

Southwestern Pennsylvania Commission
Minutes of the Meeting of
October 24, 2005
Regional Enterprise Tower – 425 Sixth Avenue, 31st Floor – Pittsburgh, PA 15219
4:30 p.m.

The fifty-first meeting of the Southwestern Pennsylvania Commission was called to order by Chairman, Dave Coder.

Commission members present were: Andrew Boni, Charles Camp, Tom Ceraso, H. Daniel Cessna, Dave Coder, Steven Craig, Richard Fink, James Gagliano, Jr., Susan Golomb, David Johnston, James Kennedy, Ellen Kight, Larry King, Phil Light, Scott Lowe, Larry Maggi, Kevin McCullough, Larry Morris, Dan Onorato, William Peduto, Andrew Quinn, Carmen Rozzi, James Scahill, Mark Schneider, Bernie Smith, Pam Snyder, Anthony Spossey, Vince Vicites, Joseph Widmer, and Norma Wintermyer.

Commission members absent were: Glenn Anderson, Tom Balya, Karen Bennett, Susan Borinsky, Bracken Burns, Orlando Capretto, Eric Carlson, James Cheatham, Robert DeLotto, Dan Donatella, Edward Fosnaught, David Frick, John Gardner, Joseph Hardy, Dana Henry, Richard Hogg, C. L. Jabbour, Patricia Kirkpatrick, Allen Kukovich, Robbie Matesic, Terry McMillen, David Miller, Tom Murphy, Henry Nutbrown, Rodney Ruddock, Daniel Santoro, Richard Shaw, Michael Silvestri, Paul Skoutelas, Mark Snyder, Joe Spanik, Byron Stauffer, Jr., Joe Szczur, Sala Udin, Dennis Veraldi, Port Authority; Daniel Vogler, Gealy Wallwork, Charles Zappala, and Angela Zimmerlink.

Others: Richard Feder, Port Authority of Allegheny County; Dave Ginns, Sustainable Pittsburgh; Lynn Heckman, Allegheny County Department of Economic Development; Cheryl Moon-Sirianni, PennDOT; Marilyn Skolnick, Sierra Club; Jon Smith, Allegheny County Transit Council; and John Verbanac, SPC Consultant.

Staff: Jim Hassinger, Kirk Brethauer, Courtney Casto, Jamie Colecchi, Chuck DiPietro, Linda Duffy, Ken Flack, Chuck Imbrogno, Vince Massaro, Krishna Murthy, Marge Nalesnick, Shannon O'Connell, Kay Tomko, Debbie Tritsch, Carol Uminski, and Lew Villotti.

1. Action on Minutes of the August 22nd Meeting

The minutes of the August 22, 2005 meeting of the Southwestern Pennsylvania Commission were approved on a motion by Commissioner Scahill which was seconded by Commissioner Craig. The affirmative vote was unanimous.

2. Public Comment

None.

3. Financial Report

Mr. Massaro presented the combined revenue and expense statement for the three month period ending September 30, 2005 stating that this report is a combined fiscal statement for the corporation, the commission, and the operations of the regional enterprise tower. Total Project related revenues recognized and recorded as of September 30th are \$1,633,444 vs. annual budgeted revenues of \$8,649,964 or 18.88% of the budget for the reporting period. Total carry-over project related revenues recognized and recorded as of September 30th are \$223,759 vs. annual budgeted revenues of \$1,848,614 or 12.10% of the budget for the reporting period. Total Project Revenues for the reporting period are \$1,857,203 vs. annual budgeted revenues of \$10,498,578 or 17.69% of the budget. As mentioned in previous reports, the carry-over projects from prior fiscal years consist of the Transportation Model Development Year 4 and 5, the Allegheny County Comprehensive Plan, and the Port of Pittsburgh Water Transit Assessment. These projects are due to be completed by December 2005 and June 2006. Revenues related to the operations of the building continue to be in line with the budget for the reporting period. Rents budgeted are \$5,000,000 vs. actual rents collected of \$1,134,748 or 22.69% for the reporting period. As of September 30th, the building is at 83% occupancy and the leasing agent is currently negotiating with prospective tenants. Relating to expenses, overall project related expenses pertaining to the UPWP and Economic Development Program activities continue to move forward as budgeted for the reporting period. Total Project Related expenses recorded as of September 30, 2005 are \$1,858,385 vs. annual budgeted expenses of \$10,498,578 or 17.70% of the budget for the reporting period.

Expenses related to the operations of the regional enterprise tower, before depreciation and amortization expense, are \$1,035,065 vs. the annual budget of \$4,443,280 or 23.30% of the budget for the reporting period. Mr. Massaro mentioned that the auditors have completed their field work pertaining to the annual audit of the financial records and a draft audit report is due by the first week of November. The SPC audit committee is scheduled to meet on Thursday November 17th. The final audit report will be presented to the Commission at the December 2005 meeting.

4. Action on Resolution 19-05 to Amend the 2005-08 Transportation Improvement Program

Mr. Flack reported that SPC had a request from Allegheny County for a cost increase from \$35.0 to \$40.0 million for the Homestead High Level Bridge construction phase. The proposal is to take money from the Rankin Bridge from the year 2008. By doing this, it will leave a deficit in the Rankin Bridge project. The Rankin Bridge has \$34 million on the TIP, but would still need another \$11.5 million in the next TIP update to fully fund the project. This was reviewed by the Transportation Technical Committee at the October 12th meeting and recommended for Commission approval.

Commissioner Camp moved:

WHEREAS, Allegheny County requests a cost increase from \$35.0 to \$40.0 million for the Homestead High Level Bridge construction phase (\$4,000,000 federal, \$750,000 State and \$250,000 local) in FFY 2008 on the region's 2005-2008 Transportation Improvement Program (TIP); and

WHEREAS, the source of funds for this cost increase are from the construction phase of the currently programmed Rankin Bridge project (\$4,000,000 federal, \$750,000 State and \$250,000 local) in FFY 2008. This project has multiple construction seasons that continue beyond the current TIP with the second construction season to be fully programmed on the 2007-2010 TIP update; and

WHEREAS, the proposed amendment has been reviewed by the Transportation Technical Committee and recommended for approval in accordance with SPC's TIP amendment policies and public involvement process; and

WHEREAS, the proposed amendments maintain overall TIP fiscal balance; and

WHEREAS, the proposed amendments will not interfere with the implementation of any STIP project; and

WHEREAS, approval of this amendment to the 2005-2008 TIP will not alter the finding of conformity between 2005-2008 TIP and the Clean Air Act Amendments of 1990.

NOW, THEREFORE, BE IT RESOLVED that the Southwestern Pennsylvania Commission approves this amendment to the 2005-2008 TIP.

Mr. Gagliano seconded and the affirmative vote was unanimous.

5. Report on Route 22 E-Vote

Mr. Flack reported that at the end of September there was a request from PennDOT District-12 to make a TIP amendment on the Route 22 widening project between New Alexandria and Route 982. Again, there were cost increases of about \$9.8 million divided between the years 2006 and 2007 for a new \$23 million total project cost. Many of the big projects across the region are seeing cost increases of 25% or more and this is what has happened to this project. Because of the timing no commission meeting scheduled for September, SPC requested on September 29th fax vote by the Commission. Thirty-five affirmative votes were received and no votes opposing the amendment. Based on those 35 votes the Commission approved the request. SPC received FHWA approval on October 6.

6. SAFETEA-LU Update

Mr. Flack reported that the Federal Transportation legislation was passed about two months ago on August 5th. We have continued to operate under TEA-21 since then and will continue to do so until Congress appropriates SAFETEA money in the 2006 Appropriations Act. So we're still operating under the TEA-21 funding level of \$34 billion a year. It will rise to about \$40 billion with new appropriations which is about a 20% increase. Other considerations however may impact Congressional approval of the Appropriations Bill. These include offsetting the costs for reconstruction from Katrina by shifting SAFETEA program revenue, perhaps making rescissions of previous funds, or reconsidering some of the SAFETEA earmarks. Right now we just don't know what's going to happen on the SAFETEA-LU. There was even a report today that Senator Ted Stephens threatened to resign if anybody took money away from Alaska projects.

There is a piece in the agenda packet that lists the highway program earmarks that have been identified in SAFETEA-LU. Particularly it gives a preliminary analysis of the impacts on southwestern Pennsylvania's transportation program. This is for the Title One program – highways and bridges and is divided into three categories. As the Commissioners know, we have worked with our federal representatives to share with them our funding priorities within the TIP program. 38 of the 51 earmarked projects are consistent with what we shared with our legislative delegation, including \$92 million of \$118 million in total earmarks. There aren't any issues that we would have in programming them on our TIP. For the remaining 13 projects they bring \$26 million in earmarks into the region, but in order to move those projects forward they require an additional \$680 million to complete over time that we don't currently have programmed on the TIP or thru Stage 2 of the SPC Long Range Plan.

Type One projects match the TIP. Type Two projects are neutral, meaning that we don't expect to have to fully fund these projects thru the TIP. The Type Three projects need additional revenues. For every dollar in earmarks they require \$30 in additional money that isn't currently identified in the program. We're still working to identify the scopes of the projects and how to program them. The State will provide guidance on how to uniformly handle the hundreds of projects statewide of which our 51 projects are just a portion.

Commissioner Craig asked if it was fair to say that the Type Three projects were not a result of the regional process that identified priorities for earmarks. Mr. Flack responded by saying that without making an exclusive statement, that's generally true. Commissioner Camp asked if they Type One list matched well with the TIP. Mr. Flack said yes, the total project costs for the Type One projects are about \$505 million. We already have almost \$200 million in the TIP. So \$53 million in extra earmarks helps to deliver those projects sooner than we can deliver them using only regular TIP funds. Mr. Flack said there are some regulations that FHWA is beginning to enforce regarding fiscal guidance and it has affected some projects in Beaver County so far. If we don't have all the money for a project programmed in the TIP or Stage 2 of the Long Range Plan, FHWA will not sign off on the environmental documents and so the project just stays on hold. And if you begin to do the engineering for those projects, you might end up losing that money. If construction costs are not funded within the next two to three years, then you may have to repeat the environmental documents whenever funding is finally arranged. If there is a project on the Type Three list, and it's a small project, it can be programmed either with additional revenue that can be found or using offsetting reductions that can be found elsewhere in the program. For large projects then it's a bigger issue and much harder to accomplish. We just don't have the money in the program right now for those.

Commissioner Craig said that this looks more like window dressing and politics from our legislative delegation, especially when there's very little chance that we'll be able to fund \$600 million in additional projects. Mr. King said that Ken's rundown on the situation is very much indicative of the circumstances throughout the Commonwealth. In the new legislation, there are 376 total earmarks for Pennsylvania highways and bridges. The total earmarked amount is \$621 million. The State may not slice them up into these specific three categories, but they indeed represent some real issues to be dealt with. We have gone out to our district offices and to each MPO and rural planning organizations for the purpose of gathering just this kind of information about each of the 376 earmarks. The idea is to get everybody's best information together. We'll be back to work with the MPO staff to make some decisions down stream. One of the reasons that this may not be particularly time urgent is the fact that this money is not yet available for some of

the reasons that Ken mentioned, but another important reason is that legislation provides the money in 20% increments over a period of five years.

7. Update on Project Region

Mr. Villotti reported that in the last three weeks Project Region's Interactive Survey was two events; Leadership Pittsburgh with about 50 attendees and Leadership Washington County last week with about 15 participants. Later this week on Thursday, we'll be working with Leadership Development Initiative and will be doing our survey with them and also will be working with Gealy Wallwork, another Commission member, at the Kittanning Rotary. We're still out doing a lot of the public input, gathering a lot of information.

8. Update on EDA Final Rulemaking and ARC Appropriations and Reauthorization

Mr. Villotti said that as announced at the Executive Committee last month there was a final rulemaking by EDA published in the Federal Register that calls for reauthorization. In that final rulemaking there were several areas that were in detrimental to the Economic Development Districts. SPC is the Economic Development District in this region. There were several items that weakened the power of the elected officials. The Executive Committee instructed staff to write a letter to the Chief Counsel opposing that language. In addition, we did an accompanying letter for the U.S. Congressional delegation to sign off on a "friends of" letter that also was looking to strike that language from the economic development district rulemaking. There was an amendment to the final rulemaking that softened some of the language but actually extended it until the public comment period ending November 11th. In that time period, EDA is working to assure the economic development districts and the congressional delegation across the country that the language was not intended to weaken the position of economic development districts protecting their options.

On the ARC side, the Appalachian Regional Commission is up for appropriation and reauthorization. Historically the appropriation is based on \$66 million level funding for ARC. When it went to the House, they cut it in half to \$33 million. That is something that has happened historically and the Senate always restored. What is a little bit different this time is that they need a continuing resolution which is usually for the full \$66 million. The continuing resolution in this instance, ARC on behalf of the \$33 million. That is a serious problem. The State is aware of the fact in that they believe this will be the toughest budget year in some time. If cut to \$33 million, it will have a considerable impact on the level of services we provide.

9. Action on Resolution 20-05 to Adopt an Updated Public Involvement Policy

Dr. Hassinger reported that the Public Involvement Policy is part of an on-going effort to improve the regional planning process. Periodically we review and update the public input policies with regard to opportunities, regulations, and practice methods and to evaluate the effectiveness of the policy for the appropriate divisions. The public involvement policy is intended to provide a framework for SPC to conduct an open process that elicits the input and active involvement of all affected individuals, groups and communities. In reviewing our current public involvement practices we recognized that many positive activities were not always clearly expressed in the policy books. So we revised the existing documents to reflect current practices including descriptions of activities and procedures as well as references to legislation and guidance to

provide more background information in context. The Commission directed the staff at the July 20th meeting to conduct a 45-day public comment period which ran from August 2nd to September 16th. It included a public meeting. We summarized the comments received and provided them to the Commission. Copies of the comments are included in the agenda packet today along with the Commission's responses. Today we seek the Commission's approval of this updated Public Involvement Policy with incorporated changes and reformation as received from public comment.

Mr. Cessna moved:

WHEREAS, the Southwestern Pennsylvania Commission has a shared obligation with the public to identify, define, evaluate and address the objectives, needs and alternatives for all modes of the region's transportation system; and

WHEREAS, communication with the public contributes to more effective and innovative transportation planning that is representative of and responsive to the needs of the entire region; and

WHEREAS, a defined public involvement policy is necessary and desirable as it provides a framework for the Southwestern Pennsylvania Commission to conduct an open process that elicits the input and active involvement of all affected individuals, groups and communities from the earliest planning stages; and

WHEREAS, the procedures described in the updated Public Involvement Policy help ensure that regional planning efforts "include a proactive public involvement process that provides complete information, timely public notice, full public access to key decisions, and supports early and continuous involvement of the public in developing plans" (23CFR 450.316(b)(1)); and

WHEREAS, it is necessary and desirable to coordinate when appropriate public involvement activities with other transportation planning agencies; and

WHEREAS, the Commission recognizes that a Public Involvement Policy is a required element of the Long Range Plan and the Transportation Improvement Program under the provisions of federal transportation planning legislation; and

WHEREAS, the Commission recognizes "Public involvement processes shall be periodically reviewed by the MPO in terms of their effectiveness in assuring that the process provides full and open access to all" (23CFR 450.316(b)(1)(ix)); and

WHEREAS, an approved draft updated Public Involvement Policy has been made available for public review and comment for a period of 45 days, a public meeting was held, and comments were received and considered as required by federal transportation planning legislation and SPC's existing Public Involvement Policy.

NOW, THEREFORE, BE IT RESOLVED that the Southwestern Pennsylvania Commission hereby adopts the updated Public Involvement Policy dated October 2005.

Commissioner Scahill seconded and the affirmative vote was unanimous.

10. Update on PM 2.5 Air Quality Analysis

Mr. Imbrogno said that the EPA has required Metropolitan Planning Organizations for the past 15 years to demonstrate that their TIPs and plans are consistent with requirements of the Clean Air Act. SPC has provided TIP and Plan conformity assessments since 1991 for the ozone air quality standard. EPA has recently promulgated new air quality standards for particulate matter (PM 2.5 Standards). The new standards set limits on acceptable airborne concentrations of particles that have a diameter of less than 2.5 microns. For perspective, a human hair is about 75 microns in diameter, so PM 2.5 particles are about 30 times finer than human hair.

Earlier this year EPA designated areas in the country that do not meet the new PM 2.5 air quality standards. Designations were announced in the Federal Register on January 5, 2005 and became effective on April 5th. MPOs have a one-year “grace period” from that effective date to demonstrate that TIPs and Plans conform to the PM 2.5 new standards. This means that by April 5, 2006 PM 2.5 conformity demonstrations must be in place.

Transportation Conformity is supposed to ensure that federally supported highway and transit projects and activities are consistent with, or conform to, the Clean Air Act. Conformity means transportation activities will not cause air quality violations in the area; will not worsen existing violations; and will not delay any timely attainment of national air quality standards. The conformity demonstration requires a technical assessment that shows that the TIP and Plan will not increase the levels of PM 2.5 in the region. In the SPC region EPA designated three PM 2.5 nonattainment areas – 2 totally within the region and 1 shared with a neighboring MPO. One is the Pittsburgh-Beaver Valley nonattainment area which includes most of Allegheny County, all of Beaver, Butler, Washington, and Westmoreland Counties and parts of Armstrong, Lawrence and Greene Counties. The rest of Allegheny County, which contains the 5 Mon Valley communities of Lincoln, Liberty, Glassport, and Port Vue Boroughs and the City of Clairton, is included in the Liberty-Clairton nonattainment area. The Johnstown nonattainment area includes part of Indiana County and all of Cambria County. This nonattainment area includes parts of the SPC and Johnstown MPO planning areas. The conformity finding will need to be coordinated between the two MPOs. The steps and schedule to show PM 2.5 conformity include: technical assessment to demonstrate that the TIP plan did not increase in PM 2.5; public comment on the draft technical report; SPC action to adopt the conformity finding; then concurrence by USDOT. The technical work started on October 1. By mid-December a technical draft report will be made available for public review and comment, including coordination with the Johnstown MPO for the Indiana County part of the analysis. By the end of January the public comment period will be over and we will be responding to comments. SPC action would be scheduled for the January 30th Commission meeting. The final will be sent to USDOT by mid-February for a 45-day review.

In response to a question by Mr. Peduto Chuck noted that the sources of PM 2.5 include industrial facilities. There are a number of cars and trucks, and some that is transported from West Virginia and Ohio by the wind. All three sources contribute to the nonattainment designations. Mr. Peduto asked how effectively we have to show the project. For conformity we have to show that transportation projects funded with federal dollars or requiring federal approval will not increase the levels of PM 2.5. Responding to a follow-up question by Commissioner Scahill, Chuck noted that these large coal-fired power plants in the portions of Lawrence, Indiana, Greene and Armstrong Counties included in nonattainment areas. Also, the Clairton Code Works is a major source of PM 2.5 emissions in the Liberty-Clairton nonattainment area.

11. Other Business/Committee Reports/Announcements

SPC has been asked to participate in an Initiative on Regional On-line Indicators and a planning meeting has been scheduled for November 17th in the Regional Enterprise Tower. SPC staff are focusing on transportation indicators that can be replicated across regions.

It looks like the best date for the next Commission Retreat is February 23rd and 24th.

The next meeting date is December 5, 2005 at 4:30 p.m.

12. Adjourn

There being no further business to come before the Commission the meeting adjourned at 5:15 p.m.

Respectfully submitted,

Dan Onorato
Secretary-Treasurer