

Southwestern Pennsylvania Commission
Minutes of the Meeting
September 25, 2017 – 4:30 p.m.
Two Chatham Center • Suite 400 • 112 Washington Place • Pittsburgh, PA 15219

The one hundred twenty-seventh meeting of the Southwestern Pennsylvania Commission was called to order by Chairman Chuck Anderson.

Members present were: Chuck Anderson, Alan Blahovec, Kevin Boozel, Scott Bricker, Dave Coder, Steve Craig, David Donahoe, Rich Fitzgerald, Kim Geyer, Joe Grata, Kelly Gray, Lynn Heckman, Fred Junko, Clifford Levine, Dave Lohr, Larry Maggi, Jeff Marshall, Kevin McCullough, Amy McKinney, David Miller, Cheryl Moon Sirianni, Leslie Osche, Johnna Pro, Aurora Sharrard, Amy Silbermann, Michael Silvestri, Archie Trader, Vince Vicites, and Blair Zimmerman.

Others: Nick Fedorek; Mark Gordon, Butler County Economic Development and Planning; Margaret Krauss, WESA; Jen Liptak; Ann Ogoreuc, Allegheny County Department of Economic Development; Jeremy Papay, SPC Consultant; and Jason Rigone, Westmoreland County Department of Planning and Development

Staff: Jim Hassinger, Dan Alwine, Kirk Brethauer, Andrew Clevenger, Debbie Curry, Dom D’Andrea, Linda Duffy, Zora Fye, Chuck Imbrogno, Rena Liu-Belshe, Vince Massaro, Marge Nalesnick, Shannon O’Connell, Dee Pamplin, Evan Schoss, Doug Smith, Abby Stark, Kay Tomko, David Totten, Lew Villotti, and Sara Walfoort.

1. Chairman Anderson called to order the September 25, 2017 meeting of the Southwestern Pennsylvania Commission

- a. Quorum – There being a quorum present the meeting proceeded.
- b. Any Conflict of Interest Declarations on Action Items – None.

2. Action on Minutes of the July 31, 2017 Meeting

A motion was made to approve the minutes of the July 31, 2017 meeting by Lynn Heckman which was seconded by Commissioner Craig. The affirmative vote was unanimous.

3. Public Comment – None

4. Financial Report – Vince Massaro

Mr. Massaro reported on the financials for the period ending July 31, 2017 for the fiscal year July 1, 2017 through June 30, 2018 for the Commission and the Corporation.

Total project related revenues actual and encumbered to date are \$2.3M compared to the approved annual budget of \$12,599,500, this reflects 18.5% of the budget recognized and encumbered to date. A majority of the federal and state local funding agreements have been fully executed. We’re still waiting for the PA DCED PREP agreement from the state. The second installment of the member invoices have been sent out and a number of payments have already been received. Because this is a balanced budget actual project expenditures are encumbered to date at \$2.3M vs. the approved annual budget of \$12,599,500 which reflects 18.5% of the budget expended and encumbered to date.

The audit is ongoing and should be completed this week for the last fiscal year.

Mr. Miller said he understood having a balanced budget at the end of the year, but how can we precisely be with revenues and expenditures equal of each other. Mr. Massaro said that for every dollar expended, we have an offsetting revenue. That's how the budget is balanced and that's how we record and report the financials. That is, for every dollar of expense there is a dollar of revenue. Mr. Miller then asked what does that tell us? Mr. Massaro said it tells us that we have sufficient revenues to cover expenditures budgeted and incurred and those anticipated to be expended. So we have enough revenue to pay our bills. Mr. Miller said that where we are in terms of revenues and expenditures which have to balance relative to what we know or have in terms of revenues for the rest of the year. So, we are stable financially at this time because the revenues and expenditures balance and accounting wise that's the way they have to look? Mr. Massaro said that we are governed by the approved budget that was adopted in June. The Board and Executive Committee approved spending \$12,599,500. So if there are additional revenues that come in by a new grant or program funding, then we revise the budget which is updated every January. That could raise or lower that number. Ms. Pro asked that with the State budget not being approved yet, what impact, if any, would that have on this budget? And do you have a Plan B in place? Mr. Massaro said the revenues are anticipated in support of a passed budget. If we don't get the revenues expected, then those changes and adjustments will be included in the updated SPC budget.

5. Action on Resolution 11-17 to Make a Finding of Air Quality Conformity for 2017-2020 Transportation Improvement Program (TIP) and Mapping the Future: The Southwestern PA Plan for the Downtown-Uptown-Oakland-East End Bus Rapid Transit (BRT) Project and Smart Spine (ATCMTD) Project – Chuck Imbrogno

Mr. Imbrogno said that federal law requires an air quality conformity assessment of proposed major amendments to the Plan and TIP. Resolution 11-17 outlines the federal requirements and summarizes the process we used to demonstrate that the amended Plan and TIP conform with the federal Clean Act. The conformity finding must show that the process we used is consistent with the federal transportation conformity regulations; that the process addresses the criteria and procedures described in the regulations; and that the amended Plan and TIP contribute to reductions in emissions from transportation sources. Finally, the conformity analysis must be made available for public review and comment. The draft conformity report documents our process and demonstrates that the conformity criteria have been met. Approval of Resolution 11-17 will make the finding of conformity for the amended Plan and TIP.

Mr. Fitzgerald commented that the BRT is one of the most important projects this region has done with transportation in many years. About 30% of the folks who work in this corridor, Oakland and Downtown, actually reside outside of the county. The BRT and Smart Spine projects connect the two biggest job creators or employment centers in the region. The only one bigger in the state is downtown Philadelphia. Air quality certainly will be improved with the electric vehicles that are being built. It also improves mobility and safety for everybody.

A motion to approve Resolution 11-17 was made by Mr. Miller and seconded by Commissioner Silvestri. The motion was approved unanimously.

6. Action on Resolution 12-17 to Amend Mapping the Future: The Southwestern PA Plan and the 2017-2020 Transportation Improvement Program (TIP) to include the Downtown-Uptown-Oakland-East End Bus Rapid Transit (BRT) Project and Smart Spine (ATCMTD) Project – Doug Smith

Mr. Smith said that each time we do a major amendment like this, as Chuck mentioned, there are really two parts to it. The first is approving the air quality conformity report, which we just did, and the second is approving the actual amendments to the TIP and the Long Range Plan themselves. The BRT project is a cooperative effort between the Urban Redevelopment Authority, Allegheny County, City of Pittsburgh and Port Authority. The BRT project is estimated to cost \$196M. The other project, Smart Spines Intelligent Transportation System project, is approximately \$29M and is complementary to the BRT. This amendment would include both of those projects in the TIP and the Long Range Plan.

Commissioner Osche asked if Doug would explain the funding sources for both of these. Mr. Smith said that the funding strategy for the BRT anticipates approximately \$90M from the Federal Transit Administration Small Starts Program, along with a combination of local and state sources that match the federal dollars and make the total project cost. One of the reasons these two projects are tied together is because part of the Smart Spines project includes work on the BRT corridors where they are going to upgrade the traffic signals and communication systems prior to BRT implementation. So part of the Smart Spines funding is also included in the BRT funding strategy as match. The project funding strategy was included in the review materials as part of the public comment period.

A motion to approve Resolution 12-17 was made by Commissioner Levine and seconded by Commissioner Grata. The motion was approved unanimously.

7. Action on Resolution 13-17 to Amend the 2016-2018 Unified Planning Work Program (UPWP) to Add the FTA Supplemental Planning Funds for the Washington County Transit Study – Doug Smith

Mr. Smith mentioned that SPC is constantly looking for additional resources that we can bring into the region, both project money and planning funds. This particular amendment to our Unified Planning Work Program allows us to take advantage of some additional planning funding provided by PennDOT for a study in Washington County. We have completed transit development plans for a number of the different transit authorities in the region including Mid Mon Valley, Armstrong, and Butler, and we are in the process of doing one in Westmoreland County right now. Washington was next up, and we had them slotted to begin next year, but they were interested in moving ahead sooner than that, so we were able to work with PennDOT Central Office and obtain some additional planning funds to move that up and get it done quicker. So this budget amendment authorizes SPC to accept that additional funding into our work program.

A motion to approve Resolution 13-17 was made by Commissioner Silvestri and seconded by Lynn Heckman. The motion was approved unanimously.

8. TIP Status Report – Doug Smith

Mr. Smith provided updated information on where the region stands in terms of TIP financial guidance. He provided a chart showing the different types of highway and bridge funding that are allocated to the SPC region for the 2019-2022 TIP. The total highway/bridge funding is about

\$1.577 Billion for that 4-year period, which is approximately 2/3 Federal funding and about 1/3 State funding. Funds are divided up into different categories in order to address different types of projects:

Most of this is dictated by funding formulas, which are based on the number of lane miles, structurally deficient bridge deck areas, and other asset and performance measures. MAP-21 and the FAST Act have put more and more emphasis on performance measures, particularly on the National Highway System, and these performance measures will have increasing impacts on TIP decision making in the coming years. One of the unfortunate impacts this time around is that our NHPP funding in the SPC region went from \$519.3M last TIP to \$469.6M this TIP (about \$50M less). That's because the condition of our roads has improved. So in a way, there's a bit of disincentive for doing the right thing sometimes. Overall though, the funding picture in our region is pretty stable. The last TIP we had \$1.62B for highways and bridges for the 4-year TIP and this time we have \$1.58B. One thing that is not included in this chart, because it just came out late last week, is Spike funding.

For the 2019 TIP, there is some good news to report on spike funding. In addition to the \$30M we were previously allocated for Freedom-Crider Road in Beaver County, and \$7M for the Ohiopyle Multimodal project in Fayette County, which are both identified on the current TIP, we are now set to get an additional \$128.1M for projects on Interstate 376 in Allegheny County. Thanks to discretionary funding decisions by PennDOT, Secretary Richards and the Wolf Administration, the region will get an additional \$5M for preliminary engineering of interchange upgrades at Greentree and Carnegie on the Parkway West and \$123.1M for the Commercial Street Bridge, which is the huge bridge just east of the Squirrel Hill Tunnels on the Parkway East. That is a huge boost for the region.

On the transit side, \$1.856B is available for transit funding to the region for the upcoming 4-year TIP, which is relatively stable. Unlike the highway and bridge side where 2/3 of the funding is Federal and 1/3 is State, on the transit side about 85% is State funding and only about 15% is Federal. Overall it's about a 7.8% increase in transit funding compared to the last TIP. This does not include additional funding that is being pursued for the BRT.

The 2019-2022 TIP Process includes:

- 3 rounds of public engagement
- Partner Outreach including 4 rounds of County/City/District Work Group meetings
- Periodic Commission briefings
- PennDOT Connects municipal outreach
- 4 local project delivery workshops
- Coordination with the region's transit operators
- Integration with State Transportation Commission public engagement efforts

We have completed one round of public engagement and 2 rounds of Planning Partner work sessions. The next round of work group meetings is coming up over the next few weeks and then we'll have another round in November before we have the preliminary draft TIP together in December. The Fall PPP meeting schedule is currently available and Commissioners are encouraged to attend.

Continuing TIP Priorities include finishing what's been started, ensuring adequate asset management, safety & system reliability, and providing multimodal options.

- One of the biggest challenges is finding the funding for large construction phases on projects while continuing to meet performance metrics for everyday asset management like the number of Structurally Deficient Bridges. For example:

District 10-0 Example (just 3 projects):

SR 422 Margaret Road Intersection in Armstrong County - \$30M

SR 228 Balls Bend in Butler County - \$27M

SR 228 Mars RR Bridge West in Butler County - \$86M

It would take 6 ½ years worth of NHPP funding in District 10-0 just to fund the construction phase (and not do anything else) for the Mars RR Bridge West project.

Another challenge statewide is the Interstate system. Most of the Interstate system was built in the 1960's and 70's, which means that it's around the 50-60 year old mark. PennDOT and other state DOTs have done what they can over the years to stretch the life cycles of these roads, but for all intents and purposes they've reached the end of their useful life and need rebuilt from the ground up. There's just not enough funding to do that.

Mr. Smith also gave an update on the competitive Congestion Mitigation Air Quality (CMAQ) & Transportation Alternative Program (TAP) funding programs. For CMAQ, SPC received applications for 27 projects totaling over \$118M. After we accommodate the carryover projects, we are probably going to have about \$30M to work with, so competition will be keen as usual. We are currently in the process of doing the air quality testing for all of these projects as part of the technical project scoring. Once that is complete, we'll be sharing all the quantitative data with the CMAQ Committee and integrating that with their evaluations of project readiness and deliverability. SPC staff is thankful for all the hard work put in by the member planning departments and can't overemphasize their role in the process. Their input is invaluable to the project prioritization process for these programs and for the whole TIP development process in general. So "thank you" for your continued support and participation by your planning departments.

Ms. Moon Sirianni commented that the need for interstate funding was \$12B over the next 12-year plan and the current amount of money is \$1.5B. Mr. Smith said that the state level of NHPP funding, which is the biggest chunk of federal funding that comes into Pennsylvania, could be used entirely for interstates, which means the rest of the National Highway System would be neglected, and it still wouldn't be enough. The need is tremendous.

9. Committee Reports

Commissioner Maggi reported that the Regional Policy Advisory Committee was linked into a video conference with Thea Walsh of the Mid-Ohio Regional Planning Commission. She updated us on the Hyperloop competition that links the Pittsburgh-Columbus-Chicago corridors. This proposal was selected as one of 10 semi-finalists in Hyperloop One's Global Challenge. SPC is a partner agency in this proposal. We also heard an update from our CMU Hyperloop Shop Design competition. A hyperloop would be used to move freight and passengers by way of a pod. Commissioner Anderson commented that it involves a lot of different spurs of high speed rail, not just one to Chicago.

10. Staff Report/Other Business/Announcements – Jim Hassinger

Appalachian Regional Commission (ARC) Annual Conference – (13 States)
October 17-19, DoubleTree by Hilton Pittsburgh-Green Tree, 500 Mansfield Avenue, Pittsburgh,
PA 15201

Mr. Fitzgerald thanked all of the board members for bringing forth sites as we go forward with this really unbelievable and transformative competition to become Amazon's second headquarters. We're in a really, really good strong position to compete. He doesn't think he has ever seen in this region so many folks and so many partners who have come together from the universities, corporate community, our arts community, our sports teams, and on and on. He believes we are in a really, really strong position to win for four reasons: 1) we have CMU; 2) our quality of life; 3) affordability; and 4) sites available from our industrial heritage. He heard from a lot of you and you just partnered, no one was being territorial. If we get those 50,000 jobs and \$5B worth of investment, it will benefit all of us. October 19th is our deadline.

Next Meeting Date – December 11, 2017

11. New Business

Staff Profile – Marjorie Nalesnick

Kirk Brethauer introduced Marjorie Nalesnick as a Graphic Design Specialist at SPC. Previous to coming to SPC, she attended the Art Institute of Pittsburgh for commercial art. She went from painting and drawing to working on maps and charts and diagrams for transportation plans of economic development. Last week marked Marge's 50 years of service at SPC. A video was presented celebrating Marge's service.

Kirk said over the years Marge went from drawing and illustrating by hand to learning computer programs for illustrating. She is our "Jill" of all trades. She's often the first one here and the last one to leave. Marge's sisters were in attendance to honor her.

Kirk asked Chairman Anderson to do the honors of reading the resolution.

Action on Resolution 14-17 to Honor the Services of 50-Year Employee Marjorie Nalesnick.

A motion to approve Resolution 14-17 was made by Ms. Heckman and seconded by Commissioner Coder. The motion was approved unanimously.

Marge thanked the SPC Commissioners and her SPC family. It is an honor to stand here and receive the recognition for my 50 years of service. First of all I want to thank all of my friends and associates that I work with at SPC. I would especially like to thank Executive Director, Jim Hassinger and Kirk Brethauer, my boss, who by the way wasn't even born the year I started. Apparently the shoe fits the part during many of my years here. I would also like to thank the members of the Commission and Chairman Anderson for supporting and recognizing me and my fellow co-workers for all the great work we do here at the agency. It's been a real pleasure to have been part of SPC for 50 years and what a great ride. Thank you.

On behalf of everybody at SPC, staff and Commissioners, Mr. Hassinger presented Marge with a token of our appreciation. She has been a great colleague and a great friend.

12. Adjourn

Ms. Sharrard motioned to adjourn the meeting and Mr. Miller seconded. The affirmative vote was unanimous. There being no further business to come before the Commission, the meeting adjourned at 6:30 p.m.

Respectfully submitted,

Rich Fitzgerald
Secretary-Treasurer