

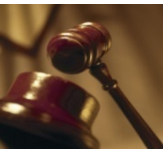
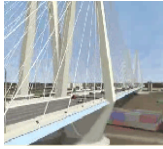
# INFRASTRUCTURE



May | 2011  
**Update**

## **Issues & Actions** **Infrastructure Report**

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## Introduction

The Private Sector Infrastructure Council tracks infrastructure issues that are priority areas of concern for the greater St. Louis metropolitan region.

Issues being monitored by the Council and reported on in updates of the *“Issues and Actions Infrastructure Report”* include:

- New Mississippi River Bridge
- Metro
- State and federal funding for transportation
- Governance of the Missouri Highways and Transportation Commission and the East-West Gateway Council of Governments and the impact of each entity on infrastructure issues
- Freight and Intermodal Operations
- Levees and Waterways
- MSD and Water Quality
- Aviation
- High Speed Rail
- Economic Stimulus Projects funded by the American Recovery and Reinvestment Act – ARRA

The priority areas of concern being tracked are all infrastructure undertakings that cannot be allowed to fail, issues not easy to solve, and governance questions that must be addressed. It is the Council's intent to focus its activities on monitoring these ten issues, advocating solutions and seeing them through to implementation. This report is the tenth in a series of periodic updates.

These update reports look at how issues are progressing and changing and describe what intervening actions may have occurred since the circumstances described in the initial *“Issues and Actions Infrastructure Report”* released September 14, 2007 and subsequent updates. (*Note: Previous updates have been issued in March, June, and November of 2008; February, June and September of 2009; March, May, September and November of 2010; and February 2011.*)

### What to look for . . .

Each issue area update concludes with a section on *“What to look for . . .”* that signals what activities, milestones or progress might be expected over the near term.

These update reports are intended to inform and shape the agenda and activities of the Private Sector Infrastructure Council. From time to time, issues may be added or dropped from the agenda and this and future update reports will reflect those changes.





## The New Mississippi River Bridge

Most visible on the new Mississippi River Bridge is that the towers are now about 70 feet above the water line. The overall project is on schedule and construction continues at a pace for a January 2014 bridge opening. Only three shifts had to be cancelled this winter due to inclement weather; and only 6 days were lost this year because of high water.

The Missouri approach is scheduled for completion within one month with deck pours to begin May 19<sup>th</sup>. A \$21.8 million contract for the Missouri I-70 interchange was awarded on May 4<sup>th</sup> to Millstone Bangert. This is the final contract award for work on the Missouri side and completion of the interchange will take two years. Work continues on the \$4 million contract for the new Cass Avenue Bridge. The reversible lanes will be closed from May 16<sup>th</sup> to early July to accommodate construction of the center portion of the structure.



Installing tower steel. Photo: MoDOT



Setting girders for Exchange Avenue Bridge on April 7<sup>th</sup>. Photo: stltoday.com

In Illinois, work is proceeding on the approach to the bridge, I-70 connection, Exchange Avenue extension and Tri-Level interchange. Fourteen contracts totaling \$112.5 million have been awarded in Illinois. Eight of these projects are complete. Four projects worth \$55 million will be on the June letting, with an additional 8 contracts will be awarded in upcoming months.

Contracting and workforce diversity remains an important consideration on the project. To date 95 Disadvantaged Business Enterprise (DBE) companies have been awarded 162 contracts to do \$72 million in work on the bridge project. That represents 17.6 percent of total work. There are 12

contracts remaining to be awarded on the entire project.

With regard to project workforce to date, 27.3 percent of workers are minority and 4.6 percent female. The goals set by the Federal Highway Administration are for workforce utilization of 14.7 percent minority and 6.9 percent female. So far in the project 241,018 hours of work has been done, with 57,042 of those hours worked by minorities and 11,116 by females.

Of the 31 total contracts on the entire bridge project, 19 are underway. \$383 million in contracts have been awarded to date. At this point, the project is \$27 million, or 6.6 percent, under budget.

Aesthetic Lighting Task Force members met with East-West Gateway Executive Director Ed Hillhouse and representatives from the City of St. Louis on the lighting project. Of the \$2 million cost of the lighting, Illinois has committed its \$1 million share. It was agreed that the City of St. Louis would pursue reapplication for a federal Enhancement Grant this summer for 80 percent of the Missouri share. The City also agreed to allocate \$20,000 from its Major Capital Fund to light the bridge. The project will require another \$180,000 in matching funds to cover costs for aesthetic lighting.

### What to look for . . .

- Continued progress on the overall bridge project to meet the goal of opening in January 2014
- Application by the City of St. Louis for a federal grant for 80 percent of Missouri portion of aesthetic lighting costs and \$180,000 from other sources to help match federal funds



## Metro

On May 20<sup>th</sup>, the Metro Board of Commissioners approved a \$243.1 million Fiscal Year 2012 operating budget. The budget does not include fare increases or any service expansion.

The FY 2012 budget suffers from projections of stagnant sales tax collections and an expected spike in diesel fuel costs of about \$1 a gallon. The anticipated increase in diesel fuel alone is expected to cost the agency \$6 million over costs in FY 2011. Higher operating expenses also include an eight percent increase in parts and supplies due primarily to the volatility of metal prices.

The Board hopes that no fare increase for the second year in a row will help rebuild the agency's ridership base that declined due to severe service cuts in March 2009 and a poor economy. Fares last increased in January 2009. Base, one-way fare for Metro bus is \$2; one-way base fare for MetroLink is \$2.25.



The passage of Proposition A in April 2010 allowed for the gradual restoration of services cut the previous year, but riders have been slow to return. While there have been recent increases in fuel prices, which would normally drive people to transit, high unemployment rates in the region have reduced demand. Passenger fares make up more than 19 percent of Metro's funding.

Metro projects 44.3 million passenger boardings on Metro buses, MetroLink and Call-A-Ride, a slight increase from the 42.6 million boardings expected in this fiscal year ending June 30<sup>th</sup>.

Metro ends FY 2011 approximately \$4.5 million under budget. This past year, Metro began rebuilding its fleet by taking delivery of 50 new, reduced emissions, low-floor buses.

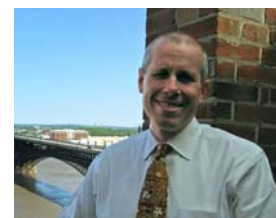


Demolition at Grand Avenue MetroLink station.  
Photo: Metro

Metro's Board also approved a budget for capital projects. A major project included in the budget is the construction of a new Scott Avenue Transit Plaza at the Grand MetroLink Station. The FY 2012 budget also allocates resources to begin planning for future bus rapid transit and other initiatives identified in the agency's long-range plan. Completion of expansion projects will require funds from federal sources.

On March 3<sup>rd</sup>, Metro announced the hiring of John Langa in the new position of Vice-President of Economic Development for the Agency. Langa previously served as Vice President at Jones Lang LaSalle and currently is an Adjunct Professor of Real Estate

Development and Economic Development at St. Louis University. Mr. Langa's experience in public sector economic development, and real estate brokerage and development will help fulfill the interest of the Board of Trustees in strengthening the Bi-State Development Agency's (dba Metro) work in transit oriented development using the economic development powers of the agency to facilitate economic growth and development in the bi-state region.



John Langa, Metro VP Economic Development.  
Photo: stltoday

### What to look for . . .

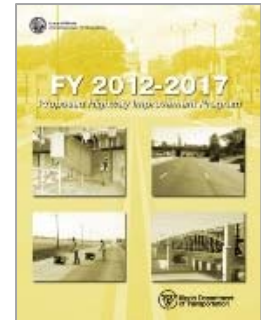
- Increasing ridership on Metro bus, MetroLink and Call-A-Ride in FY 2012
- Progress on Scott Avenue Transit at Grand Avenue
- Initiation of planning *only* for bus rapid transit and MetroLink extensions



## Federal and State Funding

On May 13<sup>th</sup> the U.S. House Appropriations Committee announced allocations and schedules for Fiscal Year 2012 spending bills, reducing the amount for transportation by 30 percent compared to FY 2010 and 14 percent compared to the current year. A bill, HCR 34, was approved last month targeting a 28 percent cut in federal transportation programs. This bill was used as a template for the setting the Appropriations Committee allocation level. The resolution is pending in the Senate and includes an elimination of all federal funding for high-speed rail. The goal is to get a bill enacted by the end of the federal fiscal year, September 30<sup>th</sup>. That schedule would require mark-up and approval at committee levels before Congress' summer recess beginning August 6<sup>th</sup>.

On April 7<sup>th</sup>, Illinois Governor Quinn unveiled the state's new \$11.5 billion Fiscal Year 2012-2017 Transportation Improvement Program. The program provides for \$1.2 billion in state projects in the 11-county District 8 area. Highlights of the state program locally include \$206.4 million for new Mississippi River Bridge expenditures; \$29.9 million for resurfacing on I-64; \$65 million for I-255 repairs; and \$120 million for the Alton-Godfrey Expressway from US 67 to I-255.



Missouri's \$11 billion Draft FY 2012-2016 State Transportation Improvement Program (STIP) was presented to the Highways and Transportation Commission on May 4<sup>th</sup>. The highlight of the draft STIP is that MoDOT's construction program, averaging \$1.2 billion over the past five years, will only average about \$600 million going forward. As part of its 5-year program, MoDOT is committed to saving money by reducing its workforce, cutting costs and reducing services in order to redirect savings insuring the department will be able to match all federal funds made available through FY 2016. Significant state projects in the 5-year program locally include the \$123.4 million for the US 40 Boone Bridge replacement; \$102.2 million for MO 364(Page)-Phase 3 work; \$66.4 million for I-70 Westbound Blanchette Bridge rehabilitation; \$55.6 million for I-64/Poplar Street ramp reconstruction; \$25.4 million for I-64 from Kingshighway to Sarah; \$25.4 million for I-70/Memorial Drive; and \$20.5 million for I-64 – MO 141 to I-270.



At a St. Louis press conference on April 28<sup>th</sup>, a new report was released that evaluated the current condition, use and funding of Missouri's road and bridge system. The report, "Future Modility in Missouri: Meeting the State's Need for Safe and Efficient Mobility", was completed by TRIP, a national non-profit research group based in Washington, D.C. The report analyzes road and bridge conditions, safety, congestion, job creation, and transport funding in the state. The report found that although Amendment 3 funding allowed for significant improvements to Missouri's road system, deficiencies remain and recent gains could be lost without new resources in the future.

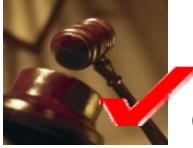


TRANSPORTATION ALLIANCE  
JOBS • SAFETY • ACCOUNTABILITY

The Missouri Transportation Alliance, responding to the report, noted its support for adequate funding to continue to improve the safety of the system, provide jobs, build the infrastructure necessary for growth of businesses and communities, and make Missouri more competitive in the global marketplace.

### What to look for . . .

- Work by Congress to draft a multi-year transportation bill prior to the August recess
- Further discussion and required East-West Gateway approval Illinois and Missouri FY 2012 STIPs



## Governance

Decision-making about transportation infrastructure priorities and expenditures for the St. Louis region is primarily the purview of two different types of organizations – the state departments of transportation in Illinois and Missouri and the East-West Gateway Council of Governments. East-West Gateway, the federally mandated and sanctioned Metropolitan Planning Organization (MPO) is the designated mechanism through which federal funds to come to our region.

### Missouri Department of Transportation

On March 2<sup>nd</sup>, the six-member bipartisan Missouri Highways and Transportation Commission (MHTC) elected Grace Nichols as chair for a one-year term. Nichols is from St. Charles. On March 4<sup>th</sup>, Dave Nichols was named chief engineer to fill the position vacated by Kevin Keith, the current director.



Over the past year, MoDOT has reduced the size of the workforce by 300 employees and cut costs by \$70 million, but further action was deemed necessary to “right size” the department given the severe reduction in funding being experienced now and into the foreseeable future. On May 4<sup>th</sup>, Director Keith presented to the Commission a plan of action – *A Bolder Five-Year Direction* – to address MoDOT’s continuing funding crisis. The goals of the plan are to “right size” the department while maintaining quality transportation services within MoDOT’s financial means.

### **A Bolder Five-Year Direction** Proposed Changes at MoDOT

The five-year plan will result in a savings of \$512 million, freeing up an average of \$100 million per year to focus on statewide transportation needs. The plan calls for reducing the number of district offices from 10 to seven, closing district offices in Macon, Joplin and Willow Springs. MoDOT will continue to maintain area offices in those cities, however, and will have a presence in every county in the state. This and other consolidations, along with the combining of several Central Office divisions, will enable the department to reduce the size of its workforce by 1,200 employees, the number of its facilities by 135, and its equipment inventory by more than 740 pieces.

Statewide, program delivery staff will be reduced by 27 percent, and resident engineer offices pared back from 46 to 29. Administrative staff will see a reduction of 31 percent. With a reduced construction budget, MoDOT will primarily become a maintenance and operations organization. Reduction in staff for those functions will be only 12 percent and districts will see no “boots on the ground” reductions. However, more than 110 maintenance and traffic facilities will be closed statewide, and a consolidation of facilities will occur. The department will also increase outsourcing for pavement projects, fleet maintenance and sign production.

The “new” St. Louis district will include Lincoln and Warren counties (in addition to existing St. Louis City, St. Louis, St. Charles, Jefferson and Franklin counties). Area Engineer offices will remain at five. However, Resident Engineer offices will be reduced from 12 to 7, due to fewer projects programmed.

MoDOT will hold community briefings throughout the state in May to explain the plan. The MHTC is expected to act on the proposal at its June 8<sup>th</sup> meeting. If approved, full implementation of the recommendations will be carried out by December 2012.

### **What to look for . . .**

- Quick implementation of the “right sizing” plan; strategies accomplished by December 31, 2012
- Emphasis shift to maintenance and operations

## East-West Gateway Council of Governments

The East-West Gateway Council of Governments has developed a draft of the region's next long-range plan, *Regional Transportation Plan 2040*, which will be presented to its Board in May. As the federally designated Metropolitan Planning Organization (MPO), the agency must develop an updated regional long-range plan every four years.

The primary purpose of this plan is to set forth a regional policy and planning framework to guide decision-making regarding the growth and development of St. Louis region. The principles and strategies in the plan are carried out through a variety of short-range plans and programs – the most significant being the Transportation Improvement Program (TIP) which reflects short-term decisions on the expenditure of federal funds in the region.



East-West Gateway began a dialogue with the public in 2009 – *Renewing the Region* – which looked at the region's assets, problems and prospects with an eye toward developing a set of principles to guide the long-range plan. Those ten principles are:

- |                                              |                                                                                |
|----------------------------------------------|--------------------------------------------------------------------------------|
| 1. Preserve and maintain the existing system | 6. Promote safety and security                                                 |
| 2. Support public transportation             | 7. Support a diverse economy throughout the region                             |
| 3. Support neighborhoods and communities     | 8. Support quality job development                                             |
| 4. Foster a vibrant downtown                 | 9. Strengthen intermodal connections                                           |
| 5. Provide more transportation choices       | 10. Link transportation planning to housing, environment, education and energy |

The plan looks at revenue available to support transportation projects that further the region's principles and needs, and is financially constrained by that available revenue.

The Illinois Department of Transportation (IDOT) projects an estimated \$8.1 billion in revenue available for projects between 2012 and 2040. More than \$5.1 billion will be spent for maintenance of existing facilities, leaving \$3 billion for major projects – sufficient to cover the cost of 9 major projects IDOT has proposed for inclusion in the plan.



The Missouri Department of Transportation (MoDOT) projects an estimated \$7.0 billion in revenue. Maintenance of the existing system will cost more than \$5.1 billion, leaving a balance for major projects of \$1.9 billion. MoDOT has proposed 53 major projects for the plan period, but after constraining the program to available revenues, the department will only be able to include 31 of the most critical projects on the long-range priority list. MoDOT is projecting a deficit of \$1.4 billion through 2040.



Metro's projections indicate the agency's revenues will fall short of what is needed to sustain even its current system over the planning period and additional revenues (on top of Proposition A income) will be needed for major capital expansions. To pursue its long-range plans for bus rapid transit or MetroLink expansion, Metro will require an additional \$50 million per year in Missouri-based funding. Metro, therefore, has no capital projects listed among the region's priority projects to be implemented through 2040.



### **What to look for . . .**

- Consideration and adoption of the region's long-range transportation plan and the short-range Transportation Improvement Program by the Board of Directors of East-West Gateway prior to July 1<sup>st</sup>
- Efforts to develop additional revenue for transportation by Metro and to fund projects in Missouri



## Freight and Intermodal Operations

April 1<sup>st</sup> marked the official start of the shipping season on the Missouri River with expectations for the biggest shipping season in a decade. With the end of the more than decade-long drought in the Missouri River watershed, the past couple of years have been good for barge shipping. In 2010, about 334,000 tons of goods – the equivalent of 13,000 tractor truck loads – was shipped on the Missouri, a 24 percent increase from 2009.

Commercial tonnage on the river – typically fertilizer and asphalt upstream and harvested grain downstream – peaked in 1977 at 3.3 million tons. In 2008, only 175,000 tons moved on the Missouri River, the fewest since 1949. In 2009, the first year of recovery after the drought, 245,000 tons (seven percent of the high point shipped) moved on the Missouri. Shippers are expecting at least a 15 percent increase in activity building on the success of last year.



Barge traffic on the Missouri River.  
*Photo: Corps of Engineers*

Long dry spells have made it harder for barge operators to bank on the waterway and more and more customers and shippers have turned to road and rail. However, MoDOT supports the development of increased freight on the river with better connections to other transportation modes to promote economic development along the river. The department's work builds on a 17-year, \$35 million study of the Missouri River's authorized purposes completed by the Corps of Engineers in 2004 which confirmed the importance of water supply, power generation and navigation. In April, Congress voted to prohibit continued funding for a new study that Montana, North and South Dakota hoped would give increased weight to recreation and tourism in the Corps management of the river to the detriment of downstream uses.



On April 11<sup>th</sup>, Bunge North American announced a joint venture with SCF Marine to build a state-of-the-art river grain terminal in Fairmont City to receive and ship rains and other bulk commodities domestically or to the export market. The facility will have more than a million bushels of permanent storage and will be able to handle high volumes of multiple commodities simultaneously. Alberici Constructors is the design-build contractor for the project. Construction of the facility, just south of the new Mississippi River Bridge, will take about a year and employ 100 people. Once open, the new terminal will have 20 full-time employees.

On April 27<sup>th</sup>, the East-West Gateway Board of Directors approved the FY 2012 Unified Work Program. Included in the program was authorization to undertake the \$800,000 Regional Freight Study. East-West Gateway will lead the study. \$460,000 of the cost will be covered by federal planning funds. \$300,000 will come from MoDOT and \$40,000 from IDOT. The study will develop a regional baseline inventory of assets and activities, determine needs, undertake an economic impact analysis and develop benchmarks compared to Midwestern competitor regions. In April, East-West Gateway, MoDOT and the St. Louis RCGA interviewed representatives of different modes involved in freight activities in the region to discuss the scope of services for the study and gather input. The study will begin in July and is expected to conclude in June 2012.

### What to look for . . .

- Initiation of regional freight study in July; selection of a consultant by September



## Levees and Waterways

The goal of the Southwestern Illinois Flood Prevention District Council (FPD Council) is to achieve certification of the levee system in Madison, St. Clair and Monroe counties at a cost of \$150 million or less in five years, and to limit economic hardship during the time that flood protection is being improved.

At the FPD Council meeting on May 18<sup>th</sup>, the District's consultant, AMEC, presented an overview of its final 30 percent design level construction drawings. The extent of some levee improvements has been reduced and the cost estimate revised downward, however contingency amounts have been increased to allow for some uncertainty in construction costs and final design. Efforts will be made to achieve a more cost-effective design in the next stage of the process. Consultants will make use of sophisticated underseepage modeling as design continues that could allow for reductions in scope and cost.



The requirement for a Corps of Engineers "Section 408" permit (needed when alterations to a federal levee are proposed) is adding costly delay, perhaps as much as a year and millions of dollars, to the FPD Council's work to move ahead with improvements paid for and performed by the District. Discussion continues with the Corps on their regulatory role, the granting of the permit and what portions of the overall project they may undertake with funding that can be accessed over the next few



Metro East Sanitary District (MESD) flood wall in East St. Louis. *Photo: MESD*

years. Currently, the Corps will be certifying their own work being undertaken on the Chain of Rocks levee and in the Mel Price Locks and Dam area.

The FPD Council's financial advisor, ButcherMark, is working on refinement of the financing model and developing a financing plan based on current market conditions, availability of other revenue sources, and a project funding draw down schedule to determine the district's ability to build the project in accordance with the preliminary design. AMEC and ButcherMark will begin the development of a project implementation plan this month that brings together design,

financing, scheduling and other requirements.

On May 13<sup>th</sup>, the U.S. House subcommittee on Insurance, Housing and Community Opportunity passed a HR 1309, a bill to reauthorize and reform the nation's flood insurance program. The bill provides for a five-year extension of the current program and phases out rate subsidies, gradually raising premiums to reflect actual costs. It also encourages private insurance and reinsurance participation in the market. In newly designated flood hazard areas, the rate for insurance would start at 50 percent of the actuarially determined rate, with 20 percent increases each year until the payment rate matched the actuarially determined rate.



Mowing along Cahokia Creek. *Photo: stltoday.com*

In November, a law suit was filed in federal court against the Federal Emergency Management Administration (FEMA) to have the new flood insurance rate maps declaring the American Bottoms area a special flood hazard area invalidated. The FPD Council is still awaiting the court's ruling on a FEMA motion to dismiss the lawsuit.

### What to look for . . .

- Continued work by the FPD Council to develop an affordable design solution and financing plan



## MSD and Water Quality

The Metropolitan St. Louis Sewer District's (MSD) \$377.6 million proposed Fiscal Year 2012 budget was presented at a public meeting on May 4<sup>th</sup> and adopted by the Board of Trustees on May 12<sup>th</sup>. Operations expenditures of \$178.3 million include \$156.6 million for day-to-day operations reflecting a \$5.5 million, or 3.7 percent, increase over the current budget. The operations expenditures also include \$21.7 million in additional expenses not usually included in traditional operating budgets – \$3.5 million for the District's Water Backup Insurance Program and funding for wastewater and stormwater repairs not included in the capital budget. Approximately half of the Operations expenditures are for personnel services including employee wages and benefits, temporary help, overtime and pension costs.

<i>MSD Capital and Operating Budget – FY 2012</i>	
<b>Operations</b>	\$178.3 M
<b>CIRP</b>	153.4 M
<b>Debt Service</b>	45.9 M
<b>Total FY 2012 Budget</b>	\$377.6 M

Expenditures in FY 2012 for the \$6 billion multi-decade Capital Improvement and Replacement Program (CIRP) represent an increase of 10.1 percent over the current year. Included are 49 new or continuing wastewater projects totaling \$145.8 million funded primarily from the Sanitary Replacement Fund. MSD plans for FY 2012 also include 19 stormwater projects, 12 new and 7 continuing, totaling \$7.6 million.

MSD is appealing a July 2010 court ruling that forced the agency to halt collection of a district-wide impervious-based stormwater user charge and reinstate a previous system of charges within property taxing districts to pay for stormwater service. The reinstated taxing policy is an inequitable system. Property taxes vary from district to district and, because taxes must be spent within district where they are collected, the ruling left areas outside existing taxing districts unable to fund services while in some districts there is a surplus and tax collection is being suspended.



Stormwater maintenance. Photo: MSD

MSD projects that court invalidation of the district-wide impervious-based stormwater fee will mean new, needed stormwater projects after FY 2012 cannot be funded.

In spite of whether the appeal is successful or not, the issue of adequate and equitable stormwater service must be resolved. The current level of funding will not cure chronic stormwater issues, particularly those outside I-270. A new proposal to fund stormwater improvements can be expected to be put before the Rate Commission in the near future.

On May 12<sup>th</sup>, MSD published a notice for a proposed change in wastewater rates which had been sent to its Rate Commission on May 10<sup>th</sup>. The proposal would raise a typical residential sanitary sewer rate by \$19.49 over today's rate of \$27.56 by mid-2015 financing \$1 billion in needed projects, near-term operating costs, and \$350 million in current and future debt service. The Rate Commission will hold public hearings over the next several months to gather input before taking formal action on the wastewater rate increase.

### What to look for . . .

- Court decisions on the appeal by MSD; new rate proposal for stormwater improvements
- Decision on proposed wastewater rate increase for FY 2013 through FY 2016



## Aviation

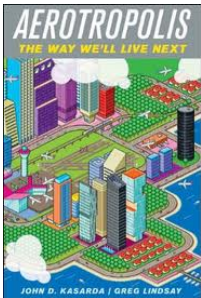
On April 22<sup>nd</sup>, an EF-4 tornado struck Lambert-St. Louis International Airport causing severe damage to Terminal 1 and Concourse C. Although the airport closed following the storm, within 24 hours full power was restored and Terminal 1, Terminal 2 and Concourse A resumed limited operations. Seventy percent of flight operations resumed in less than 48-hours and a full flight schedules began operating the fourth day after the storm.

Replacing Terminal 1 windows, which must be specially fabricated, will take four to six months. Concourse C, the most severely damaged area, will be rebuilt. For the months that will take, operations will remain relocated on Concourses A, D and in Terminal 2. Lambert is insured for a maximum of \$830 million, with a deductible of \$100,000. In addition to repair of storm damage, insurance will cover the value of lost business.

An assessment process is underway to see what procedures may need to be changed at all airports regarding the sharing and dissemination of weather information among the National Weather Service, Federal Aviation Administration, airlines, airport staff and customers in the future.



Tornado damage on Lambert's C Concourse.  
Photo: OneTravel.com



On May 13<sup>th</sup>, the last day of the Missouri legislative session, the \$360 million Aerotropolis bill to help incent the development of an international cargo hub at Lambert stalled in its final attempt to get off the ground. The House and Senate were unable to reach concurrence on the details of recalibrating several existing economic development programs in a bill that included the Aerotropolis legislation.

The Aerotropolis bill enjoyed considerable support in both chambers – the House passing its version on April 11<sup>th</sup> by a vote of 142-14, the Senate passing its version on May 2<sup>nd</sup> by a vote of 32-2. As the session adjourned, time had simply run out before agreement could be reached on the overall economic development legislation being considered of which Aerotropolis was a part.

In a March letter to Mayor Slay, Chinese officials expressed the importance of an incentives package to opening a new air cargo route to St. Louis. Local leaders continue to support the Aerotropolis concept as part of the development of the region's multi-modal logistics cluster with the promise to yield \$22 to \$34 billion in new economic activity. Executives from China Cargo Airlines are scheduled to come to St. Louis at the end of May for another round of negotiations.

Lambert is continuing progress with its Airport Experience renovations in Concourse A with painting, tiling, new light and ceiling installations, and restroom renovations. Construction is also underway near Terminal 1's C/D checkpoint entrance. All construction on the Airport Experience project is scheduled to be completed by late fall 2012.



### What to look for . . .

- Continued negotiations and work with China Cargo Airlines to establish a Midwestern air cargo hub at Lambert
- Continued work on the rebuild of the storm damaged Terminal 1 ticketing area and Concourse C
- Progress on the Airport Experience Terminal 1 renovations



## High Speed Rail

On May 9<sup>th</sup>, U.S. Transportation Secretary Ray LaHood announced Federal Railroad Administration (FRA) selection of twenty-two high-speed rail projects to receive an additional \$2.2 billion for project development. In all, 24 states, the District of Columbia and Amtrak had submitted 98 applications for \$10 billion in projects.

The funding awards, made possible when Florida Governor Rick Scott turned back his state's high-speed rail money in February, are the last the administration will make from its now-spent \$10 billion funded program for high-speed rail. With budget battles escalating in Congress, President Obama's vision of a nationwide network to connect 80 percent of Americans to high-speed rail in 25 years is clearly in jeopardy. The mood for spending cuts has dimmed considerably the prospects for moving forward the administration's \$53 billion 6-year plan to advance high-speed rail under a new federal transportation bill.

Of the awards made, the Chicago Hub was a winner for Midwest high-speed rail with Illinois and Michigan sharing \$404.1 million. Of that, Illinois' Chicago-St. Louis Corridor received \$186.3 million for upgrades between Dwight and Joliet. An award of \$286.2 million to IDOT also was approved for purchase of 48 high-performance passenger rail cars and 7 quick-acceleration locomotives to be used on 8 Chicago Hub high-speed rail corridors. IDOT originally had submitted a regional pooled request for \$807 million for "next generation" rail equipment for Illinois, Indiana, Iowa, Michigan and Missouri.

Missouri will receive \$13.5 million to advance design of a replacement for the Merchants' Bridge built in the 1890s. The bridge, owned by the Terminal Railroad Association (TRRA), at present handles only one train at a time (25 trains a day) that can travel only at low speeds of 15 to 20 mph. TRRA would pay 40 percent of costs of replacing the bridge.



TRRA Merchants' Bridge  
Photo: Built St. Louis



On April 28<sup>th</sup>, the Midwest High Speed Rail Association and Siemens released a study that finds a Midwest network of 220-mph trains would cost \$83.6 billion, but its benefits would far exceed those from a less costly rail system only able to travel 150-mph. The study, prepared by Economic Development Research Group and AECOM, estimates such a 220-mph system would produce \$13.8 billion in new business sales a year and 104,000 permanent jobs when in full operation.

The study justifies the \$83.6 billion cost arguing very large future expenditures for road and air travel networks could be avoided. Illinois Governor Quinn is on record as supporting the current construction on the 110-mph Chicago-St. Louis corridor as the beginnings of a system to connect the Midwest region, with a longer-term vision of building true high-speed trains where feasible.

### What to look for . . .

- IDOT and MoDOT continued work on higher-speed rail construction and design projects
- Whether high-speed rail will – *or will not* – be included in a new, multi-year transportation bill



## Economic Stimulus

The U.S. Department of Transportation (DOT) payouts to states for infrastructure projects from the 2009 American Recovery and Reinvestment Act (ARRA) reached \$27.8 billion as of the end of April. The DOT has about \$20 billion in stimulus funds remaining to be disbursed. Final payments are issued to states after a project is completed and costs verified. The program, which has been extremely helpful in maintaining state transportation programs at a constant level, is winding down. There is currently no indication that we will see any investment similar to ARRA to enable state DOTs to maintain their programs at current levels again in the foreseeable future.

Most stimulus infrastructure funds went to road and bridge projects overseen by the Federal Highway Administration – \$27 billion for 13,000 projects. Approximately 8,000 are complete and 5,000 underway. Out of \$8 billion in stimulus funds for the intercity passenger rail/high-speed rail, most has been awarded although some projects need implementing agreements with railroads approved before money is obligated.

In Missouri, stimulus funds allocated to MoDOT – including funds passed through to other entities – totaled \$712 million. Highway (including ferry boat) projects accounted for \$639 million of funds obligated for a total of 340 projects. To date, 81 percent of projects are complete. 53,226 direct jobs resulted, or will result, from expenditure of those funds. Stimulus funds expended on other modes totaled \$73 million. MoDOT reports for stimulus projects are available on their “Ready to Go” web site at the following address: [www.modot.mo.gov/arra/DocumentsandTransparency.htm](http://www.modot.mo.gov/arra/DocumentsandTransparency.htm)

Missouri ARRA Funds by Mode	
Highway	\$639 M
Rail	39 M
Transit	21 M
Metro ( <i>MO GA appropriation</i> )	8 M
Aviation	5 M
<b>Total Funds</b>	<b>\$712 M</b>

\$173.4 million in stimulus-funded projects were located in the Missouri portion of the St. Louis region. Completed projects include sidewalk improvements in St. Louis County along Route 67 and Route AC; and pavement improvements on Memorial Drive in the City of St. Louis and along Route 44 in Franklin County. Under construction are Tucker Boulevard improvements in the City; Route 141 in St. Louis County; Route 364 (Page) in St. Charles County; and I-55 widening in Jefferson County. St. Louis City Municipal Terminal dock improvements are also being done with stimulus funds.



In Illinois, ARRA provided \$936 million in federal funds for Illinois highways, enabling a total stimulus program of \$2.7 billion. Illinois obligated all its allocation of stimulus funds before the March 2010 deadline complying with all federal Maintenance of Effort requirements and keeping IDOT eligible for potential additional federal highway funds as part of the 2011 Redistribution of Obligation Authority. With ARRA funding and Governor Quinn’s *Accelerated Construction Program* (a mixture of *Jump Start*, *Illinois Jobs Now!*, and General Assembly approval to advance \$1.6 billion in projects), 2010 was the largest highway construction season in Illinois history. The *Accelerated Construction Program* appropriated all remaining Transportation Series A bonds.

Illinois ARRA Projects by Mode	
Highway	983
Rail	9
Transit	40
Aviation	30
<b>Total Projects</b>	<b>1,062</b>

On May 10<sup>th</sup>, Senators Dick Durbin (D-IL), Patty Murray (D-WA) and Susan Collins (R-ME) introduced the bi-partisan “Transportation Infrastructure Grants and Economic Reinvestment (TIGER) Act”. The bill would authorize the Secretary of Transportation to provide grants, direct loans, and loan guarantees to states, local governments, and transit agencies for critical projects through 2018. This extremely popular program, created in 2009, augmented stimulus funds and provided a competitive, merit-based process that provided funding for critical projects at a time when earmarks were being eliminated. TIGER’s return would be a welcome circumstance for states looking for funding – especially in light of the depleted stimulus program.



### What to look for . . .

- A new, legislated TIGER program offering a competitive, merit-based alternative to earmarks