

Southwestern Pennsylvania Commission
Minutes of the Meeting of
September 26, 2011 – 4:30 p.m.
31st Floor • Regional Enterprise Tower • 425 Sixth Avenue • Pittsburgh, PA 15219

The ninety-second meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Charles Camp.

Commission members present were: Bracken Burns, Charles Camp, Tom Ceraso, Daniel Cessna, Jack Cohen, Karl Eisaman, Joe Grata, Lynn Heckman, Patricia Kirkpatrick, Jeff Marshall, Robbie Matesic, Kevin McCullough, David Miller, Rich Palilla, A. Dale Pinkerton, James Ritzman, Carmen Rozzi, Rod Ruddock, Kelly Shroads, Pam Snyder, Rob Stephany, Archie Trader, and Norma Wintermyer.

Commission members absent were: Tony Amadio, Tom Balya, Shirl Barnhart, Stephen Bland, A. J. Boni, Steve Craig, Terry Daughenbaugh, Rick DeBlasio, Joseph Dubovi, Patricia Evanko, Richard Fink, David Frick, Jim Gagliano, Jr., Jessica Greathouse, Dana Henry, Dave Johnston, Ted Kopas, James Lokhaiser, Robert Macey, Larry Maggi, Mary Jo Morandini, Dan Onorato, William Patterson, William Peduto, Luke Ravenstahl, Jim Scahill, Mark Schneider, Richard Shaw, Dan Shimshock, Renee Sigel, Michael Silvestri, Mark Snyder, Joe Spanik, Anthony Spossey, Byron Stauffer, Jr., Wendy Stern, Joe Szczur, Letitia Thompson, Vincent Vicites, Daniel Vogler, Jake Wheatley, Jr., Vincent Zapotosky, and Yarone Zober.

Staff: Jim Hassinger, Kirk Brethauer, Chuck DiPietro, Ken Flack, Chuck Imbrogno, Vince Massaro, Shannon O'Connell, Dee Pamplin, Matt Pavlosky, Kay Tomko, Debbie Tritsch, Lew Villotti and Sara Walfoort.

Others: Aileen Craig, Carnegie Mellon intern, Robert Johnson, Representing Mary Ann Eisenreich of the Governor's Southwest Office, and Jon Smith, Allegheny County Transit Council.

1. Action on Minutes of the July 25th Meeting

A motion was made to approve the minutes of the July 25, 2011 meeting of the Southwestern Pennsylvania Commission by Commissioner Pinkerton which was seconded by Mr. Ceraso. The affirmative vote to approve the minutes was unanimous.

2. Public Comment – None

3. Financial Report – Vince Massaro

Mr. Massaro reported that the financial report for June 30 is for the Commission and the Corporation, excludes financials for the Regional Enterprise Tower (RET) as of May 23, 2011, when ownership of the property was deeded to First Commonwealth Bank. Because the RET was under the SPRC, federal tax law requires that a separate 990 Exempt Organization Tax Return be filed for that entity. It will include minimum numbers for the RET activities because assets and liabilities were eliminated.

Actual revenues and encumbrances through June 30 to date are \$13.2 million compared to the revised budget of \$14.7 million or 90% of the budget recognized. Approximately \$3.5 million in revenues will be carried over into the new fiscal year 2011-2012.

Total expenditures reported and encumbered to date are \$13.2 million vs. the revised budget of \$14.7 million or 90% of the budget recognized and encumbered.

The auditors for SPC are doing their annual single audit of the financials. They will draft a report and present it to the SPC Audit Committee in November and the final report will be distributed at the SPC December meeting.

Motion was made to approve the financial report by Mr. Ceraso which was seconded by Mr. Rozzi. The affirmative vote to approve the financial report was unanimous.

Commissioner Kirkpatrick informed the Commission that Gealy Wallwork, a long time SPC member, has moved to Indiana County and the Commissioners appointed Armstrong County's planning director Rich Palilla as a new SPC member to fill the unexpired term of Gealy. Rich is familiar with SPC; and, he has attended various committee meetings. We're happy that he agreed to fill in until the end of 2012.

Commissioner Snyder announced the new member to SPC from Greene County, Jeff Marshall. The Greene County chief clerk/county administrator will fill the unexpired term of Kevin Gray.

4. Staff Profile – Ken Flack

Mr. DiPietro introduced staff member Ken Flack, Project Manager/Transportation Planner who has been with SPC since 1992. He is a graduate of the US Naval Academy in Annapolis, and he served as a Marine in a wide range of positions. Ken is a graduate of the Carnegie Mellon Heinz School of Public and Urban Affairs. Ken also worked at the City of Pittsburgh Planning Department as a GIS project intern. His presentation today will focus on the state and federal highway funding crisis.

Ken presented a financial overview of state and federal highway funding crisis and the impact on the TIP update currently underway. What happens with federal and state funding issues is now directly in view and what happens over the next several months may affect the SPC TIP and Long Range Plan and transportation funding potentially for years to come.

Ken explained four possible transportation funding scenarios with charts that presented time series data from the 2005 TIP through the 2013 TIP now under development.

The first slide pictures the historic level of transportation funding beginning with the 2005 TIP, TIP Updates every two years, and then for the 2013 TIP, which is now under development, depicts four possible funding scenarios. Total federal and state funding in the 2005 TIP was about \$1.2 billion, which is consistent with the funding for the 2003 TIP that was before it and the 2007 TIP after it. The 2009 TIP shows a significant jump in total funding to about \$1.8 billion because of the additional state revenue from PA Act 44 which passed in 2007. The two TIPs after 2009 both show decreased funding. The 2011 TIP dropped about 20% from the high point in the 2009 TIP because the proposed tolling of I-80 was rejected by the U.S. government. The assumed funding scenario for the 2013 TIP, the third line down from the top, shows another drop of about 20% because the state Accelerated Bridge Program was discontinued with state highway and bridge funds being significantly lower to repay the original bridge bonds.

The assumed funding level for the 2013 TIP is once again about \$1.2 billion – the level that it was before the Act 44 revenue increases.

If the third line down on the right part of the graph is the currently assumed \$1.25 billion funding level for the 2013 TIP, three other lines represent different funding scenarios based on what actually happens to federal and state funding. State funding could actually increase – the state TFAC revenue proposal that’s currently being evaluated by the Governor. The top two lines show what happens to the SPC TIP if the full state package of additional TFAC-recommended revenues is passed.

The best case is that added TFAC revenues will increase the TIP by almost \$700 million over four years to a total of \$1.92 billion, about \$180 million per year higher than we can expect today. The bottom line represents the worst case, which is based on a federal transportation budget that is no longer able to support SAFETEA-level spending. Eight TEA extensions in the past two years have cost about \$12 billion per year beyond what the Highway Trust Fund was collecting in taxes, some from transfers from the U.S. General Fund and some from decreasing the account balance in the USHTF.

If there is no more money available from these two sources (as many people are saying), which is increasingly likely, and no other funding source can be found by March 30, 2012 when the latest SAFETEA-extension expires, then the 2013 TIP will fall to \$860 million over four years – lower than it was when I started working for SPC almost 20 years ago.

Right now, in the TIP that we’re designing, funding has already been cut by \$70 million per year to reach the 2013 TIP fiscal projection (the third line down).

In the worst case scenario the SPC 2013 TIP drops an additional \$100 million per year. From a funding standpoint it shows how important it is to support the full amount of the TFAC recommendation. If the federal money drops, full TFAC funding brings the TIP up some, but only to the level of the second line, \$1.52 billion, which is what we expect to spend in the current 2011 TIP.

The second slide compares the same four funding scenarios from the first slide with the highway and bridge needs identified in SPC’s recently adopted 2040 Long Range Plan. The second slide can be viewed in two parts – the horizontal lines representing the Long Range Plan highway and bridge needs. The vertical columns represent the funding levels of the four 2013 TIP funding scenarios.

The lowest LRP ‘needs’ line represents the region’s preservation programs for highways and bridges. This is the money that is needed to ‘keep good bridges or pavements good’ as Dan Cessna would say. An effective preservation program, if a bridge is designed to last 100 years or a concrete pavement maybe forty years, will allow the highway or bridge to reach its full expected life.

The second line from the top – I’ll call it the replacement level - represents the amount of funding needed to rebuild old highways and bridges that are totally worn out and need to be replaced. If the funding column falls short of the replacement level (second horizontal line) then the roads and bridges are wearing out faster than they can be rebuilt, which increases the backlog of deficient bridges and out-of-cycle pavements. If the funding level is higher than the replacement level, it means that deficient roads and bridges are being fixed faster than they are wearing out.

Which brings us to the top line – the backlog of deficient bridges and out-of-cycle pavements. SPC’s Long Range Plan identified a backlog of more than \$7 billion of roads and bridges that are past their service life – that are literally costing us premium dollars from an already-strained

maintenance budget – just to keep these worn-out facilities safe and open to traffic. The amount of money between the top line and the second line on the chart shows about \$1.6 billion in TIP spending over a four year period going towards reducing the maintenance backlog – about \$400 million per year. But this figure doesn't eliminate the backlog – that number is so big you can't credibly put it on a chart like this. The extra spending represented by the top line on this chart will eliminate the backlog of deficient pavements but it will take almost 15 years – to 2025. As for the bridges, which are a far greater problem, it will only bring down the rate for structurally deficient bridges (SD rate) to 17% by 2025, which still leaves a bigger need in 2025 than the part addressed by the funding level in the chart.

So the story of these two funding charts is that the TIP that is being developed is based on funding numbers that will possibly change, maybe substantially, and the change could be \$200 million per year higher or \$100 million per year lower depending on what happens with federal and state revenues. SPC will have to be ready to adjust, and maybe do something to support highway and bridge revenues at the highest levels being proposed, because it will still not be near enough to meet the need.

The transportation system will continue to deteriorate in three of the four charted scenarios. The only scenario that will keep the system from deteriorating further is finding extra SAFETEA-level funding at the federal level and adopting the full TFAC package at the state level. And even more will be needed because even with the full TFAC revenues the best case still doesn't do much to reduce the maintenance backlog.

5. Local Bridge Data Collection Presentation – Kirk Brethauer

Mr. Brethauer updated the Commission members on the Local Bridge Inventory. PennDOT has requested MPOs and RPOs to assist with an inventory of local transportation assets, including:

- Traffic Signals
- Local Bridges
- Local Roads

It is important to know that the project is an inventory, not an inspection or assessment.

What is a Bridge?

- Not on a state highway - County, Township, DCNR lands, National Forest, etc
- Over 4 feet and under 20 feet
- Most likely a culvert

Where are the Bridges?

- Used GIS Mapping to intersect streets with streams
- Identified 14,466 locations to start
- Skip 6,882 locations that are on state roads or PennDOT currently inspects
- 7,584 locations to review

Process Used

- Reviewed process at North Central Regional Planning & PennDOT District 2-0
- SPC emphasized digital data versus paper – rainy weather and quality control
- Used GPS, Measuring Devices, Whiteboard, Camera, Laptop, Maps
- GPS and Database was Pre-Program with North Central characteristics commonly found
- Field Tested process and equipment - Re-Tooled & Expanded items

Data Collected

- Measurements
- Posted Weight Limits
- Physical Makeup of bridge
- Span Interaction
- Structural Configuration
- Materials
- Location info - County / District, Municipality, Road Name, Coordinates
- Minimum of 4 Photos
- Site Observations / Problems at the bridge

Field Work

- 4 Interns from – regionally based from CMU, IUP & Geneva
- Office Orientation, LTAP Bridge Class & In the Field with PennDOT Inspectors
- Memorial Day Kickoff - 14 Weeks of Field Work
- 318 maps covered the Region - Did not travel every road
- Download data each night - Upload via FTP

Results

- 7,584 locations to review
- 784 private drives
- 2,596 met criteria
 - 1,868 were a type of culvert (72%)
- 264 follow up for QC
- 3,940 locations were small culverts under 4' (52%)

Issues

Kirk showed pictures of a variety of bridges across the Region with possible structural issues. Staff will be visiting several locations with PennDOT bridge inspectors.

Next Steps

- Quality Assurance / Quality Control steps:
 - Office Review on Attributes & Photos of bridges
 - In Field with PennDOT Inspectors
 - Need to Check 100+ that Interns designated as over 20'
- Test Integration of data and photos w/ North Central Region and Lehigh County
- Staff will conduct outreach to Municipalities for any missing structures
- After review, will submit all data to PennDOT
- Will start work on inventory of local, non-liquid fuel roads in the Spring

Commissioner Ruddock asked if the information being collected is being put in a format to be downloaded for a municipality to use. Kirk responded that we are working with North Central to set up a program where a municipality could log on and see the list of bridges along with photos of the bridges. Chairman Camp asked if the data would also be available to the public. If there are no issues with PennDOT once it is double-checked for quality control, it most likely will be.

6. Other Business/Announcements

Dr. Hassinger congratulated the SPC staff and interns on doing a great job on this Local Bridge Data Collection project.

He also updated the Commission on some corporate matters. The Regional Enterprise Tower, has been sold, according to media reports. There are no confirmed details on the sale, nor specific plans released as yet. But, we expect to hear more in the near future from Burns and Scalo, the firm we engaged for tenant representation to review and make recommendations on our own lease options going forward. They will be communicating with the new owner regarding the plans and our lease opportunities.

Another contract we've engaged is with Pugliese Associates; they are arranging a day in Harrisburg for SPC Executive Committee members to visit with our Southwestern Pennsylvania Legislative Delegation. The focus will be on the current issues and communicating our priorities. We expect details to soon be finalized.

Staff and member planning departments and other partners around the region are working together on some significant grant applications. One of these is for a HUD Sustainability Regional Planning Grant. We are reapplying on this second round of HUD Grant with a simplified process involving a focus on match money. We will pull together member planning departments in the city and county to develop the new application. Should we get the money, we would expand the partnership to more entities who can help develop enhancements to the region's plan, targeting especially a couple of elements of interest to HUD, DOT and EPA at the federal government—mainly around housing. The other major funding opportunity is one that staff is working on in partnership with others in this region and other local development districts within the state – the PREP submission - Partnership for Regional Economic Performance. We reported before that the line item that is usually relied upon by Local Development Districts (LDDs) and line items of several other organizations in the state have been zeroed out in the current fiscal year. This source of funding no longer exists in the new state budget. However, the state is giving us an opportunity to apply still this fiscal year for a program called the Partnership for Regional Economic Performance. SPC has been working with Catalyst Connection, local economic development entities, and SBDC's in an arrangement where we share work with others who uniquely serve clients in economic development. We identified what we do in terms of our ability to access others in the network and likewise with them, us, so as to improve coordinated access for clients to the different services we offer.

Next Meeting Date - October 24, 2011.

7. New Business - None

8. Adjourn

There being no further business to come before the Commission, the meeting adjourned at 5:30 p.m.

Respectfully submitted,

Steve Craig
Secretary