

MINUTES

21st Century Transportation Task Force

August 19, 2008
3:00 – 5:00 PM
9th Floor Council Committee Room

Type of meeting:	Sixteenth Task Force Meeting
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Attendees:	Councilor Isaac Benton, Claude Luisada, Claude Morelli, Moises Gonzalez, Jeffrey Peterson, Antonio Sandoval, Terry Keene, Gary Bodman, Nevin Harwick, Alex Romero, Bert Thomas (absent), Bob Murphy (absent), Brent Wilson (absent), Chris Blewett, Clovis Acosta, Dale Lockett, Joanne McEntire, Joel Wooldridge, JW Madison, Martin Sandoval, Ralph Cipriani (absent), Frank Burcham (absent), Gus Grace
Resource Persons:	Michael Riordan, Mike Smith, Keith Perry, Jon Zaman, Joni Thompson, Donna Baca, Kara Shair-Rosenfield
Observers:	Roger Mickelson, Silvio Dell'Angela, Alan Schwartz, Lloyd Jojola, Doug Turner

AGENDA TOPICS		
	Welcome	Councilor Benton
Discussion: Councilor Benton called the meeting to order.		
	Approval of Agenda and Minutes	Councilor Benton
Discussion: Councilor Benton moved to approve the agenda. The motion was seconded and passed unanimously. Councilor Benton moved to approve the minutes from the 8-5-08 meeting. The motion was seconded and passed unanimously.		

	Presentation: Status of TIDD Applications	Jon Zaman, City Council Senior Policy Analyst
Discussion: Councilor Benton explained that he asked Jon Zaman, the Council's Senior Policy Analyst/Budget and TIDD expert, to take a look at Leland's report, specifically their proposed funding mechanism that uses TIDD, and provide his analysis of the feasibility of creating a TIDD to fund the streetcar at the level that Leland suggested.		

Jon Zaman: I'm the Council's Senior Budget Analyst; I sit on the board of PIDs and am involved with TIDDs application process. I've reviewed Leland report and am here to sound a cautionary note regarding the Task Force's Majority Position on the modern streetcar. TIDD as a tool is appropriate at some level. I'm here to convey to this group that the environment for TIDDs is changing very rapidly, especially at the State level. The State Board of Finance has to approve applications, and what we're seeing at every turn is that the State Economist and Fiscal Analyst are taking a much harder look at approval. Mesa del Sol was a learning curve. What's happening now is a big-time ratcheting back on TIDD approvals.

In addition, based on what we're seeing with a couple of recent applications, what appears to be happening is "cannibalization." What I mean by that is that, the increment of economic activity and taxation above the baseline that's assumed to be net new is much smaller than we'd originally thought. It varies project by project, but bottom line is that, in terms of net new dollars, net new income is probably a factor of 4 or 5 lower than what we originally expected. That means the break even point is much lower than what we originally expected. In some cases as low as 25-30% instead of 75%.

In short, TIDDs are appropriate to fund a streetcar but as part of a funding mix. The level included in Leland's report may be a bit optimistic at this point.

Councilor Benton: Jon, you've seen that the Task Force's Majority Position is in support of the streetcar, but with a very limited use of revenue from the ¼ cent tax, and that TIDD is assumed to be one possible mechanism for accomplishing funding the majority of streetcar construction without having a whole other tax. Would you caution us, then, on hanging our hat on TIDD as a funding mechanism? Would you suggest other language that involves other funding mechanisms and sources?

Jon Zaman: I would always recommend broad source of funding mechanisms. For example, PID, TIDD as one component, State grants. The large percentage (75%) and dollar amounts associated with the TIDD portion in Leland's report is what caught my eye. Moving forward, percentages will probably diminish because of things outside our control. The State is looking at emphasizing economic-based jobs that bring in money from outside the system. There has to be an economic benefit outside of Albuquerque in order for the State to feel comfortable that the TIDD is meeting no net harm/expense.

Jeffrey Peterson: Are you saying that our recommendation about using TIDD, right out of the shoot, doesn't work?

Jon Zaman: I'm saying, don't count on that kind of contribution from the TIDD.

Jeffrey Peterson: So then it comes back to should we fund streetcar with other sources or not at all? My personal take is two-fold. I don't think a larger percentage of the ¼ cent should be allocated for streetcar. In tandem with that, I think that the people who are going to benefit the most should help pony up for the streetcar.

Joanne McEntire: A PID, not just a TIDD, could accomplish that.

Councilor Benton: PID was part of Leland's recommendation. Jon, what do you think about their PID recommendation?

Jon Zaman: I actually thought their PID numbers were on the low side. The Leland report projected there could be about \$5-6 million of potential tax revenue, and I think that number is a bit low. PID is a harder needle to thread. Election requires 75% +1 of registered electors. Residents get 1 vote, business owners get 1 vote per 1/5 of acre.

Joanne McEntire: I'm curious about your comment about cannibalization. For folks who have been opposing the SunCal TIDD, cannibalization is a major part of the concern, especially in the service sector. My sense of a TIDD, particularly on an inner-city corridor, is that base jobs may indeed be an economic benefit. I was just in Portland, and I was truly astounded at the number of major office type buildings being located in 1-2 block area of their streetcar. I want to take what you've said, Jon, with a grain of salt

because we've never done a major infill TIDD, which is the true intent of TIDD. My understanding, base on the last meeting I was at, was that the TIDD portion for the streetcar is not the entire amount that the TIDD could generate.

Jon Zaman: You're exactly right about first point. Economic effect depends on the specifics of the particular projects in TIDDs. Each instance has to be looked at separately. Cannibalization is most notable in the service and retail sectors, but it can be seen even in the call-center sector. Generally, the environment is softening for TIDDs. They're not going to be approved at the level they once were – 75%. To your second point, what caught my eye in Leland's report is that a combined City/State TIDD would generate \$500 million worth of bonding capacity and only a portion of that would go to streetcar. \$500 million is too high from what I can tell. It's pretty unrealistic.

JW Madison: I think Joanne asked my question. What's a good example of cannibalization?

Jon Zaman: Another way of saying cannibalization is revenue transfer.

Martin Sandoval: What's a realistic percentage of the TIDD that can pay for the streetcar?

Jon Zaman: I think it's too early to say. I'm not trying to punt, but it really depends on the proposed new development associated with streetcar. We would have to spend a lot more time looking at assumptions to come up with a realistic percentage. Maybe 25-50% of TIDD, but definitely not 75%.

Martin Sandoval: Cutting to the chase, I want to know if it's an all-or-nothing deal with TIDD – is it realistic, or will dependence be on the ¼ cent tax if a TIDD is not realistic.

Councilor Benton: Most of this TIDD revenue would come from property taxes, right?

Jon Zaman: Yes, but cannibalization applies to both GRT and to real estate revenue.

Councilor Benton: I just wanted this Task Force to hear a word of caution from Jon about what could realistically be expected from a TIDD as a revenue source. Jon's been through the battles and understands this stuff really well.

Joel Wooldridge: How many TIDDs could ABQ expect to be approved in next 10 years? If we soak up too much in Mesa del Sol and Central Ave., will that undermine the ability to get others approved?

Jon Zaman: The State is a key there. There is probably a tipping point with the State. The doors are closing.

JW Madison: Something that sticks in my head is that TIDD was intended to promote infill development, but it's actually being used now to promote sprawl. Am I getting that right?

Councilor Benton: That's a big part of the debate.

Nevin Harwick: As far as PID goes, you said you thought value seemed low. What do you think PID could generate?

Jon Zaman: I think a PID could likely generate \$40-50 million in revenue over 30 years.

General Discussion: Final Report

Discussion:

Councilor Benton: Where we stand right now with the Final Report is that we have a draft that I think is pretty free of controversy on the Streets and Transportation sections, and we're pretty close on Public Transit piece. I want to try to achieve consensus, or as close as we can, on those two parts of the report. Finish with those. Keep in mind, staff can do technical clean-up afterwards, but we want to get content finalized today. Then there are the two sections on streetcar. The majority report may need tweaking, based on what we heard from Jon. And the other important thing we have to do is to finalize the percentages we're recommending for the ¼ Cent Tax. I've heard more anxiety on the Council in the past

week, and I think we need to get our recommendation to the Council on the tax ASAP. I would posit that whatever percentage of tax we recommend go to streetcar – 0% or 13% - would be part of transit section. What do folks think of that?

Claude Morelli: There's the potential that the bus services portion would diminish if we did it that way. There's been a lot of discussion about expansion of bus routes, Rapid Ride, but we're not saying anything about that in the report. I think we should say that 20% of the tax must be dedicated to buses.

Councilor Benton: My idea to move this report along is to talk about the transit percentage in general. We've got a couple of straw-man percentages out there. One put out there by Bob Murphy – Transit would not exceed 30%. Another one was put together based on the 2006 proposal but without discussing transit.

Please refer to the pie charts on the separate sheet in front of you. From what I've been hearing, our support of the streetcar is conditional upon other sources being secured. For that reason, I propose that we keep our allocations base on the same as the original/current categories. As a way of simplifying our debate, I was suggesting we not have streetcar in any of this but just focus on public transit in general. Roadway vs. Transit breakdown is what I'm interested in.

Claude Morelli: To clarify, I think streetcar is a form of public transportation. I'm concerned about your comment that bus service will take a hit because of streetcar. Is that going to be just the 66 or other routes?

Councilor Benton: I'm just making a suggestion. We need to talk about percentages.

Dale Lockett: Bob Murphy's percentages. What are those based on?

Councilor Benton: My understanding is that Bob's proposal is based on what he thinks is a realistic approach to take.

Joel Wooldridge: So is part of his 30% for Transit for the streetcar?

Councilor Benton: I'm not positive, and I'm not advocating one way or the other. But I think that a percentage of the 30% COULD be used for streetcar.

JW Madison: I like the third pie chart down.

Jeffrey Peterson: This is the meeting I've been anticipating for the past 6 months. I think the percentage for Transit should be smaller than the 47% in the third pie chart down. How are we going to do this?

Mike Smith (facilitator): We need to start by establishing starting grounds.

Jeffrey Peterson: I prefer Alternative #1, where 30% is dedicated to Transit.

Joanne McEntire: My impression from DMD was that road rehab has been doing well. Why is it being recommended that we increase the amount for road deficiencies over 2006 proposal? I need more info on Road Rehab numbers. Is this too much money?

Councilor Benton: Joanne, keep in mind that the Policy Recommendations in earlier sections of the report say that multi-modal roadways need to be the goal, and increased percentages for road programs could be used to pay for those multi-modal improvements. Mr. Murphy's point was a political one – he feels that more than 30% for transit won't fly.

Joanne McEntire: Can we discuss a higher percentage for Road Deficiencies since we're asking for complete streets to be built?

Claude Morelli: I would like to have seen the program that the Rehab percentage is based on. I'm uncomfortable with not knowing exactly how the money would be spent.

Nevin Harwick: But that's more a concern for Deficiencies than Rehab. Rehab doesn't pay for growth, Deficiencies does.

Claude Morelli: That's true.

Martin Sandoval: It's important to remember to go back to narrative part of the report. I'm hoping we don't compromise other important factors that need to be considered, such as our Vision and Mission Statements and the narrative on Policy Recommendations.

Councilor Benton: I thought I heard at first few meetings that DMD is comfortable with percentages in option 3.

Clovis Acosta: If we allocate more money to transit and transit improves, what does that do to road deficiencies? If you increase transit use, do you decrease road deficiency – wear and tear?

Councilor Benton: Wear and tear from buses would eventually necessitate a rehab. Deficiency might be more like a paving a dedicated transit lane in concrete.

Mike Smith: Does somebody want to propose a higher number for rehab?

Jeffrey Peterson: 26%.

Mike Smith: Anyone have a problem with that?

Claude Morelli: I have a question about where is that money being spent. Transit bus stops might have a breaking pad. Is that in transit, rehab, or deficiency?

Michael Riordan: That would be Road Deficiencies – there's a list of projects on page 11 of the 2006 proposal. Those are missing links. Expanding 2 lanes to 4, or building new roads altogether. Road Rehab is when we have a full road section – after so many maintenance treatments, a road needs to be rehabbed. Maintenance is slurry seal.

Councilor Benton: You could have a maintenance project that involves sidewalks, right?

Michael Riordan: Correct.

Councilor Benton: Would you consider increasing the capacity of roadway, say through increased transit, part of deficiency?

Michael Riordan: Yes, breaking pads for buses could come from deficiency allocation.

Councilor Benton: Queue jumpers would be another example. Would that qualify as a deficiency?

Michael Riordan: Signals are oftentimes built with deficiency money. But when retrofitting older signals, you have to be careful about which pot you take money from. It would take some tweaking of language.

Claude Morelli: None of these things are actually said in the report.

Joanne McEntire: There's a whole bunch of language under our Policy Recommendations that does specify that stuff.

Nevin Harwick: Question for Michael Riordan. Rehab – does it look at ROW to ROW?

Michael Riordan: When we build roadways, we have to build them the same way we expect developers to build them. 6' sidewalks, etc. If we want to make sure DMD is doing the right thing, we have to include things in trails & bikeways plans. Arterial and Residential areas treated differently. Sidewalks on arterials, City will take care of. On residential street, responsibility is property owner's. When doing rehabs, we stick to drivepads on residential streets and ADA ramps at intersections.

Mike Smith: Okay, there's a proposal in front of you for 26% for Road Rehab.

Michael Riordan: The SMART presentation I gave a few meetings ago identified the need of \$16.5 million/year, which actually represents a 43% need, which, I know, is a significant jump.

Claude Morelli: No pot of money is available to specifically make a streetscape be spectacular for pedestrians. I would like to see entirely separate category that is “Great Streets” or “Spectacular Streets”.
Mike Smith: Everyone has had report this for two weeks, and no suggestions have come back about this.

Martin Sandoval: Question for Michael Riordan: Based on the standard you have to meet, will 26% or 24% cover it to that standard?

Michael Riordan: We would see a reduction in our roadway matrix condition level and service with just 24-26%.

Councilor Benton: So Mike, with the streetcar proposal in 2006, 24% is the number that was used, so that would have been the case then, too, right?

Michael Riordan: Correct.

Nevin Harwick: Your 43%, is that a combination of rehab, maintenance, deficiency, or just rehab?

Michael Riordan: 43% is just rehab. 24% would let us continue the program we have now. But we’re acquiring new lane miles every year. Over the next 10 years, the need for rehab money would increase.

Martin Sandoval: So a compromise to maintain roads at acceptable levels would be 24-26%, without adjusting for future growth.

Michael Riordan: 43% for rehab would be the golden egg.

Joel Wooldridge: But you currently get 45% total for rehab and maintenance combined.

Michael Riordan: The golden egg to get all the roads in the city at a “good” rating would require 43% of the ¼ cent. If you give us 26%, we’ll continue to operate the way we do right now. If you want us to do better, we need more money.

Claude Luisada: I’d like to throw these numbers out. 26% for Rehab, leave 8% for Maint., 20% for Def. – that’s 54%. Increase Trails to 8%, and we’d still get a lot for Transit.

Mike Smith: The proposal on the table is 26% for Road Rehab.

Dale Lockett: I’m struggling with what I’m hearing. What I want to know is, when do we get back into the cycle of deficiencies? What is the bare minimum needed for Road Rehab to stay in pretty good shape?

Councilor Benton: 26% was okay in 2006. It’s no golden egg, but 24% was acceptable in the Administration’s 2006 proposal.

Joanne McEntire: As I recall, with sufficient road maintenance, we would not be sliding down the slippery slope that we did in the 80s and 90s. We can imagine that, perhaps, by adding a couple percent to transit, we’re actually helping people get out of their cars, and over time we can reduce VMT and maintenance needs, too.

Mike Smith: Trying to put up numbers that we can look at in totality and have a final debate.

Martin Sandoval: Proposal. 20% for deficiencies. 26% for Road Rehab. 10% for Maintenance, 8% for trails, 36% for Transit.

Mike Smith: Okay, let’s try it: 26% (Rehab), 20% (Def.), 10% (Maint.), 8% (Trails), 36% (Transit).

JW Madison: The more we put into the last two categories over time, especially if it’s for rail transit, the less we’ll need for road repairs over time.

Claude Morelli: 10% for trails would be \$4 million. \$4 million doesn’t pay for much in terms of per person use. Put \$4 million into creating a great street and you could serve 10,000 people a day. You can get a lot of bang for the buck with targeted investments.

Joanne McEntire: Looking at the Trails & Bikeways section, we haven’t spent a lot of time on that.

Holding it at 8% probably makes sense because there are numerous other sources of funding for trails and bikeways. I'd be comfortable remaining at 8% for Trails & Bikeways.

Councilor Benton: 8% is a doubling of existing allocation.

Martin Sandoval: That's why I proposed 8%. That would leave 36% for Transit. Maybe look at taking 6% from Transit and put it somewhere else?

Mike Smith: Any issue is taking trails back down to 8%?

Jeffrey Peterson: I have a problem with that. That money doesn't necessarily have to go to Rio Grande bike bridge.

Mike Smith: How many support 8%? (Vote: all but 1)

Councilor Benton: Connectivity on a bike includes trails, bike lanes, bike boulevards.

Jeffrey Peterson: It'd be great if when we're doing rehab, we added bike lanes.

Michael Riordan: We look at that all the time, as long as it's on the approved bike system path.

Councilor Benton: Make sure lane widths are consistent with desired posted speeds. Reducing lane widths can help accommodate bike lanes.

Moises Gonzalez: I'm in agreement with Jeff that I'd like to see much more emphasis put on bike lanes. The problem is that we're not going to decide the specifics of where the money is going to go in this group.

Councilor Benton: That's right. We're not going to control that. We're making recommendations to Council – the Council may or may not hang its hat on our Policy Recommendations.

Terry Keene: The more emphasis you put on bikes, the more you have to emphasize calming traffic. You can't look at it as a separate entity – have to look at the big picture.

Mike Smith: Dangling 2%. Should it go back into Transit? No objection?

Nevin Harwick: I'd put it into Road Rehab.

Mike Smith: Those in favor of increasing Transit to 36%? Majority in favor.

Martin Sandoval: Is 36% realistic or not?

Joanne McEntire: If we could hear from somebody who worked on the Transit section about why 36% is justified, that would be helpful. Bob Murphy pulled 30% out of a hat.

Martin Sandoval: I could even support more than 36%, but I'm trying to be realistic.

Councilor Benton: There's no new money. If transit's going to be increased, it's going to have to come out of another pot.

Claude Morelli: Can we go back to third pie chart down? In 2006, DMD was perfectly willing to accept 24% for Rehab, 8% for Maintenance, and 15% for Deficiencies. Why is that not enough now? We could raise Trails & Bikeways to 10%, and the rest could go to transit (43%)?

Nevin Harwick: I wouldn't support that because my guess is that construction costs have increased.

Michael Riordan: Percentages in the 2006 proposal were based on trying to make a streetcar work at the time. Streetcar was going to rehab a lot of Central Avenue – sidewalks, medians, etc. And there also needs to be an adjustment for cost inflation.

Martin Sandoval: The proposal on the board takes into consideration increased costs and devotes a lot to transit without compromising other areas.

Mike Smith: Do you feel that these percentages honor the content and recommendations in the report?

Claude Morelli: Our vision statement says "Dramatically reduce the need for travel". We're dedicating over 50% to roads – to cars. How does that dramatically reduce the need for travel?

Mike Smith: Do you meet the Values that you set out?

Joanne McEntire: I could only support the 56% that's sitting up there for "roads" because of the policy statements we include in our report, not just because of cost inflation. Our Policy Statements may not create "great streets" but it takes us in the direction of creating complete streets.

Mike Smith: Let's go back to the values you set earlier on in this process. Do these percentages on the board paint a portrait of an accessible, affordable, convenient, environmentally sensitive, equitable, connected to land use, multi-modal, regional, safe transportation system?

JW Madison: I think the third chart down better achieves/relates to Values. Investing in future savings.

Moises Gonzalez: Just as Claude Morelli was saying, transportation has to be the basic component. We have to move people while improving streets. Affordability, equity cannot be achieved just by having smoother roads.

Clovis Acosta: As you move more and more people out of single-occupancy vehicles into buses, wear and tear on the roads has to be reduced.

Martin Sandoval: We have our values, but it's a process. This is a compromise that allows us to start moving in the direction we want to go in. The percentage for transit could be increased down the road.

Nevin Harwick: I think the percentages on board are a good place to start. The top pie chart had 76% for roads. Now we're down to 56%, and we've increased percentages for transit and trails. Eventually we'll find out where the balance point is. We say in the report that we want to re-evaluate every couple of years.

Councilor Benton: The Council is going to make final decision about whether this goes on a ballot or gets decided by Council, but there should definitely be language in any new legislation that talks about re-evaluation.

Jeffrey Peterson: When we first started this group, it seemed like certain people had pet projects; it's a diverse group. The diversity of this group helps even out some of those peaks.

Councilor Benton: It's important to keep in mind that those top three things aren't just for cars. Our recommendations talk about complete streets, multi-modal.

Martin Sandoval: I'm here representing APS, and I think I'm pretty objective. This looks like a very good compromise in the right direction. How is our system of transportation going to improve? This is an incremental, appropriate, balanced proposal.

Michael Riordan: Road deficiencies can be well funded under G.O. Bond program. There's more of a need for ¼ Cent funding in the Rehab program. I would ask you to consider dropping Deficiencies down to 15% and put the extra 5% into Rehab.

Mike Smith: New Proposal: 31% (Rehab), 10% (Maint.), 15% (Def.), 8% (Trails), 36% (Transit). Votes for this proposal?

Terry Keene: I would like a little more discussion. Question to Michael Riordan: If 24% was enough before, why do you need 31% now?

Michael Riordan: One reason is that in 2006, the projections for GRT were stronger than currently

exists. That pie was divided up with “What do we need for streetcar?” in mind. This task force has looked at what do we need in general and is not dependent on how to make a streetcar work.

Mike Smith: Do we have consensus about the latest proposal?

JW Madison: I still think we need more for transit.

Martin Sandoval: I agree, but we need to take steps incrementally.

Joel Wooldridge: This represents an 80% increase over current transit allocation.

Moises Gonzalez: I understand what JW’s saying, too. Maybe we need to make a little more significant of a push towards transit?

Martin Sandoval: I think this is significant a push.

Terry Keene: Is it significant enough, though?

Joanne McEntire: These are the categories we were given. As Claude pointed out, these categories don’t exactly convey what our intention is. We need to remember what our values and mission is in conveying that through this report to the City Council and members of the public. I’ve heard profound things today as this consensus has been built, and we need to go out and say what we mean.

Councilor Benton: On a slightly different topic, Doug Turner of DW Turner Strategic Communications was here but couldn’t stay. He represents a group of business owners who want to help support the extension of the tax and transit. He’s going to be helping to lead that effort, and if it’s okay, we’ll put him in touch with people who are interested.

Mike Smith: Let’s take a Final Vote on the percentages – who is in favor of latest proposal? All but 3 members vote in favor.

Councilor Benton: One thing that’s still hanging out there is the Majority Position on streetcar. Folks who are interested in that position need to get together to talk about what Jon Zaman presented today and discuss reworking language on that section.

Jeffrey Peterson: How do we move forward regarding the report?

Councilor Benton: The Majority Report on the streetcar said we would support some use, no more than 14%, of ¼ cent money for streetcar. The rest would have to be made up from other sources. That’s probably the way it needs to read, instead of saying that TIDD will be the other source. We’ll float that language to the whole group, even those who didn’t support, to see how you felt about that.

Dale Lockett: This isn’t necessarily for today’s discussion, but where did we go on extension of ¼ cent and making it permanent?

Councilor Benton: We have not addressed that issue as a Task Force. I’m expecting that that will be a debate on the Council.

Dale Lockett: I don’t see a sunset tax being conducive to supporting our recommendations and transportation needs. I would prefer there be no sunset.

Councilor Benton: Would this group entertain floating that out there for a vote by email, up-or-down, on question of whether or not there should be a sunset clause? Yes? Okay, we’ll take a poll by email.

Dale Lockett: Could someone from finance side do a bonding ramification on if there’s not a sunset?

Councilor Benton: I’m not precluding convening the group one last time to give report one final stamp of approval, but it shouldn’t have to be a long meeting. Hope that’s okay with everyone.

Joel Wooldridge: Would like to commend Ike and Kara for the work they’ve put in.

JW Madison: And Mike Smith, too.

Councilor Benton: Thanks to everyone for your hard work. We’ll circulate a “Final Draft” and float

final question to everyone for voting. Does everyone feel like they got a vote in? We very much appreciate your time and volunteerism. If you want to get involved in the future of this, Doug Turner of DW Turner on the private side will be organizing a Friends of Transit Group.

Scheduling of Next Meeting; Adjourn

Discussion: No additional meetings of the Transportation Task Force were scheduled. The meeting adjourned at 5:02 PM.