

MINUTES
MEETING OF THE BOARD OF DIRECTORS
PLANNING & EXTERNAL RELATIONS COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

October 7, 2013

The Board of Directors Planning & External Relations Committee met on October 7, 2013 at 10:34 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert L. Ashe III
Harold Buckley, Sr.
Wendy Butler
Frederick L. Daniels, Jr.
Jim Durrett, *Chair*
Roderick E. Edmond
Jannine Miller*

MARTA officials in attendance were: General Manager/ CEO Keith T. Parker, AICP; Chief Operating Officer Rich Krisak; Chief of Staff Rukiya Eaddy; Chief Administrative Officer Edward L. Johnson; Chief Financial Officer Gordon L. Hutchinson; AGMs Shyam Dunna (Interim); Jonnie Keith (Acting); Cheryl King; Ryland McClendon and Elizabeth O'Neill; Executive Director Ferdinand Risco; Sr. Director Rhonda Briggins; Directors John Crocker and Jennifer Jinadu-Wright; Managers Tony Griffin, Kelly Hayden, Ivelisse Matos, James Sibert, Robert H. Thomas and Jason Ward; Executive Manager to the Board Rebbie Ellisor-Taylor; Manager, Executive Office Administration Tyrene L. Huff; Finance Administrative Analyst Tracy Kincaid. Others in attendance Davis Allen, Dontaye Brown, Greg Floyd, Don Lawrence, Anthony Pines, Srinath Remala, Negesha Stone-Boyd, Tuan Vo.

Also in attendance Charles Pursley, Jr. of Pursley Friese Torgrimson, LLP; Pam Alexander of LTK Engineering; Jeff Boothe of Holland & Knight; Keri Strauss of Fulton County; Brandon Hembree of Massey, Watson, Bowers & Hembree; Jonathan Lewis of City of Atlanta.

Consent Agenda

Approval of the September 9, 2013 Planning & External Relations Committee Meeting Minutes.

* Jannine Miller is Executive Director of the Georgia Regional Transportation Authority (GRTA) and is therefore a non-voting member of the MARTA Board of Directors.

On a motion by Dr. Edmond seconded by Mr. Daniels the Consent Agenda was unanimously approved by a vote of 4 to 0, with 4 members present.

Individual Agenda

Resolution Authorizing Adoption of the Fiscal Year 2014 Bus, Rail and Mobility Service Standards

Mr. Hayden presented this resolution for Board of Directors' approval authorizing the adoption of the Fiscal Year 2014 Bus, Rail and Mobility Service Standards.

On motion by Mr. Buckley seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Briefing - Federal Legislative Overview

Mr. Boothe of Holland & Knight provided the Committee a briefing on Federal Legislative Overview.

U.S. Government Shutdown Update

- Federal Government on October 1, 2013 officially shutdown
- May not get resolved until Congress runs up against the debt ceiling deadline
 - Treasury set October 17, 2013 as the date the ceiling must be raised or the US goes into default
- Continuing Resolution – FY13 Funding Levels
 - FTA release proportionate amount of formula monies
- Comprehensive Budget deal unlikely, while tax reform is still possible by year-end

Highway Trust Fund/Mass Transit Account

- Highway Trust Fund and Mass Transit go into "default" in FY15
 - Sustainable funding source, i.e. increase in gasoline tax, vehicle miles travelled tax, etc. necessary to sustain current or expanded funding levels

- The hope is that tax reform provides cover to increase taxes in context of broader tax reform
 - Otherwise, unsure if there are votes to raise taxes in an election year
- Impacts of not identifying source of funding by Spring 2014 for FY15 and beyond
 - Identify how much Section 5307 is used for Preventative Maintenance
 - Determining what service cuts will have to be implemented and begin Title VI process of reaching out to riders
 - Decision by Board whether and how to engage the public in communicating with Congress regarding impacts on bus riders

MAP-21 Reauthorization

- MAP-21 represented major rewrite of both the highway and transit titles
- Areas where changes could be proposed
 - Small and medium-sized transit systems to increase funding for bus and bus facility projects
 - In absence of new funding, will have to take funding from another program – likely the High Density and Fast Growing State Formula program
 - Expect House to address allocation of State of Good Repair monies between fixed guideway and high intensity bus
 - Need to increase authorization for Capital Investment Grants to address New Starts/Small Starts demand and expanded authority to include Core Capacity
 - Expect House to revisit the creation of Core Capacity program due to lack of funding

New Starts/Small Starts

- Implementation
 - FTA issued final rule to implement SAFETEA-LU in January 2013
 - FTA issued guidance to begin implementing changes in SAFETEA-LU and MAP-21 in mid-August 2013

- Proposed Rule for MAP-21 changes not expected until Spring 2014
- Key Changes
 - Streamlined project delivery by eliminating AA, Baseline Alternative and Engineering
 - Change in cost effectiveness measure – no longer travel time saved, but riders/boardings – linking to existing transit system is critical

Bus Rapid Transit

- Eligibility
 - New Start projects (exceed \$250M in total cost) – majority of project operate in a separated Right-of-Way (ROW) during peak hours, project is a substantial investment in a single route or defined corridor/subarea
 - Small Starts (less than \$250M in total cost and seeking less than \$75M) – majority of system does not operate in a ROW dedicated to transit use
 - Both must include features that emulate rail fixed guideway projects (FTA must define in rulemaking)
- BRT projects which do not have a majority of project in dedicated ROW fall within the smaller State of Good Repair program after seven years

Core Capacity

- Capital Projects that increase capacity by ten percent (FTA to define capacity in rulemaking)
- Systems must be at capacity now or within five years
- Projects cannot be for State of Good Repair
- Project approval and delivery process very similar to New Starts/Small Starts

State of Good Repair

- FTA must issue rulemaking to define “State of Good Repair”
- Similar to fixed guideway program, eligible projects impact funding after being in revenue service for seven years

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- Two separate pots of funding
- BRT lacking majority of project operating in ROW dedicated to transit use during peak hour falls within small pot of funding
- Current design of I-20 BRT would result in project falling into small pot because project shares ROW with autos in HOV/HOT lane

Public Private Partnerships

- Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Public Private Partnership Pilot Program – up to three projects, one of which must be a Small Starts
- FTA is to develop model contract language and guidance for properties looking to employ Design-Build, Construction Manager at Risk and other project delivery approaches

Dr. Edmond asked if there is a sense from Congress that transportation is a priority.

Mr. Boothe said there is an awareness that a funding alternative is needed but no consensus.

Mr. Parker said Congress is definitely aware but they have so many issues in front of them.

Briefing - Joint Development Update and Five-Year Plan Overview

Mr. Ward provided the Committee with an update on MARTA's Joint Development Program and Five-Year Plan.

5-Year TOD Strategic Plan Update

Future Development Guided by MARTA Board TOD Guidelines (adopted Nov 2010) - MARTA'S Overarching TOD Strategic Goals:

- 1) Generate Greater Transit Ridership through clustering mixed-use development around the stations and along corridors
- 2) Promote a sustainable, affordable and growing future for the people of Metro Atlanta
- 3) Generate a return on MARTA's transit investment through enhanced passenger revenues, greater federal support and development on MARTA property

TOD Development Plan

- Plan's foundation originated from TOD Priority Matrix
 - Created to help prioritize staff's efforts and to provide guidance to Executive Management Team and MARTA Board of Directors
 - Communicate MARTA's Joint Development procedures and process to external groups
- Joint Development Offering Schedule
 - Short & Long Term

Consultant Plan Assessment

- Tier 1
 - Minimum Invest Cost
 - Qualified Developer Interest
 - Site Suitability*
 - Market Dynamics*
- Tier 2
 - Land Use/ LCI Plans
 - Entitlement Process*
 - Targeted Redevelopment Area (ex. TADs)*
- Tier 3
 - Adjacent large properties available for redevelopment
 - Walk Score

* MARTA Staff originally included 3-tiers in the assessment of station viability for TOD – the consultant made changes to the tiered list

- The plan identified 10 stations that have the potential to have a Request for Proposal (RFP) solicitation for Joint Development within a 5-year time frame:
 - Brookhaven/ Oglethorpe
 - King Memorial Station
 - Edgewood/Candler Park Station
 - Lindbergh Center Station
 - Avondale Station
 - Hamilton E. Holmes Station
 - Medical Center Station

- Lakewood/ Ft. McPherson
- Kensington Station
- Chamblee Station

Potential Short Term Development Opportunities (6-12 months)

- Potential Stations:
 - King Memorial Station - (RFP Released)
 - Avondale Station - (RFQ Released)
 - Brookhaven/Oglethorpe Station
 - Edgewood/ Candler Park
 - Medical Center
- "Low Hanging Fruit ", stronger market fundamentals
- Community & municipality support (Avondale, King Memorial)
- Zoning, master plans & certain entitlements in place
- No parking replacement needed (King Memorial)

Potential Short Term Development Opportunities (12-24 months)

- Potential Stations:
 - Chamblee
 - Hamilton E. Holmes
 - Lindbergh Center
- Developer and/or Partner interest
- Zoning, master plans & certain entitlements in place

Longer Term Development Opportunities (24+ months)

- Potential Stations:
 - Kensington
 - Lakewood/ Ft. McPherson
- Development market may not be ready in short term
- Additional zoning & master planning efforts may be needed
- Replacement parking and other infrastructure hurdles

Fall 2012 Identified Development Opportunities – October 2013 Status

- Avondale RFP (Final Proposals) – Due End of October
- Brookhaven Stakeholder Charrette October 21st
- Edgewood/Candler Park – LOA Signed / Schedule under Development
- Hamilton E. Holmes – Potential 2014
- Kensington – Potential 2015
- King Memorial – Final RFP Released September 12 / Due October 11
- Lakewood Ft. McPherson – Watching Ft. McPherson Developments
- Lindbergh Center – Potential 2014
- Medical Center – Possible Modification to Existing Lease
- Oakland City – Watching Ft. McPherson Developments

King Memorial Station

- Using a two-step process to select development partner
 - Based upon selection process for MMPT
- RFP Released July 15, 2013, due August 15, 2013
- Qualified Partners notified early September 2013
- Final Proposals due October 2013
- Anticipate November Planning & External Relations Committee (PERC) Recommendation

Update – Avondale Station

- 7+Acre Mixed-Use Development
- LOA with City of Decatur authorized January 2013
- Released RFQ August 22nd
- Four (4) Development Teams
- Final Proposals due in October
- MARTA staff will be part of transparent selection process
- Drafting initial agreement terms between MARTA
- Any decision will require MARTA Board of Directors approval

Update – Edgewood/Candler Park

- LOA Signed and Delivered to Invest Atlanta
- Invest Atlanta indicated willingness to:

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- Have a competitive development team selection process
- Have MARTA input in the evaluation process with scoring
- MARTA staff working with City of Atlanta to prepare for future RFP release
- Preparing for RFP Release Early 2014

Abemathy 400 (near Sandy Springs Station)

- Existing 11 Acre Mixed-Use
- Development (Incomplete)
- Condominiums built 2008
- Proposed Office & Hotel
- Existing Ground Lease allows MARTA to reacquire the hotel parcel
- Legal process to reacquire the hotel parcel is underway with development partner – needed to be complete prior to competitive development selection process

Update – Other Activities

- Brookhaven / Oglethorpe University:
 - Community charrette scheduled for October 21st
 - Coordinating with City of Brookhaven on update of Comprehensive Plan
- Medical Center:
 - Ground lease payments started and received in July from
 - Emory/St. Joseph's health care on Site II
 - Possible proposal for a hotel which would require renegotiation of ground lease of Site III
- Monitoring Ft. McPherson Redevelopment activities in relation to Lakewood / Ft. McPherson and Oakland City Stations

Mr. Durrett asked why was a RFQ released for Avondale.

Mr. Ward said MARTA did not know how much interest existed. Additionally, community developers wanted a two-step process.

Dr. Edmond asked if MARTA released an information sheet on what factors they are seeking.

Mr. Ward said MARTA hosted a Development Day during which information was provided to prospective developers and information is available on the Authority's website.

Briefing - 2013 Fourth Quarter Ridership

Mr. Thomas briefed the Committee on recent trends in MARTA's Ridership.

- FY 2013 fourth quarter ridership was 0.2% higher than for the same period in FY 2012
 - Since ridership was expected to rise 4.1% from the previous year, the effect was to leave passenger boardings 3.75% short of the forecast
- Passenger revenue directly associated with boardings rose by 3% from the fourth quarter of FY 2012 to the fourth quarter of FY 2013 but was 0.9% less than projected
- The average fare per boarding, which takes into account free transfers and various forms of discount, was \$1.0634 for the fourth quarter
 - This was nearly three cents higher than for the same period in FY 2012 mostly because a portion of the March 2013 (3rd quarter) passenger revenue ended up being booked in April (4th quarter)
 - It is important to note that the average one-way trip on MARTA involves 2.0 vehicle boardings, so the effective average price paid is approximately \$2.10
- For the months of April through June 2013, Rail and Bus ridership each increased very slightly (about 0.2%) compared to the same period a year earlier, while Mobility ridership experienced a 3.7% increase
 - Compared to projections for the quarter, Rail ridership was 4.2% lower, Bus boardings were 3.2% lower and Mobility trips were 4.5% lower
- Average weekday ridership declined 0.7% during the fourth quarter of FY 2013, compared to the same quarter a year ago

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- Ridership was adversely affected by relatively poor weather during April, May and July, although it was positively affected by the NCAA Final Four events in April and the Primerica convention in June
- The beneficial effects of these large special events were more evident on the weekends as average Saturday ridership rose 4.8%, and average Sunday ridership increased 4%
- As has been the case since October 2010, stored time period ridership (monthly pass, weekly pass, etc.) continued to decline in the fourth quarter of FY 2013, with an 8.7% drop from the same period in FY 2012
 - On the other hand, stored value (and Bus cash) ridership rose 6.8%, while stored trip boardings showed a 7.1% gain
 - Since stored time period ridership is now about the same as the other two methods combined, the two trends almost exactly canceled each other out

Mr. Daniels asked if the stored value on a Breeze Card expires after a certain time frame.

Mr. Thomas said no. The card itself expires.

Briefing - Advertising Policy Review

Mr. Griffin provided the Committee with a review of MARTA's Advertising Policy.

Current MARTA Advertising Policy

- Mediums
 - Print advertising inside rail stations
 - Print advertising inside buses, Mobility and rail cars and on buses and rail cars
 - Video displays inside rail stations
 - Video displays inside its buses and trains
 - Print advertising on bus shelters
 - Print advertising, billboards, banners, video displays or similar devices upon its facilities, structures and property
 - Website Advertising

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- **Content**
 - **Acceptable Paid Advertising**
 - **Commercial:** sole purpose to sell or rent services for profit or fee
 - **Transit Advocacy:** paid advertising regarding public safety, traffic laws, safety campaigns (child, highway safety, etc.)
 - **Ad Council:** community, education, health adopted by the Ad Council
 - **Restricted Advertising**
 - **Products or services related to human reproduction, sexuality and sexual stimulation**
 - **Advertising that is obscene within the State Code**
 - **Alcoholic beverages (excluding bus shelters, billboards and other outdoor displays and shall comply with state, federal and local law)**
 - **Tobacco is prohibited by law**

State and Local Policies

- **State and Local Entities Control:**
 - **Structure construction and placement (i.e. bus shelters, billboards, building wraps, size and lighting) are issues governed by each individual jurisdiction in the MARTA service area**
 - **Local ordinances will be considered as the locations are identified**

MARTA Advertising Revenue (2014 Annual Revenue)

- **Transit Advertising – Buses, Trains, Stations – \$5.7M Minimum Guarantee (MG)**
- **Bus Shelter Advertising – Bus Shelters (alcohol allowed) – \$1.05M (MG)**
- **Platform Displays – Electronic Signs – \$ 260K (MG)**
- **Billboards Advertising – 5 Billboards (alcohol allowed) – \$ 70K (Lease)**
- **Website Advertising – MARTA Website - \$25K (70%)**

Alcohol Advertising Survey

- Following staff's presentation on this policy in the Fall of 2012, the Office of Research and Analysis conducted a survey of MARTA customers and non-customers regarding alcohol advertising in March 2013
- Survey was designed to get a general feeling of alcohol advertising on MARTA buses and trains as a way of generating additional revenue for MARTA
- 1,064 respondents (+/- 3.0% margin of error at the 95% confidence level) which included online, telephone and face-to-face intercepts

Research & Analysis Report Conclusion

- More than 60% of the respondents would accept alcohol advertisements on MARTA vehicles and in stations
- 46% of parents with minor children agreed it is a good idea for MARTA to allow alcohol advertising and 41% of parents with minor children disagreed it is a good idea for MARTA to allow alcohol advertising
- 55% of responders would not have an adverse opinion of MARTA while 33% indicate they would have an adverse opinion of MARTA if they allow alcohol advertising
- Survey results suggest that MARTA should expect some level of complaints or resistance to alcohol advertising

Alcohol Revenue Potential

- General:
 - CBS Outdoor believes an additional \$500,000 annually in ad revenue could be generated with the elimination of the alcohol restriction
- Estimated Revenue to MARTA:
 - Contract addendum allowing a 50/50 split of all alcohol related advertising revenue could generate an additional \$250,000 annually for MARTA

Proposed MARTA Alcohol Advertising Restrictions

- 1) CBS limited to no more than 20% of ad inventory at any one time
- 2) CBS prohibited from targeting of geographical area (general coverage only)
- 3) CBS to include a "Drink Responsible" message in ad content
- 4) CBS to adhere to state and federal ordinances

Staff Recommendation

- 1) Recommend the Board modify MARTA's Advertising Policy to allow alcohol advertising on MARTA Buses, Trains and Stations until the current CBS Outdoor Contract ends effective December 31, 2014
- 2) This change in the policy will allow evaluation and monitoring period of this new advertising medium during 2014 to determine revenue impact and community reaction
- 3) Allowing alcohol ads will likely increase the next Transit Advertising Minimum Guarantee (MG) contract for MARTA

Ms. Miller said the Authority should require CBS to affix a "Please Drink Responsibly" message to all alcohol advertisements. Additionally, MARTA needs add messaging that reminds patrons that drinking and eating on trains and buses is prohibited.

Dr. Edmond asked if a policy is in place that gives MARTA the authority to determine the appropriateness of advertisements.

Mr. Parker said yes; MARTA has final review of advertisements and can decide if an item needs to be pulled.

Other Matters

Mrs. McClendon made the following announcements:

- MARTA received very positive news coverage regarding its Full-Scale Emergency Exercise, "Operation High Stakes," which was held at College Park Station over the weekend. HLN (formerly Headline News) covered the event thoroughly in order to put together a feature about the exercise. The story is expected to appear on the network this week.

- The New Bus Design Rollout Event will be held on Thursday October 10, 2013 at Five Points Station from 3:00-4:00 p.m. – the Bus will be available to view between the hours of 11:00 a.m. and 4:30 p.m. Additionally, the new bus will be available today in the Kiss & Ride at Lindbergh Center for the MARTA Board to preview.
- MARTA will hold a Safe Operators Awards Program on Wednesday, October 17, 2013 from 6:00-8:00 p.m. and Saturday, October 19, 2013 from 11:00 a.m.-1:00pm at MARTA Headquarters' Atrium.

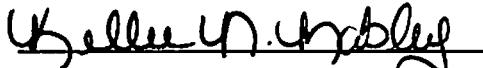
Other Matters

No other matters came before the Committee.

Adjournment

The Planning & External Relations Committee meeting adjourned at 11:55 a.m.

Respectfully submitted,



Kellee N. Mobley
Senior Executive Administrator to the Board