacement program had been counted twice.

To recap overall, the difference between the \$27.178 million and the \$28.749 million AMATS now anticipates obligating, there is a \$1.57 million difference amounting to between 5 and 6%. The Quarterly Report is well within the 15% margin of error AMATS is required to maintain at this point in the year. He requested approval by the Policy Committee of the obligation report.

DR. SELKREGG moved for Policy Committee approval of the obligation report. MAYOR SULLIVAN seconded.

DR. SELKREGG discussed the additional monies required for the Eagle River Loop Road and Old Glenn Highway projects in light of current budget constraints. She expressed concerns

about designing and then redesigning projects, and wanted to point out that as projects proceed that it is expressed to people some responsibility, maybe in the contracts. She suggested the possibility in the future of monitoring this more carefully.

The motion was unanimously approved.

b. Jobs Bill Funding

Note: this item was moved under Information Items on the agenda.

c. Other Business Items - None

6. INFORMATION ITEMS

a. Alaska Railroad Update

BRUCE CARR with the Alaska Railroad provided a presentation on the fundamentals of the Alaska Railroad. He noted the Railroad has 600 miles of track, over 150 bridges, 50 locomotives, 1,200 rail cars and 650 year round employees. In 1985 the State's investment in the Railroad was \$33 million, and now the Railroad does not rely on State funding. Current assets total \$863 million. He discussed freight and passenger service, Southcentral depot traffic, and the freight revenue mix. MR. CARR provided a preview of 2010 noting it will be a tough year with expectations of decreases in both freight and passengers, and expense reductions to offset revenue declines. He reviewed projects for 2010 including track rehabilitation, the Knik River Bridge project, and the Ship Creek Intermodal Center. He also discussed alternatives for improving capacity and reducing congestion in Anchorage, the historic freight shed renovation, and new and renovated passenger train equipment. He concluded his presentation with a discussion of the Positive Train Control Collision Avoidance System, which is an \$80 million unfunded mandate from Congress.

b. Freight Mobility Update

TERESA BREWER provided an update on freight mobility. She noted the Freight Advisory Committee (FAC) was re-established in 2009 and meets quarterly. She briefed the TAC on the projects undertaken by the FAC in 2009 as follows:

- Update of the 2001 Freight Movement Problem Areas map and identification of transportation/road improvement projects that would assist in freight mobility and movement.
- Freight Survey developed and underway in conjunction with UAA.
- Site Plan/Road Design Reviews.

- Grant Seeking Opportunities including discussions with Port of Anchorage on potential partnering on federal grant opportunities to improve access/egress at the Port of Anchorage.
- Participation in the Alaska World Trade Center Transportation Conference and tour of new Port expansion projects with Governor Sheffield.
- Coordination – coordinated with and provided information on FAC activities, events and organizational structure with the Fairbanks Metropolitan Area Transportation Solutions (FMATS).

MS. BREWER also discussed the big Tractor/Trailer driver simulator at Carlyle Trucking which includes scenarios for driving into shopping malls, or on-ramps, or city driving that would be similar to some other things the drivers might face here in town. Municipal engineers, DOT and others were invited to try the simulation.

DR. SELKREGG recommended talking with the tour bus industry to determine their critical issues. She noted they have some of the same challenges as the freight community, and may have significant needs around intersections that may not be on the list, particularly in the downtown area. She suggested contacting the Anchorage Visitors and Convention Center for contact names.

Discussion followed on examples of Freight Advisory site plan comments on big box stores, traffic circulation issues, and concerns with roundabouts. MS. BREWER noted research, driver interviews, and the freight survey will help prioritize problem areas and projects to implement.

DR. SELKREGG recommended coordinating with the freight community and the Title 21 revisions to provide an opportunity for comments on the Title 21 rewrite, particularly with regard to issues such as freight dock requirements.

DR. SELKREGG recommended including an annual line item in the AMATS budget for freight mobility issues similar to what was done for pavement replacement. She suggested prioritizing projects to get done every year and to get things done over time. She recommended this type of funding for next year.

CHAIR WILBER expressed appreciation to AVES THOMPSON for his assistance with this committee. DR. SELKREGG urged MR. THOMPSON to coordinate with staff on the Title 21 rewrite.

c. Minor Amendment to 2009 Unified Planning Work Program (UPWP)

CRAIG LYON reported a minor budget adjustment was required because two elements, 300, AMATS Air Quality and 500, AMATS Administration, exceeded 110% of the 2009 budget. Although AMATS can be over in a task, by policy an element in the UPWP cannot exceed 110% of their budget. Staff proposed transferring \$10,000 from the budget for Element 400, Task 440,

Socio Economic/Employment Data, and moving \$5,000 into Element 300, Task 330, Air Quality Conformity, and \$5,000 into Element 500, Task 510, AMATS Program Administration. It is within the TAC's authority to approve this minor budget amendment. TAC is required to notify the Policy Committee and the State Department of Transportation of the budget amendment.

d. Long-Range Transportation Plan (LRTP), Knik Arm Crossing Amendment

MR. LYON briefly reviewed the steps required under the public involvement plan to adopt an amendment to the LRTP, which are the draft amendment goes to the TAC, then to the Planning & Zoning Commission (PZC) in its capacity as the AMATS Citizens' Advisory Committee, then back to the TAC, then to the Assembly, and then back to the TAC to adjudicate any changes, and then to the Policy Committee. The Policy Committee makes the final decision. He noted the proposed amendment passed out of the PZC, and the PZC recommendation was to remove the Knik Arm Crossing (KAC) project from the plan completely. The PZC's recommendations went to the TAC. The TAC disagreed with PZC's main recommendation for removal, and voted to continue the process of having the project moved from the short-term to the long-term. In addition, MR. LYON noted there were some recommended changes from the PZC that the TAC agreed with. Currently, the proposed draft amendment is scheduled to be on the March 2, 2010 Assembly agenda.

MR. LYON discussed the main changes to the proposed LRTP amendment since the last draft was seen by the Policy Committee as follows:

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Proposed addition of new condition:

5. *A new condition, G, is added to the 2007 LRTP, Chapter 12, page 13, that ADOT&PF, KABATA and FHWA will provide the Municipality of Anchorage a meaningful role in the development and/or review of the negotiated Public-Private Partnership (P3) agreement, and provide a public review and comment period for the agreement.*

This was from PZC and the TAC, and MR. LYON noted the TAC vote to add this condition was not unanimous.

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Proposed deletion of Paragraph V:

- V. *Delays issuance of a Record of Decision on the project while issues and uncertainties continue to be resolved.*

MR. LYON noted this section talks about benefits of the proposed amendment. However, further research and guidance from FHWA says if this project is moved into the long-term it will not delay issuance of a Record of Decision (ROD). As long as all phases that are going to occur in the life of the plan are shown in the plan, a ROD can be

issued. The TAC proposed deleting Paragraph V because they felt it was not germane anymore as it was not a benefit of the amendment.

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Proposed deletion of:

The AMATS Policy Committee also recommended that the Knik Arm Crossing include heavy rail and pedestrian/bicycle facilities to support long-term freight movement and multi-modal regional connectivity, and that KABATA and the Alaska Railroad Corporation work together to pursue and fund this strategy.

MR. LYON indicated this came out at the TAC level, and so it was taken out of the proposed amendment by TAC as well.

MR. LYON noted additional language changes in the rest of the amendment were related to three issues: 1) the air quality conformity information was updated to show the air quality conformity analysis had been completed, and there were no issues; 2) the financial information was updated to show more discussions and explanations of the assumptions that went into the Financial Plan; and 3) any projects listed in the LRTP approved in 2005, which have been completed, funded or partially funded have been updated to reflect that status.

In response to DR. SELKREGG, MR. LYON provided an explanation on the changes in the financial structure. He noted with the passage of SAFETEA-LU as of December 2007 financial plans are required to show the dollar figures based on the year of expenditure; in other words, what a project will cost when it is built, including inflation factors. This was taken into account when the financial analysis was done, but the plan had not been updated to show what projects had been funded or were done. The financial information has been updated to show completed projects, and it took a lot of dollars off the table for the plan such that at the end of the 20 year lifespan of the LRTP there is surplus. MR. LYON indicated it is a very conservative financial analysis, but at the end of the plan AMATS actually has a surplus. He confirmed the financial part of the LRTP has never had the Knik Arm Bridge in it.

DR. SELKREGG noted she has asked the Committee for about two years for documentation that shows the impact of the bridge on our Plan, and she is asking again. She thinks it is a critical piece of information. She noted, it is great to approve a huge project, but if you understand you have a limited pot, and choices have to be made, your choices might be different. She believes it is important, basic information to the Policy Committee's decision. She was concerned they may be trading off Highway-2-Highway for this project, or what is being traded off, and how it is going to be paid for, and how it affects other priorities in the community. She was surprised this information was not before her, and wondered if there was any possibility Staff could provide any idea or at least an explanation when this is reviewed at the Assembly level. She feels it is basic, public information. She thinks the real intent of this plan is to be able to understand the impact of different projects on the whole 20 years, and yet the plan has been updated in the process of reconsidering the bridge and the bridge is not in it.

In response CHAIR WILBER indicated the original assumption and the current assumption is the financing of the network for the LRTP and the financing of the bridge are two different things. He noted this is a critical assumption. He indicated this conversation is only about one bank, which is the bank that is going fund the network, except the bridge. He indicated they mentioned before the assumptions for the KAC that we have heard they will either do a public/private partnership, or some other funding mechanism, and the language in here basically says the funding of the bridge will have no effect. They won't be seeking additional state funds. They won't be seeking additional federal funds. Although he was not sure the language was still in place. CHAIR WILBER indicated the funding plan for this one is based on assumptions of fund source, the traditional or some new funding sources, which would be a state infrastructure bank, and that is what is going to fund the network, not fund the bridge. However, if those rules of engagement change in which we are competing from the same source of funds, whether state or federal funds, then this Plan will either not be fiscally constrained, and KABATA'S financial plan would change.

According to DR. SELKREGG, it sounds clean like there are two different pots, but she noted the year KABATA received their initial chunk of money, AMATS received less money from the State because there was a perception AMATS was already getting a lot of money, and the bridge ended up having an impact on what AMATS received that year even though they were two separate things. She noted the other issue was the understanding that if there is going to be state revenue bonds or bonding associated at a State level for the bridge, and the bonding capacity of the State, how would that affect the whole system's capacity to bond. She noted it does not seem to her that there is a list of "oh well, we are going to fund it in a whole lot of different ways," but the issue is what happens if it gets half-funded or half-completed because she feels there are still a lot of questions and things unresolved. She indicated it was hard for her to believe there are not going to be some choices associated with this in terms of major projects, and she has a hunch there will be a relationship between H-2-H and other major projects and this. She noted KABATA seems to come up with an expanded answer for every question, and she is a little frustrated.

She indicated KABATA's answers seem to fit whatever they need in order to move forward without any real substantiation that any of this is real, and she thinks there are projects all over the country where there has been a major investment that has begun, and it ends up being at the cost of the public dollar in the end. She believes, ultimately, it is not in the best interest of the community from the "get go."

To get this down to a final point, MAYOR SULLIVAN asked and CHAIR WILBER confirmed that nowhere in AMATS plan is there money for the bridge.

MR. WILBER wanted to know what packet of documents the Assembly has for consideration on the proposed LRTP amendment, and MR. LYON indicated they received the same documents, and he would bring the PZC resolution as well.

DR. SELKREGG asked if there was ever any information brought together about the impact on the Municipality's tax base in terms of the lost industrial land and impact on housing, which she has asked for before. CHAIR WILBER indicated there was information in the issue/response summary.

CHAIR WILBER asked for any comments from the public.

LOIS EPSTEIN with the Alaska Transportation Priorities Project asked if the ROD is issued, and the project subsequently becomes cancelled at some point in the future whether it has been confirmed if there would be any kind of repayment requirement to the federal government for the monies expended. She clarified if the ROD approves what this body may be deciding, which may be moving it to 2018 or later. MS. EPSTEIN wondered what would happen if subsequently some of the questions never get answered adequately, and the LRTP gets amended again. MR. LYON understanding of the NEPA process is if there is a ROD and a project is cancelled, you have to pay it back.

MS. EPSTEIN, as a member of the TAC, noted the TAC had discussed if the project did get moved to the long-term, the ROD would not be issued, and therefore, we would not be at risk of repayment, and this is a different scenario now that the ROD can be issued.

e. Jobs Bill Funding

The Jobs Bill is on hold in the Senate.

f. Committee Comments

MR. FLYNN noted the TAC recommendations are incorporated into the resolution the Assembly has before it on March 2, 2010, with the one small foot amendment that points out if we were to offer up some action without allowing the opportunity to look at perhaps different approaches to minimize impact on Anchorage neighborhoods as we will be discussing on the record on March

7. SCHEDULED AMATS MEETINGS

Technical Advisory Committee, March 11, 2010

Policy Committee, March 25, 2010

8. ADJOURNMENT

The meeting adjourned at 2:09 p.m.