



Austin-San Antonio Intermunicipal Commuter Rail District

**Board Meeting**

**Friday, March 2, 2007**

10:00 a.m.

Alamo Area Council of Governments (AACOG)

8700 Tesoro

San Antonio, Texas

1. **Call to Order**

Notice was duly posted and a meeting of the Austin-San Antonio Commuter Rail District was held on Friday, March 2, 2007. Chairman Covington called the meeting to order at approximately 10:12 a.m.

**Participants:**

Sid Covington, Chair

Tullos Wells, Vice Chair

Tommy Adkisson

Gloria Arriaga

Jeff Barton

Mary Briseño

Patty Eason

Dave Marsh

Richard Perez

Carroll Schubert

John Thomaides

Other participants included Ross Milloy, Bill Bingham, Alison Schulze, and Frank Russo.

2. **Chairman and Member Comments**

Chairman Covington welcomed two new Board members: Commissioner Jeff Barton representing Capital Area MPO (CAMPO), and Gloria Arriaga, appointed by Bexar County to represent AACOG's Alamo Regional Transit.

3. **Consider Approval of February 2 Board Meeting Minutes**

Upon a motion by Council Member Richard Perez and second by Council Member John Thomaides, the February 2, 2007 meeting minutes were approved.

4. **Presentation on Public-Private Partnerships for Rail Station Development**

Chairman Covington introduced Frank Russo, who is assisting Houston Metro with a wide range of program management services, including implementation of Design-Build-Operate-Maintain-Finance contracts for rail development. Mr. Russo spoke on the principles and benefits of public-private partnering to deliver public transportation projects, and cited examples of public-private partnerships across the country (e.g., New Jersey, Denver, Phoenix, Los Angeles, Miami).

The primary reason that public-private partnerships are becoming more popular is that as projects are getting larger, public agency resources are getting scarcer. In addition, large, complex projects require a large staff dedicated to project management and coordination, which is difficult for most agencies. Good candidates for a public-private partnership (3P) model are projects that are outside the agency's core area of expertise, projects with complex interface requirements, and projects that need financing—that is, projects that need relief from agencies' traditional cash flow restrictions.

Benefits for the public sector partner include a single point of responsibility for the agency, and the ability to implement a complex project with a small core agency staff. Benefits for the private sector partner include early involvement in the project's development; greater financial stability provided by large, long-term projects; and more opportunity for profit consistent with the additional risk they take. Lessons learned from successful 3P projects: involve the industry early in project development (preferably during the preliminary engineering phase), require early partnering meetings, address areas of shared risk, and address changes early and equitably.

A lengthy discussion ensued on Mr. Russo's Houston Metro experience, the 3P contracting model, public vs. private ownership of infrastructure, and station development.

**5. Committee Report: Program Management Oversight Committee Meeting February 16, 2007**

Alison Schulze directed the Board's attention to the written summary of the meeting included in the agenda packet. On February 16, the PMO Committee unanimously recommended approval of the Carter & Burgess contract amendment, which will be discussed in greater detail under agenda item 6. The Committee also discussed rail station locations. The results of the station area economic analyses indicate that if the goal is economic development potential, some station locations could be improved. However, there may be other goals to consider in addition to economic development. The Committee directed Carter & Burgess to develop criteria and a process for refining station locations. Upon completion, the criteria will be brought to the full Board for policy direction. The PMO Committee also discussed and endorsed the policy statement that it is not financially feasible for the Rail District to provide service to jurisdictions that choose not to join the District.

**6. Consider and Take Appropriate Action on Amendments to Carter & Burgess Work Authorization and Master Contract**

Alison Schulze directed the Board's attention to two contract amendments in the agenda packet. Ms. Schulze noted that on February 16, the PMO Committee voted unanimously to recommend approval of the following amendments to Carter & Burgess' work authorization:

- Extend the end date of the work authorization to September 30, 2007
- Additional program management and technical services for Carter & Burgess
- Additional services for Carter & Burgess and Public Financial Management related to meetings with local jurisdictions
- Additional services for Carter & Burgess and M2 Studios for design and development of a video animation of the commuter rail project

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The total fee for the additional services is \$312,245 which, when added to Carter & Burgess' current authorized fee, exceeds the fee cap in Carter & Burgess' master contract. Staff recommended that the master contract be amended to increase the fee cap from \$2,250,000 to \$2,500,000 to accommodate the additional services approved by the PMO Committee.

Board discussion followed. Upon a motion by Tullos Wells and second by Council Member Richard Perez, the amendment to Carter & Burgess' work authorization was approved. Upon a motion by Council Member Richard Perez and second by Gloria Arriaga, the amendment to Carter & Burgess' master contract was approved.

### **7. Consider and Take Appropriate Action on Status of Appointments to Board, Administration of Oath of Office to Newly Appointed Board Members, Mechanism to Stagger Board Terms, and Decision on Board Member Terms**

Bill Bingham reported that five Board members have been appointed or reappointed since the February Board meeting: Commissioner Adkisson, Ms. Arriaga, Commissioner Barton, Mr. Covington, and Council Member Kim. Six appointments remain, which include Senator Wentworth, Mayor Pro Tem Harless, Mr. Marsh, Commissioner Daugherty, Council Member Perez, and Mr. Schubert. The remaining appointments are in the process of being made, and all Board members continue to hold their positions until they or a successor are appointed.

Mr. Bingham briefed the Board on the statute regarding staggered terms. The Board has been operating under a system in which each Board member is appointed for two years and all terms expire in February. The statute was amended in 2005 to allow staggered terms so that approximately half of the Board terms expire each February. To establish staggered two-year terms, the Board will assign a one-year term or a two-year term to each Board member position to determine the end date for each position.

There are several mechanisms for staggering terms. Terms can be assigned by agreement or by a general drawing among all members. An additional consideration is that five agencies appoint two Board members. For each of the five agencies that appoint two members, one member could be given a one-year term and the other member could be given a two-year term so that both appointees' terms don't end at the same time. Then the remaining seven members would draw one-year or two-year terms. Once each Board position has been assigned either a one-year or two-year term, the end date for each Board position is established so that the terms remain staggered in the future. Mr. Bingham recommended that the Board approve a mechanism for staggering terms, but wait and conduct the drawing after the remaining members have been appointed or reappointed.

Board discussion followed. Upon a motion by Dave Marsh and second by Commissioner Adkisson, the Board approved a mechanism to stagger Board terms by having the appointees from the five agencies that appoint two members agree on one- and two-year terms, and conducting a drawing among the remaining seven members so that three members are assigned one-year terms and four members are assigned two-year terms.

The Board unanimously directed Mr. Bingham to place the approved mechanism in writing, distribute it to the Board, attempt to assist the members appointed by the five agencies to agree on one- and two-year terms, present a motion assigning terms for consideration by the Board, and conduct the drawings when the remaining Board members have been appointed.

**8. Consider and Take Appropriate Action on Amending Legislation to Expand Definition of Political Subdivisions that May Become Members of the Rail District**

Chairman Covington noted that at the February meeting the Board directed Mr. Bingham to develop a recommendation for potentially expanding membership to other entities without increasing the size of the Board. Mr. Bingham outlined a range of options:

- Allow a governmental entity to become a member, but not obtain a seat on the Board. This option could apply to state universities and colleges, who would be represented on the Board by existing members.
- Allow a governmental entity to join the District and get a seat on the Board. This option could apply to smaller cities (cities with a population of less than 18,000), state universities and colleges, and/or regional mobility authorities.

Both options would require amending the state statute. Mr. Bingham noted that under the current statute several entities are eligible to join and have a position on the Board, but have not joined yet, including Hays County, Comal County, New Braunfels, Schertz, Cibolo, and Round Rock.

Board discussion followed on keeping the Board a manageable size, establishing levels of Board membership (e.g., full members, associate members), creating a new category of Board membership that is treated differently in terms of representation, using the vacant Board seat to fill any gaps on the current Board, revising the definition of the vacant Board seat, and leaving the Board as is.

Upon a motion by Carroll Schubert and second by Commissioner Adkisson, the Board sent the issue to the Rules and Procedures Committee for further discussion.

**9. Financial Report**

Ross Milloy directed the Board's attention to two financial reports in the agenda packet: the quarterly statement and the reconciliation report. Two additional items related to financing are also included in the packet: a statement by Senator Hutchison supporting the Austin-San Antonio commuter rail project and an article on discussions in Austin about how certain funds are allocated.

**10. Legislative Update**

Ross Milloy reported on the Rail Relocation Fund, which is being considered by the State legislature.

**11. Other Business**

**Committee Assignments**

Chairman Covington distributed a list of proposed assignments for the Executive Committee as well as standing Committees. At the next meeting the Board will vote on the Executive

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Committee. The Board Chairman appoints all other Committees, and the assignments will stand as shown unless a member notifies the Chairman.

### **Status Report on Meetings with Member and Local Jurisdictions**

Ross Milloy reported that sixteen meetings were held with elected officials and governing boards of local and member jurisdictions. Overall the meetings and the feedback have been very positive. The final meeting was a presentation on February 28 to a joint meeting of the San Antonio City Council and the Policy Board of the San Antonio-Bexar County MPO. The next step in the process will be to meet with senior staff in each jurisdiction to discuss specific financing mechanisms as well as tax increment financing agreements and transit-oriented development ordinances.

### **12. Public Comment**

Charlotte Kahl reported that the Old Spanish Trail Centennial planners are working to bring economic development to the east side of San Antonio. Relocating the Austin-San Antonio commuter rail system to Sunset Station on the east side, instead of the proposed west-side route, would generate economic development. There is an existing multimodal transportation facility underneath the Alamodome that could be used by the Rail District.

### **13. Adjourn**

Chairman Covington announced that the next Board meeting will be April 13 at the Griffith Library in Round Rock. Mr. Covington thanked Board members and the audience for their attendance and participation. There being no further items, the meeting adjourned at 11:51 a.m.