

## **The Blue Ribbon Citizens Committee on Missouri's Transportation Needs Committee Meeting Minutes – August 6, 2012**

The August 6 meeting of the Blue Ribbon Citizens Committee on Missouri's Transportation Needs was held at the Gamber Center, in Lee's Summit.

The meeting was called to order by Bill McKenna, co-chair of the Blue Ribbon Committee.

Committee members in attendance were:

Rod Jetton, co-chair	Ben Jones
Estil Fretwell	Brian Meisel
Ed DeSoignie	John Nations
Joe DeLong	Mark Stidham
Tom Crawford	Becky Cleveland
Randy Verkamp	Scott Smith

There were 111 persons in attendance. Special guests recognized for their attendance were Rep. Mike Cierpiot (R-Lee's Summit); Missouri Senator Will Kraus' office, Mark Sietton; U.S. Senator Roy Blunt's office, Matt Heese; former member of the Missouri House of Representatives Carson Ross; former member of the Missouri Highways and Transportation Commission Woody Cozad; and Steve Miller member of the Missouri Highways and Transportation Committee.

Mr. Jetton spoke on the importance of the creation of the Blue Ribbon Citizens Committee. Mr. Jetton stated how important the Blue Ribbon Committee is for identifying the needs and potential funding options for Missouri's transportation system. Mr. Jetton thanked the volunteers who serve on the Blue Ribbon Committee and those attending the public hearing.

At the request of co-chair McKenna the committee approved the minutes from the July 23 Blue Ribbon Committee meeting held in Hannibal.

Mr. McKenna began the meeting by telling those in attendance that the committee has been listening to previous testimony focused on transportation needs. He encouraged those in attendance to instead direct their testimony on how to pay for the needs.

Dave Nichols, MoDOT's Chief Engineer, testified before the committee by providing a short overview of the recently passed federal transportation reauthorization bill and what the legislation could mean to Missouri in terms of funds.

Mr. Nichols stated the federal act will cost Missouri about \$70 million a year for the next two years. This reduction of federal funding is on top of already declining revenues from fuel taxes, license fees and automobile sales which are all sources of funding for transportation purposes.

Mr. Nichols stated with this decline in revenues comes at a time when construction materials continue to increase such as structural steel prices. In 1992 a pound of structural steel cost 85 cents per pound; today the cost is \$1.75 per pound. Because of this decline of revenue,

MoDOT's construction program has gone from \$1.2 billion a year to less than \$700 million a year and dropping.

Mr. Nichols stated MoDOT is doing what it can to put more money on the roads such as implementing the concept of design build and the Bolder Five Year Direction. Cost savings for this year alone totals about \$100 million.

Missouri Highways and Transportation Commissioner, Steve Miller, testified by thanking the Blue Ribbon Committee members for serving on the panel.

Mr. Miller stated there are two issues that must be considered when looking for ways to address the transportation funding issue in Missouri – reconceive and reinvent.

Reconceive means drivers are purchasing better and more fuel efficient vehicles (such as electric automobiles) but they are not paying fuel taxes which are needed to build and maintain the highway system. Therefore, a “vision” is needed to address this concern.

Reinvent refers to the need to look into other ways to financially support transportation. “For years “we” as Missourians have been standing on the shoulders of our parents and grandparents on the current transportation system we enjoy. What kind of system do we to leave our children and grandchildren,” stated Mr. Miller.

Mr. Miller cited the example of increased growth and economic development that has been enjoyed by the Lee's Summit community because of improvements made along Rt. 71 and the Grandview Triangle. Mr. Miller said Lee's Summit was able to grow because the city is willing to invest in transportation.

Dan Niec, District Engineer for the MoDOT Kansas City District, provided an overview of the make-up of the district; specifically, there are 1.2 million persons that live in the district with about 8,237 lane miles of roads and 1,432 bridges to maintain.

Mr. Niec stated that of the 1,432 bridges - 127 are in poor condition, 662 are in fair condition and 643 are in good condition. As for pavement conditions - 83 percent of the major routes are in good condition and 64 percent of the minor routes are in good condition.

Mr. Niec said that \$113 million is currently needed each year to take care of the Kansas City District's roads and bridges. However, an additional \$29 million a year is still needed.

In terms of safety, for increased enforcement and educational efforts; shoulders; rumble stripes, intersection and interchange improvements, additional funding of \$16 million a year is needed.

Major corridor and regional needs include:

- I-35, I-29 split to 69/33
- I-435 improvements (Holmes Road to US 71)
- I-70 improvements (Broadway interchange, Rt. 7 to Oak Grove)
- Rt. 13 (I-70 to Warrensburg loop)

- Rt. 210 (Eldon Road to Rt. 291)
- Rt. 291 Missouri River Bridge
- Rt. 45
- US 50 (California to Sedalia)
- US 65 (north of Marshall to Chillicothe)
- US 69 Fairfax Bridge
- US 71 (155<sup>th</sup> Street to North Cass Parkway)

In all, an additional one-time \$1.7 billion is needed for major corridor and regional needs.

Mike Sanders, County Executive for Jackson County, stated the county is looking into the next 20 years to determine its future transportation needs. One need they have identified that is needed to spur economic development and growth for the region is rail/transit. Mr. Sanders believes that a rail/transit system can be built on abandoned and existing railroads all across the state as a way to transport people to specific designations.

Mr. Sanders said that many elected officials agree transportation funding is important and that every one dollar invested in transportation produces a three dollar return in economic growth.

Jay Hardenbrook, Missouri Budget Project, provided the Blue Ribbon Committee with an overview of MoDOT's budget; specifically, where the department's existing funding comes from.

Mr. Hardenbrook provided illustrations of why the state funding sources for transportation are predicted to remain flat between fiscal years 2011 and 2016.

Mr. Hardenbrook does not believe state general revenues can be used to "fill the hole" in transportation because general revenues will not reach 2008 buying potential for another 17 years and that essential state services are already battling each other for general funding. However, Mr. Hardenbrook believes that an increase in motor vehicle registration and driver's license fees and tolling a portion of I-70 should be considered as ways to increase transportation funding for the state.

Ron McLinden, Transit Action Network, noted the decline in highway fatalities and thanked MoDOT for rumble stripes. Mr. McLinden cited changes in global factors such as competition for resources and climate change, and in consumer preferences (including the propensity to drive), especially among young people, and said we need a better mix of transportation options.

Mr. McLinden supports user fees, such as a vehicle miles traveled fee, tolling, and congestion pricing, with a sales tax on motor fuels in the interim. Mr. McLinden also indicated a preference for a funding solution evolving out of the legislative process rather than an initiative petition.

Jerry Wiedenmann, Heavy Constructors Association, testified that the unemployment rate for the highway construction industry is 16 percent; the unemployment rate overall for labor positions is 8 percent.

Mr. Wiedenmann said the latest federal transportation reauthorization bill passed by congress is good in terms of planning for future projects; however, it did not include any additional funding.

Mr. Wiedenmann testified there are five things the Blue Ribbon Committee should consider:

- 1) Maintain what we have invested with public funds;
- 2) Safety upgrades (i.e. build more shoulders on rural routes);
- 3) Identify and build projects that will provide economic development for local and state governments;
- 4) Set goals for the next 10 to 15 years; and
- 5) Voters need to be made aware of what they are voting on and the progress being made on those items approved via a future funding package.

Mr. Wiedenmann concluded his remarks by suggesting a public private partnership be fully utilized for future I-70 improvements and that mileage use tax needs to be considered (and adopted by all 50 states) because revenues generated from the motor fuel tax is out dated.

Bridgette Williams, Greater Kansas City Chamber of Commerce, said that a network of roads, ports and rail is important for delivering goods and services to local businesses.

Ms. Williams said the chamber supports a funding increase for making improvements to Hwy. 71 to meet interstate standards. The chamber also supports tolling of I-70 by using public private partnerships with dedicated truck lanes.

Mayor Randy Rhoads, City of Lee's Summit, testified that interchange improvements to I-470 has opened up land for development purposes and the Rt. 50 interchange at Blackwell has helped with local economic development projects.

Mayor Rhoads suggested that the Blue Ribbon Committee focus on partnership opportunities and cost-share programs to fund future needs.

Carson Ross, Mayor of Blue Springs, recognized the good working relationship the city has with MoDOT.

Mayor Ross stated that the city recently passed a \$28 billion transportation bond program with 82 percent voter approval.

Mayor Ross wants to get people off the roads and out of cars and utilize other transit and commuter opportunities. One way to do this is to make Rt. 7 in Blue Springs a "livable street" to accommodate bicyclists, pedestrians and persons with disabilities confined to wheel chairs. Mayor Ross referred to this concept as "Blue Streets."

David Warm, Mid-American Regional Council (MARC), testified on the importance of focusing on a long range transportation vision. Mr. Warm referred to MARC's plan which includes a vision; land use strategies; and performance goals.

Mr. Warm encouraged the Blue Ribbon Committee to look at assets needs and not just MoDOT needs; but specifically, listen to the general public's comments.

In terms of taking a funding package to the voters for their consideration, Mr. Warm suggested that voters be made fully aware of what they are voting on and what they will get for their investment.

Mike Burke, King Hersey Lawfirm, testified that the Blue Ribbon Committee should take a look into the future to ensure their final report includes information relating to advanced technology changes. These futurist changes include Wi-Fi technology that can be used on cars that drive themselves; monies for this technology can be used from selling advertisement.

Mr. Burke said that these "hands free" advances can be found in Nevada and California. Mr. Burke stated that "hands free" technology will be made fully available to the driving public within the next 20 years.

Steve Wells, HNTB, testified on behalf of the American Council of Engineering Companies. Mr. Wells provided an overview to the Blue Ribbon Committee on how the engineering firms in Missouri have been greatly impacted by the reduction of the investments in transportation. Mr. Wells said that many consulting firms in Missouri have closed, downsized and consolidated because of the downward trend in the economy.

Mr. Wells suggested the Blue Ribbon Committee look at funding associated with indexing the current fuel tax; leveraging private equity; earmarking the growth of general revenues for transportation; and that MoDOT be allowed to operate with the greatest flexibility possible in order to be innovated (referring to the department's utilization of design build projects).

Brenner Holland, Northland Regional Chamber of Commerce, said that while the chamber has no strong recommendation on ways to increase funding for transportation, he testified that transportation has been underfunded in the state for far too long.

Mr. Holland said that funding needs to be made available for airports, highways and bikes and pedestrian trails.

Woody Cozad, former Missouri Highways and Transportation Commissioner, testified that MoDOT made a 20 percent investment in transportation by implementing the Bolder Five Year Direction. Mr. Cozad said, "This is the best Commission in the state's history for implementing the Bolder Five Year Direction."

Mr. Cozad provided an overview on how improvements along Rt. 150 in Kansas have been made over the last several years and how those improvements have attracted growth along the corridor – until you reach Missouri's portion of Rt. 150 and how this area has hampered economic growth because of the state's lack of investment.

Mr. Cozad also encouraged the Blue Ribbon Committee to remove the stop lights along the Bruce Watkins highway (Hwy. 71) and instead build interchanges that meet interstate standards in order to bring the new I-49 interstate closer to the downtown Kansas City region.

Mr. Cozad suggested as a way to increase future transportation funding that Missouri get off the fuel tax system and instead implement a consumption tax. He went on to testify what a “lug” I-70 and I-44 are on the state’s limited resources for other worthy transportation purposes.

Dick Jarrold, Kansas City Area Transportation Authority, testified that public transit is critical to the state. For the region, an average of 52,000 people use transit a day; or about 15 million a year.

Mr. Jarrold said there is a demand for transit by the younger generation and that the state is not meeting the needs of the general public.

Mr. Jarrold shared information with the Blue Ribbon Committee on how state funding for transit system has dropped to \$119,000 for fiscal year 2012. The state of Kansas, on the other hand, has provided four times that amount of money just for the Kansas City area. Budgeted funding for the Kansas City transit program equals about \$80 million a year.

There is \$250 million a year in transit needs – statewide.

In terms of funding options, Mr. Jarrold suggested a fuel tax, sales tax or user fee increase. Funding for transit is an economic development investment for persons who want to invest in homes versus buying automobiles. The current transit system is a “structured system” and can’t grow unless service is expanded.

Mike Scott, Scotty’s Carriage Works, testified on the importance of highway safety and that one tower per week gets killed in the nation. Mr. Scott said that MoDOT is a good partner and that all emergency and law enforcement personnel work well together to open up highways after road closures due to traffic accidents.

Mark VanLoh, City of Kansas City Missouri Aviation, testified on the importance of aviation to the local region. While the airport doesn’t receive any state funding, it does rely on a good road system in and out of the complex – specifically: I-435, I-29 and Rt. 152.

Mr. VanLoh said the Kansas City Airport employees about 1, 800 persons and provides about \$1.1 billion direct impact each year; \$1.4 billion indirect impact each year; and \$2.9 billion dollar induced impact each year to the region. The total impact to the Kansas City region is about \$5.5 billion annually.

Chris Byrd, Platte County Economic Development Council, testified that the region offers employment, but has little housing. Therefore, Rt. 152 and I-29 are Platte County’s two major traffic routes.

Mr. Byrd said lettered route roads are important to maintain because people do move to the rural areas to live. For example, Rt. 92 is a growing corridor and heavily used by Ft. Leavenworth personnel to travel to the Kansas City Airport.

Mr. Byrd would like to see the state's local cost-share revenue program to be increased for local projects.

Mr. Byrd said increasing the state sales tax rate for transportation purposes would be a problem for Platte County because the local rate is already 9.875 percent compared to the Kansas rate of 7.5 percent. A sales tax increase would cause competition between local communities along the borders of each state.

To sell a revenue package, Mr. Byrd said a good educational campaign will be needed along with a list of projects to be funded with the increase in revenues.

Hazeline Clay, Metro Organization for Racial and Economic Equality (MORE2), said that transit is important for persons who are unable to commute such as handicapped individuals who want to go to work.

Ms. Clay said there needs to be more of a campaign on why there is a need for a transportation tax increase.

Ms. Clay said MoDOT has helped with the implementation of a minority and women job training program which is successfully helping people get trained to find full-time employment.

Ms. Clay said that \$100 million is needed for transit needs.

Eric Rogers, Bike WalkKC and Bike ShareKC, wants to see a more fully integrated transportation system that will include bike and walk paths. This is necessary to attract and retain a young workforce to the community. Investments in bicycle projects have a greater return on investments and highway projects. It is important that the state find additional funding for bike/walking paths since the newly passed federal transportation reauthorization bill is making funding for these types of projects harder to secure.

Jerry Deardorff, Missouri Highway 13 Corridor Coalition, provided illustrations of the importance of Rt. 13 around the Clinton area. Safety improvements are needed for the Warrensburg College students.

Mr. Deardorff suggested the following revenue packages be considered for transportation purposes:

- Car rental tax
- Tolling I-70
- Fuel tax increase
- Sale tax increase

“Let MoDOT spend the money as they deem appropriate – they have good credibility.”

Chris Gutierrez, Kansas City Smart Port, testified that in terms of freight tonnage, Kansas City is the hub of the nation. With the Kansas City region being the third largest trucking corridor in the nation, it is important to keep the issue of congestion down in order to deliver shipments of goods and services.

As a way to leverage more transportation funding, Mr. Gutierrez suggested utilizing funding made available from local groups and communities who want to invest in transportation projects.

Mayor Mary Horn, city of Sedalia, stated that the city is very appreciative of the US 50 and US 65 interchange improvements. These changes helped with traffic flow in and around the city.

Mayor Horn voiced her opposition to tolling as a way to make improvement on I-70. The Mayor said tolling would cause traffic to use the lesser traveled (lettered) routes which will cause a greater overflow of cars and trucks to use city streets which would result in greater wear and tear of local infrastructure.

Mayor David Keener, City of Lone Jack, provided to the Blue Ribbon Committee examples of how important it is to have good communication between local and state governments in terms working through the local planning process before a project can be built. Mayor Keener was referring to an overpass that was built in the city of Lone Jack.

Rebecca Schwartz, individual, testified on the concept of a “truck ferry”. The truck ferry concept is currently being used in Europe. In short, a tractor-trailer is loaded onto a flat bed rail car and then transported anywhere in the United State. This type of configuration reduces traffic on the highways and would allow the operator of a commercial motor vehicle to meet the mandatory rest time required by federal law.

Ms. Schwartz said this concept is still in the preliminary stages and needs the support and buy-in by the rail and motor carrier industries.

Dr. Ed Kraemer, individual, testified on livable streets. Dr. Kraemer said that Missouri needs a statewide livable street policy to co-mingle motor vehicles with pedestrians and bicyclists.

Dr. Kraemer testified that there is a growing need for additional state revenues to be used for the livable street concept in order to provide citizens with multimodal choices. Proponents of livable streets believe they can be very helpful in educating elected officials to support a revenue package for transportation.

Randy White, Pioneer Trails, provided testimony on the importance of the grass-roots planning process.

Mr. White provided several suggestions for solutions on how to generate additional funding for transportation. Ideas included increasing the current vehicle fees, adopting the tolling concept, and increasing the fuel and sales tax rates.

Mr. White emphasized the importance of not diverting any new revenues or generated fees dedicated for transportation for any other state purpose. Mr. White suggested that any proposal that goes to the voters for approval must include a list of projects along with a timeline for when the projects would be completed. Any new tax proposal should include a sunset.

Merrill Atwater, individual, testified that Missouri needs a long term transportation vision. Because Missouri's population has reduced, but transportation usage continues to increase; there is less money being dedicated for transportation purposes.

Mr. Atwater suggested the following options as ways to improve transportation in Missouri:

- Privatize roads
- Build a light rail system in the urbanized areas of the state
- Increase the usage of transit
- Utilize more railroads
- Implement the usage of tolls
- Increase excise taxes

Richard Murray, individual, testified there is a need for one spokesperson to sell a transportation package – and that person is Merrill Atwater, descendent from Dwight Eisenhower. According to Mr. Murray, Mr. Atwater could pull all political parties, business leaders and special interest groups together to pass a revenue package for transportation.

John Ivey, individual, suggested the following ideas for generating additional monies for transportation purposes:

- Increasing the use of the design-build concept
- Tolling
- Increasing the gas tax
- Increasing the sales tax
- Improving public transit
- Local, city and county governments should plan projects better together and use the monies they currently have at their disposal by re-prioritizing the expenditure of funds
- Imposing impact fees
- Increasing fees for increased truck weights
- Imposition of land use tax for roads
- Expanding the usage of Neighborhood Improvement districts
- Expanding the use of public private partnerships

“Stop talking and take action,” said Mr. Ivey.

Alise Martini, National Association of Construction Women, applauded MoDOT for the implementation of its diversity program which has given minorities and women an opportunity to be employed.

Kitty McCoy, Kansas City Regional Transit Alliance, testified that young professionals and an aging population need and depend upon transit as a way to move about within the city.

Specifically, Ms. McCoy stated that young professionals don't want automobiles to travel because they are looking for other ways to invest their money and how the older - aging - population needs transit because they can't afford automobiles and instead rely on transit to go to the store, doctor's appointments, etc.

Upon closing the meeting, Co-chairman McKenna told the other committee members that he doesn't expect to complete a final Blue Ribbon Committee Report before the November election.

However, by the end of August he and Co-Chair Jetton, would send out a draft outline for the committee members to review. This review process would last for two weeks.

Then in September, a full committee meeting would be called. This meeting would take place in Jefferson City at a date, time and location to be determined.

During the September meeting, Mr. McKenna would like to invite Chris Chung, Missouri Partnership, to this meeting to discuss the importance of investing in transportation and what companies look for before they relocate in Missouri. Also during this meeting, Mr. McKenna would like to have someone talk about polling and what some of the indicators currently say about increasing revenues for transportation.

It is the expectation that a draft report would be completed by the committee in October with a final report that would include an "educational piece" along with recommendations be delivered to Speaker Tilley in December.

The next meeting notice for the Blue Ribbon Citizens Committee will be emailed to the members in the very near future.

The meeting was adjourned.