

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
November 17, 2005
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
Linda Miller Atkinson, Vice Chairwoman
Robert Bender, Commissioner
Vincent J. Brennan, Commissioner
Maureen Miller Brosnan, Commissioner
James R. Rosendall, Commissioner

Also Present: Gloria J. Jeff, Director
Kirk Steudle, Chief Deputy Director
Larry Tibbits, Chief Operations Officer
Frank E. Kelley, Commission Advisor
Marneta Griffin, Executive Assistant
Jerry Jones, Commission Auditor
Patrick Isom, MDOT Attorney General
John Friend, Bureau Director, Highway Delivery
Myron Frierson, Bureau Director, Finance and Administration
Tim Hoeffner, Administrator, Intermodal Policy
Susan Mortel, Bureau Director, Transportation Planning
Rob Abent, Bureau Director, Multi-Modal Transportation

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. **COMMISSION BUSINESS**

Chairman Wahby announced a recess of the meeting due to Governor Granholm conducting a press conference at the Central Maintenance Facility in Lansing.

The meeting reconvened at 10:20 a.m.

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of October 27, 2005.

Commissioner Atkinson made a correction to page 4, bottom of page, should read "...(DRIC) involves 2 countries" instead of "counties".

Moved by Commissioner Brosnan, with support from Commissioner Atkinson, to approve the minutes of the Commission meeting of October 27, 2005 with noted correction. The motion carried on a unanimous voice vote.

Chairman entertained a motion for approval of the minutes of the State Transportation Commission workshop of October 27, 2005.

Moved by Commissioner Brosnan, with support from Commissioner Atkinson, to approve the minutes of the Commission workshop of October 27, 2005. The motion carried on a unanimous voice vote.

II. **DIRECTOR'S REPORT – DIRECTOR GLORIA J. JEFF**

Director Jeff's report highlighted the topics below.

State Long Range Plan 2005-2030 Update

The State Long Range Plan (SLRP) presents Michigan's transportation vision, sets policy and direction for the state, is required by federal law, builds on the existing plan, provides integrated systems strategies, is guided by a department-wide planning team, and will have full Commission involvement throughout the updating process.

Since the last update in September, MDOT Project Manager, Susan Gorski, and her team have selected a vendor, and a contract with Wilbur Smith Associates has been awarded effective November 2, 2005. Paul Hershkowitz is the Project Manger for Wilbur Smith Associates. There is a completion date of May 2007.

We intend to involve the Commission throughout the process. We have now entered Phase II – Visioning, where we will create the Vision for the preferred Integrated Transportation System we are planning for. We will analyze statewide trends and system conditions (historical trends, current conditions, forecasted), identify threats and opportunities, research and develop issue papers, identify strategic issues, identify interrelationships between issues, and identify goals and objectives.

The visioning process will entail implementing a stakeholder involvement process. A high level Visioning Group, consisting of 10 key stakeholders and a Transportation Commission member will identify their Vision for Michigan's preferred integrated transportation system. They will establish the conceptual and organizational continuity between the Summit and the SLRP. They will provide a snapshot view of key stakeholder issues to be addressed through the Broad Public Involvement process. The Visioning Group will hear back after the first round of broad public involvement workshops. Presented will be a general set of adjustments and issues from the public input. A second round will enable the Visioning Group to respond to public comment on the results of the first round and a final round will present and refine the vision. The results of the Visioning process will be "The Preferred Vision for an Integrated Transportation System". This will describe the emergent vision of Michigan's Integrated Transportation System, and describe how the vision represents progress from the existing state of the system in terms of general changes in system performance and operation. The key factors and decisions associated with improving the system performance will be

clearly described as well as key success factors for achieving the overall vision. This will be completed by June, 2006.

Following the Visioning phase, we will then create and deploy the plan. Phase III - Creating and Deploying will begin June 2006. In this phase we will develop effective strategies, identify corridors, set priorities, adopt strategies, identify statewide policies needed to implement plan (short and long term), identify investment requirements to implement plan, identify performance measurement, adopt plan – May 2007, and then deploy plan.

Director Jeff asked for a Transportation Commissioner to serve as point person on the Economic Advisory Team for staff to interact with during the updating process of the SLRP.

Chairman Wahby asked Commissioner James Rosendall to be the point person.

Commissioner Rosendall accepted.

No questions were forthcoming.

Detroit River International Crossing (DRIC) Study

This Monday, the governments of Canada, the United States, Ontario and Michigan issued an announcement regarding progress towards developing a new river crossing at the Detroit-Windsor Gateway. With this announcement, the Partnership is on track to identify the preferred location of a new river crossing by mid-2007, with final completion of all U.S. and Canadian environmental studies by the end of 2007. The environmental review requirements of both countries have been, and will continue to be, carefully applied throughout this process.

Analysis showed that: the capacity provided by the Detroit River Tunnel Partnership (DRTP) two-lane truckway proposal was determined to be inadequate to serve the region's long-term needs; a six-lane freeway following the Canadian Southern (CASO) Rail corridor (in Canada) to a new river crossing would have caused major community impacts in significant urban areas on the Canadian side of the border; alternative crossings in the Morton Industrial Park area in Windsor were determined not practical because the proposed U.S. plaza site in River Rouge would have resulted in significant economic impacts and time delays; twinning the existing Ambassador Bridge was determined to not be practical based on the community impacts of the proposed plaza and access road in Canada; the Partnership will continue to explore the U.S. customs plaza area of the Ambassador Bridge to connect to a potential customs plaza on the Canadian side in the remaining area of continued analysis.

Next steps include a series of public meetings on the U.S. side, December 5 - 8, 2005 to discuss evaluation of the Illustrative Alternatives; present the final list of Practical Alternatives in March 2006; a continuation of Community Impact Assessments; opportunities for Context Sensitive Design consistent with Commission Policy; and activities surrounding Draft Environmental Impact Statement (DEIS).

No questions were forthcoming.

Context Sensitive Solution Six Month Update

Context Sensitive Solutions (CSS) are the concept of early stakeholder involvement, is collaborative and interdisciplinary, and seeks transportation solutions that fit the setting and maintain safety and mobility.

The Governor acted on the Council's recommendations by issuing an Executive Directive giving MDOT the go-ahead to officially adopt CSS, incorporate CSS whenever feasible, and invite stakeholder participation. MDOT staff understands CSS and have been informally practicing CSS for many years.

In 2004, MDOT undertook a substantial stakeholder involvement process to help develop our CSS Policy. This process involved surveys of stakeholders and MDOT staff, two workshops, and focus group activities that culminated in a high level draft implementation plan and policy. Nearly 35 stakeholder groups participated. The effort helped us draft the policy the Commission approved in May (2005).

Examples of where CSS were utilized include: Pellston airport with a northern lodge theme, US-31 bridge in Beulah (needed to replace an old bridge over a railroad. This improved local street access and accommodated a new bike trail on the old rail bed), and the US-31, S-Curve bridge project in Grand Rapids with decorative street-level elements on the elevated portion of the freeway.

In the last 6 months, MDOT's interdisciplinary CSS Team has continued to develop internal and external partnerships, making informational presentations at 8 professional meetings. The Team has partnered with the Michigan Association of Planning to publish the SmartGrowth Tactics brochure. This brochure was mailed to all Michigan townships, cities, villages, and county governments as well as the state's professional planners. We have received FHWA designation as a CSS practicing state. The CSS team has overseen development of a training program for MDOT staff which will be rolled out in early 2006. Implementation planning continues with a workshop scheduled for January, 2006 to develop stakeholder outreach guidelines.

No questions were forthcoming.

III. **OVERSIGHT**

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Frierson presented 19 agreements to the Commission for approval. Pending any questions, Mr. Frierson asked for approval of the items in Exhibit A.

Commissioner Atkinson asked what Comerica style lights are.

Greg Johnson from Metro Region answered that these are the same style lights used around Comerica Park in the City of Detroit.

Commissioner Atkinson then asked which 12 of the 19 projects have warranties.

Mr. Frierson answered that those are notated in Exhibit A-1.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Rosendall to approve Exhibit A. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief re-cap of the November bid letting activities. There were 34 state projects, engineers' estimate was over \$35 million (average bid was \$990,000). Two items will need approval and a waiver will be submitted to the Chairman in December asking for permission to move forward. If this is not done, the award of these 2 projects will be delayed.

At this time last year we had let \$80 million in projects; this year we have let \$82 million.

Regarding Commissioner Atkinson's question on the 12 warrantied projects, for example, Items #2 and #5 have warranties.

Pending any questions, Mr. Frierson asked for approval of the bid items for the December letting in Exhibit A-1.

Commissioner Atkinson asked what the significant difference is between the project listed as Item #2 in Exhibit A-1 and the project listed as Item #29 in Exhibit A-1, such that one has pavement performance warranty and the other does not.

Mr. Frierson answered that it depends on the characteristics of the bridge, the condition of the bridge, and the type of work being done.

Mr. Van Port Fleet from Design further stated that Item #29 is a local agency project and Item #2 is a state project; the local agency projects don't have warranties.

Commissioner Rosendall asked what the difference is between Item #1 and Item #2 on the pavement warranty; why one pavement project would have a warranty and another one does not.

Mr. Frierson answered that it varies upon the characteristics of each job, but if he wanted a more detailed explanation, that could be provided at a later time.

Director Jeff interjected that they would get Commissioner Rosendall an answer that day.

Chairman Wahby reminded the Commissioners that there would be a workshop on Warranties and that these would be some of the issues addressed.

Commissioner Rosendall stated that that would be sufficient.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender and supported by Commissioner Brosnan to approve the December bid letting. Motion carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson reported that this exhibit item is for information only. This item had a single bidder with the actual bid being 2% over the engineers' estimate. There is no action required.

Chairman Wahby asked for questions; none were forthcoming.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend presented 7 projects for Commission approval; one of those being the Capital Loop project (for the last time), and the other 6 being in the Metro Region. Last month we finalized 62 projects to a total of \$185 million (the sum total of this is \$11 million in the budget).

Pending any questions, Mr. Friend asked for approval of Exhibit B.

Greg Johnson spoke regarding the I-94 project which includes the Telegraph Rd. interchange. This project has come to the Commission previously, and is anticipated that it will be back again. This is because there was a very large construction extra at the beginning of the project, which was the placement of concrete base course over some less than stellar fill material that was encountered in the median. MDOT took soil borings during the design phase and did not find this material, however when they started excavating during the construction phase they ran into linear trenches of miscellaneous types of garbage that existed before construction of the original I-94 freeway.

Commissioner Brennan asked if there was a time pressure on this project.

Mr. Johnson answered yes. This project is of the corridor that leads from the airport into downtown Detroit and will be in the primary corridor for Super Bowl traffic. The goal is to have this project done and traffic under compliance before Super Bowl traffic hits.

Commissioner Brennan asked if this is an expedited project

Mr. Johnson answered yes.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Bender to approve Exhibit B. Motion carried on a unanimous voice vote.

IV. **PRESENTATIONS**

Five Year Transportation Program Draft – Director Gloria J. Jeff

MDOT's Appropriations Bill (Section 307) requires that before February 1st of each year, MDOT will provide the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan. The plan will list by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years. With Commission agreement on the draft document the department is prepared to post the document to the web, conduct listening sessions in November and December, and come back in January, 2006 with the final Five Year Program (5YP).

The 5YP continues with its multi-modal focus (highway, aviation, public transit, marine, port, and rail). This is the first 5YP developed under the new Highway/Transit Bill—SAFETEA-LU. SAFETEA-LU provides more funding for safety, CMAQ, transit, and Congressional earmarks. There are increased investment levels in this 5YP within these categories. This 5YP also implements Governor Granholm's *Jobs Today* Initiative. Approximately \$418 million will be invested from FY 2006 to FY 2008 to advance preservation projects and construct critical capacity improvements. The Program invests more than \$8.9 billion over five years. We continue to focus on system preservation and safety while ensuring that the program supports job creation and economic opportunities. We are implementing the goals and strategies that the Commission approved and we are making good progress towards meeting the pavement and bridge condition goals. We anticipate meeting the pavement condition goal with this 5YP.

Federal Revenue Assumptions

Highway Program – The Highway and Transit Bill, SAFETEA-LU, passed in August of 2005. Of the Federal funds coming to Michigan we are estimating approximately \$3.8 billion will be available for the state trunkline program over the five year timeframe. This funding level assumes 90% obligation authority. Roughly \$196 million in Congressionally designated earmarks are dedicated to MDOT's trunkline system. In order to utilize these funds, specific project phases will be reinstated.

Multi-Modal Programs – Of the federal transit operating and capital funding that comes to Michigan – about 80 percent is apportioned directly to individual transit agencies; MDOT is not involved in programming.

Aviation Program – Assumed continuation of federal funding based on Vision 100, Century of Aviation Reauthorization Act. Most of the federal transit operating and capital funding, including earmarks, is granted directly to individual transit agencies – does not go through MDOT.

Local Transit – Of the funds that will come to MDOT, formula assistance for non-urban operations, including intercity bus, will grow the most under SAFETEA LU (from an average annual apportionment of \$8.5 million under TEA-21, to an average annual apportionment of \$15.9 million over the life of SAFETEA LU. The two New Start earmarks (\$114.4 million total) are not included in this five year plan. We are not sure when the federal funds will be awarded and if projects will be state or local lead.

Passenger Rail and Marine Programs – There is no federal formula funding for rail passenger or marine that comes to MDOT. However when there are special projects, or an opportunity to capture additional funding, we will go after them at the federal level.

Rail Freight – There is no federal funding to the States specifically for rail freight programs, other than safety funding for crossings.

State Revenue Assumptions

Highway Program – Total state revenue available over the five year time frame, including bond revenue, is estimated at \$3.6 billion. This includes revenue for capital outlay and routine maintenance. It also includes the Diesel Fuel Simplification Package (and other legislative changes to the MTF (Transportation Administration Collection fund and trailer registration fees) as signed into Michigan law in 2003. This Revenue estimate is consistent with Department of Treasury's revenue estimate and also the previous 5YP revenue.

Aviation Program – Slight decreases in state aviation revenue - reduced receipt of state aviation taxes. Funding from ASAP bonds included through December 2007 when bond authorization expires.

Comprehensive Transportation Fund – The CTF assumptions are very conservative. CTF is subject to the annual variation as a result of the revenue shifts and the appropriations process (annual variation both in terms of total appropriation and amount appropriated to each program supported by the CTF). This makes projecting out five years of revenues difficult. CTF supports local transit, intercity bus, intercity rail, and rail freight. There is assumed continuation of the FY 2006 CTF appropriation levels, i.e., no growth or further restoration of the CTF.

Highway Program Bonding – This program includes the second phase of bonding related to Preserve First. Consistent with Commission approval, we plan to issue \$260 million in bonds to help fund Preserve First preservation projects and reinstated capacity projects. To support the *Jobs Today* Initiative and SAFETEA-LU earmarks, an additional \$600 million in additional bonding will be needed.

Chairman Wahby asked if the \$260 million was the money approved some time ago.

Director Jeff answered yes.

Chairman Wahby then asked if the \$600 million takes in the \$200 million that was approved for the new projects.

Director Jeff answered that it includes the Governor's *Jobs Today* program at \$400 million, plus an additional \$218 million to address delivering the earmarked projects that are part of SAFETEA-LU. MDOT will come back to the Commission when they are actually ready to sell the bonds. Total revenue available for the 5YP is estimated at \$9.0 billion (\$6.85 billion for highway, \$1.36 billion for bus/marine/rail, and \$778 million for aviation).

Continuing...

Our strategy is to provide a safe and secure transportation system, make government effective, efficient and inclusive, protect natural resources and air quality through wetland banking, CMAQ Program in metropolitan areas, and carpool lot program which encourages shared rides that reduce congestion and improve air quality, and provide economic development opportunities.

There are challenges in laying out a five year multi-modal program: Implementation is subject to annual appropriation of state and federal funds; state appropriations, in particular the CTF, can be volatile; for the CTF portions of the program, annual program appropriations are heavily guided by the mandates of Act 51 of 1951; much of the State's multi-modal infrastructure is owned and operated by local and private entities.

The 2006-2010 highway programs will create an estimated 110,000 jobs. The 5YP investment totals \$8.92 billion. It is important to point out is that this program places emphasis on ALL modes of transportation and is not just one devoted to roads. Almost one quarter of this 5YP is dedicated to funding Multi-modal transportation. Nearly \$1.4 billion is dedicated towards public transit, marine, and rail, while \$778 million will be invested in the aviation mode, and roughly \$6.8 billion (\$1.3 billion annually) in our state highway system. These investments will have positive influences on Michigan's economy.

MDOT's bus, marine and rail programs include local transit, intercity bus, passenger rail, marine and port, and rail freight. These five programs are supported by annual appropriations from the CTF, the transit portions of the SAFETEA-LU and various other revenues. Because of the significant annual variations in CTF appropriations, a total, combined 5YP amount is provided for all five programs, rather than a program amount for each; i.e., five year investment levels are not provided for each of the five individual bus, marine and rail programs. We will continue to break out these five programs in our annual program announcement – but roll them up in our five year program.

The Governor's *Jobs Today* Initiative (\$418 million) creates employment opportunities and stimulates the economy over the next three years, will create approximately 7,500 of the estimated 110,000 jobs created by the 2006-2010 Highway Program, and accelerates previous work or adds new work in 2006 and 2007. This Initiative includes \$267 million in MDOT's state trunkline pavement condition goals for road and bridge preservation, \$151 million for capacity improvement, 145 projects improving 600 miles of pavement, 42 bridges, and addressing 6 capacity deficiencies. In addition it enables continued progress toward achieving our system preservation goals. *Jobs Today* will have not only a positive impact on the economy but will also provide additional investments to help us achieve our pavement condition goal by 2007.

With the additional investment from *Jobs Today*, the projected combined freeway and non-freeway pavement condition is 90.3% good by the goal year of 2007. Without the *Jobs Today* investment, the projected combined freeway and non-freeway pavement condition is 87.8% good in the goal year of 2007. The *Jobs Today* investment will result

in roughly a 2.5% increase from the pavement condition that is estimated without these additional funds.

Providing a safe and secure transportation system is one of the key elements of the FY2006 Transportation program. Some of our safety efforts will include: Railroad grade crossing safety improvements through the Local Grade Crossing Program (provides assistance to local governments and railroad companies in order to develop and implement projects that enhance motorist safety at public highway-railroad crossings), expansion of the Comprehensive Safety Program (focuses on guardrail, sign, signal, pavement marking, and intersection improvement), and further implementation of the All Weather Airport Access Program (enables airports to be accessible to pilots during inclement weather conditions. Some of the systems that are involved in this program are using GPS technologies, ground communications outlets that provide pilots with direct communication links to air traffic facilities, providing real-time, accurate weather information to pilots and the aviation community through the Automated Weather Observation System (AWOS).

Preserving the System

Preserving and maintaining roads and bridges accounts for \$1.0 billion of the Highway Program annually (improve approximately 345 miles of roads, repair over 300 bridges a year, managing 1,500 miles of good/fair roads with CPM Program. We will be utilizing a mix of fixes to effectively manage the system. Roughly half of the \$462 million Capacity Improvement Program preserves pavement adjacent to new lanes. Again, we anticipate reaching the combined freeway/non-freeway pavement goal of 90% good by 2007, and are still making progress toward the combined freeway/non-freeway bridge condition goal of 2008. There will be a future workshop to determine the direction of investment strategy.

We will be investing \$300 million in the comprehensive safety program to improve signs, signals, guardrails, pavement markings and intersections. Funds will also be used to implement elderly mobility enhancements. With the additional funding provided under SAFETEA-LU the 5YP invests \$150 million in the CMAQ Program. We expect the safety improvements will also be eligible for this funding. Therefore providing the added benefit of not only improving air quality and congestion but also improving the safety of the transportation system.

The 5YP invests \$61 million in the ITS program, and \$93 million to enhance our transportation system, especially through coordination with local communities. Other programs include railroad crossings, noise abatement. State programs include TEDF, advanced right of way, Michigan institutional roads, state railroad crossings, program development, and scoping.

The Preserve First (PF) Program began in 2003 to place increased emphasis on preserving our transportation system. The PF program dedicated \$500 million for preservation efforts between 2003 and 2007. The additional funding associated with the PF Program allows us to improve the condition of our existing roads and bridges and assist in achieving our established condition goals. The PF Program will continue through FY 2007. This Five Year Transportation Program includes approximately \$317 million

in road and bridge preservation work from 2005-2007. An additional \$54 million will be directed to our Safety, Enhancement, and Noise Abatement programs from 2005-2007.

The Department will invest in various runway rehabilitation projects (\$778 million), as well as bus and railroad track replacement and rehabilitation projects (\$1.36 billion) throughout 2006. Use of state and federal dollars to support the operations local transit, specialized services, intercity bus and rail passenger are key components of our preservation based investment strategy for public transportation.

Expanding the System

The Transportation Economic Development Fund (or TEDF Program) supports economic development opportunities throughout Michigan. TEDF investments will support Michigan's target industries and help relieve urban congestion.

The Highway Capacity Improvements and New Roads Program is a \$624 million dollar Program aimed at relieving congestion.

The major highway projects to be let to contract in 2006 include: I-75 at Ambassador Bridge (a freeway reconstruction, widening and bridge replacement project); road widening of M-24 in Lapeer County (Pratt Rd to south of I-69); constructing a new interchange and bridge on I-696 at Franklin Road in Oakland County.

The Michigan Rail Loan Assistance Program will continue in FY 2006. This program operates as a revolving fund and is designed to help preserve and improve Michigan's rail freight infrastructure by awarding non-interest bearing loans to fund eligible rail infrastructure improvement projects.

Next Steps

Begin review and incorporate Commission comments, post document to the MDOT website, conduct listening sessions, summarize comments from the public, and to return for Commission approval during the January 26, 2006 meeting.

Director Jeff requested permission from the Commission to conduct listening sessions.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Bender granting permission to the Department to conduct listening sessions. Motion carried on a unanimous voice vote.

Chairman Wahby asked what happened to DARTA.

Director Jeff answered that the Detroit Area Regional Transportation Authority continues to operate. The Michigan Appeals Court ruled that the DARTA agreement was invalid. DARTA appealed to the Supreme Court, and while we are waiting for the Supreme Court action, the agreement remains in place.

No other questions were forthcoming. There is no action required on the DRAFT itself.

V. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission.

No other public comments were forthcoming.

Chairman Wahby asked if any member of the Commission had comments.

VI. **ADJOURNMENT**

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 11:25 a.m. Following a short break there will be a Workshop on Extras/Overruns and the Bid Estimating Process.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on **January 26, 2006**, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor