

# *Meeting of the Southern Rail Commission*

December 6, 2019 9:00am-12:00pm  
Longfellow Civic Center  
122 Court St, Bay St Louis, MS 39520

**Call to Order:** *Chairman Wiley Blankenship*

## **Roll Call:**

**Attendees:** David Clark, Stephen McNair, John Clyde Riggs, Toby Bennington, Jerome Wall, Knox Ross, Wiley Blankenship, John Spain, Phil Jones, Roy Woodruff, Kay Kell, Jack Norris

**Guests:** Timothy Machen, Willard Deal, Dan Dealy, Marvin Green, Dick, Todd Stennis, Jennifer Green, Dean Goddell, Micky Lagasse, Steve Wilson, Derek Chisolm, Debbie Vignes, Marc Magliari

## **Pledge of Allegiance and Prayer**

## **Recognition of Special Guests**

Commissioner Ross presented an award to Dick Hall, who has been a friend to the Commission and an effective advocate for passenger rail initiatives. Ross also presented an honorary award to outgoing chairman John Spain for his effective leadership and hard work.

## **REGULAR BUSINESS:**

- I. Commissioner Toby Bennington motioned to approve the minutes from the meeting of September 6, 2019. Commissioner David Clark seconded, and the Commission unanimously approved the minutes from the meeting of September 6, 2019, with two revisions: Commissioner Kay Kell was present at the September meeting, and Commissioner Toby Bennington suggested alternative language to describe the economic impact study being conducted by Jacksonville State.
- II. Legislative Affairs Update - *John Robert Smith*
  - a. John Robert began by reiterating appreciation of Commissioner Dick Hall's commitment to progress on passenger rail initiatives.
  - b. He expects to receive today from FRA the final approval on grant funds for four construction projects in Mississippi. Money for upfront administration can now be counted as a match for these grants. John Robert has sent Knox the list of the four Mississippi towns identified in the grant's scope of work and noted that if we can get signatures from those mayors, that will expedite the approval process.
  - c. John Robert also noted that he has a similar request for a signature from the mayor of Birmingham, and he asked for an Alabama commissioner to lead that effort.
  - d. CRISI grant update: MS DOT has committed to prioritize grade crossings. They are reviewing their rankings of crossings; several on coast are already known to be a high priority, but the state will rank them so they can address them.
    - i. The North Rail connector in Pascagoula is an \$8 million project that allows more fluid movement of freight between a pellet plant and the Gulf. Will finish final design in next month or so and will be able to move into construction using CRISI funds. The FRA did an environmental assessment under the RESTORE act, but the FRA was going to require a second environmental assessment. T4A has been involved in a conversation with the FRA about the possibility of allowing the previous environmental impact assessment to suffice.
    - ii. We have received a pre-award letter from the FRA to cover preliminary work for the North Rail Connector before they get CRISI grant funds.
  - e. TOD/RIFF update: RIFF is a federal loan program for rail infrastructure improvements. The federal government has only loaned \$3 billion of the \$40 billion. T4A has worked to create language that has been initially passed to include transportation-oriented development (TOD) as eligible for RIFF loans, so anything including station, multi-modal park, parking facility, etc. could be funded with this 30-year, low-

interest loan. For the first five years of the loan, you don't have to repay anything, so it allows the infrastructure to perform for a while before you have to start paying back the loan. RIFF loans can also be used as match for federal grants. John Robert noted that T4A will need letters of support soon from commissioners for the TOD/RIFF bill. T4A needed a project from each of the member states to help communicate with legislators the impact of this language revision.

- i. In LA, T4A looked at downtown Baton Rouge multi-modal station.
  - ii. In MS, they looked at a multimodal center connecting to a transit facility and hotel renovation in Gulfport.
  - iii. In AL, they looked at Mobile and airport authority to understand station impact.
  - iv. The TOD language restructures qualifications for TOD in RIFF so it is easier to apply for and streamlines it to make it more attractive. The Senate and House are prepared to pass the bill along quickly and get it signed by the President by the new year.
- f. T4A has worked to develop the REHAB act, which would allow private sector entities to get credits for historic and non-historic structures/vacant lots/utilities to help revitalize neighborhoods, rather than historic buildings in isolation. That bill will move to the table on December 16.
- g. The 2018-2019 R&E grant opportunity has been posted and must be submitted by January 5, 2020. MS and LA have made full commitments for their R&E grant; we still need Alabama's commitment for \$3.045 million to cover years 1, 2, and 3. If a train never runs, the state never has to pay – the year after the first train rolls, the state will get a bill not to exceed \$725,000. Amtrak has given a stop loss for each of the three years. John Robert clarified that there is no guarantee that these funds will exist in the future, so it is best to apply now. T4A needs go or no go quickly.
- h. Commissioner Bennington noted that Larry Watts can help with connections in Birmingham.

### III. Financial and Administrative Report – *Knox Ross, Debbie Vignes*

- a. Debbie Vignes presented the year-end financial statements. These statements are currently under audit; that audit should be complete by March 2020. Cash is at \$472,600 at year end with \$133,000 available for operations and \$338,000 in restricted accounts. The operating fund had to borrow from future project funds this year, so there are funds due back from operating funds to future project funds, but that situation should clear up soon. John Spain noted that this situation arose because of money lent from the Federal Railroad Administration for the Gulf Coast Working Group projects, but reimbursement of those funds has been approved, and the funds will be received soon.
  - i. All state dues were paid for the year.
  - ii. As of December 5th, Mississippi and Louisiana have paid their dues for the current fiscal year. Commissioner Blankenship noted that Alabama commissioners are working on securing dues from the State of Alabama.
  - iii. Commissioner Bennington motioned to approve the financial report, and Commissioner Woodruff seconded the motion.
- b. Approval of CPEX 2020 Contract – *Knox Ross*
  - i. John Spain introduced the CPEX contract renewal proposal. The proposed scope of work is largely unchanged, but CPEX will no longer be handling the SRC's social media presence, and has reduced their proposed monthly retainer by \$500. Additional projects that fall outside of the CPEX scope of work will be billed at an hourly rate outside of the retainer. Commissioner Bennington motioned to approve the renewal, and Commissioner McNair seconded the motion.
- c. Approval of Transportation for America Contract – *Knox Ross*
  - i. In T4A's existing contract, they receive \$63,888 annually; the proposed contract raises that annual amount to \$75,000. In the current contract, the SRC pays T4A an hourly rate for work not included in their contract scope. By expanding the contract to include those additional services, that money paid by the SRC can serve as a local match for federal grants. T4A will be administering the CRISI funds; this contract renewal includes language that will allow payments to T4A to qualify as matching funds for those grants.

1. Commissioner Spain noted that sole funding for SRC projects comes from dues from the three states and from grants, so it is critical that the Commission spends its funds wisely; this contract renewal will help stretch the funds expended.
2. Commissioner Bennington motioned to approve the contract, Commissioner Clark seconded the motion.

IV. Communications and Media Update - *Joni Emmons and Dan Dealy*

- a. Joni Emmons reported that CPEX has been working on updating the SRC website content, media contact information for the member states, and commissioner contact information as required by the state boards of commissioners. She also reminded commissioners that CPEX is available to help develop educational materials for meetings with legislators, stakeholders, and the public. Commissioner Bennington noted that Jacksonville State economic impact study will need an executive summary.
- b. Dan Dealy gave an update on the SRC's social media presence. He noted that there is an opportunity to celebrate projects that are underway from CRISI grants. Dan works to coordinate with CPEX and Amtrak on developing content. Wiley noted that Dan often provides support to the Alabama commissioners during meetings with legislators.

V. Presentation of Economic Impact Study – *Jennifer Green of Jacksonville State University*

- a. There have been three feasibility studies performed for the state of Alabama. Jacksonville State University's economic impact study analyzes those feasibility studies and the recommendations made in them. The work presented today is a first draft. This study analyzes three existing feasibility studies: 1) The Birmingham to Montgomery Passenger Rail Feasibility study conducted in December 2013, 2) The Birmingham to Montgomery to Mobile Intercity Passenger Rail Feasibility Study Draft Report released earlier in 2019, and 3) the Atlanta to Birmingham High Speed Rail Planning published in March 2012. They also included supplemental information developed by the University of Mississippi Trent Lott Center study.
- b. While reading through the report, Green asked Commissioners to share feedback/ thoughts.
- c. Performed analysis based on three feasibility studies. Noted that economic analysis is different from feasibility study. On each route, Ms. Green took the counties that the route went through and looked at their reported earnings, the percentage change of increase in those counties from 2017 to 2018. Some counties saw astronomical tourism increases, while others were more modest. She took the average and ran a model at a modest increase, an average of those increases, and a highest increase for those counties.
  - i. Birmingham to Montgomery: The alternative recommended from the feasibility study was Alternative 3, with six intercity stops and a projected economic impact of \$851.5 million. Average visitor spending was estimated at \$560 per person. The average increase in tourism in the affected counties earnings was 12%.
  - ii. Montgomery to Mobile: Three alternatives, with one preferred (enhanced service in the CSX corridor at an average speed of 70 mph). Economic impact was projected at \$1.3 billion. Three different alternatives within each model, with a different number of scheduled trips per day. There is an average tourism increase of 8% in the affected counties.
  - iii. Atlanta to Birmingham: This study is different because it is looking at high speed rail and uses an updated model. Organized by Georgia/Alabama line to Anniston, then Anniston to Birmingham, so those segments are modeled separately. From the state line to Anniston, the estimated economic impact of construction was \$761 million, and Anniston to Birmingham estimated economic impact of construction was \$1.9 billion. Average tourism increase was 11% in impacted counties.
- d. Ms. Green summarized the findings from Trent Lott Center Study, which looked at the economic impact of passenger rail from New Orleans to Mobile.
- e. She encouraged commissioners to read through findings and provide suggestions.
- f. Phil Jones asked about job creation and encouraged Ms. Green to include data about job creation benefits.

- i. Ms. Green noted that she will add data about job creation in the summarization section of the study. She also noted that the methodology she used takes into account the direct, indirect, and induced effects of passenger rail.
- g. She will add in information about job creation, circulate to commissioners, craft an executive summary, and work with CPEX to produce a report for circulation.

## **OLD BUSINESS:**

### **I. Gulf Coast Working Group Update**

- a. The Gulf Coast Working Group has not met in a while, but it may be a good time to reconvene, as the leadership has changed; there are new governors, new lawmakers, etc. This group is a partnership between the SRC and the state administrations. Amtrak has said that they will run an inspection train between New Orleans and Mobile within 24 months; the SRC will need the support of local leadership to make that happen.

### **II. Station Planning Grant Update**

- a. Planning grants
  - i. All of the planning grants for Louisiana stations are complete. Those stations can now begin construction using future CRISI funds, TOD/RIFF, REHAB, Opportunity zones, etc.
  - ii. The timeframe for completion of the Mobile's downtown site planning grant has been extended to June 2020. The impending environmental impact should be minimal since the site has always been industrial. Most of design completed for this downtown station could be transposed to another location (like the Mobile airport). More preliminary planning could be done at a second site if some party (City of Mobile, the airport authority, etc.) applies for a planning grant through the SRC. There is a path forward for a Mobile station, regardless of the chosen location.
- b. Construction grants
  - i. Tuscaloosa has returned their grant to the SRC. They chose a site without consulting freight rail or Amtrak, and the site is unworkable.
  - ii. Pascagoula has scaled down their project; the City will instead do small-scale improvements to their existing station.
  - iii. Anniston's grant are being held until the City is ready to use them.
  - iv. Because the SRC has unexpected grant funds remaining (with Tuscaloosa returning their funds and Pascagoula scaling down their project), T4A has recommended that the SRC splits the flagging costs (they were unanticipated by the cities) with the impacted cities. That will still leave the SRC with money for other station planning or construction grants. John Robert asked that the SRC move swiftly on a decision about these remaining funds, as the funds are aging, and we don't want the money rescinded.

### **III. State Reports**

#### **a. Louisiana**

- i. Update on Statewide Elections and impact on BR-NO Rail project
  - (1) Louisiana has re-elected Governor John Bel Edwards. He has publicly voiced support for BR to NO rail; he has pledged matching funds to that project. Louisiana had significant turnover in the legislature, so we have work to do in educating them about SRC projects. Commissioner Spain has talked to Commissioner Wilson about hiring a consultant to educate state legislators about various funding opportunities for passenger rail.
  - (2) Last year the SRC conducted a poll on the popularity of passenger rail between BR and NO. New Orleans has opened a new airport, but there are access limitations from I-10. Rail could be solution for some of those congestion issues.
    - (a) KCS owns the connection between the airport and the downtown station (UPT), so there may be an opportunity to realize that light rail connection, too.

- (3) Phil Jones confirmed the Secretary's interest in passenger rail. He noted that Dean Goddell's office has completed a state-wide rail study update; it will be available soon.
- (4) Jones said his office has completed an existing station study that is available on DOTD website. It provides a good checklist of what a good passenger rail station should provide.

**b. Mississippi**

- a. Update on the Gulf Coast Funding
  - i) Mississippi is excited to be to a point where they can send out grant agreements for construction.
  - ii) Commissioner Ross noted the potential for RIFF and RESTORE funds to meet unmet recovery and development needs in coastal communities. These funding mechanisms can help address missing puzzle pieces in coastal investment. The SRC will continue to help connect local officials with federal funding opportunities.
  - iii) The North Rail Connector is an exciting start to CRISI projects. This project is a great example of how CRISI grant can be used not only improve fluidity of rail, but also to spur economic development.

**c. Alabama**

- a. Update on City of Mobile and Gulf Coast project – *David Clark and Stephen McNair*
  - i) Commissioner McNair gave an update to the Mobile County Commission on SRC's interest in the project, and the city council has been informed of progress to date. Dan Dealy has revised the passenger generated revenue plan per the request of the Commissioners, moving it to \$30 per ticket.
  - ii) There seems to be a lot more favorability for the station to be located near the airport. The airport authority is interested in having the station for greater multimodal connectivity. Their master plan is expected to clearly state that they would like the station to be placed on their property.
  - iii) Commissioner Spain noted that the SRC will likely have matching funds for planning a Brookley station.
- b. Report on Phase II of the Montgomery-Mobile Passenger Rail Feasibility Study
  - i) The report recommends three alternatives that include reinstating the Gulf Breeze, enhancing the CSX corridor, and major infrastructure improvements for high speed rail along the I-65 corridor.
  - ii) Commissioner Ross noted that it may be helpful to reach out to Mayor Tommy Battle in Huntsville.

**NEW BUSINESS:**

Reports from Amtrak - *Todd Stennis, Marc Magliari*

- a. Amtrak is working on the RTC model with Norfolk Southern; Todd will keep the SRC updated on progress.
- b. Amtrak is working with the City of New Orleans on an agreement for ADA improvements to the UPT station.
- c. Marc noted that Amtrak has set new records for ridership and revenue.

**SCHEDULE OF UPCOMING MEETINGS:**

- March 6, 2020 - Louisiana
- June 5, 2020 - Alabama
- September 11, 2020 - Mississippi
- December 4, 2020 - Louisiana

**ADJOURNMENT**