

Jobs, Expansion and Transportation (JET) Task Force Meeting

August 15, 2014

THE CITY OF
COLUMBUS
MICHAEL B. COLEMAN, MAYOR



COLUMBUS
REGIONAL AIRPORT AUTHORITY

Agenda

Topic:		
I.	Welcome and Introductory Remarks	Steve Lyons
II.	General Highlights of the InterVISTAS Presentation	Elaine Roberts
III.	Working Group Reports -Economic Development -Air Services -Transportation	Working Group Chairs -Michael Johnson -Geoff Chatas -William Murdock
IV.	Featured Presentation: Regional Transportation Center Working Group Presentation and Discussion	William Murdock
V.	Administrative Matters and Adjournment	Steve Lyons

InterVISTAS

a company of Royal HaskoningDHV

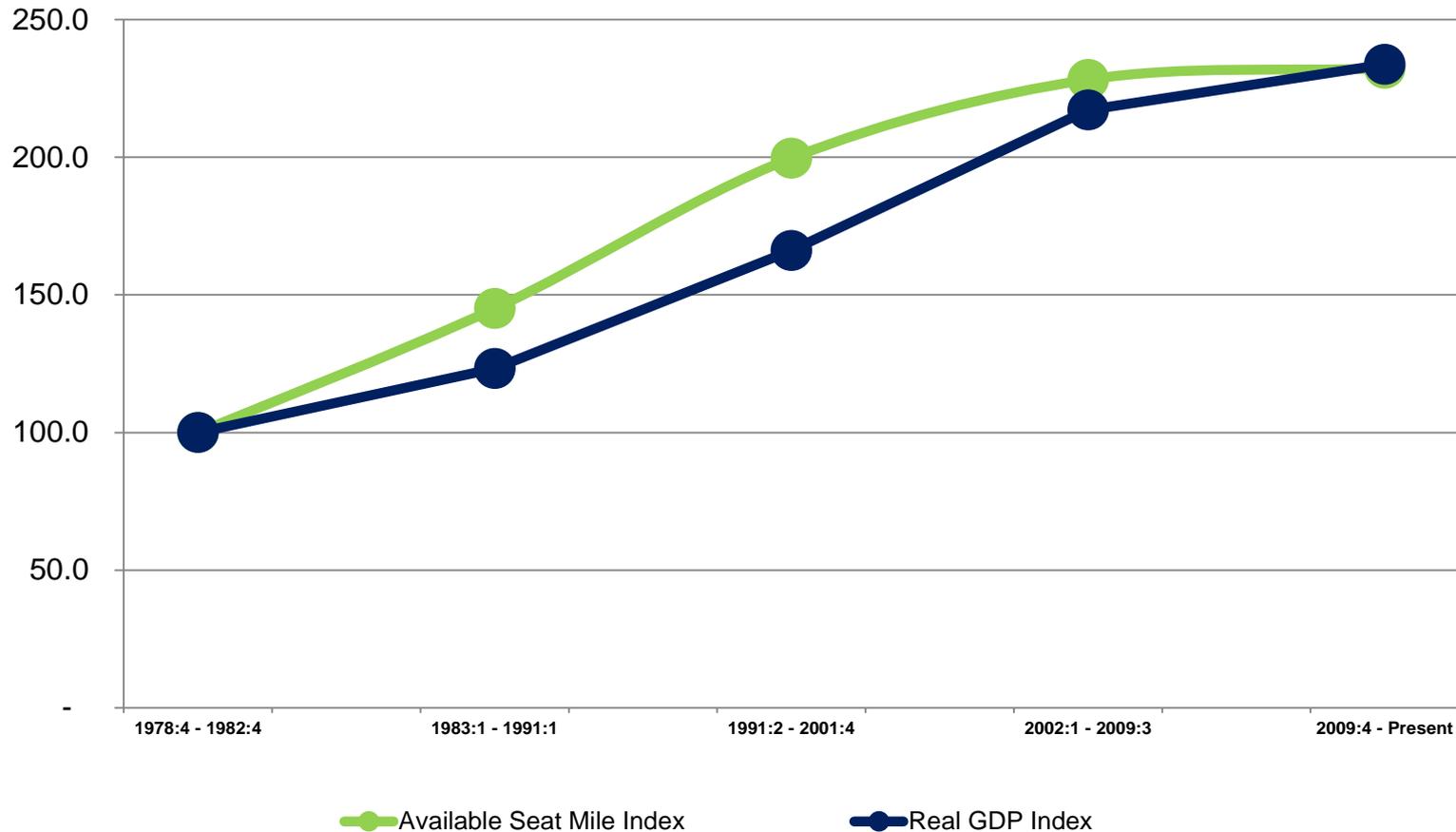
DEREGULATION:

A Look Across the Business Cycles

William S. Swelbar

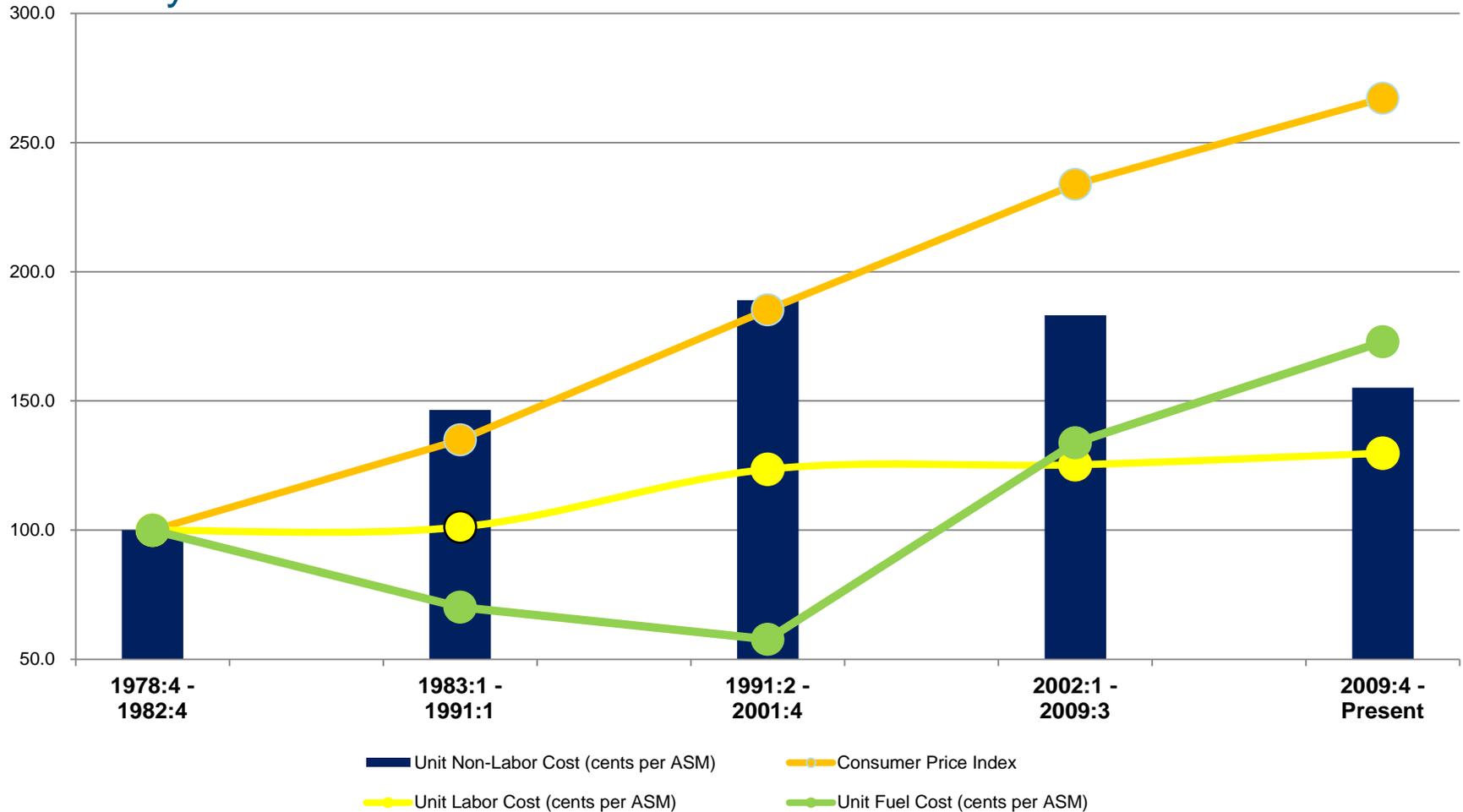
Executive Vice President

Capacity Grows Faster Than Real GDP: An Industry That Grew Too Big



Note: SAAR, 2009 Chained Dollars
Note: Business cycle 1 = 100

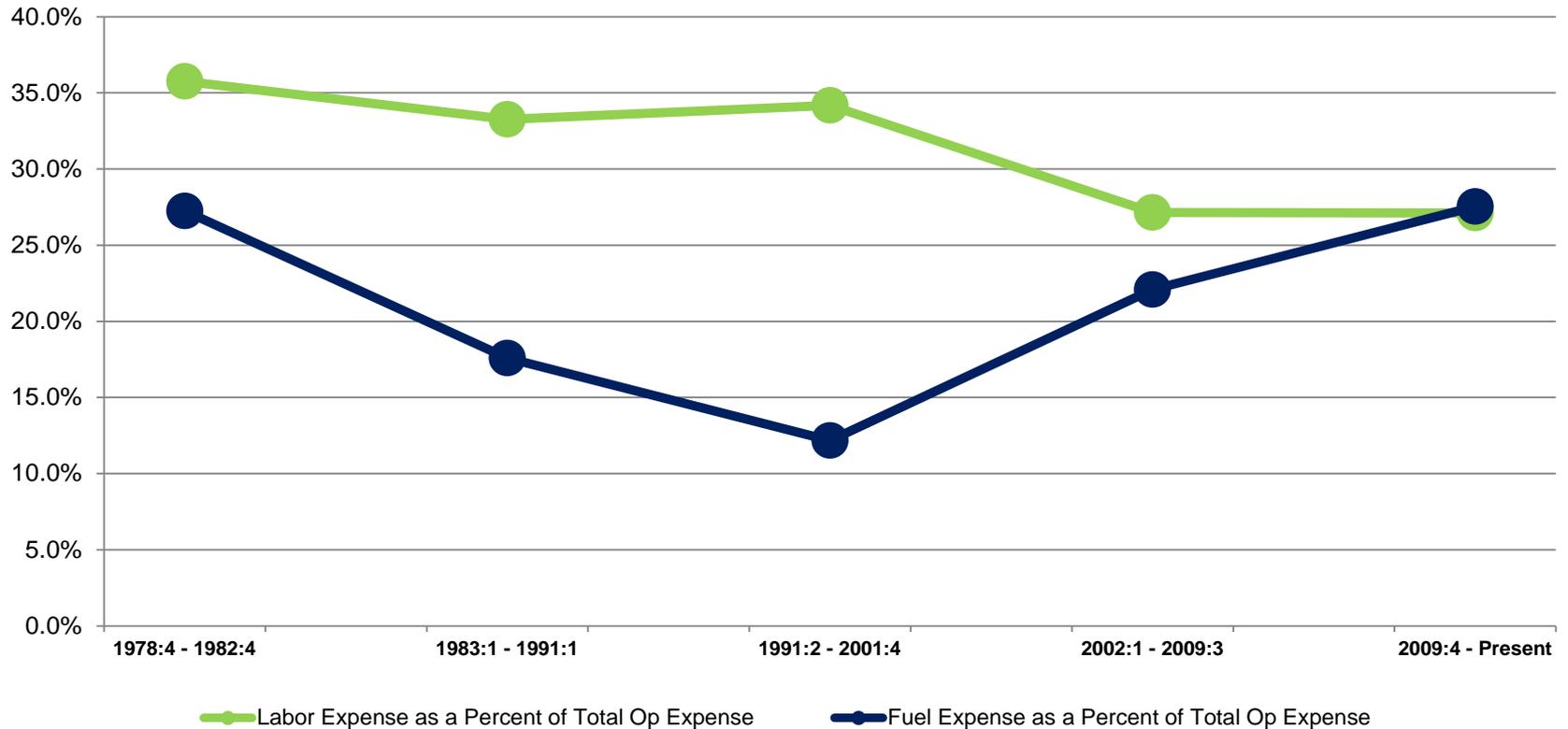
The Industry had Little Choice but to Vigorously Cut and Manage Controllable Costs: Particularly Labor Costs



Note: Consumer Price Index SAAR
 Note: Business cycle 1 = 100

An Uncontrollable Cost:

Fuel Was the Catalyst the Industry Needed to Change Its Game



Data Source: A4A Airline Cost Index Tables

Behaviors Are Finally Changing

- The US airline industry has lost money since the economic experiment was undertaken;
- 30+ years of capital has been recycled among and between industry stakeholders;
- The behavior pattern of competing away found economic gains and efficiencies contributed to the boom and bust cycles that describe the industry's performance; and
- Simply, yesterday's airline industry emulates other capital intensive, commodity industries by over-expanding during the up cycles and not removing inefficient capacity in the down cycles.



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Commercial Air Service:

Challenges and Opportunities

How Did We Get to 2014?

The internet becoming the ticket distribution vehicle, combined with growth by the LCCs, and perpetually rising fuel prices in the mid 2000's, resulted in nearly all the legacy carriers entering bankruptcy.

So what happened next?

1. DL/NW entered bankruptcy on the same day and in effect exited as one carrier.
2. The emergence of the “New Delta”, with lower costs and the strength of fortress hubs, accelerated consolidation of carriers and airports - CVG, MEM.
3. US Airways forced UA/CO to combine by pursuing United.
4. Southwest acted as a legacy carrier and bought AirTran.
5. US Airways forced American to merge.
6. Three carriers plus Southwest now control 87% of the US domestic industry.

Overview: A Challenging Era for Air Service

- Airlines have restricted capacity growth over the last six years in a strategy known as “capacity discipline.”
- Medium-sized and smaller airports have felt the brunt of capacity cuts through airline consolidation and the closure of duplicate hubs.
- Like the rest of the country, Columbus has suffered some air service setbacks – but not to the extent most airports have.
- Creativity and intelligent planning will be necessary to maintain and grow air service in Columbus.



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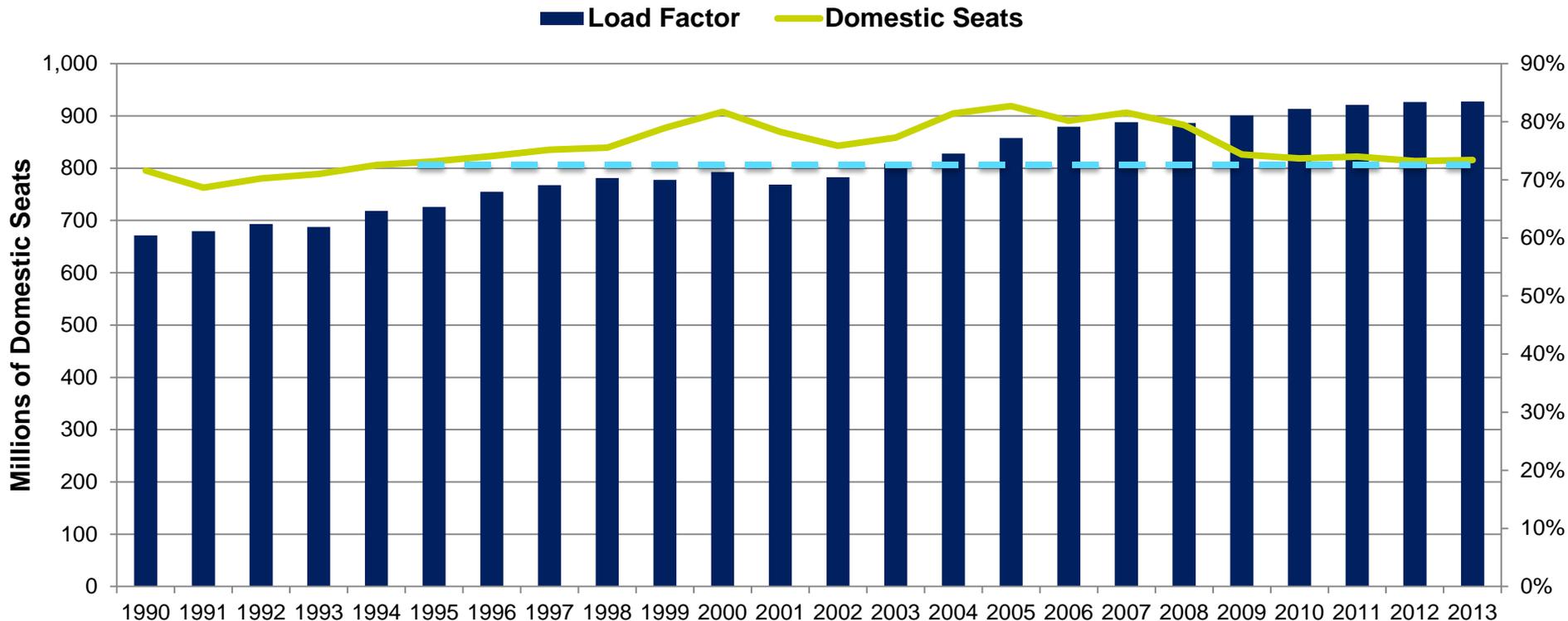
The National Picture:

How Has Capacity Discipline Affected Air Service?

Capacity Discipline and Schedule Rationalization Wiped Out Nearly 100 million Domestic Seats

- Available domestic seats are at their lowest level since 1995

U.S. Average Load Factor and Available Domestic Seat Departures



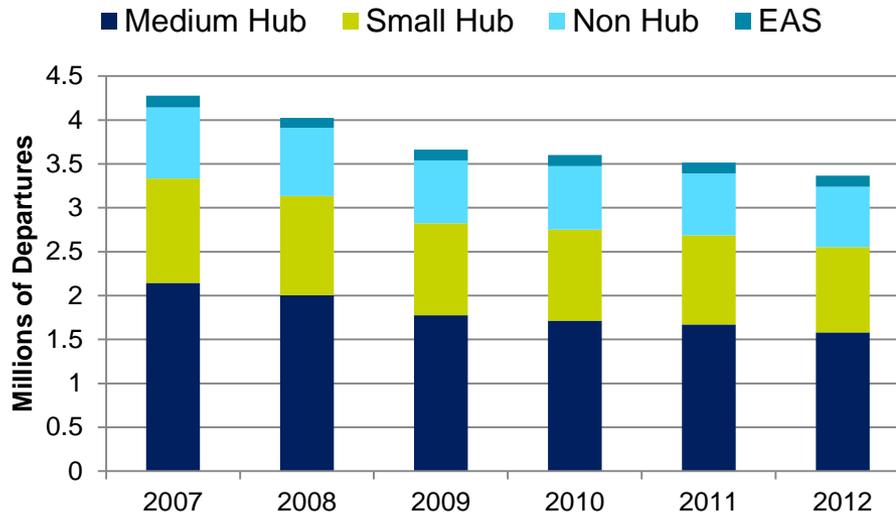
Capacity Discipline is the “New Normal” for Airports of All Sizes

- **Rationalization (2007-2009):** an *active reduction of available seat capacity* as a result of macroeconomic shocks to the airline industry and a “new normal” of higher fuel prices.
- **Capacity Discipline (2010 – present):** a *restriction of seat capacity growth* by network carriers (and Southwest) even as passenger enplanements have continued to increase.
- Capacity discipline started as early as 2010 as carriers held seat capacity at lower, “rationalized” levels despite an economic recovery.
- Capacity discipline has “locked-in” lower levels of available seats and departures at smaller airports.

Capacity Discipline Has Not Been Applied Evenly

- Smaller airports saw a disproportionate share of the cuts in flights and available seats as a result of capacity discipline.

Scheduled Domestic Departures at Smaller U.S. Airports



Airport Type	% change in domestic flights (07- 12)
Large Hub	-8.8%
Medium Hub	-26.2%
Small Hub	-18.2%
Non-Hub	-15.4%
EAS	-5.0%
All Smaller Airports	-21.3%
All Airports	-14.3%

3 Guiding Principles in the “New Normal” of Air Service Development

- **Retain It:**

- Airline mergers and capacity discipline have been relatively kind to CMH
- CMH service has been stable since 2009, not true of all airports

- **Expand It:**

- Capacity Discipline continues
- Consolidations and growth of airline hubs serving CMH increases connectivity to the world

- **Enhance It:**

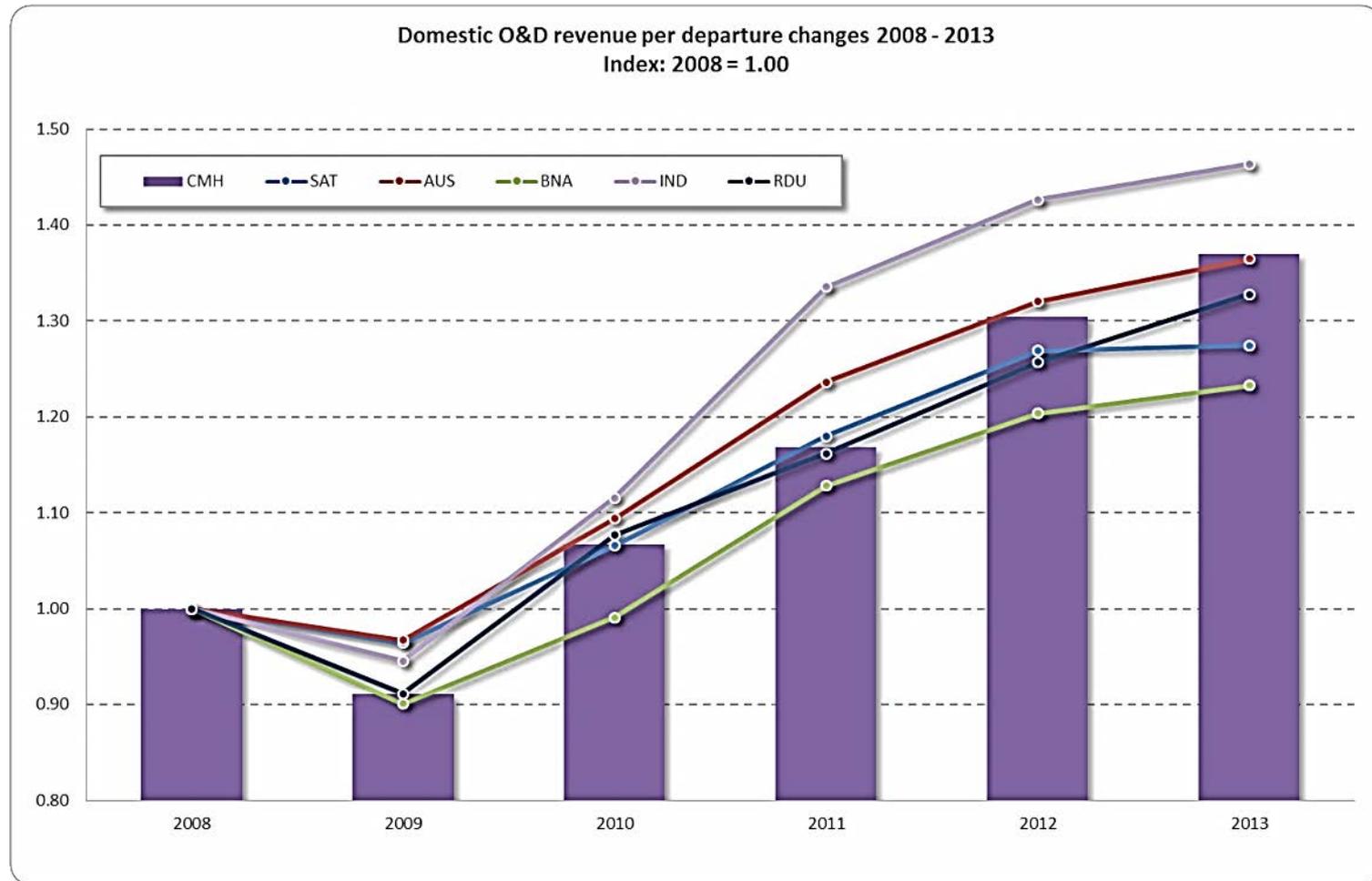
- Upgrading of aircraft brings better passenger comfort



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Columbus and Its Peers:

Columbus has very Favorable Economics in the Eyes of Airlines



Source: US DOT OD1B database, and Innovata schedules, via Diio online portal.

Final Thoughts – Not the Rule But the Exception

- Just like there is a “New Normal” for the US airlines, as a result there is a “New Normal” for airports and air service;
- Consolidation has been relatively kind to CMH;
- When compared to trends for 462 commercial air service airports in the US, CMH has performed very well;
- When compared to peer cities/airports like Nashville, Raleigh/Durham, Indianapolis, Austin and San Antonio, CMH has performed very well;
- If there was nothing going on in CMH, there would be no international freighter service.

Discussion / Questions

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Port Columbus – Transportation Considerations for a Multimodal Future

August 15, 2014



Mid-Ohio Regional
Planning Commission

Presentation Overview

- Understanding existing transit and rail:
 - Mike Bradley, COTA
 - Matt Dietrich, ORDC
 - Len Wagner (Columbus and Ohio River Railroad)
- Chicago to Columbus passenger rail
- Case Studies – High-level reviews
- In-depth case studies
 - Memphis
 - Salt Lake City
 - Tulsa
- Next steps

Understanding Transit: COTA Presentation

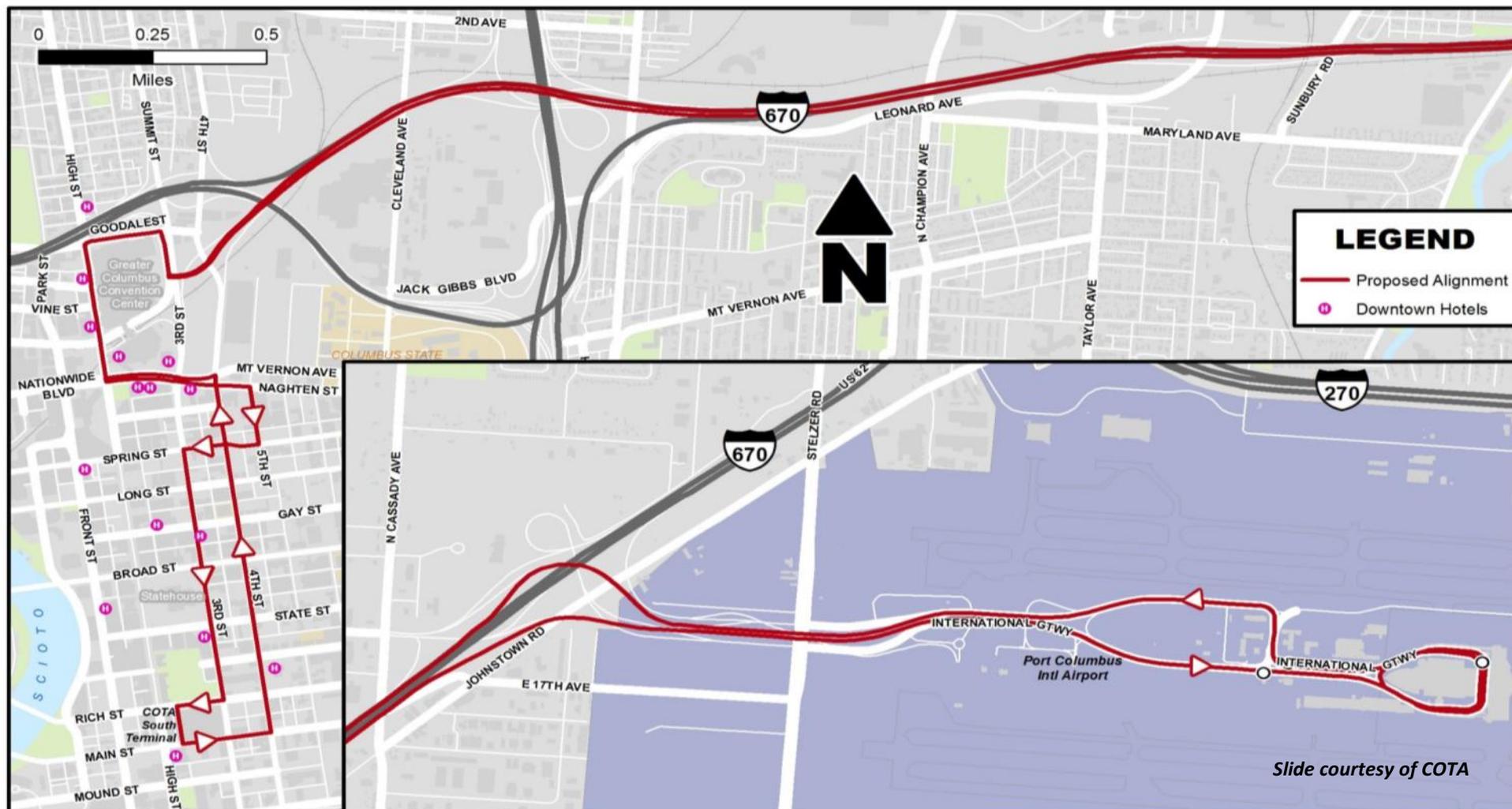
- Planning efforts to enhance transit service from CBD to Port Columbus
- Transit System Review
- Potential Rail Corridors - CBD to Port Columbus

Current COTA Airport Service

- Line 52 OSU/Airport
 - Express service, OSU to Port Columbus
 - Operates at start and end of semesters
- Line 92 James/Stelzer
 - Port Columbus to Easton, east side of Columbus
 - Transfer required to connect to CBD



Potential Short Term COTA Bus Route: Downtown to Port Columbus



Transit System Review

Draft Proposed Network

- 15 min or better
- 16-30 min
- 30-60+ min
- Peak only
- Peak only (60 min)
- — Frequency change
- — Branch
- 2 End of line
- T Transit center
- P Park & Ride
- Outside service area
- County boundaries

New service to high density development in Dublin

New connections to the Polaris area

Connection to business park in New Albany

Connections from the East side to Gahanna and Easton area

More frequent service east of Hamilton Rd.

Very frequent network service to the central city

New service connecting the west side of the region

Improved frequency in Grove City

More frequent service, 7 days a week to Rickenbacker

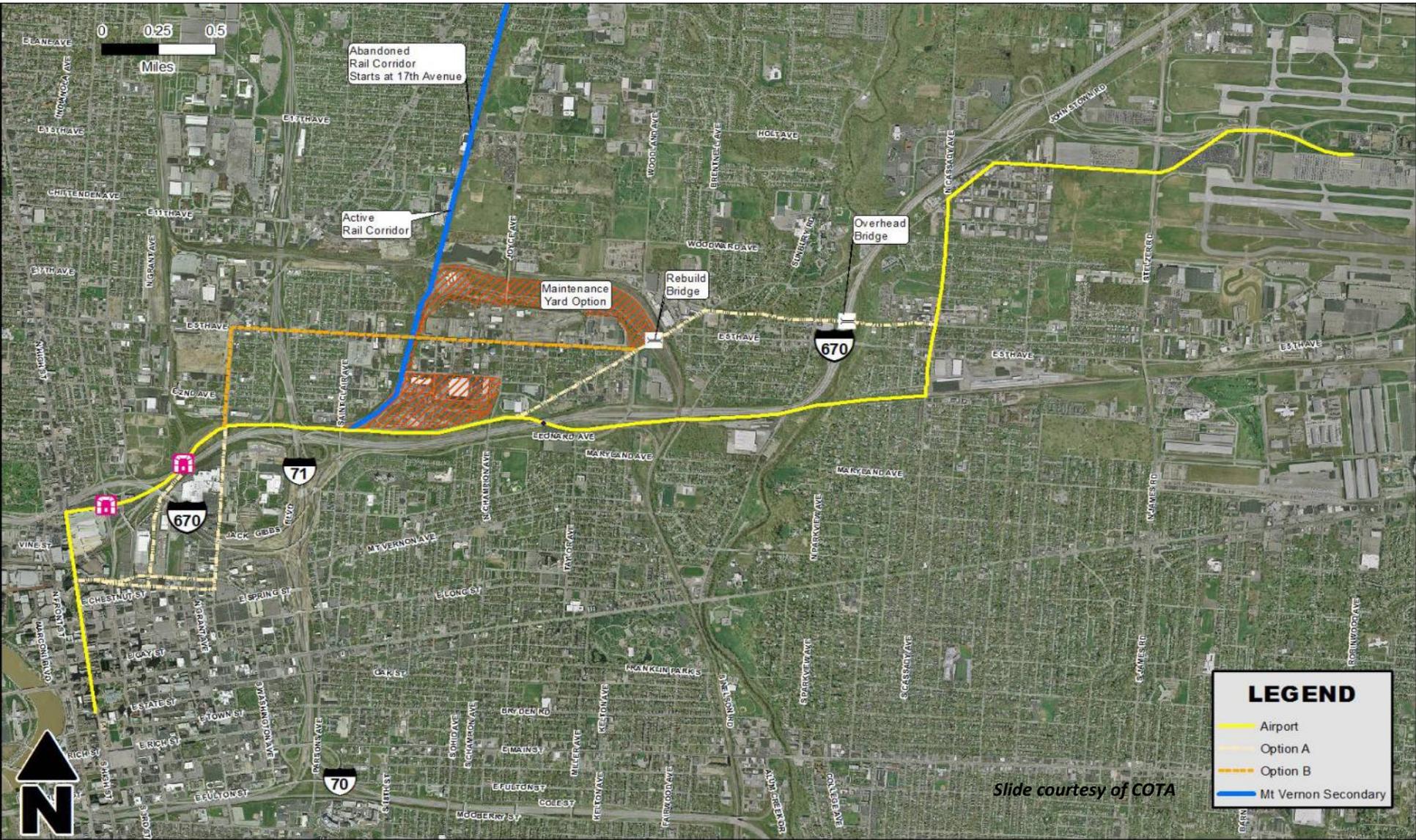


Slide courtesy of COTA

Transit System Review – CBD to Port Columbus



Potential Rail Corridors: CBD to Port Columbus



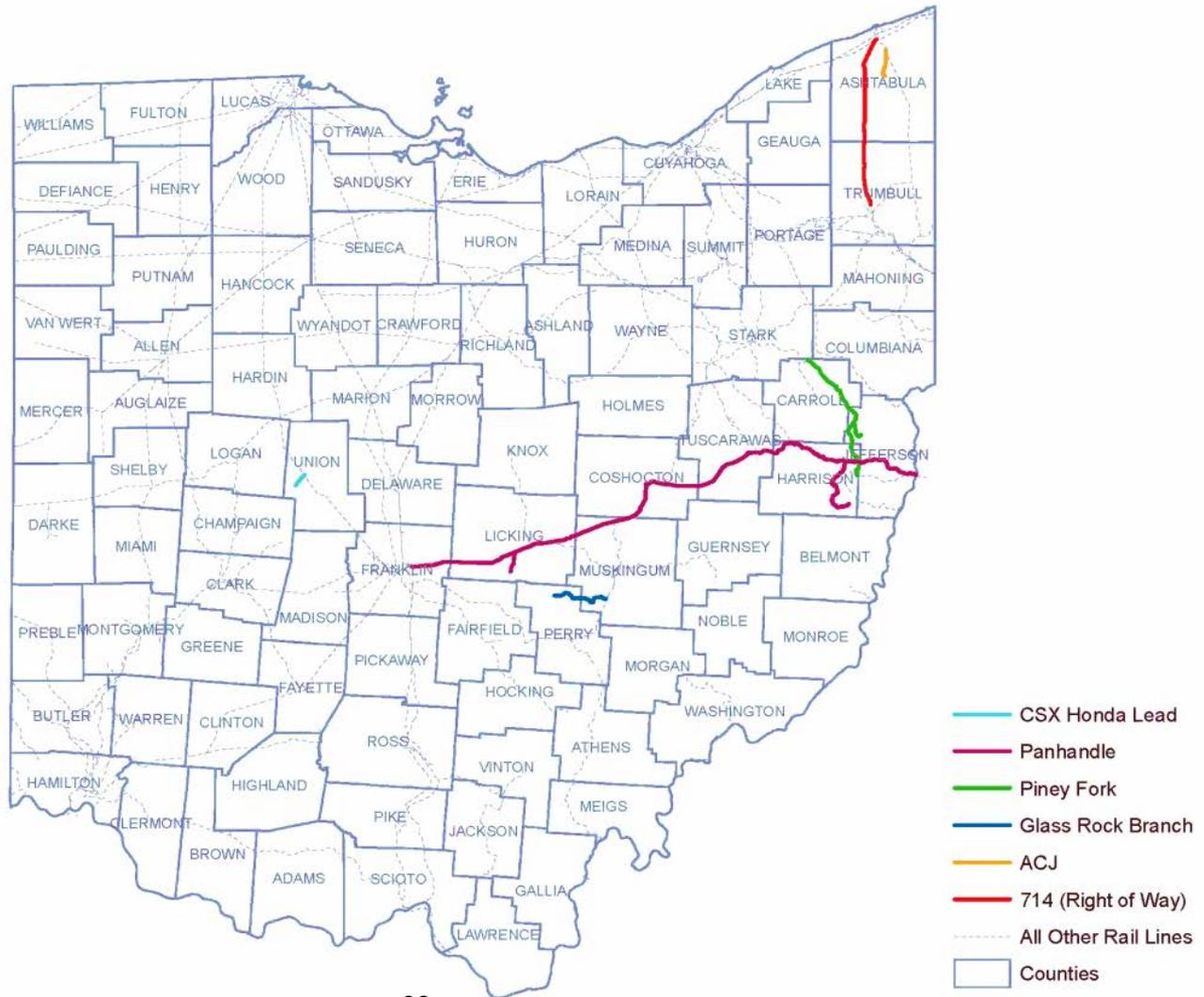
Understanding Rail: ORDC Presentation

- Rail industry currently financially healthy
 - Shortline Railroads used for retail
 - Class 1 Railroads used for wholesale
- Public ownership in rail
- Panhandle Line

Public Ownership in Rail

- 1980's-1990's – public entities preserved rail lines divested by large railroads in limited circumstances
- Today approx. 11% of rail property in Ohio is publicly owned; all operations contracted to private railroad operators
 - Ex. Panhandle Rail Line

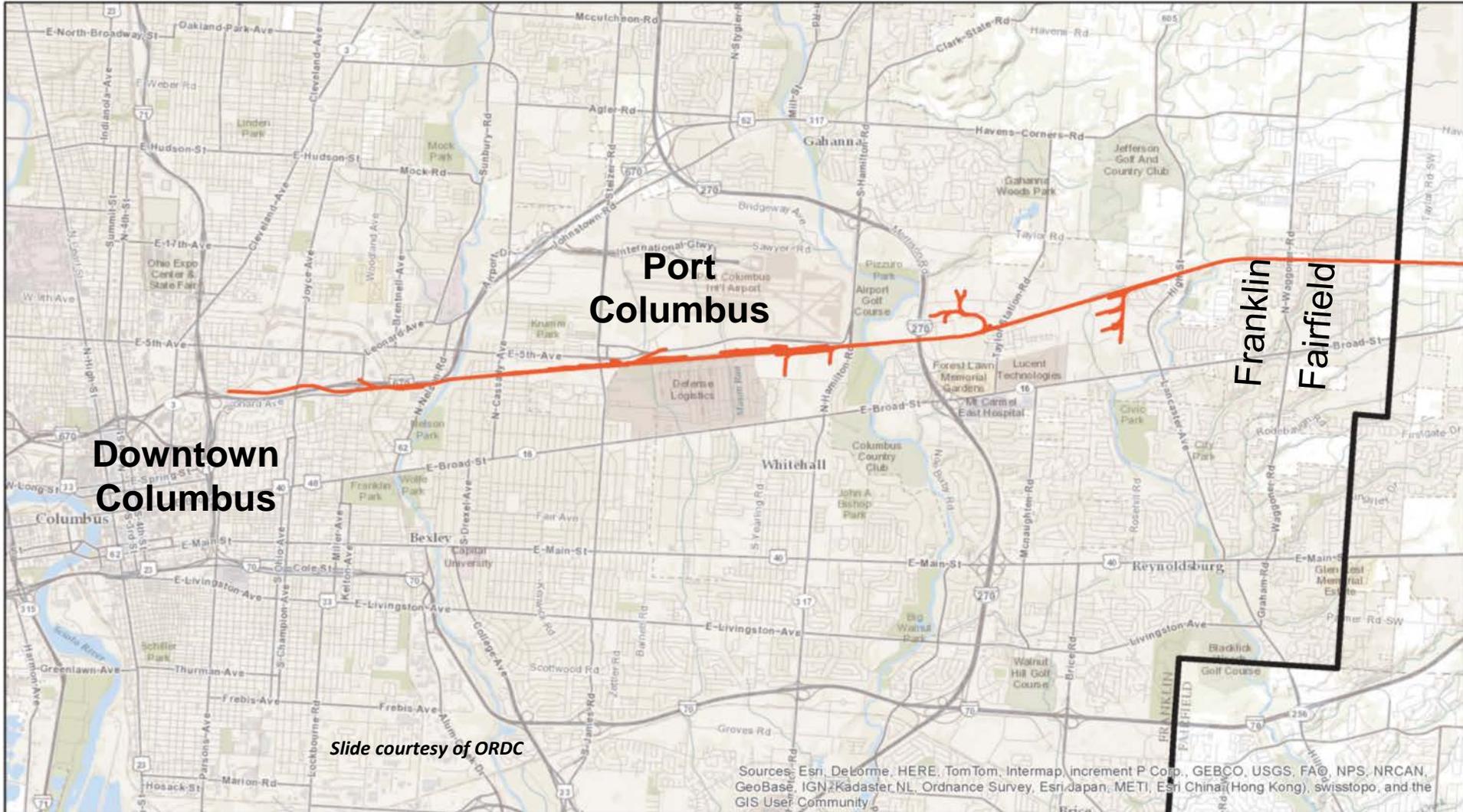
State-Owned Rail Assets



Panhandle Rail Line

- Panhandle line is a part of a former mainline from Pittsburgh to Indianapolis
 - Line abandoned west of Columbus
 - In process to abandon eastern portion
- Public stepped in to stop abandonment
- Purchased by State of Ohio in 1992

Panhandle – Franklin County



Slide courtesy of ORDC

Sources: Esri, DeLorme, HERE, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GIS User Community

Panhandle Rail Line

- Operated by the Columbus & Ohio River Railroad (C&OR) since 1992
- ORDC/C&OR 5-year Operations agreements until 2012
- 2012 ORDC and C&OR negotiated a new 25-year operating lease
- Control Point (CP 138) congestion near downtown

Chicago to Columbus Speed Rail Initiative

- Service anchored in Columbus and Chicago
- Ohio stops in Marysville, Kenton, and Lima
- Indiana stops at Fort Wayne, Warsaw, Plymouth, Valparaiso, and Gary
- 10 daily trains to Columbus from Chicago
- At least 4 express trains running at speeds of up to 110 mph
- Chicago-Columbus trip in 4 hours or less
- Potential rail station at Port Columbus?

Chicago to Columbus Rail Corridor



Chicago to Columbus Rail Initiative Status

- Completion of feasibility study
- Recent announcement of MOA
- Tier I Environmental Impact Study – funding possibilities

Case Studies: What Has Inspired Us?

- 18 Communities selected:

Minneapolis

St. Louis

Baltimore

Seattle

Portland

Cincinnati

Denver

*Memphis**

Phoenix

San Antonio

*Salt Lake City**

Vancouver, BC

Dallas

*Orlando **

Boston

Indianapolis

*Tulsa**

Broward County, FL

(Miami to Palm Beach rail line)

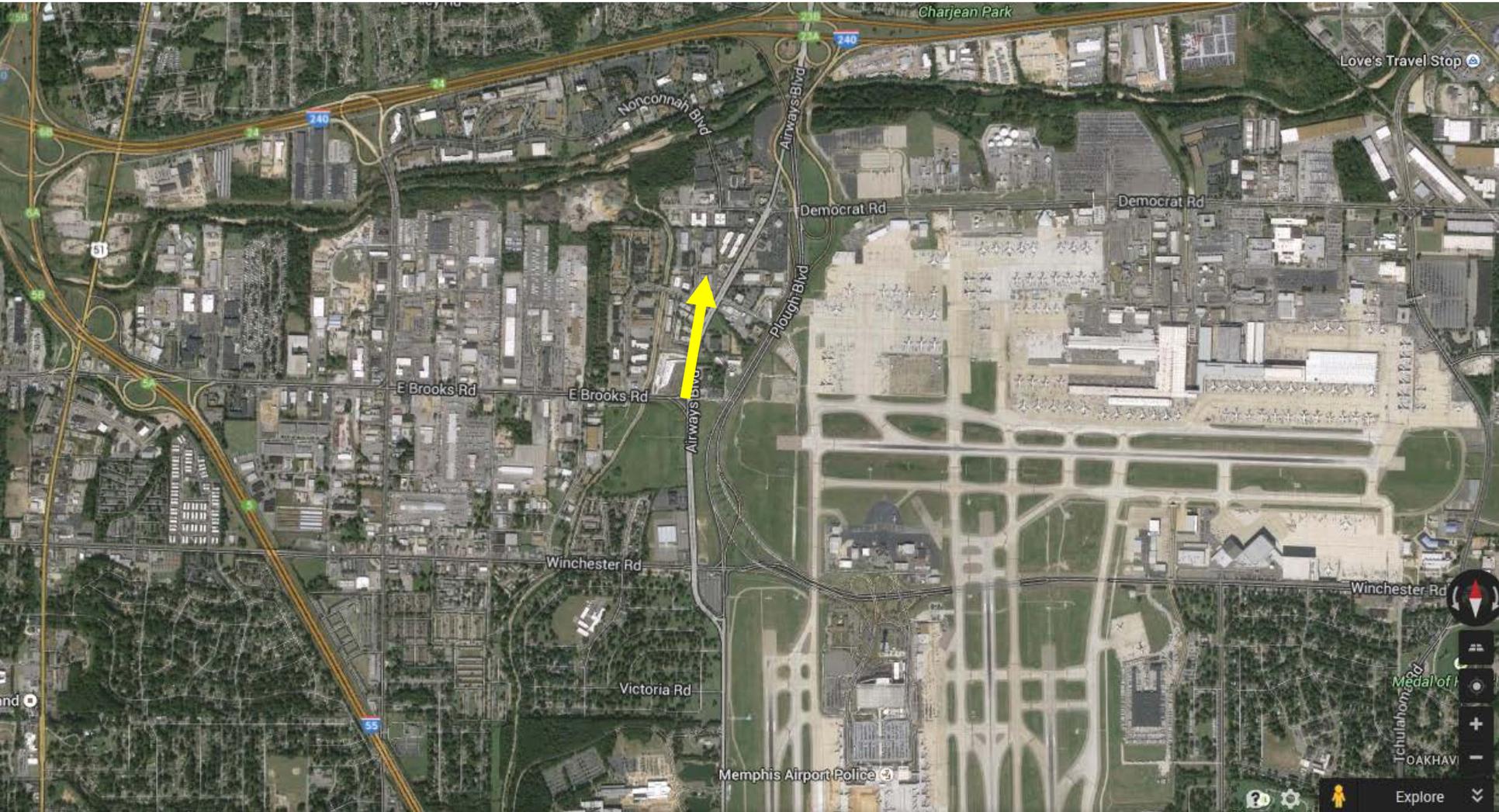
**Selected for project proponent conference calls*

Memphis

- Airways Transit Center (ATC)
 - Opened in November 2011
 - Design includes considerations for future rail
- Project resulted from collaboration
 - Memphis Area Transit Authority (MATA)
 - Greyhound
 - City of Memphis
- Conference call with MATA Planning Manager

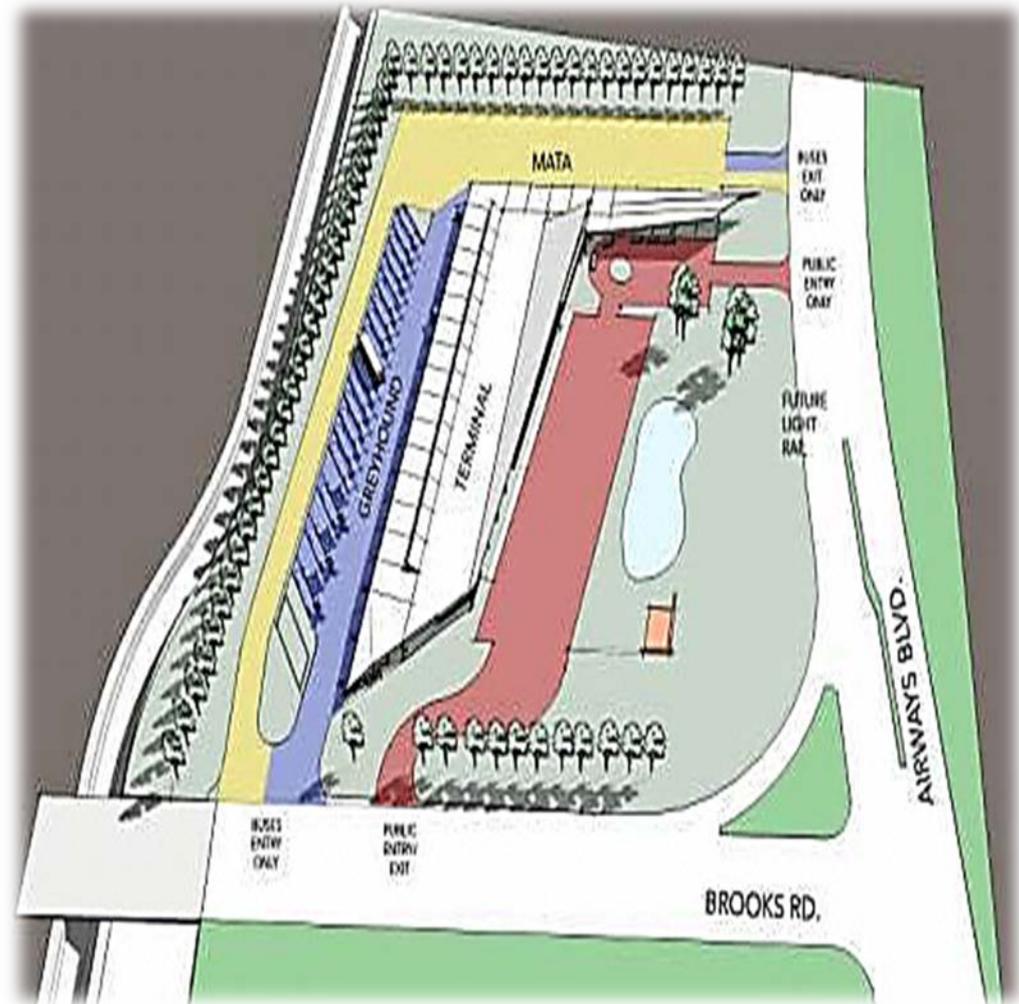
Memphis

Airways Transit Center – Owned by MATA with major, long-term tenant Greyhound
Constructed to accommodate light rail



Memphis – ATC Site Layout

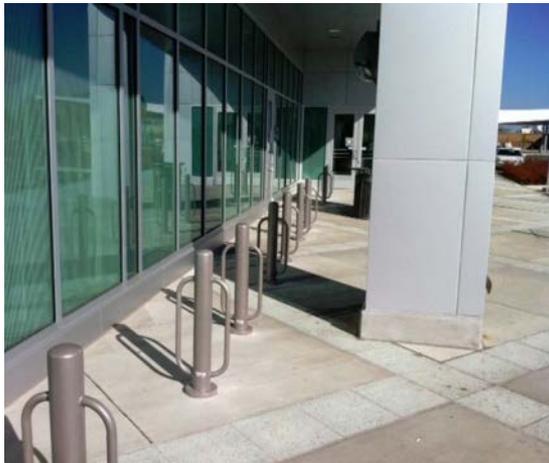
- 9 acres
- 30,000 square feet
- 34 bus bays
- 86 auto parking spaces
- 3 taxi stands
- 62 bike racks
- Passenger lobby
- Greyhound offices/package express
- Police substation
- Community room
- Greyhound light maintenance shop
- Public art



Memphis – ATC Site Renderings



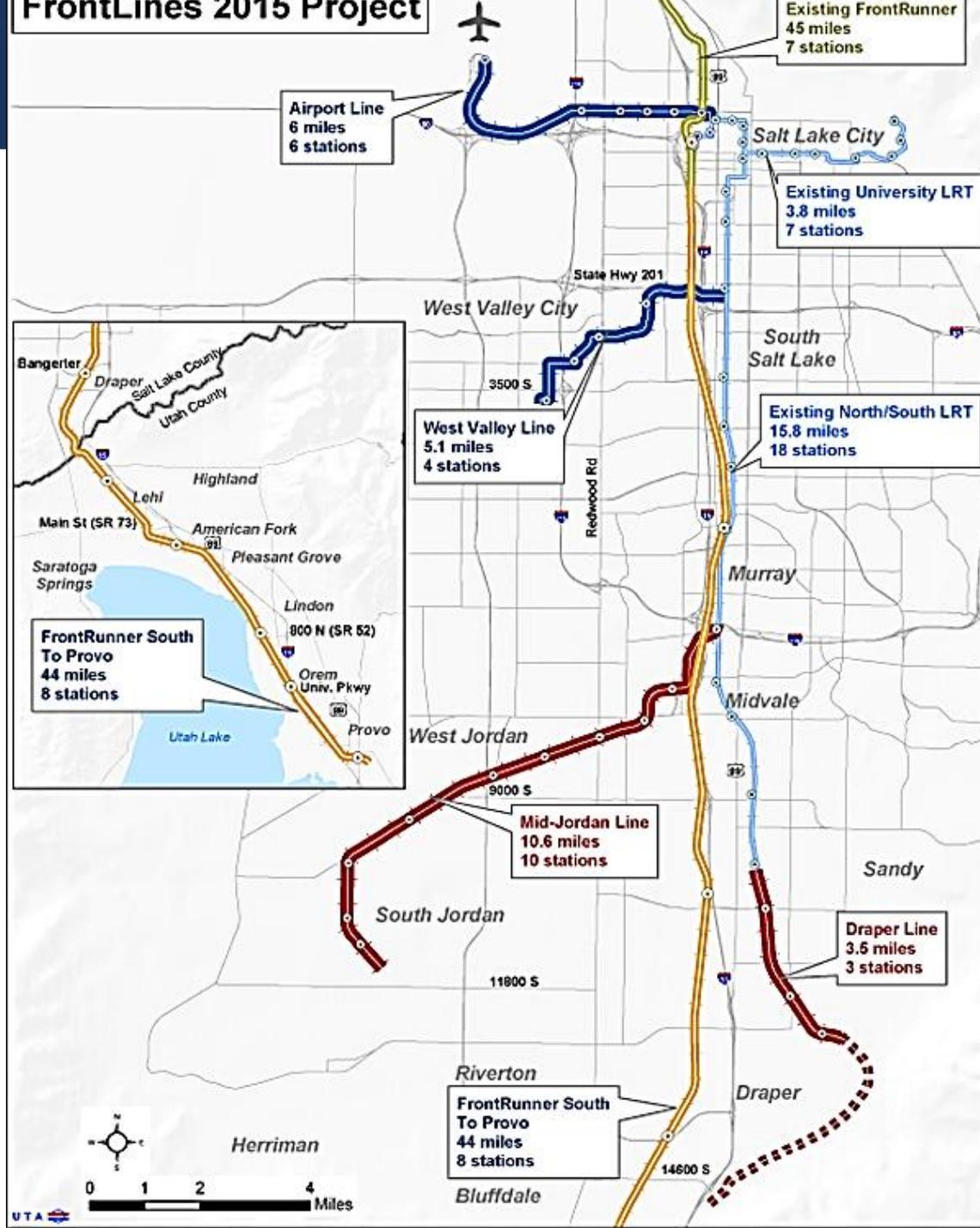
Memphis – ATC Built Site



Slide courtesy of MATA

Salt Lake City

- Robust light-rail transit system
- Currently 5 light-rail lines:
 - 3 federally funded (80/20)
 - 2 locally funded
- Early engagement with railroads
- Conference call with former Utah Transit Authority General Manager

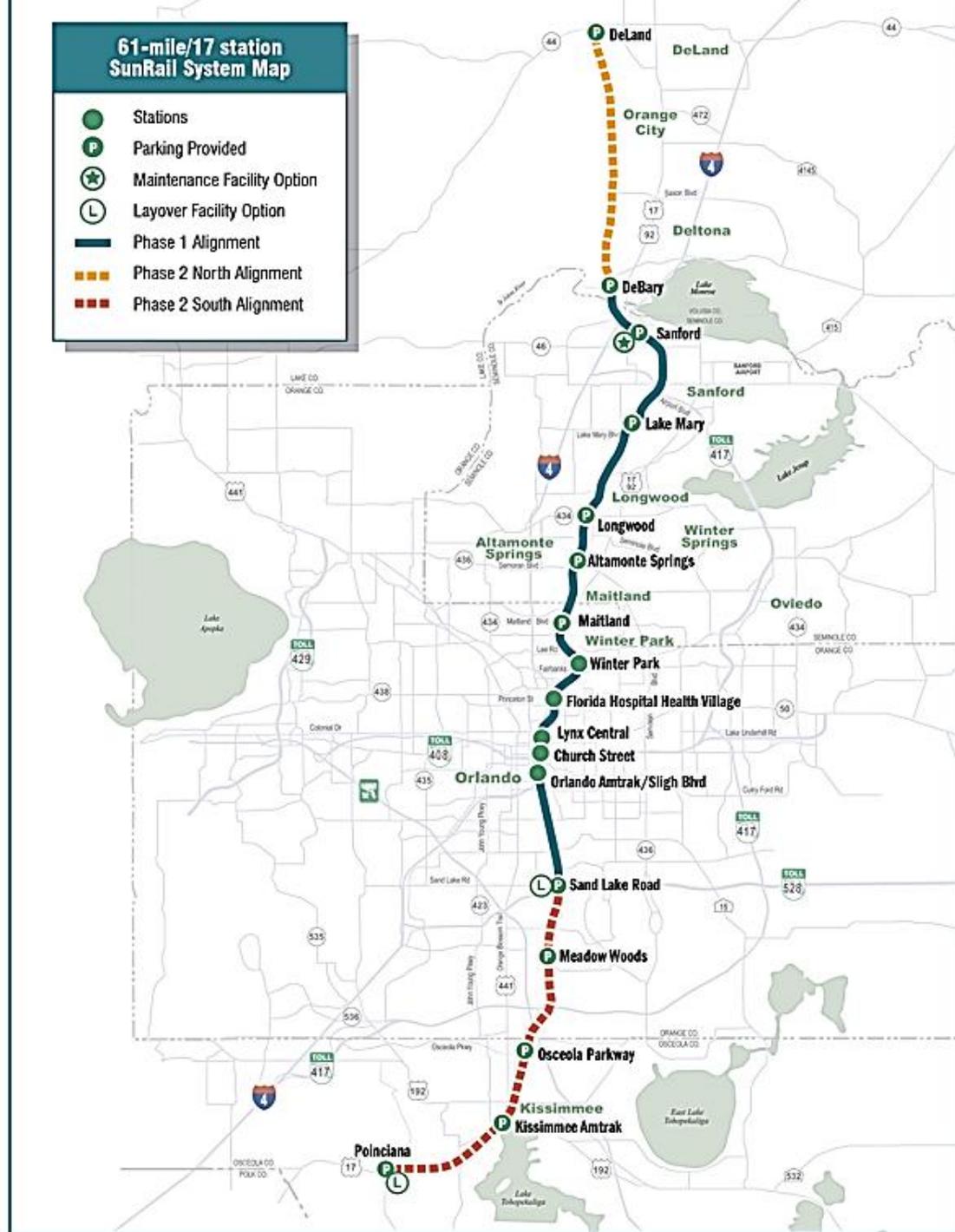


Tulsa

- Tulsa to Oklahoma City trial passenger rail line
- Rail line recently sold to a freight carrier, Still Water Central
- Still Water Central agreement to 6-month trial
- Conference call with a stakeholder

Orlando

- Sunrail and the Orlando airport intermodal transportation center (development process underway)
- Sunrail line has been a success
- Used primarily for commuters to alleviate congestion on I-4
- First phase completed in May 2014
- Second phase (north and south extensions) expected in 2016



Orlando Airport Automated People Mover (APM) and Intermodal Facility

- 2adjoined terminals:
 - Automated People Mover (APM) station
 - Intermodal facility featuring:
 - Future rail connection
 - 2,400 space, 6-level parking garage
 - Grown transportation connections
 - Taxis
 - Car rentals
 - Local transit
 - Intercity buses

Orlando ATM and Intermodal Center Site



Orlando ATM and Intermodal Center Site Renderings



Next Steps

- Concluding case study conference calls
- Loop Study addendum Scope of Work
- Analysis of current alternate transportation infrastructure
- Forming recommendations around the theme of “connectivity”
 - A regional intermodal transportation hub
 - Improving connections to CBD and beyond
 - Leveraging efforts to make Port Columbus Ohio’s airport



Mid-Ohio Regional
Planning Commission

Presented by:

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