



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, August 4, 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, August 4, 2006. Chairman Covington called the meeting to order at approximately 10:11 a.m.

Participants:

Sid Covington, Chair

Tullos Wells, Vice-Chair

Tommy Adkisson

Lisa Birkman

Mary Briseño

Mariano Camarillo

Patty Eason

Jennifer Kim

Dave Marsh

Al Notzon

Richard Perez

Carroll Schubert

John Thomaidis

Jeff Wentworth

Other participants included Ross Milloy, Bill Bingham, Alison Schulze, Clif Davis, and Craig Hoshijima.

2. Chairman and Member Comments

Chairman Covington welcomed new Board member Council Member Jennifer Kim, representing the City of Austin. He also welcomed Jennifer Moczygema, the recently appointed Director of TxDOT's Multimodal Section.

Vice Chair Tullos Wells reported on his recent meeting in Montreal with Bombardier, and on Bombardier's commuter rail services and their new FRA-compliant regional rail vehicle, the Flexicar. Sid Covington noted that the new Albuquerque rail system is using Bombardier vehicles and suggested that Board members visit the website for the New Mexico Rail Runner Express: www.nmrailrunner.com.

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

Bill Bingham reported that Council Member Jennifer Kim has taken the oath of office, signed the statements, and is officially a member of the Board. (Oath, statement, and Board member Dunkerley's resignation are attached.)

4. Consider Approval of May 5 and June 2 Board Meeting Minutes

Carroll Schubert requested the May 5 meeting minutes be amended to show the correct spelling of Rick Pych's name. Upon a motion by Richard Perez and second by Tullos Wells, the May 5, 2006 meeting minutes were approved as amended. Board members Kim and Wentworth abstained.

Upon a motion by Richard Perez and second by Patty Eason, the Board approved the June 2, 2006 meeting minutes. Board members Kim and Wentworth abstained.

5. Consider and Take Appropriate Action on Resolution Authorizing Interim Executive Director to Enter into Federal Agreements

Alison Schulze reported the District is transferring \$100,000 of its federal funds from the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA). The funds will be used to assist member jurisdictions with transit-oriented development and tax increment financing agreements. Upon a motion by Dave Marsh and second by Richard Perez, the Board unanimously approved a resolution to authorize the Interim Executive Director to enter into federal agreements with FTA.

6. Committee Reports: Program Management Oversight Committee Meeting July 19, 2006

PMO Committee Chair Mariano Camarillo directed the Board's attention to a written summary of the Committee meeting included in the agenda packet. Mr. Camarillo summarized the Committee's actions and recommendations on July 19, which included the following:

- The PMO Committee approved a motion to discontinue the contract with ATSER for the internet-based document control system.
- The PMO Committee recommends that the District spend up to \$200,000 to re-establish discussions with Union Pacific. The Committee recommendation will be presented for Board discussion and action under agenda item 7.
- The PMO Committee recommends downtown-Austin-to-downtown-San Antonio as the starter project, and recommends that the Rail District initiate discussions with Williamson County, Georgetown and Round Rock to extend service to the north end of the corridor. The Committee recommendation will be presented for Board discussion and action under agenda item 8.
- The PMO Committee recommends rail system boardings as the method to allocate local costs. The Committee recommendation will be presented for Board discussion and action under agenda item 9.

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7. Consider and Take Appropriate Action on Contract for Freight Rail Relations and Negotiations

Bill Bingham reported that District leaders met with Ric Williamson, Chair of the Texas Transportation Commission, to discuss District access to Union Pacific's rail line while not interfering with TxDOT efforts on UP relocation. Chairman Williamson agreed the Rail District should establish direct discussions with UP on early access for commuter rail. Mr. Bingham noted that freight rail relations and negotiations is one of the tasks listed in Rep. Lamar Smith's federal earmark for the Rail District. Mr. Bingham has assembled a team having experience negotiating agreements with Union Pacific. The team will start staff-level negotiations on early access to the corridor. On July 19 the PMO Committee approved a recommendation to spend up to \$200,000 to proceed with UP discussions. The objectives of the discussions are to balance efficient freight rail and passenger rail operations, and identify costs and funding sources. Upon a motion by Tullos Wells and seconds by Dave Marsh and Tommy Adkisson, the Board unanimously approved authorizing the Executive Director to execute a contract with McGinnis, Lochridge and Kilgore not to exceed \$200,000, to begin negotiations with Union Pacific.

8. Consider and Take Appropriate Action on Starter Project(s)

Clif Davis, Project Director for the Planning and Preliminary Engineering Team, presented information on five potential starter projects. The five project candidates are:

- Georgetown to McNeil
- Round Rock to downtown Austin
- New Braunfels to San Antonio airport/Loop 410
- Loop 1604 to downtown San Antonio
- Downtown Austin to downtown San Antonio

On July 19 the PMO Committee voted to recommend downtown-Austin-to-downtown-San Antonio as the starter project. A lengthy discussion ensued on ridership projections, segment costs, project phasing, and providing service to the entire corridor. Tullos Wells noted the District's mission is to provide service from Georgetown to south San Antonio, to relieve congestion on I-35, and to provide a reliable transportation alternative. Given the economic development opportunities the system will generate, the District should include as much of the corridor as possible in the initial segment. The Board discussed several options for starter projects, alternative service arrangements, existing passenger service opportunities, and the need to consider the starter project hand-in-hand with project funding. Dave Marsh asked the consultant team to add an additional segment to the list of candidates: downtown Austin to Georgetown. Staff asked the Board to provide direction on the next steps for the consultant team. The Board agreed to postpone action on the starter project until after the presentation on local financing strategies (agenda item 9).

9. Consider and Take Appropriate Action on Local Financing Strategies

Craig Hoshijima, Public Financial Management (PFM), presented information on possible methods for allocating capital and operating costs based on approaches used by other commuter rail systems in the U.S., and year-of-expenditure annual costs that would be paid by the District's participating jurisdictions. Mr. Hoshijima presented an estimate of the share jurisdictions would

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pay for each of the five candidate starter projects, based on three different methods of cost allocation, as well as the estimated year-of-expenditure annual costs jurisdictions would pay for the downtown-Austin-to-downtown-San Antonio project based on boardings.

A lengthy discussion ensued on the method to allocate costs (station locations, population, and/or boardings), cost allocations to local jurisdictions for the five starter project candidates, possible funding sources (e.g., tax increment financing zones around stations), elements included in the costs, and additional starter project candidates. Senator Wentworth reiterated the purpose of the project is to relieve congestion on I-35 throughout the corridor and the starter segment should reflect that purpose. The District should think in terms of public and political support. In addition, each member jurisdiction needs to fully understand the project and funding options under consideration by the Rail District.

The Board discussed having staff, assisted by Carter-Burgess and PFM, meet with local jurisdictions throughout the corridor to present the costs and benefits of the project. The purpose would be to brief jurisdictions on the Rail District's vision and funding scenarios, identify a range of potential costs to each jurisdiction, and ask for feedback on their funding capabilities and sources. Staff would present the entire 112-mile system as the project, present information on station locations and economic development opportunities, and identify the value to each jurisdiction. Meetings should include high-level staff and elected officials, the Rail District Board member from the jurisdiction, and a Board member from outside the area for a regional perspective. In conjunction with the jurisdiction meetings, staff should begin to develop a public education strategy

The Board identified several items to be included in the cost-benefit presentation:

- Project options: the 112-mile project from San Antonio to Georgetown as well as the project timeline
- Financing options: the range of costs and the potential cost to each jurisdiction as well as possible funding sources (e.g., tax increment financing revenue, bonding, MPO funds, a local/regional tax)
- Station locations and economic benefits
- Potential funding sources of each jurisdiction (jurisdiction to provide feedback on possible sources of funds)
- Existing passenger rail opportunities (option being explored)

Upon a motion by Tullos Wells and second by Senator Wentworth, the Board voted unanimously to (1) direct staff to meet with each jurisdiction from Georgetown to the port of San Antonio and make a cost-benefit presentation about the project and the project's financing, and (2) direct staff to simultaneously pursue other passenger rail provider opportunities. Staff should report progress on both items at the November Board meeting.

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10. Consider and Take Appropriate Action on an I-35 (and Other Appropriate Roadways) Direct Benefits Economic Analysis

Ross Milloy recommended, based on meetings with TxDOT leadership, that the District direct its consultants to conduct a study to quantify the financial and economic benefits of the commuter rail project. Mr. Milloy directed the Board's attention to a draft scope of work included in the agenda packet. The analysis will evaluate direct potential benefits in several categories including financial benefits in terms of reduced congestion delays, reduced highway infrastructure and maintenance costs, added jobs and tax revenues, and financial benefits to freight railroads. Upon a motion by Al Notzon and second by Richard Perez, the Board unanimously authorized the Executive Director to execute a contract, upon approval from the PMO Committee, not to exceed \$50,000 for a study of the financial and economic benefits of the commuter rail project.

11. Financial Report

Mr. Milloy directed the Board attention to financial reports in the agenda packet.

12. Legislative Update

Ross Milloy reported that communities throughout the Austin-San Antonio Corridor are beginning to approve resolutions in support of funding the Texas Rail Relocation and Improvement Fund. He asked Board members to encourage their jurisdictions to approve resolutions of support by January 2007.

Mr. Milloy stated that Board members Carroll Schubert and Tullos Wells are beginning discussions with TxDOT on the \$25 million franchise payment that Cintra-Zachry will make to TxDOT for the rights to SH 130 segments 5 and 6, and the possibility of dedicating the funds to the commuter rail project.

Mr. Milloy reported that Representative Krusee proposed at the 2004 Joint MPO meeting that each MPO contribute \$5 million per year for 10 years to help fund the commuter rail project. Rail District staff will continue to work with both MPOs to obtain the funds for seed money.

13. Other Business

There was no other business.

14. Public Comment

There was no public comment.

15. Adjourn

Chairman Covington thanked Board members and the audience for their attendance and participation. There being no further items and upon a motion by Richard Perez and a second by Tullos Wells, the meeting adjourned at 12:25 p.m.




Austin-San Antonio Intermunicipal Commuter Rail District

The State of Texas

OATH OF OFFICE

I, Jennifer Kim, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Director of the Austin-San Antonio Intermunicipal Commuter Rail District of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

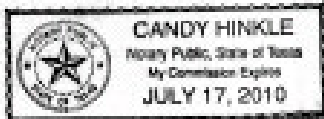

Jennifer Kim

 SWORN TO and Subscribed before me by Jennifer Kim on this 3rd day of August, 2006.


Signature of Person Administering Oath

Candy Hinkle
Printed Name

Notary Public
Title



STATEMENT OF ELECTED/APPOINTED OFFICER

Pursuant to Tex. Const. art. XVI, § 1(b), amended 2001)

I, Jennifer Kim, do solemnly swear (or affirm), that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value or promise any public office or employment for giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING STATEMENT AND THAT THE FACTS STATED THEREIN ARE TRUE.

Aug 3, 2006

Date

Jennifer Kim

Affiant's Signature

Director of the Austin-San Antonio
Intermunicipal Commuter Rail District
Position to Which Elected/Appointed

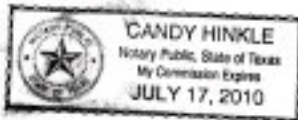
SWORN TO and subscribed before me by affiant on this 3rd day of August, 2006.

Candy Hinkle

Signature of Person Administering Oath

Notary Public

Title



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AUG-01-2006 10:11 From: C M DUNKERLEY

5129741886

To: 512 495 6893

P.2/2

June 22, 2006

Austin San Antonio Intermunicipal
Commuter Rail District

Attention: Sid Covington
Chairman

Effective June 22, 2006, I resign as a member of the board of the Austin San Antonio Intermunicipal Commuter Rail District. Councilmember Jennifer Kim has been appointed to the board by the City of Austin effective on that date.

I wish you success in the future.

Sincerely,


Betty Dunkerley