



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, May 5, 2006

10:00 a.m.

AACOG Conference Room

8700 Tesoro

San Antonio, Texas

1. Call to Order

Notice was duly posted and a meeting of the Austin-San Antonio Intermunicipal Commuter Rail District was held on Friday, May 5, 2006. Chairman Covington called the meeting to order at approximately 10:15 a.m.

Participants:

Sid Covington, Chair

Tullos Wells, Vice-Chair

Tommy Adkisson

Mary Briseño

Mariano Camarillo

Patty Eason

Fred Harless

Al Notzon

Richard Perez

Carroll Schubert

John Thomaides

Other participants included Ross Milloy, Bill Bingham, John Langmore, Clif Davis, and Craig Hoshijima.

2. Chairman and Member Comments

Chairman Covington thanked the Board and the audience for attending, and noted that it was Cinco de Mayo. Mary Briseño welcomed two members of the VIA Board of Trustees, Eddie Herrera and Rick Pych, and thanked them for attending.

Patty Eason reported that the Georgetown City Council passed the first reading of a transit oriented development (TOD) amendment to the City's land use plan, and expect to approve the amendment on May 9, 2006. Ed Polasek of the City of Georgetown Planning Department briefed the Board on the City's TOD amendment.

John Thomaides commented that the City of San Marcos is following Georgetown's lead in developing a master plan for the downtown area of San Marcos, which will emphasize transit-oriented development.

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Chairman Covington directed the Board's attention to a letter dated May 4 that was sent to Bob Daigh, District Engineer, TxDOT Austin District. Mr. Covington explained that TxDOT is working on methods to expand the MoPac freeway—the corridor in which the Union Pacific right-of-way is located in central Austin. TxDOT recently hired consultants to start a major investment study and preliminary planning. The Rail District's consultants met with TxDOT's consultants on the MoPac study, which prompted the letter reminding TxDOT that the *CAMPO 2030 Plan* requires that TxDOT coordinate any work performed on MoPac with the Rail District and that TxDOT cannot preclude the use of rail in the corridor.

3. Report on Status of Appointments to the Board and Administration of Oath of Office to Newly Appointed Board Members

Chairman Covington reported that no changes have occurred on the Board since the previous Board meeting.

4. Consider Approval of April 7 Board Meeting Minutes

On a motion by Richard Perez and second by Patty Eason, the April 7 Board meeting minutes were approved unanimously.

5. Report on Status of Texas Rail Relocation Plan

John Langmore, former staff director for the Texas House Transportation Committee, reported on the status of the Texas Rail Relocation and Improvement Fund (RRIF), which was approved as a constitutional amendment in November 2005. The RRIF doesn't have a funding source as yet, but it is anticipated that in 2007 the State Legislature will dedicate a revenue source that can be bonded. The RRIF can be used to relocate, construct, acquire, improve, and rehabilitate either public or private rail facilities, although funding requirements for a public rail line are less stringent than funding requirements for a private facility.

Mr. Langmore outlined requirements for rail relocation projects: relocation projects must be included in TxDOT's strategic plan on the relocation fund, must be approved by the metropolitan planning organizations, must be approved by a majority of the cities and counties in which the new line is located, and funding can only be used on overpasses and underpasses that are part of the relocation.

In 2007 TxDOT will ask the Legislature to allocate \$200 million per year to the RRIF, which would allow approximately \$2 billion of bonds. It is incumbent that agencies like the Rail District support upcoming legislation to dedicate revenue sources to the fund.

After a brief discussion, Chairman Covington suggested that all members of the Rail District adopt resolutions in favor of funding the Rail Relocation Fund, and forward the resolutions to the State Legislature prior to the next session, which starts in January 2007. Ross Milloy stated that the District would draft and circulate a standard resolution that could be used by member cities and counties.

6. Committee Reports

A. Program Management Oversight Committee Meeting May 1, 2006

Mariano Camarillo, PMO Committee Chair, directed the Board's attention to a summary of the May 1 PMO Committee meeting in the agenda packet and stated that the Committee had discussed FTA coordination and issues; received a report from Public Financial Management (PFM) on local funding strategies, which will be presented to Board under item 7; received an update on the ridership models and discussed the FTA New Starts project application, which will be presented to the Board for action under item 8; and discussed the Rail District's participation in VIA's study on the Westside Multimodal Center. Chairman Camarillo asked Clif Davis, Project Director for the Planning & Preliminary Engineering (P&PE) Team, to brief the Board on the ridership studies.

Clif Davis reported that the Phase 2 ridership model has not yielded a project that meets FTA thresholds. The P&PE Team continues to fine tune the model and coordinate with FTA and TxDOT, but FTA regulations have gotten more restrictive over the past year. The model is constrained on rail versus bus ridership preference and the impact of proposed transit oriented development. These constraints have reduced ridership projections. FTA is considering changing its rules to allow the preference factor, but the rules have not changed yet.

Mr. Davis stated the Ridership Technical Advisory Committee—comprised of technical experts from the two MPOs, the two transit authorities, TxDOT, and Texas Transportation Institute—will reconvene in May. The Ridership TAC has reviewed and endorsed the model methodology, and will be asked to review the Phase 2 results and the model inputs—in particular, the bus networks.

The Phase 3 model results, which are based on assumptions about transit oriented development and higher density around rail stations will be presented at the June Board meeting.

Mr. Davis reiterated, in response to a question from Vice Chair Tullos Wells, that regardless of whether or not the Rail District submits a project for FTA New Starts funding, the work done to date—ridership studies, conceptual engineering, station design, economic impact analyses—is useful and provides essential data the Rail District will need as it seeks local, state and federal participation. The P&PE Team will report within the next 30 to 60 days whether the District should submit a New Starts application.

Following a brief discussion by the Board on the New Starts process, Chairman Camarillo reminded the Board that the P&PE Team was previously directed to complete a New Starts application by June 30. The PMO Committee recommends that the Rail District defer the New Starts application and that the P&PE Team continue to refine the ridership model. Board Chair Covington stated that the Board would take action under agenda item 8.

7. Consider and Take Appropriate Action on Local Financing Strategies

Craig Hoshijima of Public Financial Management (PFM) presented information on local funding strategies and sources. Mr. Hoshijima identified project costs (capital, operating, and debt service)

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for the full 112-mile system, available grant funding sources (federal, state, and regional), annual local funding requirements for the project, cost allocation methodologies (boardings, rail miles, population, stations), projected annual capital and operating costs, potential new funding sources, and projected revenue from transit oriented development and tax increment financing districts. The key decision for the Board is to select a method to allocate local costs.

Chairman Covington reiterated that the Board needs to provide direction to PFM and make a policy decision on how to allocate local costs. Following Board discussion on allocation options, Tommy Adkisson made a motion, seconded by John Thomaides, to conduct a Board work session on June 2nd—in place of the regular Board meeting—to focus on local funding allocations and strategies. The motion was approved unanimously. The Board also directed the Executive Director to execute a contract, not to exceed \$15,000, for an independent analysis of capital cost estimates for the project.

8. Consider and Take Appropriate Action on FTA New Starts Federal Project

Chairman Covington directed the Board's attention to the earlier discussion on the New Starts application under agenda item 6. On a motion by Fred Harless and a second by Richard Perez, the Board unanimously approved deferring the June 30, 2006 submittal of the FTA New Starts application in order to carry out additional studies. Bill Bingham noted that the Rail District still does not have an agreement with Union Pacific on use of the right-of-way, which is an additional reason to delay the New Starts submittal.

9. Financial Report

Ross Milloy provided two financial reports for the Board's information:

- 2006 first quarter statement of income and billable expenses
- Reconciliation detail of checking account, period ending May 4, 2006

10. Legislative Update

Ross Milloy reported that state legislation has been introduced that would eliminate the cap on the Rail District's tax increment financing authority. The bill has been filed and is pending the Governor's open call for additional bills during the special session. Senator Barrientos and Senator Wentworth agreed to co-sponsor the legislation.

11. Other Business

Bill Bingham noted that on May 1, the PMO Committee recommended the Rail District participate in VIA's Westside Multimodal Study, and the item was mentioned earlier under agenda item 6. Ross Milloy reported that the Rail District is participating in a joint study of the rail station in the Austin central business district and VIA is proposing a similar study in the San Antonio CBD; however, the scope of VIA's study includes a number of items that are not relevant to the Rail District. The recommendation is that the District fund up to \$25,000 of the study, that the Rail District serve as the fiscal agent for the study, but that VIA manage the study. Mr. Milloy stated

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there are several contracting issues still under discussion, but the Rail District's participation would be capped at \$25,000, the same level as the Austin study. On a motion by Al Notzon and a second by Tullos Wells, the Board unanimously approved contributing \$25,000 to the study and authorized the Executive Director to work out the contracting details.

12. Public Comment

Joanne Walsh commented that she would like Board agenda items be made available to the public prior to the Board meetings.

13. Adjourn

Chairman Covington thanked the members and the audience for their attendance and participation. The meeting adjourned at 11:46 a.m.