

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

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

Members present were: Charles Anderson, Kevin Boozel, Scott Bricker, Daniel C. Camp, III, Tom Ceraso, Dan Cessna, Dave Coder, Jack Cohen, Sandie Egly, Pat Fabian, Rich Fitzgerald, Kim Geyer, Kelly Gray, Dick Hadley, Lynn Heckman, Charles Jones, Jr., Fred Junko, Dave Lohr, Larry Maggi, Robbie Matesic, Kevin McCullough, David Miller, Erin Molchany, Leslie Osche, Rich Palilla, Johnna Pro, Mavis Rainey, Jim Ritzman, Rod Ruddock, Aurora Sharrard, Michael Silvestri, Archie Trader, Vincent Vicites, Angela Zimmerlink, and Christopher Wheat (via phone).

Others: Ann Ogoreuc, Allegheny County Economic Development; Ken Zapinski, Allegheny Conference on Community Development; Joel Mackay, Butler County Planning Department; Bradley J. Heigel, Frank Kempf, Matt Burd, and Joseph Sutor, PA Turnpike Commission.

Staff: Jim Hassinger, Dan Alwine, Kirk Brethauer, Dom D’Andrea, Chuck Imbrogno, Tom Klevan, Vince Massaro, Shannon O’Connell, Dee Pamplin, Doug Smith, Jonathan Spencer, Kay Tomko, Lew Villotti and Andy Waple.

1. Chairman Anderson called to order the January 30, 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.

Chairman Anderson welcomed new member Charles (Mick) Jones, Jr., City Manager, City of Beaver Falls.

2. Action on Minutes of the December 12, 2016 Meeting

A motion was made to approve the minutes of the December 12, 2016 meeting by Commissioner Vicites which was seconded by Johnna Pro. The affirmative vote was unanimous.

3. Public Comment – None.
4. Staff Profile – Chuck Imbrogno/Jonathan Spencer

Chuck Imbrogno said they have been looking for a modeler to carry out some of SPC’s modeling needs. We think we have found that person in Jonathan Spencer. Jonathan grew up in Augusta, Georgia, went to graduate school in Memphis; went to Stockton to practice planning with the San Joaquin Council of Governments. He did some CMP work and drafted chapters for the Regional Transit Systems Plan. He also worked on unmet transit needs and enjoyed the statistical analysis side, enjoying it so much he took this position at SPC to work more with the transportation modeling side. He has a BS from Madison, Wisconsin geo-referencing with a city planning degree from the University of Memphis. He received his AICP Certification earlier this month. He enjoys reading John Grisham novels, walking, riding bikes, and trains.

5. Financial Report – Vince Massaro

Mr. Massaro reported on the financials for the fiscal period ending December 31, 2016, which includes the approved updated budget and reflects the operations of the Commission and the Corporation. The detailed financial report is included in today's meeting packet. Project Revenues are at \$11.8M, Actual and Encumbered To Date is \$7M, where about 60% of the budget is recognized and expended through December. Budget updates were presented and approved at the earlier Board and Executive Committee meeting. Changes included new funding received for the ARC Power Grant Program totaling \$662,567 with match funding of \$1,039,237. There were also additional regional traffic signal projects that came about after the original budget was approved in June. Also, Federal Transit Administration funding carried-over from last year is included in the updated budget.

Tom Ceraso moved to accept the financial report and Mike Silvestri seconded. The Commission accepted the financial report as presented.

6. Action on Resolution 1-17 to Adopt the Comprehensive Economic Development Strategy (CEDS – Lew Villotti

Lew Villotti gave an overview of the CEDS Program which has been out for public comment for the 30-day period. We are federally designated by the Economic Development Administration (EDA) as the Economic Development District and required to adopt the CEDS. The process of developing the CEDS was guided by the CEDS Committee, and is updated on a five-year cycle. The annual updated CEDS performance report is new, and it allows us to see how it's performing and to make changes. And it is reviewed every year for relevancy.

Summary

- CEDS is an implementation element of *Mapping the Future* and was developed on that framework.
- Supported by background data, other regional plans and initiatives, and SWOT analysis, it placed a priority on five key policy statements.
- Developed an action plan based on those statements to help guide SPC, as well as its partners' efforts.
- Identifies two major shocks and stresses to the economic resiliency of the region expressed as volatility of the energy industry and work force and demographics.
- It is a living document that is evaluated every year for relevancy.

Prioritized Policy Goals

- Revitalization and redevelopment of the region's existing communities is a priority.
- The region will place a priority on business development with a focus on existing business retention and expansion.
- The region will support initiatives designed to improve both the quality and quantity of the region's workforce to meet emerging industry demands.
- The region will place a priority on programs and services to attract and retain a diverse population with a particular focus on young adults and immigrants.
- The region will support identified strategic industry clusters.

Contains an Action Plan

- Builds on SPC existing programs and will...
 - Support partner and regional efforts targeted at revitalization and redevelopment of existing communities.

- Support partner and regional efforts targeted to assist in retention and expansion of existing businesses.
- Support efforts to work with targeted industry sectors that are significantly impacted by the collapse of the coal industry.
- Support regional initiatives that focus on:
 - *advanced manufacturing*
 - *healthcare and life sciences*
 - *energy*
 - *information technology*
 - *financial and business services actively support partners and regional efforts targeted to assist in retention and expansion of existing businesses*
- Support regional talent attractions and retention initiatives.
- Support regional and member efforts that are designed to address the demographic and workforce challenge.

Resiliency – Steady State

- Volatility of the Energy Industry
 - Partnership for Regional Economic Performance (PREP)
 - Continue to participate in and support The Greater Pittsburgh Metals Manufacturing Community IMCP
- Changing Demographics
 - Support regional talent attractions and retention initiatives
 - Support regional and member efforts that are designed to address the demographic and workforce challenge

Resiliency – Responsive Actions

- Volatility of the Energy Industry
 - Work with targeted industry sectors that are significantly impacted by the collapse of the coal industry.
 - Supply Chain Diversification
 - Actively support partner and regional efforts targeted to assist in retention and expansion of existing businesses.
- Changing Demographics
 - Participate with newly formed WIB partnerships to enhance coordination between local boards.

We received one letter of public comment which is in your packet today along with SPC's response. I would ask for a motion to adopt the Comprehensive Economic Development Strategy for Southwestern Pennsylvania which will be submitted to the Economic Development Administration for its adoption.

Aurora Sharrard asked was there just one comment on the CEDS and we are concerned about that being this is something we only adopt every five years? Lew responded that while there was only one official public comment, he received numerous suggested edits via email. SPC used the CEDS Committee to develop the draft document through a cooperative effort.

Ms. Matesic motioned to approve Resolution 1-17. Mr. Junko seconded. The affirmative vote to approve Resolution 1-17 was unanimous.

7. Briefing on Upcoming Long Range Plan & TIP Amendments – Doug Smith

Mr. Smith explained that SPC is currently being asked to consider two amendments to the Long Range Transportation Plan (LRTP) and the Transportation Improvement Program (TIP). Both of these amendments are of a magnitude that require air quality conformity analysis and a 30-day public review and comment period, so SPC is currently initiating that process. The 30-day public comment period will run from February 8th through March 10th and will include two public meetings:

- February 23rd at 4:00 p.m. at the Peters Township Municipal Building, Washington County
- March 1st at 4:00 p.m. at the Monroeville Public Library, Allegheny County

Mr. Smith introduced Dan Cessna from PennDOT District 11-0 and Brad Heigel from the Pennsylvania Turnpike Commission to provide a briefing on the two projects. (Both of these projects are currently included in *Mapping the Future: The Southwestern PA Plan* but are being advanced earlier than originally anticipated.)

a. I-79 Widening – Dan Cessna, PennDOT District 11

Mr. Cessna explained that the PA Turnpike Commission has design underway for the section of the Southern Beltway that will connect US 22 with I-79 near the Washington/Allegheny County line. Part of that project will include a new interchange on I-79 at the junction between Washington and Allegheny Counties very near the rest areas. This will result in significant changes to I-79 with what is essentially an interstate-to-interstate connection. PennDOT has asked the Turnpike Commission to consider adding a third northbound lane on I-79 between the Southpointe and Bridgeville Interchanges. PennDOT has done studies that evaluate this area and have shown that improvements are needed. Rather than undertake a separate project to add this capacity on I-79 in the future, PennDOT has asked the Turnpike to include the third northbound lane to their project so it would all be built at same time. This will create efficiencies from a financial, construction, and from a contract management standpoint. This is about a three mile section of I-79 with approximately 1.85 miles in Washington County and 1.16 miles in Allegheny County. Total estimated cost is \$23.1 million, which includes roadway pavement, drainage, barriers, structural items and retaining walls. Costs will be shared between Districts with about 58% (\$13.4 million) from District 11, and \$9.7 million in District 12. The funding will be 100% state funds and the purpose for not using any federal funds is due to contract administration and the processes that occur and the challenges of combining this with a Turnpike Project. The funding is coming from TIP line items in Districts 11 and 12 and would be cash flowed over 2018, 2019 and 2020.

Mike Silvestri asked if the plan to get this I-79 connection done by a certain date has changed now with the funding status?

Mr. Cessna – No. Things are advancing with the Southern Beltway. There are contracts underway and are continuing on the same schedule. That is why we are proposing to get this in place. The project that would include this work would be let in June of 2018 and completed around 2020.

Mr. Silvestri mentioned a meeting about a year ago looking at the potential impacts that the Southern Beltway could have on the local transportation network. Has anything moved on that?

Mr. Smith said that this is a project that SPC has been working on. SPC has gathered all the traffic studies that have taken place over the years, different traffic counts, and sets of analysis because there have been a lot of traffic impact studies done as part of development. These have been synthesized to create a picture of existing conditions. Now that that synthesis has happened, SPC would like to take the next step of analyzing potential impacts and identifying potential improvements to manage traffic in the area.

Commissioner Coder asked what the drive time will be from I-79 to the airport when the Southern Beltway is completed.

Mr. Cessna indicated that the distance will be about thirteen miles.

Mr. Smith added that the Southern Beltway will be set up for electronic cashless tolling so there will be no slowing down or stopping at toll booths.

Mr. Miller asked why we would do three miles of widening on the northbound side and nothing on the southbound side.

Mr. Cessna clarified that additional capacity in the southbound direction is already included in the Turnpike's project. It is needed because of how the ramps are configured, so there were already plans in place for that. When the project is done, there will be six lanes continuing from Bridgeville into Washington County.

b. Mon-Fayette Expressway – Brad Heigel, Pennsylvania Turnpike Commission (PTC)

Mr. Heigel noted that the Mon-Fayette Expressway (MFE) Project has been talked about for quite some time. To date, PTC has constructed about 60 miles of Expressway from I-68 in West Virginia to SR 51 in Jefferson Hills, Allegheny County. A lot of work was done in the mid 2000s, 2005, and 2009 which brought the project to what we call design field view stage. At that time the overall project cost was about \$4 billion, and at that point PTC didn't have the funding to move forward, so the project was put on hold. That was all pre-Act 89 of 2013. Post Act 89 of 2013, PennDOT Secretary Barry Schoch challenged PTC to try and make this an affordable project that could be moved forward. PTC restarted the project in 2006 and one of the biggest cost reductions was eliminating the North Shore leg into the city, which resulted in about a \$2 billion savings. A number of value engineering proposals were brought forward, including a narrower median, and also cashless tolling which allows reduction of the footprint at interchanges and tolling points. The project is now from SR 51 up to I-376 at about \$2 billion.

About a year ago PTC hired McCormick Taylor & Associates to do an EIS re-evaluation, which is currently underway. Part of that re-evaluation includes an SPC review of the financial strategy for the project inclusion in the LRTP and TIP.

PTC hopes to have FHWA approval of the revised EIS by mid-year 2017; begin right-of-way acquisitions in 2018; and then the southern section would go to construction in 2022.

Fred Junko asked if PTC has eliminated the whole section going into the city, which formed the triangle that was originally proposed years ago to connect the southern part of Fayette County, Morgantown up to the Pittsburgh International Airport. Mr. Heigel responded that the last section of the Southern Beltway from I-79 down to tie into the Mon-Fayette, which would create that larger Y, would be considered after they complete the Mon-Fayette which would be in the mid 2020-2030 timeframe. PTC would likely need more of a supplemental EIS because of the development that has occurred in that area, which would probably be initiated in the late 2020s, again to be prepared for construction in the late 2030s. So that concept is still on the table. The piece of the MFE that has been eliminated is the leg along the north shore of the Mon River between Turtle Creek/East Pittsburgh and Bates Street.

Mike Silvestri asked about acquiring right-of-way and how that would be done if the funding is not in place.

Mr. Heigel replied that the funding is in place. The financial strategy outlines the revenues and expenses for design, right-of-way and construction phases. Even though the southern section would advance to construction first, PTC would work on clearing the right-of-way for the northern section as well in order to preserve the corridor..

Johnna Pro asked for clarification on the MFE route and where it would connect to the Parkway East. Mr. Heigel indicated that it would tie in near the Sri Venkateswara Temple. Ms. Pro said that she lives in Fallowfield, Washington County, and asked about the connection to the Parkway East at the Squirrel Hill Tunnels.

Mr. Heigel responded that one of the primary purposes of the project has always been to open up the Mon Valley from an economic development standpoint. Providing better access to/from I-376 and I-76 to the Mon Valley has the potential to do that even though it may not have major impacts on commuter travel into and out of the City. PTC's travel modeling has shown that there is traffic demand for the project.

Ms. Pro asked about the source of jobs and economic output projections.

Mr. Heigel indicated that those numbers were developed by a consulting firm (4Ward Planning) hired by the Turnpike Commission.

Commissioner Ruddock asked if the PA Turnpike was prepared to validate those numbers during the progress of the construction so when the project is done, we can identify how those jobs were created.

Mr. Heigel indicated that PTC could validate the construction-related impacts on employment. These projections include more than the people building the bridges or the roadways. They include supply chain impacts as well. Commissioner Ruddock said that projections like that can be speculative.

Aurora Sharrard said that the MFE was first talked about 20 years ago and that the region has changed a lot over the past 20 years. She said it is important to consider more than just the economics of a project like this; both the environmental implications and the social equity and community implications of a project like this are important. Ms. Sharrard asked about the need for the project both in transportation demand, traffic reduction benefits, and the Turnpike Commission's funding strategy.

Mr. Heigel indicated that PTC is currently going through a re-evaluation of the EIS for the project and working with FHWA as well as local partners. PTC is willing to share that information.

Scott Bricker asked about the financial implications of placing this project on the TIP. Does that mean if there is a funding shortfall that all of the different funding streams that SPC evaluates and disperses through the TIP would be available for the Mon-Fayette?

Mr. Heigel clarified that the money for the MFE project comes from the state's oil company franchise tax, which has been directed to the Turnpike Commission by the State Legislature for the purpose of building Turnpike projects identified in Act 61. This is a PTC-funded project and will not impact TIP funding.

Dave Lohr asked about the three phases of construction with the Mon River Bridge being the final piece constructed in 2034-2036. Isn't that link important in order to realize the economic and jobs projections?

Mr. Heigel said that he will verify that construction sequencing was considered in the work done by 4Ward Planning.

Ms. Pro said that she feels the transportation needs of the mid-Mon Valley could be better met with these large expenditures probably in a different way.

Dave Miller asked for clarification about which side of the Squirrel Hill Tunnel the project would tie in on. Mr. Heigel indicated the Monroeville side. Mr. Miller then asked whether additional traffic created by the MFE would have a detrimental impact on the Parkway. Will there need to be additional upgrades on the Parkway to accommodate this new traffic?

Mr. Heigel said that PTC is working closely with PennDOT District 11-0 and with FHWA. PTC is currently conducting a point-of-access study. The initial feedback from that study shows that it will not be disruptive to the Parkway, but PTC is closely examining that in conjunction with Mr. Cessna's staff as part of this process.

Robbie Matesic asked about travel time and distance from the Turnpike interchange in Monroeville to get to Southpointe or the Airport via the MFE and Southern Beltway.

Mr. Heigel said that PTC does have time travel studies that it could provide. The time of day has a huge bearing on travel time. It is also important to note that the remaining piece of the Southern Beltway (between I-79 and SR 51) would be needed in order to complete that regional connection.

Commissioner Anderson said that he would like the PTC to return and to give the Commission more information on the questions raised.

Mr. Fitzgerald noted that a related project is the extension of the East Busway, which now ends in Rankin. He questioned whether that project would connect to the Mon-Fayette Expressway and whether there would be a park-n-ride lot at/near this connection. He asked whether funding for that is included in this project or if it is a separate project?

Mr. Heigel noted that the East Busway Extension is a separate project, but PTC has been coordinating with the Port Authority. The thinking is that there would be an intermodal park-n-ride in the Turtle Creek area that would allow you to get on a bus into the City. Having a transit connection in this area could address the concerns identified about access between the Mon Valley and the City.

Mr. Smith reiterated that SPC staff is currently working on the air quality conformity analysis associated with the two proposed amendments, will be initiating a 30-day public comment period, and that information received during the comment period will be provided to the Commissioners before they are asked to act on the amendments at the March Commission meeting.

8. Other Business/Announcements – Jim Hassinger

Mr. Hassinger said we want to make available to you the SPC Annual Report which is on the tables in front of you now. The report summarizes material that includes the audited financial report, and also a description of the activities that we conduct. On the screen we see a few slides to illustrate the areas in which we have responsibilities and we do reporting on. Like the Local Development District for the Appalachian Region and the Small Business Finance Program where we had \$1 million worth of projects last year which was responsible for about \$3 million in leveraged growth for the companies beyond the loan. The loan portfolio consists of 58 loans at \$4 million. We helped 47 companies in the Government Procurement Program where we connect local companies mainly with federal government purchasing. In the Export Development Program we had 130 companies report that they had \$48 million in export sales specifically related to links made through the SPC Program. The Water Resource Center had 15 workshops with over 500 participants this year. The workshops were particularly about MS4 work and compliance

with municipal storm sewer and combined sewer systems. In the Geographic Information Systems we maintain a lot of data layers and we had aerial photography that was updated this year and was provided to members. We did work on landslide area maps; highway performance counts, and local asset management work. Under transportation planning the TIP update was done, the Regional Freight Plan was developed, we continue to do multimodal planning, the CommuteInfo Program continues to connect people through ridesharing options, and a variety of programs including Active Transportation. In the TIP there was \$2 billion allocated in public transit, almost \$2 billion for roads and bridges, and \$1 billion or so for other major projects. The Regional Traffic Signal Program the first & second cycles were completed with 501 signalized intersections improved. They result in \$64 of annual public benefits for each \$1 expended, including LED Conversion on traffic signals and there was \$172,500 for municipalities to convert their traffic signals to LED.

One thing we currently are working on with the Executive Committee is advocacy with Buchanan Ingersoll, including an upcoming meeting with the legislators which will take place on March 22nd.

Chairman Anderson added that we are putting together discussion items for this legislators' meeting in Harrisburg.

9. New Business - None

10. Adjourn

A motion was made to adjourn the meeting. The affirmative vote was unanimous. There being no further business to come before the Commission, the meeting adjourned at 5:40 p.m.

Respectfully Submitted,

Rich Fitzgerald
Secretary-Treasurer