



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, June 5, 2009

10:00 a.m.

San Marcos Activity Center

501 E. Hopkins

San Marcos, Texas

1. Call to Order

Notice was duly posted and a meeting of the Austin-San Antonio Rail District was held on Friday, June 5, 2009. Vice Chairman Tullos Wells called the meeting to order at 10:10 a.m.

Participants:

Tullos Wells, Vice Chair

Tommy Adkisson

Gloria Arriaga

Jeff Barton

Mary Briseño

Mariano Camarillo

Sheryl Cole

Will Conley

John Cowman

Patty Eason

Dan A. Gattis

Karen Huber

Debbie Ingalsbe

Carroll Schubert

John Thomaides

Jeff Wentworth

Pat Wiggins

Other participants included Ross Milloy, Bill Bingham, Alison Schulze, Mike Marler, and Don Karban.

2. Chairman and Member Comments

Vice Chairman Wells presided over the meeting in Chairman Covington's absence. Vice Chair Wells recognized Board member Pat Wiggins for his outstanding service to the Rail District.

Councilmember Wiggins did not seek reelection and reported that next week the New Braunfels City Council would appoint his replacement on the Board.

Vice Chair Wells reported on his March 6 meeting in San Antonio with Union Pacific Board members and leadership including Jim Young, CEO for UP. Mr. Young complimented the Rail District's approach and the relationship between the Rail District and UP.

There were no other comments.

3. Consider Approval of March 6, 2009 Board Meeting Minutes

Upon a motion by Gloria Arriaga and second by Councilmember Pat Wiggins, the Board unanimously approved the March 6 meeting minutes.

4. Consider and Take Appropriate Action on Status of Appointments to Board, and Administration of Oath of Office to Newly Appointed Board Members

Bill Bingham, Rail District General Counsel, reported that all Board members have taken the oath of office and filed the necessary paperwork.

5. Consider and Take Appropriate Action on Election of Board Officers

Vice Chair Wells turned the gavel over to Mariano Camarillo for item 5 since Mr. Wells was up for reelection. Mr. Camarillo noted the election of officers occurs in odd-numbered years and in March the Board deferred the election of officers to the June meeting. Mr. Camarillo asked Alison Schulze to introduce the agenda item.

Alison Schulze directed the Board's attention to the memo and resolution in the agenda packet. She noted that current Board officers are Chairman Sid Covington, elected in 2005 and 2007; Vice Chairman Tullos Wells, elected in 2005 and 2007; and Secretary John Thomaides, elected in 2007. In 2007 the Board chose not to elect a Treasurer until the Rail District became an operating agency. The treasurer's duties are currently handled by the Board Chairman and the Finance Committee.

Ms. Schulze recommended the Board elect a Chairman, Vice Chairman, and Secretary. Only one office—the office of Board Chairman—carries a term limit. The bylaws state that a member may only be elected to two successive terms as Board Chair unless the term limit is waived by a resolution passed by two-thirds of the Board stating that there is a compelling reason for the Chairman to remain in office. Staff recommended that the Board waive the term limit and allow Sid Covington to remain as Chairman due to his significant involvement in state legislation, federal legislation, Union Pacific discussions, TxDOT freight studies, and the operations and financial management of the Rail District. Ms. Schulze stated that a resolution waiving the two-term limit for Chairman Covington was included in the agenda packet for the Board's consideration and action. Ms. Schulze further stated that Tullos Wells and Councilmember Thomaides each indicated they were willing to serve another term as Vice Chair and Secretary, respectively, and neither office carries a term limit.

VIA Board Director Mary Briseño noted that continuity in leadership is critical for the Rail District at this time and moved that the Board approve the resolution to waive the two-term limit for Board Chair and elect Mr. Covington to another term. Upon a second by Councilmember Pat Wiggins, the Board unanimously approved the resolution waiving the term limit and reelected Sid Covington as Board Chairman. Upon a motion by Carroll Schubert and second by Commissioner Karen Huber, the Board unanimously reelected Tullos Wells as Board Vice Chairman. Upon a motion by Councilmember Patty Eason and second by Commissioner Will Conley, the Board unanimously reelected Councilmember John Thomaides as Board Secretary.

6. Committee Reports

- A. Public Information Committee Meeting March 16, 2009**
- B. Public Information Committee Meeting April 6, 2009**
- C. Public Information Committee Meeting May 4, 2009**
- D. Public Information Committee Meeting May 20, 2009**

Public Information Committee Chair Mary Briseño summarized the four Committee meetings and directed the Board's attention to the detailed meeting summaries included in the agenda packet. In

each of the meetings the branding team, lead by TateAustinHahn took the PI Committee through the steps of the branding process. The branding team will describe the branding process and the results under agenda item 7. Chair Briseño thanked the Committee for their active participation throughout the branding process. Vice Chair Wells thanked Committee Chair Mary Briseño for her leadership on the PI Committee.

7. Consider and Take Appropriate Action on Branding the Rail District

Public Information Committee Chair Mary Briseño noted that the branding team would present the results of many months of work and the PI Committee's recommendation for the Board's consideration and action. Jeff Hahn, principal of TateAustinHahn—the lead agency on the branding team, briefed the Board on the importance of a good brand and key considerations when choosing a brand, such as keeping an eye to the future and branding the Rail District and the service together.

Jessica Schenk, TateAustinHahn project manager, reported on the project imperatives which guided the branding process: responsible use of time and funds, draw upon best ideas and best practices, inclusive and thoughtful outreach, brand must speak to a large and diverse community, research is a critical part of the process. Ms. Schenk then guided the Board through the steps of the brand development process: research (including in-depth interviews with 33 key community leaders and 11 focus groups with 117 participants), messaging and engagement, creative strategy, and development of brand elements (name, logo, tagline, original photography, messaging platform).

Mike Clark-Madison briefed the Board on the purpose and findings of the research effort. The research yielded important information on customer preferences and stakeholder and opinion-leader perceptions, which serves as the first step of the Rail District's long-term communication program. The resulting brand message and positioning statement is that the Rail District offers Texas-style independence by providing a convenient, cost-effective and intelligent transportation choice. The core of the creative brief is "Texas-style independence," and "rail gets you there, I-35 doesn't."

Greg Barton presented the recommended brand—Lone Star Rail—and tagline—Catch It. PI Committee Chair Briseño reiterated that the Committee's unanimous recommendation to the Board is to select the name Lone Star Rail and the associated brand elements. Board discussion followed on the importance of the decision and the broad appeal of LStar and Lone Star Rail. Upon the motion by the PI Committee and second by Councilmember John Thomaides, the Board unanimously approved the new name, the brand, and the creative components of the brand identity system. At the conclusion of the item, the branding team distributed research binders and brand style guides to the Board members.

8. Consider and Take Appropriate Action on Amendment to Branding Contract

Alison Schulze directed the Board's attention to the branding contract amendment in the agenda packet that the Public Information Committee has recommended for Board approval. The scope of the current contract is the creative development of the brand, name, logo, and tagline, which is only the first step in building a brand identity. Additional steps are required to implement the brand and build support for the rail project. The contract amendment authorizes TateAustinHahn and the branding team to trademark the new assets and revamp the Rail District's existing communications tools—brochure, website, project map, and PowerPoint presentation. The total cost of the additional

services is \$55,000. Upon the motion by the PI Committee and a second by Councilmember Pat Wiggins, the Board voted unanimously to approve the contract amendment.

9. Consider and Take Appropriate Action on Resolution to Enter into Agreement with TxDOT for CAMPO FY09 and FY10 STP-MM Funds

Alison Schulze directed the Board's attention to the resolution in the agenda packet that would approve entering into an agreement with TxDOT to spend the FY09 and FY10 Surface Transportation Program Metropolitan Mobility (STP-MM) funds awarded by the Capital Area Metropolitan Planning Organization (CAMPO). In May 2008 CAMPO awarded the Rail District \$10 million in STP-MM funds to be used for studies required to implement the rail project. To access the funds the Rail District must enter into an Advanced Funding Agreement (AFA) with TxDOT, and part of the agreement is a Board resolution approving the action. Upon Board approval, the resolution will become part of the AFA document. Upon a motion by Councilmember Pat Wiggins and second by Commissioner Karen Huber, the Board unanimously approved the resolution.

10. Consider and Take Appropriate Action on Report on 81st Texas Legislature and Report on Federal Initiatives

Chris Shields briefed the Board on recent legislative action on the Rail Relocation and Improvement Fund. Mr. Shields praised the efforts of Rep. Ruth McClendon and Ross Milloy on rail relocation funding, which was ultimately included as a contingent rider in the appropriations bill. The Rail Relocation and Improvement Fund will be funded with \$182 million from Fund 6—the highway fund supported by gas taxes—at a level of \$91 million per year for the biennium if the State Comptroller certifies that there is more money in Fund 6 than was available in the previous biennium. In addition, \$8.7 million was specifically designated for the Austin-San Antonio rail corridor. The appropriations bill, including the line item for rail relocation, must still be approved by the Governor. In response to questions, Mr. Milloy clarified that our lawyer and legislative consultants believe the funds are bondable and will be distributed by the Texas Transportation Commission. Vice Chair Wells thanked Board members for their support and the support of each of their communities and agencies, which was key to the success of the rail relocation funding effort.

Bill Bingham briefed the Board on other legislation of interest to the Rail District—amendments to the statute that governs the Rail District. As authorized by the Board, Senator Jeff Wentworth sponsored legislation that allows other entities to join the Rail District, allows the Rail District to adopt a different name, and clarifies the types of rail—passenger rail or intercity rail—that may be operated by the Rail District. The bill was approved and is awaiting the Governor's signature. Vice Chair Wells thanked Senator Wentworth for his efforts on behalf of the Rail District.

11. Consider and Take Appropriate Action on Potential Strategies and Opportunities for Project Development

Ross Milloy recapped federal, state and MPO funding already awarded to or available to the Rail District. Mr. Milloy then presented potential federal funding scenarios, which include federal stimulus funds, high speed rail program, intercity passenger rail program, federal appropriations (the Rail District will request \$14 million in FY10), reauthorization of the federal transportation funding bill, and other programs. Several project development tracks are available including high speed rail/intercity rail, traditional Amtrak/intercity rail, and private sector development—a private partner is required for Federal Railroad Administration (FRA) funding programs. In all cases, state and local

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funding will continue to be part of the Rail District's funding package, and no matter which track the Rail District chooses to pursue, all require environmental clearance on the project.

The next steps for the Rail District are to launch environmental and engineering studies on both the freight rail relocation route and the passenger rail route, solicit interest from private sector partners, apply for FRA high speed rail funding, prepare the FY10 federal appropriations request, execute local funding agreements for TIF-based revenue and long-term funding, and prepare for the federal reauthorization bill in 2011-2012.

Board discussion followed. In response to questions, Mr. Milloy noted that, with Union Pacific's cooperation, passenger rail service could begin in 2012.

12. Consider and Take Appropriate Action on Authorizing the Program Management Oversight Committee to Request Expressions of Interest and Proposals, Perform Appropriate Investigations, and Make Recommendations to the Board of Directors for One or More Private Entities to Associate with the District in the Application for Federal Funding and Development of Passenger Rail and Related Projects

Ross Milloy asked the Board to authorize the Program Management Oversight Committee to develop and manage a process to request expressions of interest from the private sector. Bill Bingham noted that the federal process requires that applicants partner with a private sector entity; therefore, the Rail District will have to develop a process to solicit expressions of interest and select a private sector partner. To meet the September deadline the Rail District must start immediately. The PMO Committee would manage the process and ultimately recommend a partner to the Board for approval. Upon a motion by Gloria Arriaga and a second by Commissioner Jeff Barton, the Board unanimously authorized the PMO Committee to develop and manage a process to select a private sector partner and bring a recommendation to the Board on the partnership in order to move forward with the application for federal funding.

13. Financial Report

Ross Milloy directed the Board's attention to the 2nd quarter financial statement included in the agenda packet. Although the statement shows some overages in the quarter relative to legal and legislative services, the Rail District is on schedule and on budget for the year.

14. Concluding Board Member Comments (no action)

Vice Chair Wells commended Board members for the relationships and credibility they have with their constituents, which has made intercity passenger rail so popular with the public. There were no additional Board comments.

15. Public Comment

There were no public comments.

16. Adjourn

There being no further items, Vice Chairman Wells adjourned the meeting at 11:59 a.m.