STATE OF CONNECTICUT
GOVERNOR DANNEL P. MALLOY

Governor's Transportation Finance Panel Draft Meeting Minutes
November 23, 2015

Members in Attendance: Cameron Staples (Chair); William Bonvillian; Joan Carty; Oz Griebel; Paul Timpanelli; Stanley Mickus; Emil Frankel; Beth Osborne; Bert Hunter; Joan Carty

Other Participants: Garrett Eucalitto, (OPM); Eric Weinstein, (DRS); Robert Card (DOT); Thomas Maziarz (DOT); Rich Armstrong (DOT)

Via Webinar: Steve Fitzpatrick, EDRG

Item	Topic	Discussion
I.	Welcome and Comments, Cameron Staples, Chair	Chair Staples thanked members and agency staff for their efforts. Chair announced that this will be the last meeting for the panel to receive input in a public forum.
II.	Approval of Minutes	Chair Staples requested a motion to approve the minutes of the previous meeting (Sep. 29, 2015). Motion made and seconded. All in favor. Minutes approved. The order of presentations were switched. No objections were made.

III.	Discussion of Select Let's Go CT! Capital Projects by Rich Armstrong, and Tom Maziarz (Bureau Chief of Policy and Planning at Connecticut DOT)	Chair Staples introduced Tom Maziarz and Rich Armstrong of CT-DOT to present regarding the I-84 Hartford Viaduct project. Mr. Maziarz introduced Mr. Armstrong, project manager. Mr. Maziarz stated that this presentation would go first as it provides an economic backdrop for the analysis that Mr. Maziarz himself will later present.
		
		Mr. Armstrong provided a brief presentation regarding the Hartford Viaduct:
		
		• Currently nearly 80% of highway is elevated (30 acres)
		• Primarily the project is to address the deteriorating conditions of the viaduct structure.
		• Provided overview of the 4 mainline alternatives including:
		  ○ No build = repairing
		  ○ Elevated = a wholesale reconstruction; all of the existing features would be completely redone/modernized, including the ramps.
		  ○ Lowered = relocating the railway
		  ○ Tunnel = 4000 feet of tunnel; premised by the reality of dropping the highway.

		Mr. Armstrong presented the cost estimate by alternative. Chair asked for clarification around the elevated highways alternative considering that the state currently has elevated highways. Conversation ensued. Mr. Armstrong stated that the project is only at the 5-10% stage in design development. Mr. Armstrong provided an overview of the lowered highway concept. The railroad would be relocated, all of the ramps would be reconfigured and a number of city streets would be reconstructed. Mr. Frankel initiated a brief discussion around land acquisition as a result of the project. He asked if there are right-away acquisitions and expressed curiosity about disruption/neighborhood resistance. Mr. Armstrong reported that there's a lot of interest by the community in the lower highway alternative. There has been a lot of public outreach in the last 2 years. The community views this alternative as less intrusive than elevating the highway. The dilemma with relocating the railroad, lowing the highway, it's such a tight urbanized area, that that alternative has the potential to cause the most property impacts (apartment buildings, historic structures that may be impacted). This is the negative consequence of this particular alternative. They are doing utmost effort to minimize such impacts where they can. Mr. Armstrong presented a breakdown of the cost estimates for the lowered highway alternative. In terms of hard costs (approximately 1.6b), Soft costs (0.6b), Escalation (1.5b), Risk costs (0.6-1.6b), Total (4.3-5.3b). Mr. Armstrong identified some of the major contributors of the cost include the following: freeway and ramp reconstruction, extensive local roads (new & reconstructed), bridges (there are 17-18 bridges), viaduct demolition, construction staging & traffic control (this will be extensive), railroad relocation (reconstructing the entire railroad within 2-2.5 mile, not a typical cost), utility relocations, and cost escalation on all elements. Mr. Maziarz remarked that an important aspect of the lowered highway in particular is that it gives us the opportunity to undo a lot of the damage that was created in 65 when the highway was essentially built right through the center of the city, splitting neighborhoods and business district, a park, and it disrupted the local road network. A good chunk of the cost is coming from this component (local road network). Mr. Maziarz mentioned areas open to redevelopment. Approximately 15 acres of land can be freed and open to redevelopment. Discussion ensued. Mr. Frankel initiated a conversation around land availability and value-capture. Mr. Maziarz stated that they would try to capture this data. Chair: probably difficult to estimate the potential for value capture; is there *some* way you can have an estimate on the value of the real estate itself perhaps through market analysis of this land. Whatever they can get along these lines.

		Mr. Frankel asked if they have a similar range of options as was available with the viaduct for the Mixmaster. Mr. Maziarz stated that with regard to the Mixmaster, that level of analysis does not exist. He stated that he doesn't think detailed data can be provided with regard to the Mixmaster; data can be shared that was in the *old* report but that's a bit dated at this point. Chair: do you have alternatives in that old report? Do you have different alternative projects? Mr. Maziarz: there were a whole series of alternatives that were reviewed, some dismissed, other's carried forward, 3 at the end that were kept in consideration towards the end of the project. Chair: please provide this to us with the caveat that these are old estimates; it might be helpful to them. Mr. Maziarz will provide this information.
IV.	Discussion of Economic Impact Analysis of Select Let's Go CT! Projects by Tom Maziarz and Steve Fitzpatrick of EDRG	Mr. Maziarz remarked that members would be presented with significantly different analyses from what has been presented to members previously. The two highway projects that are being presented are unlike the previous projects presented (highway widening), as these are primarily preservation projects in nature rather than widening or capacity-enhancement projects, and therefore the analytical approach was somewhat different. A 3rd project will be presented (New Haven Rail Line), which is the first rail project they are presenting so that analysis is slightly different as well. Mr. Maziarz stated that the I-84 Viaduct in Hartford and the I-85/Rt8 Mixmaster in Waterbury are 'must do' projects near the end of their life expectancy, both being too important to let deteriorate to unsafe and unusable conditions. The two projects are the largest of Lets Go CT! and are primarily preservation projects and from the perspective of DOT, they are must-do projects. Both are over 50 years old. Mr. Maziarz stated that the state cannot afford to let the two fall into unsafe conditions and have to close them. The consequences would be extreme. The purpose of the analyses was intended to measure value of the facilities and the economic impacts of disinvestment. What this is really intended to demonstrate is the value of preserving the structure. Deterioration and closure would lead to disinvestment (a worst case scenario). Both of these projects have the ability to be transformative projects. More analysis will be done which will hopefully isolate the value of "just" the improvement because the thought is that we need to do both of those. For today's purposes we have just preservation. Mr. Maziarz stated that the cost of the Mixmaster is estimated at 7.2b whereas the cost of the viaduct is estimated at 5.3b. A comparison of full-replacement of the projects versus deterioration & closure was examined. We have looked at a worst case scenario if you will. The worst being deterioration of the structures over the next decade. And at the end of that decade due to disinvestment, the state would probably have to close these due to unsafe conditions, versus the full replacement. Mr. Maziarz provided a brief overview of the assumptions made for each alternative (option). Under the worst case scenario alternative, we continue to make minor improvements to that just to keep it operating for another decade and then it would have to be closed by 2026 and remains closed for the duration of

		the analysis. Full replacement, by contrast, we are assuming that we can keep it open until 2030 at which time we have a new facility already open. Mr. Maziarz provided background and overview of the I-84 Viaduct in Hartford. The viaduct was built in 1965 with a 50-year design life, traffic volume is large (174,000 daily), highly congested and must be reconstructed or replaced. The 1960's design resulted in operational and accident problems, and divided and disrupted the city, neighborhoods, and street grid. Mr. Maziarz presented the benefit/cost analysis of both the Hartford viaduct project and Waterbury Mixmaster. Two different methodologies were used: user and societal benefits to project costs. Mr. Maziarz introduced Steve Fitzpatrick to presented the long-term benefits & cost of the Hartford Viaduct project: • The present value of all benefits and costs is 9.2b • The project costs stagger over a period of time. Present value is 3.4b (of the total). • Net benefits = 5.8b (of the total) • Benefit/cost ratio = 2.68 Mr. Fitzpatrick presented the results of the analysis conducted around the *benefits* accrued to commuters and people making personal trips versus business travel (commuting to work/trucks & freight) (6.56b accrues to the personal & 2.65b accrues to business community). Mr. Fitzpatrick presented the economic impact analysis on long-term growth (measuring the impact of economic growth in CT). measured in several different ways: • Business sales (output) = 10.2b improvements to the economy between 2020-2050 • Gross state product = 6.1b (of the 10.2) • Wage income = 4.2b (of the 10.2) Mr. Fitzpatrick presented the short-term construction impacts: • Business sales (output) = 7.3b (gross state product, 4.1b + wages, .3.1b) • Between 4,300-7,500 construction jobs each construction year • Between 2,200 – 3,400 permanent jobs each year (between now and 2050) Conversation ensued. Mr. Maziarz presented the results of the analysis of the I-84 Mixmaster: • This covers the I-84/Route 8 Interchange in Waterbury • 1960's design, almost same designers, same deteriorating conditions as the viaduct • A must-do project • Amount of structure and therefore cost involved • Interchange of route 8 and I-84

		• Fairly long projects
		• Treated as a preservation project with the analysis
		• More complex than the viaduct
		• This is a double decker viaduct
		• Involves river crossing unlike the viaduct
		
		Mr. Maziarz introduced Steve to present the benefit/cost analysis, and economic impact analysis for the Mixmaster.
		
		Long-term costs & benefits:
		• Total project benefits = 8.2b (project costs, 4.7b + Net benefits, 3.5b)
		• Benefit/cost ratio = 1.75
		
		Personal vs. business travel (benefits only in $2015)
		• Personal & commute = 5.71b
		• Business & freight = 2.5b
		
		Long-term economic growth:
		• Business sales = 8.8b (Gross state product, 5.1b + Wage income, 3.6b)
		
		Short-term construction analysis:
		• Business sales impacts (during the construction) = 10.4b
		• Construction jobs are expected to be between 6-11,000
		• Permanent jobs would average 2,000-2,800
		
		Mr. Maziarz briefly provided a side by side comparison of the impacts to both the Mixmaster and the Viaduct projects.
		
		Mr. Maziarz presented the impact analysis of the New Haven Commuter Rail Line.
		
		• NHRL is the first transit analysis that they've done from an economic assessment perspective.
		• Serves a critical economic function
		  ○ Links CT directly to NYC
		  ○ Rail service within CT in congested highway corridor
		  ○ 80,000 daily riders
		• Ownership & operation
		  ○ NHL commuter service operates 75miles from New Haven to NYC
		  ○ CT owns 49 miles in between
		  ○ Contract with Metro North to operate service from New Haven to NY
		• Not a preservation project; analyzed as a service-improvement proposal
		• Let Go CT includes 2b for "improved" service (with the goal of providing more frequent service, faster service).

		Displayed the improved service concept: • Use full 4 track capacity; • Reconfigured to allow express tracks (trains would travel unimpeded by local stops); • Local trains would stop at all or most stations. • Combination of separating the tracks allows to put more trains in. Mr. Mickus asked if this takes into consideration only the 49 miles between New Haven and the CT border. Mr. Maziarz stated that the 2b represents the cost to CT. Mr. Griebel asked if this only covers the main line or does the rail include the branch lines. Mr. Maziarz stated that the focusing of the analysis is on the main line, which is about 95% ridership. Mr. Maziarz presented the NH Line 2+2 service improvements long term costs and benefits analysis. • 9.7b (project cost @ 39b + net benefits @ 5.8b) • Total benefit/cost ratio = 2.51 Mr. Maziarz presented on BC by type of users: • Existing rail users get the largest share of the benefits @ 5.37b, new users @ 0.95b, highway users @ 3.39b. Mr. Maziarz presented the economic impact analysis: • Business sales = 6.2b (additional gross state product @ 3.9b + additional wage income @2.8). Construction alone could be 9.1b • Construction jobs 2300-5900 • Permanent jobs 1700-3100
V.	Discussion	Members asked a variety of questions with regard to the analysis presented. Members will meet with Mr. Maziarz to determine additional data needs. Members will talk further about their timelines and additional information needed to complete their work. Chair thanked presenters.
VI.	Adjournment	Chair Staples adjourned the meeting at 12:17 p.m.

Meeting Resources:

Economic Impact Analysis of the New Haven Commuter Rail Line

Economic Impact Analysis of the I-84 Viaduct

Economic Impact Analysis of Waterbury Mixmaster

Presentation on Economic Analysis Reports

Presentation on Hartford Viaduct