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JOINT STUDY COMMITTEE ON MASS TRANSIT AND TRANSPORTATION ALTERNATIVES

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MEETING MINUTES¹

Meeting Date: October 27, 2009

Meeting Time: 1:00 A.M.

Meeting Place: State House, 200 W. Washington

St., Room 431

Meeting City: Indianapolis, Indiana

Meeting Number: 2

Members Present: Sen. Thomas Wyss, Co-Chairperson; Sen. James Merritt; Sen.

Vaneta Becker; Sen. Phil Boots; Sen. James Buck; Sen. Travis Holdman; Sen. James Arnold; Sen. James Lewis; Sen. Jean Breaux; Rep. Terri Austin, Co-Chairperson; Rep. David Niezgodski; Rep. Robert Bischoff; Rep. Nancy Dembowski; Rep. Phil Pflum; Rep. Vern Tincher; Rep. Cleo Duncan; Rep. William Davis; Rep. Thomas Saunders; Rep. Ed Soliday; Rep.

Jacque Clements.

Members Absent: Sen. Allen Paul; Sen. Earline Rogers; Rep. Sandra Blanton.

¹ Exhibits and other materials referenced in these minutes can be obtained electronically by requesting copies at licrequests@iga.in.gov. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is http://www.in.gov/legislative/. No fee is charged for viewing, downloading, or printing minutes from the Internet.

I. Call to Order

Representative Austin called the meeting to order at 1:07 p.m.

II. John Jordan, Director of Local Programs, and Kevin Rector, Aviation Office Manager, Indiana Department of Transportation (INDOT)

Mr. Jordan and Mr. Rector first spoke to the Committee about the duties of INDOT's Office of Aviation:

- Develop the statewide aviation system 20 year plan: Strategic planning initiatives in areas of safety, mobility, and economic development.
- Develop and administer statewide airport capital improvement program, including pavement inspections and aircraft inventories.
- •Administer the airport development fund (IC 8-21-11-5): State and local grants and loans to airports are currently unfunded. Mr. Jordan explained that airport projects are funded at 95% by the federal government, with the remaining 5% split equally between the state and local governments.
- •Perform public-use airport inspections to determine compliance with state safety requirements and issue appropriate operating certificates.
- •Evaluate proposals and issue permits for compatible land usage near airports.

See Exhibit A.

Representative Austin noted that the state aviation plan on INDOT's website was last updated in 2003, and she asked whether it would be updated in the next 12 to 18 months. Mr. Jordan indicated that INDOT has issued a request for proposals for a consultant to update the plan; the update should be finished by December 2010. Senator Wyss asked if small airports also are required to complete five year plans. Mr. Jordan replied that the 67 airports that receive federal funds are required to update their project lists every 5 years. Representative Duncan asked if the 2.5% funding provided by the state is still available. Mr. Jordan answered that the current budget includes a \$1.2 million annual appropriation which is equal to about 1.25% of total funding based on current federal funding. He mentioned that the state may decrease its percentage match in order to provide funding to all eligible airports. Representative Tincher asked if there are discrepancies between the aircraft inventories conducted by INDOT and the taxes collected by the Department of State Revenue. Mr. Jordan answered that it is difficult to tell because many aircraft are registered in multiple states.

In the second part of his presentation, Mr. Jordan discussed the changes INDOT made to its application for funding under the American Recovery and Reinvestment Act of 2009 (ARRA) for the Chicago to Cleveland High-Speed Intercity Passenger Rail Corridor. See Exhibit B. On July 10, 2009, INDOT submitted a pre-application for the Chicago to Cleveland corridor in which it requested \$49 million based on an anticipated two year obligation for the funds. On October 2, 2009, INDOT submitted an amended application in which it requested \$2.8 billion in funds to be obligated by 2017. INDOT expects a ruling on its application before the end of 2009.

Senator Boots asked if the \$2.8 billion includes funding for the parts of the corridor in Illinois, Indiana, and Ohio, or only in Indiana. Mr. Jordan responded that one state takes the lead during the application process, so the \$2.8 billion includes funding for Indiana and Ohio. Representative Austin asked if the planned route will go through South Bend or Fort Wayne. Mr. Jordan replied that a 2002 study indicated the best route was through Fort Wayne and did not anticipate a change, although the environmental documentation required by federal law will include an analysis of alternate routes. Representative

Niezgodski asked what factors were used in the 2002 study. Michael Riley, Rail Office Manager for INDOT, said that the study considered factors such as cost and the volume of freight traffic. Mr. Jordan told Representative Austin that there would be opportunities for public input as INDOT considered alternate routes. In response to a question from Senator Buck, Mr. Riley stated that private railroads could make spurs available from the main corridor because it currently is not a sealed corridor.

III. Jim Reed, Program Director, Environment, Energy, and Transportation Program, National Conference of State Legislatures (NCSL)

Mr. Reed spoke to the Committee about small airports and economic development. See Exhibit C. First, he described the role played by states in aviation: awarding grants, licensing aircraft and airports, and providing statewide planning, technical support, and personnel training. Mr. Reed next provided statistics on the ownership of domestic smaller airports and the economic impact of general aviation. Mr. Reed then listed several strategies that airports could use to promote economic development: adding or improving facilities, incorporating onsite industrial parks, expanding the uses of the airport, and seeking free trade zone status from the federal government. Mr. Reed also provided examples of state funding sources for airports, including fuel taxes and registration fees. Finally, Mr. Reed distributed to Committee members a newspaper article about the Richmond, Indiana, municipal airport and an NCSL LegisBrief on aviation. See Exhibits D and E.

IV. Public Testimony

Mike Nichols, a board member of the Frankfort Airport Authority, testified about the current status and future of the Frankfort airport, including the funding difficulties it and other small airports face. He stated that Frankfort is having more difficulty than usual in raising the 2.5% matching fund needed to receive federal grants. See Exhibit F. Bart Giesler appeared on behalf of the Aviation Association of Indiana to request the creation and funding of a dedicated aviation fund to assist Indiana airports in meeting their capital infrastructure needs. See Exhibit G. He proposed that the fund be used to do the following:

- Provide the state's matching contribution of the federal Airport Improvement Program.
- Fund projects to increase or accelerate federal funding.
- Make Indiana airports less dependent on property taxes.
- •Make Indiana more competitive in grant applications and economic development.

V. South Bend High Speed Rail Coalition

Representative Ryan Dvorak introduced members of a coalition speaking in support of a high speed passenger rail route that passes through South Bend and distributed various documents in support of the South Bend route to Committee members. <u>See Exhibit H.</u>

South Bend Mayor Stephen Luecke testified in support of an incremental approach for the midwest high speed rail initiative hub around Chicago, stating that both South Bend and Fort Wayne should be included in any high speed rail route. See Exhibit I. Mark Dobson, Chamber of Commerce of St. Joseph County, spoke in favor of the high speed rail initiative as an economic development tool for the region. He also stated that the 2002 study, which selected Fort Wayne as the preferred route, should be updated. Finally, Mike Schmuhl, Office of Congressman Joe Donnelly, read a written statement from Congressman Donnelly in support of the high speed rail initiative and encouraging consideration of both the South Bend and Fort Wayne routes.

VI. David Holt, Vice President, Operations and Business Development, Conexus Indiana

Mr. Holt provided the Committee with statistics about the importance of logistics in Indiana: Over 325,000 Hoosiers are employed in logistics positions, and logistics jobs are predicted to increase by 20% over the next five years. See Exhibit J. Mr. Holt listed Indiana's transportation strengths, including ranking first in interstate access and interstate highway miles, fourth in freight railroads, fifth for freight volume, and eighth in air freight. Next, Mr. Holt described the challenges that Indiana faces, such as traffic congestion, structurally deficient or functionally obsolete bridges, and the lack of large volume intermodal facilities. Finally, Mr. Holt told the Committee of the statewide strategic plan that Conexus' logistics committee is developing and plans to release in early 2010 and gave examples of the goals and tactics Conexus plans to use to accomplish the strategies.

VII. Paul Chase, Associate State Director for Public Policy, and Irene Wegner, Associate State Director for Community Outreach, AARP Indiana

Mr. Chase and Ms. Wegner spoke to the Committee about the Complete Streets Initiative and distributed several informational brochures. <u>See Exhibit K.</u> A "Complete Street" is safe, comfortable, and convenient for multimodal traffic regardless of age or ability. Mr. Chase and Ms. Wegner testified that current streets are inadequate because they lack sidewalks and are unsafe and problematic for transit riders, cyclists, and pedestrians. Mr. Chase and Ms. Wegner listed the elements of a "Complete Street", including median islands, bike and bus lanes, and curb extensions. Finally, they gave examples of "Complete Streets" legislation in other states.

VIII. Adjournment

Representative Austin reminded Committee members of the site visit to the Beech Grove AMTRAK maintenance facility following the October 28 meeting. The meeting was adjourned at 4:00 p.m.