



Agenda
Red Rock Corridor Commission
Thursday August 30, 2012
4:00 p.m.

Cottage Grove City Hall, Council Chambers
7516 80th Street South
Cottage Grove, MN

	<u>Action Requested</u>
1. Consent Items*	Approval
a. Minutes of the June 28, 2012 Meeting	
b. Checks and Claims	
2. Insurance Approval* - WCRRA	Approval
3. AAU Consultant Selection Process* - WCRRA	Information
4. East Metro Rail Capacity Study Results - RCRRA	Information
5. Legislative Update – RCRRA	Information
a. State	
b. Federal*	
6. Other	Information
a. Next Meeting – Thursday, September 27, 2012	

* *Enclosures*



Draft Meeting Minutes

June 28, 2012

Cottage Grove City Hall

4:00 p.m.

Commission Members	Agency	Present
Joe Harris, Chair	Dakota County RRA	X
Autumn Lehrke	Washington County RRA	X
Janice Rettman	Ramsey County RRA	X
Jan Callison	Hennepin County RRA	X
Barb Hollenbeck	City of Hastings	X
Jen Peterson, Vice-Chair	City of Cottage Grove	X
Keith Franke	City of St. Paul Park	
Steve Gallagher	City of Newport	
Kathy Higgins	Denmark Township	
Cam Gordon	City of Minneapolis	X
Amy Brendmoen	City of St. Paul	X

Alternate Commission Member	Agency	Present

Ex-Officio Members	Agency	
Ron Allen	Goodhue County	
Bob Kastner	City of Red Wing	
Marc Mogan	Prairie Island Indian Community	X
Ken Bjornstad	Goodhue County	X

Staff	Agency	Present
Andy Gitzlaff	Washington County RRA	X
Josh Olson	Ramsey County RRA	X
Joe Morneau	Dakota County RRA	X
Adele Hall	Hennepin County RRA	

Others	Agency
Mike Rogers	RCRRA
Carl Jensen	MnDOT
Linda Jungwirth	Assist. To Ramsey Co. Commissioner Rettman
William Reynolds	Kimley-Horn and Associates
Sarah Ott	Kimley-Horn and Associates
Judy Mitchell	Canadian Pacific
Stuart Krahn	Stantec

The meeting was video recorded and can be viewed online at:

http://swctc.granicus.com/MediaPlayer.php?view_id=2&clip_id=3764

Chairman Harris called the meeting to order at 4:11 p.m.

Agenda Item #1: Consent Items

- a. **Minutes of the April 26, 2012 Meeting**
- b. **Checks and Claims**

Note: Items as presented in packet, no additions or changes.

Motion made by Peterson to approve the consent items. Second by Lehrke. Roll Call Vote: **Commissioners Harris, Lehrke, Rettman, Peterson, and Brendmoen in favor. Commissioner Callison abstained on meeting minutes (new member) and in favor on checks and claims. Motion carried.**

4:15 p.m. Commission member Hollenbeck arrived.

Agenda Item #2: Website Hosting & Communication Services Contract - WCRRA

Gitzlaff provided an overview of the information contained in the packet; and explained this was a follow up item from a previous meeting for website hosting and communications services for the second half of this year. Gitzlaff reviewed some items contained in the contract along with information provided in the staff memo to the RRCC.

Chair Harris verified the total service contract with Hay Dobbs for the remainder of 2012 was not to exceed the amount of \$8,000. Gitzlaff stated that was correct.

Lehrke inquired of what has been spent to date and what remains of the amount budgeted. Gitzlaff explained that the full budgeted amount of \$20,000 for communications and \$5,000 for website hosting is available and when combined it totals \$25,000. Gitzlaff stated the first half of the website hosting and communications expenses rolled under the budgeted line item in the Station Area Planning phase, which is just wrapping up.

Peterson questioned Red Rock's lack of significant presents on Facebook and was wondering if something was in the contract fine print that she did not see referenced. Gitzlaff responded that they did not have it included in the contract as the Commission has not yet determined if they want to communicate on Facebook, and if so, the Commission would need to consider a policy for it and determine if comments would be allowed to posts and who would respond to the comments. Gitzlaff stated that it is something they could be looked into if requested by the Commission.

Callison asked that a misspelled word in the contract title be corrected.

Lehrke stated when she checked out the Red Rock website before the meeting and clicked on the news link for the Newport Transit Station, the site asked her to login or subscribe to a press pass. Lehrke suggested that they consider cutting and pasting the articles in the website rather than having links that expire.

Motion made by Peterson to authorize WCRRA to enter into a contract with Hay Dobbs for Commission Website Hosting and Communication Services through the end of 2012. Second by Rettman. Roll Call Vote: **Commissioners Harris, Lehrke, Rettman, Callison, Hollenbeck, Peterson, and Brendmoen in favor. Opposed, no one. Motion carried.**

Agenda Item #3: AA Update RFP - WCRRA

Gitzlaff recapped what was put in motion at the April Commission meeting. At the last meeting, the Commission reviewed the outlined Scope of Work summary for the Alternatives Analysis Update (AAU) and directed staff to prepare a Request for Proposals (RFP) for approval at the June meeting and to see if they could accelerate the process. Staff had noted some difficulty due to accessing federal funds for 80% of the project and needing to make sure, they had all of their Federal compliance items checked off before hiring someone. Staff is working with the Met Council to have a grant agreement executed. To speed up this process, Gitzlaff stated staff has gone ahead and prepared the full RFP and gotten it out to the FTA and Metropolitan Council for their review. Gitzlaff also stated they are working with the Metropolitan Council on what language to include for a sub-recipient agreement to allow Washington County (the fiscal agent for the Commission) to be the ones to lead the study. Gitzlaff reviewed the information and memo contained in the packet along with the contingent (necessary) steps and timeline to streamline the process.

Chair Harris inquired as to when they could get something back from the FTA. Gitzlaff responded that they could get something back by mid-July. Chair Harris asked if they would be reviewing the proposals in August. Gitzlaff stated that it is approximately an eight-week process from time of RFP release until they would be reviewing RFP's received, interviewing applicants, then negotiating and awarding a contract.

Rettman was appreciative they were getting the Scope of Work out earlier and commented that she felt they could give approval, and verified that Gitzlaff would let them know if there were something of substance that was different. Gitzlaff stated that is correct and that the Commission could include that in the motion if they choose. Rettman inquired if there had been anything of substance that was different to this point. Gitzlaff stated there had not been and he further explained that the funding for this has not been as restrictive as some of the newer programs are. Gitzlaff said they have a little more flexibility with their Alternative Analysis funds and as long as they are working towards a solution, they will be ok.

Callison stating that she reviewed the AA that was done, specifically looking at the Executive Summaries. Callison wanted to know if there were some short-term strategies that were recommended such as a bus feasibility study and was wondering if those things were done. She asked if they have also checked other things off the list. Callison asked if they are now just refreshing the AA, or where are they at in the process. Gitzlaff replied that they completed the bus feasibility study in 2009 and did show some service plan options

that could work as solutions in the interim. Gitzlaff also shared that there was a presentation done about two months ago that could be beneficial to her as it shows what has been done and where they are today. He stated that one of the key outcomes of the AA was the establishment of short-term, mid-term and long-term goals to guide the development of Red Rock Corridor. One of the mid-term goals was to recheck the initial findings in a few years if circumstances change. As a follow up, Callison asked if enough had changed in the corridor in this economic recession climate to warrant refreshing the AA.

Lehrke responded that Bus Rapid Transit was ruled out right away and why, and she explained what is known since, stating that there are hybrid versions of BRT to consider along with other alternatives. In addition, they now have different census and ridership data to consider and there is information on other corridors performance they can evaluate.

Rettman explained the though process to update the AA is to be more inclusive and cognizant and that it is time sensitive. She further provided rationale for the decisions that were made to update the numbers and look at the additional service options. Rettman stated that the study does not rule out anything, and it does not prematurely rule in one direction or another.

Lehrke explained that it made this a more data driven process. She stated that you could look at the numbers and then make the decisions.

Lehrke commented on the Scope of Work. II.) Scope of Services – Task 2: Public Involvement: As far as a Citizen’s Advisory Committee (CAC) she supports public involvement and in addition to the existing members she would like to open it up to add new members who want to be involved.

Motion made by Lehrke to approve the AAU scope of work contingent upon FTA approval and the release of the RFP to occur once FTA approval is received and the federal grant funds have been secured. Second by Callison. Roll Call Vote: **Commissioners Harris, Lehrke, Rettman, Callison, Hollenbeck, Peterson, and Brendmoen in favor. Opposed, none. Motion carried.**

4:32 p.m. Commissioner Gordon arrived.

Gitzlaff clarified that it was the intent all along to open up the Citizen’s Advisory Committee to new members, it was just never added to this text.

Chair Harris stated that if new individuals were willing to serve, the Commission should find a way to add them. Such as, if committee members no longer live in the area they could use those available spots to add new members.

Lehrke inquired if there was a limited number for members on the Committee, or if it was just open to any person who wished to join.

Gitzlaff shared that when the Citizen's Advisory Committee was initially formed, it was part of the Station Area Planning Study and that each City getting a station had two members appointed on the Committee and then the Commission, also appointed three or four members at large. Gitzlaff noted, one of the first parts of the AAU is for the Consultant to develop a Public Involvement Plan and that is where they could work out the CAC membership criteria. At that time, they could look to whether each City appoints members and/or if the Red Rock Commission appoints members, or just opens it up. Gitzlaff stated he feels it could be a future discussion item for the Commission.

Chair Harris stated, that they could check to see if members who served on the CAC in the past are still willing to serve; and if not, it might provide several vacancies and those spots would be openings for new members without having to add to number of members. Otherwise, they could also look at overall adding additional members to the committee.

Agenda Item #4: Newport Transit Station Design Update - Stantec

Gitzlaff introduced Stuart Krahn, Consultant Project Manager for Stantec who provided handouts to Commission members and those in audience of his PowerPoint presentation. In the first several slides, Krahn summarized the project background and schedule. Krahn also provided several slides on the design process covering stakeholder engagement and design input, scope of work, and design parameters. Krahn had several additional slides that included site plan and building concept design with various directional views. Krahn explained the next steps in the process include a July 18, 2012 open house at Newport City Hall. Krahn also expects the formal application review to be later this summer or fall.

Chair Harris invited Commission members to attend the July 18, 2012 open house at Newport City Hall. Gitzlaff added that staff is attending the Newport Planning Commission meeting workshop immediately following this meeting.

Chair Harris asked about the total acreage of the former Knox Lumber site to be used for the Newport Transit Station. Krahn stated that the site totals just under 12 acres and that for the new station and infrastructure they will use a little less than half of that and the rest would be available for future expansion or development.

Lehrke commented that she liked the glass visibility of the proposed building design especially for the safety and security aspects.

Agenda Item #5: Minnesota High Speed Rail Commission Update - RCRRA

Mike Rogers, of the Ramsey County Regional Railroad Authority gave a brief PowerPoint presentation regarding the Minnesota High Speed Rail Commission, He stated that the Minnesota High Speed Rail Commission was formed in 2009 and there are 19 total members for the 130-mile long corridor from St. Paul to La Crescent, MN. The primary roll of the Commission is to advocate for the corridor. The latest Federally designated map show the corridor running along the river route from Minnesota (Newport, Cottage Grove, Hastings, Redwing, and Winona) going through Wisconsin (LaCrosse, Wisconsin Dells) on to Milwaukee, and then on to Chicago, IL using the existing Amtrak route. Rogers stated Minnesota DOT, the Federal Government, and the Wisconsin DOT approved this high-

speed route. The route would provide an incremental service as demand warrants. Rogers also spoke about the dual benefits of putting this type of service on an existing corridor to accommodate both passenger and freight service. Rogers further explained the types of advocacy they have been doing to get information about Minnesota High Speed Rail out to the public. They have been working with the legislators more to let them know more about the transportation balanced approach as airports cannot do it all, and there being opportunity for public/private partnerships. Rogers explained that the next generation of travelers wants flexibility on how they travel, other than by automobile. He stated, moving forward two things are coming up: 1) There is a second frequency study being done by Amtrak right now, looking at feasibility (ridership and cost) of adding a second Empire Builder 12-hours off the existing speed schedule to Chicago. 2) There is also the Minnesota DOT Tier-one Environmental Impact Statement looking at the route from Milwaukee to the Twin Cities to identify impacts and benefits. Rogers stated as that information comes out it would be made available to Red Rock Commission.

Lehrke inquired what the cost sharing for freight would be in public/private partnerships. Rogers stated that it is determined on a project-by-project basis and provided an example where dollars provided offset wear and tear to the highways. Lehrke asked if he would know what the contribution to the whole corridor could be. Rogers replied as far as the whole corridor, that without more detail they would not be able to provide an answer.

Callison asked about the role of Hennepin County. Rogers stated that within the Minnesota High Speed Rail Commission, Hennepin County does not have a specific role as it focuses on St. Paul to La Crescent; but the Commission would always be willing to work with Hennepin County. Chair Harris asked Rogers if High Speed Rail would have a spot for Hennepin County. Rogers stated that he thought that the Minnesota High Speed Rail Commission could make a spot for Hennepin County. Chair Harris expressed that Hennepin County should have an interest in Red Rock Corridor and what happens with Minnesota High Speed Rail Corridor going into St. Paul for the benefit it could potentially provide to feed Minneapolis. Rettman expressed that much of the expected growth with rail, revolves around freight rail. Rettman also stated that much of freight rail goes through Hennepin County into Minneapolis and that freight rail is looking at making major infrastructure investments in this area. Callison asked the question because she is familiar with the Corridors that pass through the Cities and Counties represented in various commissions and she is trying to understand what the expectation is. Lehrke stated that there are 11 counties on the Minnesota side of the High Speed Corridor and only six (6) participate in the funding and Hennepin County is not one of them.

Brendmoen noticed that the Minnesota High Speed Rail does not stop in Madison and was wondering why. Rogers stated that the Madison piece was taken out because Wisconsin no longer wanted it included.

Gordon, Council member for the City of Minneapolis believed that the High Speed Rail and Red Rock potentially could lead to enhancements and improvements in the Corridor and on the rail itself, which would make a commuter line going to Hennepin County and Minneapolis more feasible or affordable.

Gordon also questioned the EIS, asking if the Scope had already been written and defined. Rogers responded that MnDOT did, and are already working under contract and that Minnesota High Speed Rail Commission will work with MnDOT to get updated study information. Gordon asked about the differences in High Speed vs. Highest Speed and wanted to know if there is an incremental cost difference in infrastructure. If, in the future they wanted to upgrade to highest speed if they choose. Rogers stated that there are multiple levels of speed and the High Speed they are discussing (range 90-120 mph) for this corridor is up to 110 mph and at that speed, they could share the corridor with freight rail and make best use of the existing infrastructure without adding all new infrastructure costs. Rogers stated that from ridership studies here in the U.S. and in Europe and other Countries; that if one day in the future, ridership and demands exist, it would be more feasible to look at available incremental steps or build an entirely new corridor at that time. Gordon asked then if one day, feasibility and such existed to go to the highest speed, would they have to build an entirely new corridor. Rogers confirmed that they would need to look to build another corridor and that it could be either nearby or further away but would be more enclosed, likely electrical and not stop as much, as it would be more about speed to destination. Rogers stated that if you do the incremental now, you would not necessarily be throwing money away.

Rettman asked about how many tracks for a siding (a siding is a section of track outside of, or off the main track to let other trains go through) are being studied right now in the East Metro Rail Capacity Study. Rogers explained that much more capacity is needed in this corridor. Rogers stated that from Hastings to St. Paul to make it work, it would take several public private partnerships. In some instances they may need to add a third and fourth main to accommodate the freight for businesses and industries that currently can block a main for up to a couple of hours each time freight business stops, eating up a lot of capacity. The downside of not expanding capacity now is losing rail capacity back to cost of road transportation wear and or losing economic benefit of more freight as it could go elsewhere into other regions.

Agenda Item #6 Legislative Update – RCRRA

Josh Olson of Ramsey County provided a quick update.

a. State

Olson said, the State transportation bill did not move forward and that on the State level the bonding bill did not contain any transit related funding. Olson stated there is not much to talk about regarding transit improvements. He did mention that there was a set-aside amount of almost \$50 million in the bonding bill for economic development and stated that there are several transportation (a couple are rail) projects going on in the area that will likely go after some of that money.

b. Federal

Olson provided an update on the information included within the packet, and he provided a Legislative Update with handout on the Transportation Alliance. He stated that there is a good sign on the Federal side, earlier this week, the House and Senate negotiators struck a deal and hopefully later this week there will be a

transportation bill. What he is hearing in that it would be a 27-month deal (subject to Congress approval) with the legislation maintaining transportation funding at current levels through the fiscal year 2014.

Agenda Item #7 Other

a. Next Meeting- Thursday, July 26, 2012:

Next meeting is scheduled for July 26, 2012.

Motion by Lehrke to adjourn. Seconded by Gordon. **All in favor.** Motion carried.

Meeting adjourned at 5:16p.m.



DATE: August 24, 2012
TO: Red Rock Corridor Commission
FROM: Staff
RE: Checks and Claims

Attached is the

Hay Dobbs Website & Communication Services Invoice #1 (June 2012) -includes \$1,500 website hosting fee through end of 2012	\$ 1,744.00
Hay Dobbs Website & Communication Services Invoice #2 (July 2012)	\$ 899.75
TOTAL	\$ 2,643.75

Detailed invoices can be made available upon request.

Action Requested: Approval



DATE: August 24, 2012
TO: Red Rock Corridor Commission
FROM: Staff
RE: Liability Coverage Insurance

The Red Rock Corridor Commission's insurance policy with the League of Minnesota Cities is up for renewal in September 2012. Coverage for the work of the Commission is currently held through the League of Minnesota Cities Insurance Trust. Coverage includes open meeting, municipal liability, auto and crime. The premium last year was \$927.00 and was paid by the Commission.

At the time coverage was obtained, the Commission was asked to determine whether or not it would waive the statutory tort liability limits. The Commission chose **NOT** to waive such limits. This means that an individual claimant would be able to recover no more than \$300,000 on any claim. If the Commission chose to waive the limits, a claimant could recover up to \$1 million. The League of Minnesota Cities Insurance Trust would like confirmation that the Commission would again chose not to waive the statutory tort liability limits. It is anticipated that the 2012/2013 premium will be comparable to last year's, and is included in the Commission's 2012 budget.

Action

Continue insurance coverage with League of Minnesota Cities Insurance Trust for 2012/2013 and that the statutory tort liability limits not be waived.

SECTION I: LIABILITY COVERAGE WAIVER FORM

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

- *If the city does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000. on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.
- *If the city waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.
- *If the city waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

_____ accepts liability coverage limits of \$ _____ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting _____

Signature _____ Position _____

Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044



DATE: August 24, 2012
TO: Red Rock Corridor Commission
FROM: Staff
RE: Red Rock Corridor Alternatives Analysis Update Consultant Selection Process

At its June meeting, the Commission approved the Alternatives Analysis Update (AAU) scope of work contingent upon FTA approval and the release of the RFP to occur once FTA approval is received and the federal grant funds have been secured. The total budget for the AAU is \$250,000 and is expected to take 9 months to complete.

The RFP is anticipated to be released on September 4th once the Federal Transit Administration (FTA) completes their review and the Metropolitan Council executes the sub-recipient agreement with the Washington County Regional Railroad Authority (WCRRA) allowing them to be the lead agency for the study on behalf of the Commission.

Consultant Selection Process

A complete copy of the RFP will be posted on the Washington County website (www.co.washington.mn.us), the Quest Construction Data Network website and the American Planning Association (APA) website as well as in the Minnesota State Register. In addition, the next edition of the Red Rock e-news letter will include an announcement that the RFP has been released.

All proposals will be evaluated using FTA's Qualification-Based Procurement Procedures contained in the "Brooks Act. A proposal evaluation committee will be formed to review the proposals, interview short-listed candidates (if necessary) and make a recommendation to the Commission on who to select. Staff recommends that the PEC consist of a mix of County, City and Agency staff consistent with past Commission solicitations.

Timeline

Below is the timeline for the consultant selection process.

<u>September 4, 2012:</u>	RFP Released
<u>September 18, 2012:</u>	Pre-Proposal Conference
<u>October 11, 2012</u>	Proposals Due
<u>Week of November 12</u>	Oral Interviews

November 29, 2012

RRCC Approves Consultant Selection

December 12, 2012:

WCRRA Awards Contract and Issues Notice to Proceed

Action
Information



DATE: August 24, 2012
TO: Red Rock Corridor Commission
FROM: Staff
RE: Federal Legislative Update

Action
Information

Attached is a federal update prepared by Lockridge Grindal Nauen for the Counties Transit Improvement Board (CTIB).

Transportation Reauthorization

The President signed the new 2-year federal transportation authorization bill (MAP-21). Now the real work begins to be able to understand what is in the bill, what policies/procedures/rules are changing and how it may or may not impact projects and/or funding sources and amounts. Many different entities are beginning to dissect bill to get a better understanding of these items.

Below you will find information prepared by Lockridge Grindal Nauen that includes relevant details related to the recent passage of a new transportation authorization bill, an outlook on the fiscal year 2013 appropriations, and other items of relevancy and interest.

At the end of June, House and the Senate transportation authorization conference committee Members reached an agreement on a new federal transportation law which would continue federal highway, transit, and other surface transportation programs through September 30, 2014. The conference report was subsequently agreed to by the House and Senate on June 29, 2012 and signed into law by the President on July 6, 2012.

The legislation – which is expected to cost roughly \$120 billion – makes a variety of changes to current transportation law. With this in mind, we have provided you with the below summary of changes to vital transportation and transit programs of relevancy and interest.

General Details:

- The measure is expected to cost \$120 billion.
- The measure authorizes expenditures from the trust fund through September 30, 2014.
- The measure transfers \$21.2 billion general funds and other money to the trust fund to cover expected shortfalls.
- Authorizes \$10.584 billion for Fiscal Year 2013 and \$10.701 billion for Fiscal Year 2014 for transit, of which

- \$8.478 billion and \$8.595 billion are out of the Mass Transit Account of the Highway Trust Fund.

Transit Oriented Neighborhood Revitalization Grant Program:

- The conference report creates a pilot program for transit-oriented development planning to advance planning efforts that support transit-oriented development around fixed guide way capital investment projects. Grants for planning will help communities develop strategies to facilitate transit-oriented development.

Federal New Starts/Small Starts Program:

- The Bill streamlines the New Starts program; makes core capacity projects eligible for funding; and retains existing eligibility for Bus Rapid Transit projects.
- It allows the Federal Transit Administration (FTA) to provide up to three Bust Rapid Transit (BRT) projects each year that meet the criteria of “fixed guide way” bus projects to receive an 80 percent Federal share under New Starts.
- Projects under \$100 million can utilize an expedited review process if they meet standards of similar highly qualified projects.
- The bill also creates a category of demonstration projects for sponsors that propose a significant amount of local and/or private funding and reduce the federal commitment required for the projects.
- Establishes a new category for capital investment projects by authorizing core capacity projects, which will undergo the same process as other “new starts” projects but provide an opportunity for existing systems to make necessary but significant investments that were not previously eligible for funding. The conference report requires that eligible activities under a core capacity project achieve at least a 10% increase in capacity along a corridor.

Transportation Enhancements/Alternatives Program:

Under previous law, 10 percent of funding going into the Surface Transportation Program was set aside for Transportation Enhancement (TE) activities. TE activities offer funding opportunities to help expand transportation choices and enhance the transportation experience through [12 eligible TE activities](#) (including pedestrian and bicycle infrastructure and safety programs, scenic and historic highway programs, landscaping and scenic beautification, historic preservation, and environmental mitigation).

- The bill provides that 2 percent of amounts apportioned to states be set-aside for a new Transportation Alternatives (TA) program. This funding would be used to carry out transportation enhancements (TE) activities, the Safe Route to School program, the recreational trails program, and to plan, design and construct “boulevards, main streets, and other roadways.” Under this consolidated program, funding for these activities would be reduced by approximately \$300 million annually.
- Requires that 50 percent of a state’s TA allocation to be suballocated within the state based on population. The remaining 50 percent of TA funds can be used for projects in any area of the State. Metropolitan areas with populations above 200,000 would be given project selection authority over its portion of the suballocated amounts.
- The conference report changes the definition of TA by consolidates and remove activities (like transportation museums), and expands the definition to include environmental mitigation activities.
- The conference report also allows states to transfer up to 50 percent of the amount of TA funds that are not suballocated within the states to other programs, and allows states

to transfer funding out of the TA setaside to CMAQ if the state has a backlog of TA funds exceeding 100 percent of its annual TA set-aside.

Transportation Infrastructure Finance and Innovation Act Program (TIFIA):

The TIFIA program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance.

- The new transportation law increases annual funding available for Federal credit assistance under from \$122 million to \$750 million in FY 2013 and \$1 billion in FY 2014.
- Furthermore, the bill removes all evaluation criteria for projects seeking credit assistance, and provides funds for eligible projects on a first-come, first-served basis.

Rail Modernization Program/State of Good Repair

- The bill replaces the existing Rail Modernization program with a program to move all systems towards a state of good repair. Eliminates funding tiers and earmarks and replaces these with a new structure that focuses on the age of the system, revenue vehicle miles and directional route miles. Sets aside 2.85 percent of program funds for a High- Intensity Motorbus program to fund bus systems that operate primarily in HOV lanes.
- Provides \$2.136 billion in FY 2013 and \$2.166 billion in FY 2014.

Metropolitan and Statewide Planning Organizations:

- The conference report requires that the structure of all Metropolitan Planning Organizations include officials of public agencies that administer or operate public transportation systems within two years of enactment.

Notable Exclusions:

There are significant issues that were not included in the new transportation law which include the following.

- A Passenger Rail Title (including rail planning provisions).
 - The National Freight Program included in the Senate version of the bill was dropped from the final agreement. Instead, the agreement establishes a national freight policy, which requires the designation of a primary freight network of up to 30,000 miles. The agreement also requires the development of a national freight strategic plan, and encourages states to develop state freight plans. To incentivize states to invest in freight projects, the conference report increases the Federal share for freight mobility projects identified on state freight plans. The federal share would increase from 80 percent to 90 percent for non-Interstate projects, and from 90 to 95 percent for projects on the Interstate system.
- A restoration of tax benefits for transit riders (currently back at \$125 per month vs. \$230 per month)
- A comprehensive national freight rail program.
- Language granting transit agencies to use certain funds for operating assistance during times of high unemployment.
- Language related to the Transportation Investment Generating Economic Recovery (TIGER) grants.

Fiscal Year 2013 Appropriations:

As with previous years, it appears that the House and Senate will be unable to complete their appropriations work prior to the start of the new fiscal year on October 1, 2012. Some transportation advocates in Washington had hoped to use the transportation appropriations measures to tinker with some of the details of the recently passed transportation authorization bill, however, Senate Leaders suggested this week that they will probably be unable to pass any spending measures until after the November elections and during a “lame-duck” session of Congress.

Earlier this year the Senate leadership had set the goal of passing each one of their 12 annual spending measures under regular order and before the November elections. It appears, however, that differences over discretionary spending levels will prevent this from occurring.

House Transportation Appropriations: On June 29, 2012, the House passed a fiscal year 2013 spending bill for transportation and housing programs. The bill would provide \$51.6 billion for transportation and housing programs and represents \$3.9 billion less than fiscal year 2012 and \$1.9 billion less than the president’s request. The House measure would zero out the TIGER grant program, provide no funding for high speed rail, and would boost funding for Amtrak by \$384 million.

Senate Transportation Appropriations: On April 19, 2012 the Senate Appropriations Committee approved their fiscal year 2013 Transportation and Housing appropriations bill. The measure would provide \$53.4 billion in discretionary funding for transportation and housing programs. It would provide \$500 million for the TIGER Grant program and \$100 million for High Speed Rail.

Update: Final action on the twelve fiscal 2013 spending bills is not likely before the end of FY2012 on September 30th. However, slow progress is being made in both Chambers ahead of the August recess which is set to begin on August 6th.

On Thursday, July 26th, the Senate Defense Appropriations Subcommittee announced its plan to consider a \$604.5 billion fiscal 2013 Defense spending bill on Tuesday, July 31. The full committee is expected to mark up the legislation before the Senate adjourns for the recess next week, although no date has been announced. Last week, the House passed its own version of the Defense spending bill (HR 5856), which totals nearly \$606 billion and is about \$1 billion above the Pentagon's request.

Sequestration:

As you may recall, across the board cuts for federal programs are supposed to take effect on January 1, 2013 as the result of an agreement between the House and the Senate to cut the deficit. With this said, Members have been working behind the scenes to prevent some (and in some cases all) of the cuts from taking place. Sources have suggested that a bipartisan group of Senators are working on a deal before the November elections which would punt sequestration out another year. To do so, they are hoping to find \$110 billion in offsets for fiscal year 2013. It is likely that these efforts will continue throughout the coming months.

Congressional Schedule:

The upcoming election in November has greatly condensed the Congressional schedule. Members of Congress and Senators who are up for election will be pushing their respective

leaders to provide them significant time in their Congressional Districts. At current and for the most part, we expect the House and Senate to be in session through July, out for the month of August and in for a good amount of September. We expect that October will include very little legislative action.

Possible Lame Duck Session:

With little time remaining prior to the election, we expect and are fairly confident that the Congress will return for a “lame-duck” session of Congress following the November elections. We expect that they will return to finish up numerous pending items including, but not limited to: tax legislation, fiscal year 2013 appropriations, sequestration items, and possibly a farm bill.