

MINUTES
MEETING OF THE BOARD OF DIRECTORS
PLANNING & EXTERNAL RELATIONS COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
December 17, 2012

The Board of Directors Planning & External Relations Committee met on December 17, 2012 at 10:09 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
Roderick E. Edmond
Barbara Babbit Kaufman
Jannine Miller*

MARTA officials in attendance were: General Manager/ CEO Keith T. Parker, AICP; AGMs Davis Allen, Deborah Dawson, Lisa DeGrace (Acting), Wanda Dunham, Ben Graham, Rod Hembree (Acting), Robin Howard, Mary Ann Jackson, Cheryl King, Rich Krisak, Ryland McClendon and Elizabeth O'Neill; Sr. Directors Rhonda Briggins, David Springstead and Don Williams; Directors John Crocker, Joe Erves, Garry Free, Scott Haggard, Lyle Harris, Jennifer Jinadu-Wright, Ferdinand Risco and Louise Jackson Williams; Managers Emmett Crockett, Donna DeJesus, Roosevelt Stripling, Marvin Toliver and Denise Whitfield. Finance Administrative Analyst Tracy Kincaid and Sr. Executive Administrator Tyra Wiltz. Others in attendance were Samantha Boyce, Doug Chambers, Greg Floyd, William Jones, Anthony Pines, Srinath Remala, Antoine Smith, Prince Sanders, Calvin Starling, Jason Ward and Renee Willis.

Also in attendance was Charles Pursley, Jr. of Pursley, Lowery & Meeks; Pam Alexander of LTK; Matthew Pollock of MATC; Jonathan Lewis-City of Atlanta; Dave Williams, Janis Mathis of Rainbow Push Coalition.

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

Approval of the November 27, 2012 Planning & External Relations Committee Meeting Minutes

On motion by Mr. Durrett seconded by Mr. Daniels, the minutes were unanimously approved by a vote of 6 to 0, with 6 members present.

Resolution of the MARTA Board of Directors Authorizing a Letter of Agreement With the City of Decatur for an Exclusive Right to Negotiate an Avondale Station Joint Development Agreement

The City of Decatur has asked MARTA to partner with the City of Decatur in the development of Avondale Station based on a Livable Centers Initiative plan with the goal of having workforce housing for those who work in Decatur and live in Decatur. This resolution authorizes MARTA to enter into a Letter of Agreement for six months. During this time, MARTA will not enter into a Letter of Agreement with any other party to come to mutually beneficial terms in the development of this station. This is consistent with Board policy on affordable housing.

On motion by Mr. Durrett seconded by Mr. Daniels, the resolution was unanimously approved by a vote of 7 to 0, with 7 members present.

Mr. Ashe asked for an analysis that discusses what Decatur will do for MARTA and what MARTA can expect from going through the competitive process. He said he is totally supportive of workforce housing and appreciates the historic support the City of Decatur has provided to transit and MARTA specifically, but he must understand the opportunity costs in partnering with them.

Mr. Crocker said upon approval, he will ask for an internal appraisal of the property and secondly, have staff develop several scenario analyses in order to come up with a more formal recommendation.

Mr. Ashe said if staff recommends moving forward with Decatur, he hopes to receive a competitive analysis from staff.

Mrs. Butler said once discussions begin, that's where the analysis will come into play.

Additionally, Mrs. Butler said MARTA just issued an RFP for a number of real estate services. She asked Mr. Crocker if some of the experts that will be needed through the RFP process would be available to contribute to the analysis.

Mr. Crocker said it's a matter of timing. At this point they are scheduled to be on board by June. This will be toward the end of the process and should be in enough time for them to confirm the work MARTA has done.

Mr. Daniels asked what the Board can expect.

Mr. Crocker responded that it will be an iterative process and he anticipates a series of scenarios based on different development types. He stated that further conversations must take place with MARTA's Legal Department.

Mr. Daniels asked staff to look at other transit systems for lessons learned.

Resolution Adopting Legislative Guidelines for the 2013 Georgia General Assembly

Ms. Briggins presented an overview of MARTA's 2013 Legislative Guidelines, along with a resolution requesting approval of the guidelines.

Business Process Improvements

- **Efficiency Changes in Contract and Procurement Processes**
 - Increase the contract level at which Board approval is required to \$250,000 or more from the current \$100,000 approval amount;
 - Increase the bid level for acquisitions, dispositions and contracts to \$250,000 or more for Board approval;
 - Eliminate the requirement of contract notification in a major newspaper and instead post on the Authority's website or in a less costly local newspaper;
 - Allow price quotations from vendors for acquisitions, dispositions and contracts involving less than \$250,000 and over \$10,000 without Board approval;
 - Allow the Authority to negotiate acquisitions, dispositions and contracts involving an amount of \$10,000 or more in an invitation to bid upon receipt of less than two bids;
 - Allow the Authority to acquire property or services by such means as will secure the greatest practicable completion to provide them.

- **Financial Flexibility Enhancements**
 - 50/50 Capital/Operating Sales Tax Split –

Would provide MARTA Board/GM/CEO with the fiscal authority commensurate with its responsibility to manage the overall organization and the flexibility to respond to changing economic conditions

- Allow Interest Income to be used for both Capital and Operations
In conjunction with the 50/50 elimination, removing the requirement that interest income on capital reserve funds be used for only capital expenses would also allow the Authority to allocate its resources in a way that is best for the agency, its patrons and the public
- Other Post-Employment Benefits (OPEB) Specifically Excluded as Operating Costs
 - MARTA is currently paying approximately \$5M annually in OPEB cost from its Operating budget. The words “operating costs of the system” for purposes of Subsection 25 (i) of the MARTA ACT should be modified to specifically exclude OPEB-related costs.

Business Opportunities

- Authorization to Create a Transportation Subsidiary
 - For many years, MARTA has been providing various professional services and technical expertise to a variety of entities within the region without receiving compensation for its services. This legislation will authorize the creation of a subsidiary by the Authority for the purposes of competitive, revenue-generating contractual services.
- Allow Rail Contracting Services
 - Existing law states that MARTA can enter into a transportation services contract only for the purpose of operating a bus system. MARTA supports legislation allowing the Authority to enter into a transportation services contract with an entity for the purpose of operating that entity’s rail service, which will be a critical component to implementing any future rail projects.

Operational Efficiencies and Cost Savings

- Elimination of Jurisdictional Concurrence for Negotiated Bond Transactions
 - Currently, MARTA is required to seek the approval of two of the three jurisdictional members for negotiated bond transactions. This process

costs the Authority staff time and could potentially cause delays that would result in a higher bond rate for the Authority. This legislative request seeks to eliminate such approval by our jurisdictional partners.

- Union Negotiations – Streamlining the Fact-Finding Process (2 steps)
 - In an effort to streamline Union negotiations, the process could be reduced by three to four months by eliminating the provision requiring a petitioning of the Governor for binding interest arbitration and to appoint an arbitrator rather than a fact-finder.
- Authorization for Limited Waiver of Sovereign Immunity
 - With limited waiver of sovereign immunity granted, public tax dollars can be protected from excessive encroachments along with regulating the fiscal impact of tort damages awards on MARTA. This legislative request will limit the tort damage awards to the Authority's insurance policy cap.
 - MARTA is seeking similar immunity levels currently granted to other government entities.

Other MARTA Item of Interest

- Staggered Terms for MARTA Board of Directors
 - The statute reconstituting the MARTA Board (TIA) eliminated staggered terms for the Board while implementing a two-term limit. Staggered terms would provide stability and continuity of institutional knowledge and a longer-term perspective.

Regulatory Item of Interest

- Guaranteed Trip Reimbursements From Third Party Brokers (Medicaid)
 - Third-party brokers channel their Medicaid client trips to MARTA Mobility, which effectively increases their profit margin at the expense of Fulton and DeKalb County taxpayers. At the same time, such a trip could cost MARTA more than \$30 to provide, thereby contributing to the Authority's deficit.
 - A proposed remedy would be if DCH would allow – in cases where public transit Mobility service is utilized by the NET broker for Medicaid trips – that Federal ADA Mobility requirements and guidelines, which

MARTA and other public transit operators (e.g., CCT, GCT) are legally required to comply with, substitute for the Medicaid Transportation service provider provisions.

Mr. Durrett moved to approve. Mr. Daniels seconded.

Mr. Buckley referenced HB 277, noting if there was a regional system, other entities in the State could use the one-cent sales tax for maintenance and operations and MARTA could not.

Ms. Briggins said HB 277 advanced the TIA. Because the bill failed, this piece of legislation goes away. There will be a new start in 2013.

Mr. Daniels asked if there is a dollar amount MARTA is asking for on the limited waiver of sovereign immunity.

Dr. Edmond said the standard throughout the State is a \$250,000 policy.

Mr. Daniels asked for an explanation of OPEB.

Mr. Allen stated that MARTA has been paying Other Post Employee Benefit Costs (OPEB) for the last four years. MARTA is asking to change how it is booked in the financials. MARTA is asking that it be treated the same way as other costs. It will reduce MARTA's net operating expenses on an annual basis. There will be an improvement of at least \$5M per year to the reserves.

Mr. Ashe motioned for an amendment as follows: that bullet number three under the heading *Efficiency Changes in Contract and Procurement Processes* be reworded by staff to reflect the Board's preference that MARTA have options and not be limited to one channel of advertising – to advertise as widely as possible, as inexpensively as possible. Mr. Daniels seconded.

The Board unanimously agreed by a vote of 7 to 0, with 7 members present.

Briefing – TOD Partnership Roles and Activities – J. Crocker

- MARTA TOD Policy #6 and #7 govern roles with intergovernmental agencies and station area planning
- MARTA partners in the following specific areas:

- Member Jurisdictions
- Atlanta Regional Commission, GRTA and other agencies
- Zoning and SPI Committees
- TOD Policy Working Group
- Non-Profit Advocacy and Educational Groups
- On-going management of existing ground leases
 - Events at Lindbergh (Susan B. Komen Walk, filming, etc.)
- Access Projects
 - GA 400 Trail
 - Station Access Program with CIDs, etc.
 - Bike sharing feasibility

Mrs. Butler said at the MARTOC meeting last week, Jane Hayes of ARC mentioned that she would come back to this Committee to follow up on a presentation that ARC gave several months ago where they were doing an analysis of the tools – incentives, tax tools, etc. that were available around a number of the MARTA stations.

Mr. Crocker said this will be included in the January presentation.

Mrs. King asked Mr. Crocker to explain the purpose of the ARC study and how it dovetails with what MARTA is doing.

Mr. Crocker said the ARC study is focused on how they can provide technical assistance to their local government. It involves looking at an area within a ½ mile radius of each transit station, including demographics and market rates.

Mr. Daniels commented that he is getting more and more phone calls from developers that are interested in possibly doing business with MARTA. The tide appears to be turning. He asked at what point developers and others would be brought in for a workshop on how to do business with MARTA.

Mr. Crocker said staff is looking at this coming Spring or early Summer.

Briefing – Request to Conduct Public Hearings for Bus Service Modifications for the April 2013 Mark-Up – E. Crockett

There are ten routes that have been identified for modification:

- Route 6 Emory

- Route 15 South DeKalb/Candler Road
- Route 21 Memorial Drive
- Route 51 Joseph
- Route 67 West End
- Route 86 Fairington Road McAfee Road
- Route 95 Metropolitan Parkway/Hapeville
- Route 110 Peachtree Street "The Peach"
- Route 172 Sylvan Road/Virginia Avenue
- Route 186 Rainbow Drive/South DeKalb

The routes are being proposed for modification in order to

- Improve service reliability
- Enhance safety
- Facilitate more convenient bus-to-bus connections
- Minimize perceived adverse impacts on communities
- Improve operational efficiency
- Better tailor service to demand

The MARTA Act and the MARTA Service Standards require public input and consideration before bus route modifications are approved by the Board for implementation. The Public Hearings would be conducted in January 2013. Following Public Hearings and Board approval, the route modifications would be implemented with the April 20, 2013 Mark-Up.

Mr. Durrett said he was approached by representatives of Jamestown (redeveloping the City Hall East property). They would like MARTA to consider enhancing bus service in that area.

Mr. Crockett said MARTA welcomes the opportunity to work with them.

Briefing – FY 14 Service Plan Development – E. Crockett

What essentially drive the Authority's budget are the miles and hours of bus and rail service. Service levels drive manpower and equipment requirements, fuel, electric power, materials and supplies and operational/administrative support. In September 2010 a reduced service plan was implemented – bus service was reduced by 10% and rail service was reduced by 14%. The FY 14 budget will be the same service levels MARTA has operated over the last several years.

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Steady State Bus Service Summary

• Bus Routes	91
• Peak Hour Buses	442
• Fleet Buses	530
• Annual Service Miles	25,855,705
• Annual Service Hours	2,022,258
• Average Weekday Passengers	188,300
• Average Saturday Passengers	123,200
• Average Sunday Passengers	92,100

Steady State Rail Service Summary

• Rail Lines	Red, Gold, Blue and Green
• Train Lengths	2, 4, 6 and 8 Car Trains
• Peak Hour Rail Cars	144
• Total Fleet Rail Cars	318
• Annual Rail Car Miles	19,963,322
• Annual Train Hours	146,567
• Average Weekday Passengers	223,100
• Average Saturday Passengers	130,800
• Average Sunday Passengers	96,200

Ongoing service adjustment challenges include:

- Relieving overcrowding
- Improving on time performance
- Addressing safety concerns
- Responding to requests for service additions

To have resources for the future, we are now identifying by category, what type of service enhancements we can implement.

Other Matters

Mrs. McClendon made the following announcements:

- Senate Transportation Intermodal meeting on Tuesday, December 18, 2012, 10:00 a.m., Room 450 CLOB
- MARTOC meeting on Thursday, December 20, 10:00 a.m., Room 406 CLOB
- The Georgia Chamber Eggs & Issues meeting is scheduled for January 16, 2013

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Adjournment

The Planning & External Relations Committee meeting adjourned at 11:29 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rebbie Ellisor-Taylor", written over a horizontal line.

Rebbie Ellisor-Taylor
Assistant Secretary