

Southwestern Pennsylvania Commission
Minutes of the Meeting of
April 26, 2010 – 4:30 p.m.
31st Floor • Regional Enterprise Tower • 425 Sixth Avenue • Pittsburgh, PA 15219

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

Commission members present were: Tom Balya, Stephen Bland, Andrew Boni, Bracken Burns, Charles Camp, Tom Ceraso, Daniel Cessna, Dave Coder, Jack Cohen, Steve Craig, Terry Daughenbaugh, Karl Eisaman, Kevin Gray, Lynn Heckman, Dave Johnston, John Paul Jones, Jim Kennedy, Jack Macheck, Larry Maggi, Robbie Matesic, Kevin McCullough, David Miller, Mary Jo Morandini, A. Dale Pinkerton, Carmen Rozzi, Rod Ruddock, Mark Schneider, Kelly Shroads, Michael Silvestri, Pam Snyder, Joe Spanik, Vincent Vicites, Norma Wintermyer, and Yarone Zober.

Commission members absent were: Tony Amadio, Shirl Barnhart, Rick DeBlasio, Joseph Dubovi, Patricia Evanko, Richard Fink, David Frick, Jim Gagliano, Jr., Jessica Greathouse, Dana Henry, Donald Kinosz, Patricia Kirkpatrick, James Lokhaiser, Robert Macey, Dan Onorato, William Peduto, William Piper, Luke Ravenstahl, James Ritzman, Jim Scahill, Robert Schiffbauer, Richard Shaw, Renee Sigel, Mark Snyder, Anthony Spossey, Byron Stauffer, Jr., Rob Stephany, Wendy Stern, Joe Szczur, Letitia Thompson, Daniel Vogler, Gealy Wallwork, Jake Wheatley, Jr., and Vincent Zapotosky.

Staff: Jim Hassinger, Kirk Brethauer, Chuck DiPietro, Ryan Gordon, Chuck Imbrogno, Mary Beth Kim, Vince Massaro, Marge Nalesnick, Shannon O'Connell, Dee Pamplin, Rachel Roché, Lisa Kay Schweyer, Kay Tomko, Debbie Tritsch, Lew Villotti, and Sara Walfoort.

Others: Jon Smith, Allegheny County Transit Council; and John Verbanac, SPC Consultant.

1. Action on Minutes of the March 29th Meeting

A motion was made to approve the minutes of the March 29, 2010 meeting of the Southwestern Pennsylvania Commission by Commissioner Pinkerton which was seconded by Mark Schneider. The affirmative vote to approve the minutes was unanimous.

2. Public Comment

None

Commissioner Camp along with all the Commissioners present congratulated Commissioner Tom Ceraso on his new position, wishing him well.

County Project – Steve Bland

Steve Bland reported on the progress of the North Shore Connector Project. Showing a slide of a graphic from the Post Gazette on the developments occurring on the North Shore from three years ago, he said that three years ago this was a plan and it's now coming to fruition. The North Shore Connector will help to connect the Golden Triangle with the North Shore as well as Station Square for an extended downtown region. Some of the key projects the stadiums, the casino, the hotels, office developments, and most recently ground was broken on an entertainment venue across from Heinz Field. From a regional perspective, during a period of pretty weak job activity, in our peak of construction, we were supporting about 3,000 construction jobs not just the construction workers on site, but subcontractors, suppliers, and engineering firms throughout the region. A key component of this is that of the top 30 contractors on this job, 24 are located in Southwestern Pennsylvania with 12 in Allegheny County. The project is about 70-75% complete to date, and change orders have actually brought the price of the project down \$1M below bid prices. The first significant project we refer to combine the Twin Bore Tunnels, and the Cut & Cover Tunnel on the North Shore. This project is \$100% complete. All tunneling activity is finished and on schedule actually reducing the cost of this contract by \$1.5-\$1.6M. The second element is the Gateway Station which we are

in the process of excavating. The next major project element is the aerial structure on the North Shore which will wrap up in May or June. The next segment is the train system which includes substation tower that powers the trains, signals, communication, video surveillance, and alarm systems. This segment is about 20% complete. There will be three new stations on the line--the new Gateway Station, North Side Station which will be underneath the FCA Parking Garage, then the Allegheny Station over Allegheny Avenue at Reedsdale. About 15% of the stations work is done, with the North Side Station being furthest along. We expect to be completing all construction activities by the fall of 2011. That leaves about five months for system testing and training. We anticipate revenue service operation to begin in March of 2012.

3. SPC Staff Profile – Ryan Gordon

Chuck DiPietro introduced staff member, Ryan Gordon. Ryan is a transportation planner and has been with us just over 2½ years. Weeks after Ryan joined us, he and his wife Angela, had their first child, Martin. He is a graduate of GSPIA, graduating in 2005 with a strong technical background in environmental planning, geography and GIS. He joined us after six years with Skelly & Loy and brings a strong technical approach to projects.

Ryan began with an overview of his education and experience. Ryan holds an MPA from the University of Pittsburgh, Graduate School of Public and International Affairs. Previously Ryan worked for Skelly & Loy as an environmental planner working on a variety of NEPA activities producing compliance documents, for PennDOT, West Virginia DOH, and the Turnpike Commission. Prior to working for Skelly & Loy, Ryan worked for the U.S. Department of Agriculture, Farm Service Administration for one year. Ryan's role within SPC's Transportation Department is to provide support to the TIP management, TTC operations, and financial planning. In addition, Ryan is involved in "Linking Planning and NEPA" activities, and intermodal initiatives, such as conducting bicycle suitability analysis and developing associated mapping.

4. Financial Report – Vince Massaro

Mr. Massaro reported that the financial report reflects the operations of the Corporation, the Commission, and the Regional Enterprise Tower. There has been little change from the February report. Planning projects continue as scheduled and will be completed by June 30, 2010. Some projects because of their funding and contractual obligations are expected to carry-over into the next fiscal year. One such project is the Regional Traffic Signal Design. This is the SINC UP Project that Domenic D'Andrea is working on with the local municipalities.

The financials are 75% complete through the fiscal year March 31. Total revenues relating to the operations for the Regional Enterprise Tower are \$4,989,714 to date through March is \$3,797,002 or 76.10% of the budget recognized for the nine-month period. Expenditures are at \$4.8M budgeted \$3.7M though the end of March or 77% of the budget recognized. The RET is currently at 80% occupancy that still includes two core tenants and partners in the mission of the building, that being Visit Pittsburgh and Allegheny Conference. Visit Pittsburgh will be moving to other space at the end of August and we are still in discussions with Allegheny Conference on renewing their lease that expires at the end of September. With Visit Pittsburgh leaving and if the Allegheny Conference decides to leave, too, it will cause a significant shortfall in the cash available to the building to meet operating expenses. The building has a \$13M debt service remaining and it has to be funded at an amount of \$1.2M per year. These two tenants provide about \$800,000 in revenues.

At the SPC Property Management Committee meeting earlier today, it was decided that the staff should schedule a creditors meeting with the bank to discuss the situation and see what can be done to resolve the issue of cash flow or transferring the building. It will become a cash flow issue by early fall.

Southwestern Pennsylvania Commission
ALLEGHENY • ARMSTRONG • BEAVER • BUTLER • FAYETTE • GREENE • INDIANA • LAWRENCE • PITTSBURGH • WASHINGTON • WESTMORELAND

June 28, 2010

SPC June 28, 2010
 Agenda Item No. 1

Action
 Meeting Minutes
 April 26, 2010

SPC June 28, 2010
 Agenda Item No. 2

Public Comment

SPC June 28, 2010
 Agenda Item No. 3

County Project
 Armstrong County

CLIMAX BRIDGE
 T-970 over Redbank Creek
 Mahoning Township, Armstrong County

Armstrong County

Original Climax Bridge



Original Bridge Facts

- Constructed in 1898
- The structure was a three-span deck truss bridge
- The span length was 253 feet
- Donated by the Climax Fire Brick Company to Armstrong and Clarion Counties in 1957 after deterioration forced it's closing
- After assuming ownership, the Counties repaired the bridge and reopened it to traffic
- Major structural repair was again completed by the Counties in 1974



New Bridge Construction

Contractor: Francis J. Palo of Clarion PA



New Climax Bridge



New Bridge Facts


- Constructed in 2010
- The structure is a two-span steel girder bridge
- The span length is 260 feet
- The width is 15 feet curb to curb
- The bridge is jointly owned by Armstrong and Clarion Counties
- Total cost of construction \$1.9 million



June 28, 2010
Agenda Item No. 4

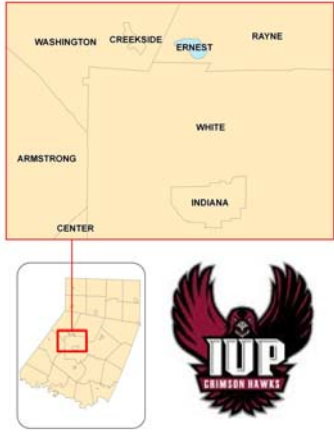

SPC Staff Profile

Cort McCombs
GIS Analyst II




Cort McCombs

- GIS Analyst
- Ernest, PA
- Indiana University of PA, 2005—Geography/GIS/ Cartography
- Washington, DC—Dept of Defense
- Pittsburgh—SPC

Cort McCombs

- Tom Klevan, TOC, Transit Updates
- Tom Straw, Parking Application
- Sara Walford, Trails Update
- Lobby Wall Map





June 28, 2010
Agenda Item No. 5

Financial Report



June 28, 2010
Agenda Item No. 5

For the period July 1, 2009 to May 31, 2010 (92% of the fiscal year completed)					
Revenues	Revised Annual Budget	Actual to Date	Percent of Budget	Actual and Encumbered to Date	Percent of Budget
Total Project Related Revenues	\$12,053,646	\$6,723,816	55.78%	\$7,484,679	62.09%
Total Carry-Over Project Related Revenues	\$248,271	\$99,307	40.00%	\$136,299	54.89%
TOTAL PROJECT REVENUES	\$12,301,917	\$6,823,124	55.46%	\$7,620,948	61.95%
RET Operations Revenues	\$4,989,714	\$4,631,928	92.83%	\$4,631,928	92.83%
RET Endowment Contribution	\$0	\$438	0%	\$438	0%
Total Revenues	\$17,291,631	\$11,455,487	66.25%	\$12,253,312	70.86%
Expenditures	Revised Annual Budget	Actual to Date	Percent of Budget	Actual and Encumbered to Date	Percent of Budget
Total Project Related Expenditures	\$12,115,559	\$6,763,704	55.83%	\$7,524,656	62.11%
Total Carry-Over Project Related Expenditures	\$186,358	\$62,956	33.78%	\$99,918	53.62%
TOTAL PROJECT EXPENDITURES	\$12,301,917	\$6,826,750	55.49%	\$7,624,575	61.98%
Total RET Expenditures before Amort/Deprec.	\$4,988,098	\$4,446,716	91.42%	\$4,446,716	91.42%
Total Expenditures	\$18,269,683	\$12,311,712	67.39%	\$13,109,537	71.76%



June 28, 2010
Agenda Item No. 6

Action
Resolution 8-10

Approve and Endorse the Region's Area Development Project Priority Listing and Authorize Submission of an Application for Funds



June 28, 2010
Agenda Item No. 6

ARC Project Evaluation

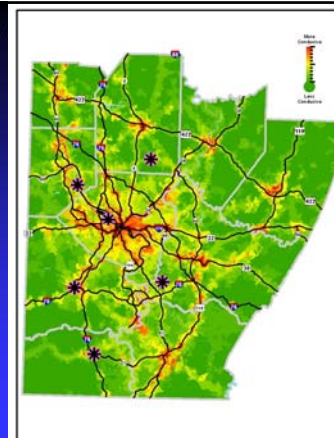
- ARC grant programs are competitive
- Projects are evaluated and ranked by the Economic Development Strategy Committee
- Recommendation to the Commission
- ARC is not obligated to adhere to ranking, but it is "strongly considered"



June 28, 2010
Agenda Item No. 6

ARC & EDA Project Evaluation

- Committee ranks ARC projects in two categories
 - ARC
 - 201 Local Access Road projects
 - 214 Construction and 302 Non-Construction projects



June 28, 2010
Agenda Item No. 6

201 Local Access Road

1. Murtha Drive Extension, Greene County

214 Construction and 302 Non-Construction

1. West Newton Town Square, Westmoreland County
2. Be ONE Business Plan Competition, Butler County
3. Local Economy Initiatives, Fayette County
4. Aliquippa Downtown Revitalization Project, Beaver County
5. Leslie House K-12 Project, Fayette County
6. Victory Road Storm Water Overflow, Butler County
7. Stowe Business District Streetscape, Allegheny County
8. Catfish Creek Stormwater Management Project, Washington County



June 28, 2010
Agenda Item No. 6

Action

Resolution 8-10

Approve and Endorse the Region's
Area Development Project Priority
Listing and Authorize Submission of
an Application for Funds



June 28, 2010
Agenda Item No. 7

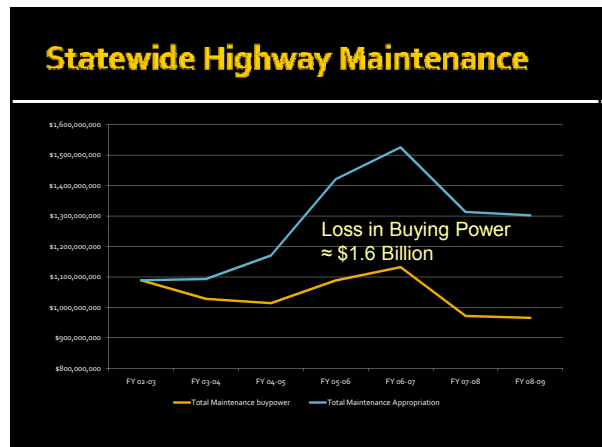
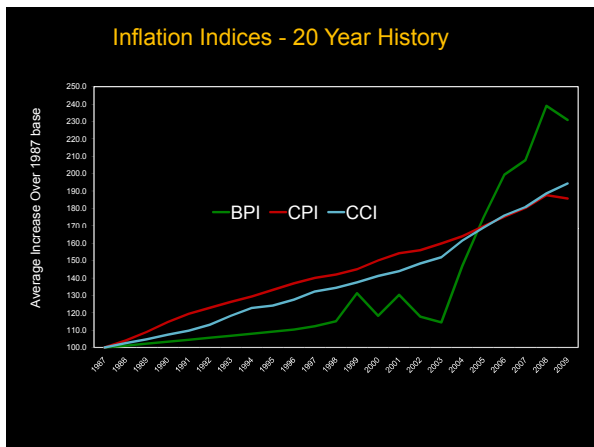
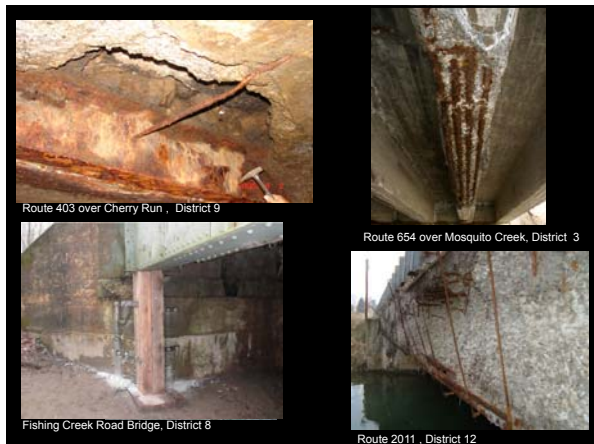
Report

Transportation Funding Crisis Public Hearings

Joe Dubovi

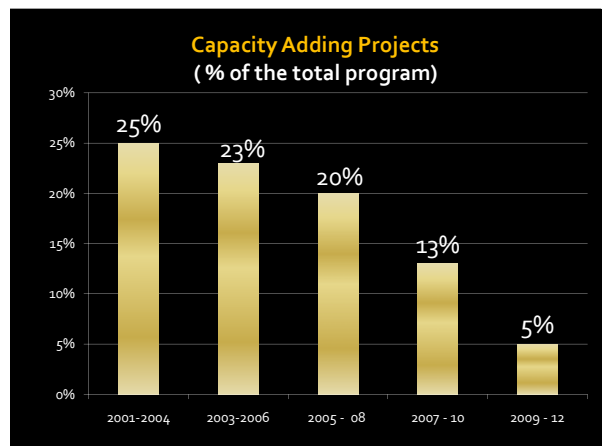
The State of Our Transportation Infrastructure

Allen D. Biehler, PE
Secretary,
Pennsylvania Department of Transportation
May 27, 2010

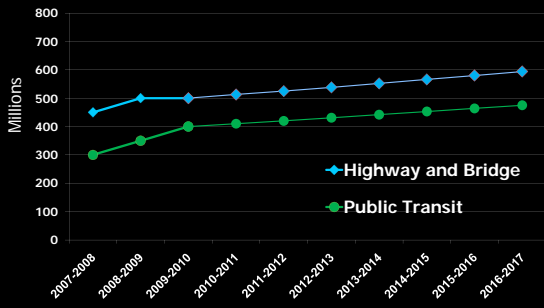


Private Sector Share

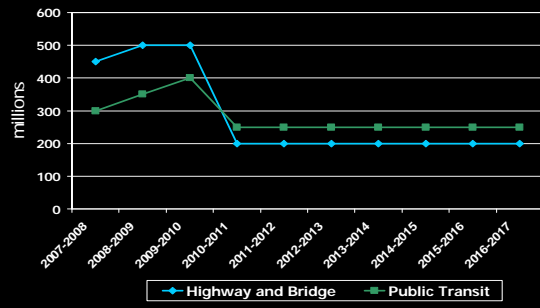
74%



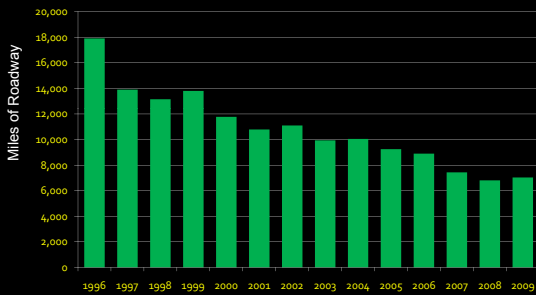
Act 44 Funding



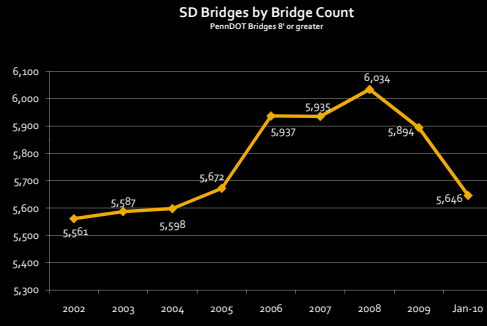
Act 44 Funding without I-80 Tolls



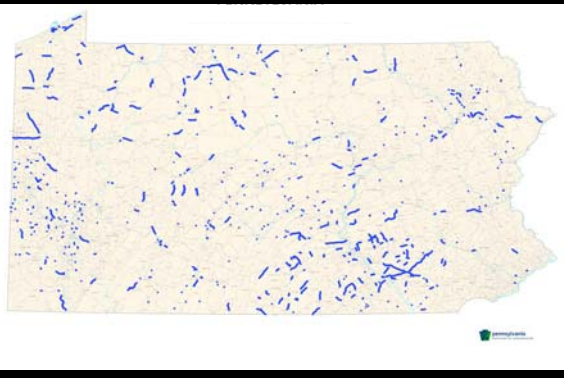
Improving Poor Roads



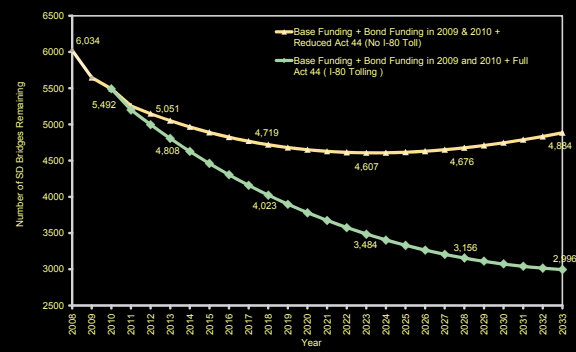
Structurally Deficient Bridges

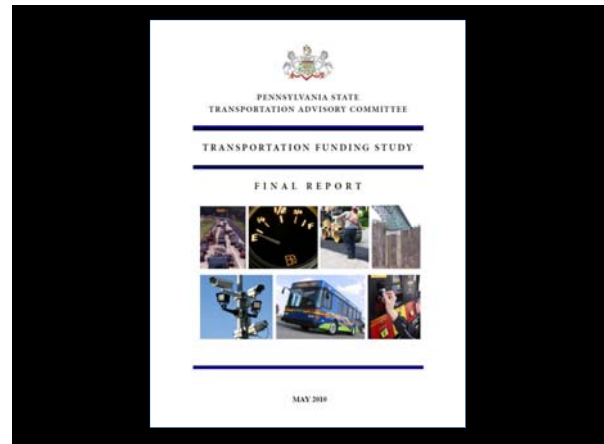
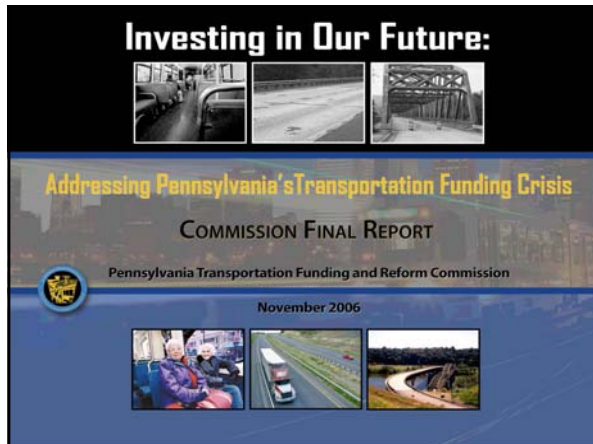


441 Unfunded highway and bridge projects



Accelerated Bridge Program Impact of Reduced Act 44 Funding on SD Bridges





June 28, 2010
Agenda Item No. 8

SPC

Status Report

**Public Comment Period for
Draft 2011-2014
Transportation Improvement
Program (TIP)**

***TIP Update: Status
Report on Public
Comment Period***

Southwestern PA Commission
Monday, June 28, 2010

The Strategy: Get the Word Out

"This is going to be difficult TIP Cycle."

- ▶ Facing diminished revenues: Down 22% to 28%
- ▶ "Maintenance" TIP / Projects deferred or delayed
 - Rehabilitation of the Current System
 - Continued Bridge Maintenance
 - No new infrastructure
- ▶ New Revenue Sources Must Be Found
 - Tolls
 - Taxes
 - User Fees
 - Bond Financing

The Strategy: Tell the Story

November 2009-June 2010:

- ▶ Include Public Participation Panel Chairs in 1st round of District Planning Sessions
- ▶ Launch first video to PPPs/public via SPC Website Introducing 2011-2014 Draft TIP
- ▶ Inform PPPs in each County:
 - Confirm PPP Chairperson Participation
 - Work to confirm PPP roster
 - Establish Chain of Communication

The Strategy: Tell the Story

- ▶ **Begin Series of PPP Meetings in the Region**
 - At minimum, Two (2) meetings per County
 - First Session: Education, Background, Training
 - Second Session: 2011-2014 Draft TIP/County Testimony
- ▶ **Potential "Stimulus 2"** (March 2010)
 - Meetings held in each PennDOT District
 - Armstrong (Kittanning)
 - Washington (Washington)
 - Allegheny (Downtown)
 - Discuss potential legislation
 - Outline Success of 2009 Stimulus
 - Forecast issues of Draft TIP
- ▶ **Focused Outreach**
 - Regional COGs Network
 - Regional Disabilities Task Force
 - Regional Low-English/Literacy Groups

Challenges

- ▶ **Extensive Infrastructure/Basic Maintenance Needs**
 - Bridge Conditions (both State & Local)
 - Continued Maintenance of Roads (State & Local)
 - Construction Costs are up 80% from 2003-2008
- ▶ **Limited State & Federal Funds**
 - No adjustment in funding levels since 1993
 - Federal Authorization Pending (currently under extension)

TIP Challenges: Overview

- ▶ **By the Numbers: Transportation**
 - **7,000** - Number of miles of state-maintained roads in very poor condition
 - **\$3 Billion** - Backlog of road repairs needed
 - **5,646** - Structurally deficient bridges
 - **50** - Average age of state-owned bridge
- ▶ **By the Numbers: Transit**
 - **\$484 million** - Additional **funding** needed to maintain public transit systems
 - **400 Million** - Rides given in PA commuters each year.
 - **10** Fixed Route Transit Providers in SWPA
 - ▶ **Transit isn't "just buses":**
 - Bridges
 - System Maintenance
 - Buildings
 - Fare Collection

State Transportation Hearings

Thursday, June 17, 2010:

PENNDOT Districts 1 and 10

- PennDOT District 10-0 Executive, Joseph P. Dubovi III, P.E.
- Commissioner Rod Ruddock (Indiana, SPC Vice-Chairman)

Friday, June 18, 2010:

PENNDOT Districts 11 and 12

- PennDOT District 11-0 Executive, H. Daniel Cessna, P.E.
- PennDOT District 12-0 Executive, Joseph Szczur, P.E.
- Commissioner Charles Camp - (Beaver, SPC Chairman)
- Commissioner Patty Kirkpatrick
- Commission Member Mary Jo Morandini
- Five (5) County PPP Members

What are we hearing?

- ▶ **8 of 10 Regional PPP Meetings Complete**
 - Lawrence, Indiana (June 10) ...
 - Fayette (June 15)
 - Washington (June 16)
 - Beaver (June 17)
 - Greene, Butler (June 23)
 - Allegheny (June 24)
 - Armstrong (June 29)
 - Westmoreland (June 30)
- ▶ **30 written comments, 10 verbal testimonies**
 - Concern over future priorities
 - Fees or Taxes: "Yes: but how much will it cost?"
- ▶ **Comment Period Ends: Tues. July 13, @ 4pm**



June 28, 2010
Agenda Item No. 9

Action Resolution 9-10

Adopt a Meeting Schedule for 2010-2011



June 28, 2010
Agenda Item No. 10

Staff Report
Other Business
Announcements

Next Meeting Date:
July 26, 2010



June 28, 2010
Agenda Item No. 11

New Business



Regional Enterprise Tower
Update



Regional Enterprise Tower Update

- On the recommendation of the Southwestern Pennsylvania Corporation Regional Enterprise Tower Property Committee, the Executive Board authorized issuance of an RFP soliciting proposals for the potential sale of the property that could allow further advancement of the property as a regional resource center. RFP released June 4.



Regional Enterprise Tower Update

- Oxford Development is assisting in the process
 - Pre-bid conference for prospective buyers
 - Buyers notified through direct mail by Oxford, newspaper advertisement and the SPC web site where the RFP has been a downloadable document
 - Arranged for a new appraisal of the property to be available to the SPC prior to any decision
- The RFP sets out a schedule for receipt of proposals by July 14



Regional Enterprise Tower Update

- While SPC is not a real estate company, it accepted the challenge of getting the concept off the ground
- After a decade of property ownership, the required multi-tenant renovations were completed, the building is now occupied by a mix of public, private and civic tenants working across sectors on a multitude of projects and programs that intersect for the common good of the region