

The Blue Ribbon Citizens Committee on Missouri's Transportation Needs Committee Meeting Minutes – July 9, 2012

The July 9 meeting of the Blue Ribbon Citizens Committee on Missouri's Transportation Needs was held at the ARC Activity Center in Columbia.

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	Duane Michie
Estil Fretwell	Ed DeSoignie
Randy Verkamp	Becky Cleveland
John Nations	Tom Crawford
Joe DeLong	

There were 99 persons in attendance. Special guests recognized for their attendance were Rep. Bart Korman (R-High Hill), Rep. Mary Still (D-Columbia), U.S. Senator Blunt's office, Sarah Barfield and Rudy Farber chairman of the Missouri Highways and Transportation Committee.

Mr. McKenna spoke on the importance of the creation of the Blue Ribbon Citizens Committee. Mr. McKenna stated the objective of the committee is to look into ways to improve safety, promote economic development and identify possible solutions to pay for future transportation improvements.

Co-chair Rod 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 who attended the public hearing.

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

Toni Messina, city of Columbia, provided welcoming comments to the Blue Ribbon Committee on behalf of the city mayor and city manager. As part of her comments, Ms. Messina stated there are two "choke points" along I-70 in Boone County that require improvements to help with the flow of traffic. The two locations were at the intersection of Hwy. 63 and I-70 and Hwy. 740 and I-70.

MoDOT Director Kevin Keith testified before the committee that the state of Missouri has a problem on both the state and federal levels on how to adequately fund transportation.

Mr. Keith stated the current fuel tax collection process is broken. Currently, MoDOT receives approximately seventy percent of every dollar. The fuel tax hasn't been increased on the state level since 1992 and the federal fuel tax hasn't been increased since 1993. In the meantime, the cost of construction materials continues to increase. Fuel tax revenues have not kept up with the pace of inflation.

Mr. Keith said the other problem is that the world is changing. Cars are getting better fuel mileage. In fact, the federal government is imposing stricter CAFÉ standards on new automobiles being manufactured. This is good for the environment, but an unintended consequence for funding transportation infrastructure.

According to Mr. Keith, a fuel tax increase doesn't generate enough revenue. A one-cent motor fuel tax increase generates about \$40 million of which MoDOT receives \$30 million (the rest of the monies go to the counties and cities). A one-cent sales tax increase generates about \$750 million.

Mr. Keith concluded his remarks by stating MoDOT is doing what it can to place more money on the state's roads and bridges by implementing the Bolder Five-Year Direction. This plan will require MoDOT staff to be reduced by 20 percent; close about 130 facilities and sell about 700 pieces of equipment. This will save the department about \$500 million over a five year time period.

When asked by committee member, Joe DeLong, to summarize what the new federal transportation reauthorization bill will mean to Missouri, Mr. Keith stated the bill doesn't solve the state's funding problem. In short, it is a two and one-half year bill, at existing funding levels through September 2014. While the bill does collapse some federal programs and streamlines the process to get projects done quicker it is short on providing additional funding for transportation infrastructure.

Mr. Keith said to get Missourians to support a future funding package there will have to be a list of needs to show voters what they will be paying for. MoDOT is currently updating its current long range transportation plan to identify a list of statewide needs.

Dave Silvester, District Engineer for the MoDOT Central District, provided an overview of the make-up of the district; specifically, there are 652,000 persons that live in the Central District with 5,236 miles of roads to maintain.

Mr. Silvester testified there are 108 bridges in poor condition. To improve all of the district's bridges, an additional \$5 million a year in additional funding will be required.

To maintain the minor routes (4,173 miles) in good condition an additional \$7 million a year is needed. To maintain the district's major routes (1,063 miles) in good condition an additional \$12 million a year is needed.

In terms of safety (adding shoulders, rumble stripes and intersection improvements) Mr. Silvester said an additional \$10 million a year will be required.

As for corridor improvements, Mr. Silvester said there is a total of \$2.3 billion in one-time needs. This includes improvements to I-70, I-44, US 50, US 63, Rt. 242, Rt. 5, Rt. 740 extension, I-70 and Scott Blvd.

Bob Gilbert, Jefferson City Chamber of Commerce, testified there is a need for the city to have interstate access classification. Jefferson City is only one of a handful of cities in the nation that doesn't have direct interstate access to its state's Capitol. This access designation could help generate economic benefits to the city.

Mr. Gilbert said Jefferson City has good geographical location with many multimodal opportunities such as rail, river ports and aviation.

Mr. Gilbert stated the city lead the effort to partnership with other local communities along US 50 to determine the economic benefits if the highway were 4-laned across the state. This 4-laning would prove to generate about \$7 billion in economic development over 10 years and help alleviate congestion on I-70.

Mr. Gilbert said the chamber believes tolling and a sales tax increase are palatable for generating funding for future transportation needs. However, Mr. Gilbert said, citizens of Missouri must be shown what they will receive in order to sell a revenue package.

John Butz, City of Rolla, testified that transportation advisory commissions and regional planning partners will decide the needs for the Rolla area.

Mr. Butz said he respects and appreciated the Missouri Highways and Transportation Commission's bold move to cut costs to get smaller and to put more money on the roads. Mr. Butz also thanked MoDOT for a great working partnership - in terms of working on solutions jointly - to identify funding opportunities for specific projects.

Mr. Butz stated that tolling could paralyze the Rolla area if it were used to finance the rebuilding of I-44. The Rolla city council believes a mix of revenue increases will be needed – not just one funding source. One possible funding solution is a one-cent sales tax increase with a sunset.

Mr. Butz said a gas tax increase could be raised through an effective educational effort and there needs to be legislature confidence and support in order to pass a revenue package for transportation.

Pat Cryderman, Ameren UE Callaway Nuclear Power Plant, testified that Callaway is one of several other companies in competition with each other to build smaller modular nuclear reactors. Callaway and Westinghouse have joined together to help obtain a Department of Energy grant to build the nuclear reactors.

Mr. Cryderman said that if Callaway and Westinghouse were the successful recipients of the federal grant, a good infrastructure system in and out of the current Callaway plant will be vitally important because there are no readily accessible rail or river ports close to the plant.

Personally, Mr. Cryderman said that either a sales tax or fuel tax increase should be considered as funding alternatives; with a sunset.

Nicholas Edelman, City of Osage Beach, testified that road improvements help develop undeveloped land. The city would like funding for sidewalks.

A general sales tax increase and tolling (I-44 and I-70) would be important for funding capital improvement projects. Diversify; don't just look at funding sources as options for funding opportunities.

Irl Tissendorf, City of Booneville, complimented MoDOT for the implementation of the Bolder Five Year Direction.

Mr. Tissendorf suggested that a mix of license fees and user charges be considered as funding options. MoDOT's state infrastructure bank could be a good revenue source for local projects.

Mr. Tissendorf testified on the importance of having "state government" negotiate with local governments to maintain state routes.

Steve Burger, Burger's Smokehouse, stated the need for increased funding for transportation must be made known statewide. Public relation firms must be used to educate the traveling public. The Governor and the legislature must have an understanding that there is a need for increased transportation funding.

Mr. Burger said a combination of revenues will be needed to generate the necessary money for transportation; for example, a diesel tax increase or general sales tax increase.

Rural areas of the state recognize there is a need for transportation improvements and an increase in transportation funding. With an educational effort will come the support for a revenue package.

Leo Sanders, Crawford County Commission, testified that MoDOT has done well in Crawford County through the safe and sound bridge program. The BRO bridge program is important to the counties of the state.

Mr. Sanders said there needs to be an educational effort before asking for more money. This is the "Show-Me state."

Rep. Bart Korman, High Hill, testified that shoulder improvements must be included as part of a needs list. Tolling I-70 would mean an economic disadvantage to the local communities along the corridor.

Rep. Korman said that he could support a ballot measure that included a revenue package during the next legislative session. This legislative proposal would include a provision to ban tolling on interstates.

Rep. Korman believes MoDOT has done the right thing in terms of getting leaner in size.

Rep. Korman testified that he believes the taxing structure for alternative fueled vehicles needs to be changed to match the actual costs traditional fueled vehicles currently pay. Also the vehicle miles traveled (VMT) tax should be used, but discounted, for rural drivers because there is less congestion in the rural areas of the state.

When asked by committee member John Nations, what the legislature is prepared to do to help improve public infrastructure, Rep. Korman replied by stating that he believes adequately funding transportation should be a core function of state government. However, with limited general revenue resources it is hard to pay for all state needs while yet staying within restricted budgeted amounts.

Doug Smith, Associated General Contractors, testified that the unemployment rate for his members has been between 16 and 22 percent since 2009; when the downturn in the economy began.

Mr. Smith said that while Amendment 3 funding was a success, it was too successful because the traveling public now believes our current infrastructure is in good repair; MoDOT has been a good steward of taxpayer dollars.

Mr. Smith stated that his association supports a one cent to one and one-half cent sales tax increase with a 10 to 15 year sunset. When additional funding becomes available, keep legislature from raiding highway trust fund for other non-transportation purposes.

Gary Brown, City of Salem, stated his appreciation for the recent improvements to Rt. 72; these improvements have helped attract customers to his “bedroom community.”

Mr. Brown said there are three bridges that need to be replaced in the Salem area. The names of the bridges were Crook Creek, Gladden Valley and Voss.

Mr. Brown supports a sales tax increase - with a plan, but not tolling,

Gary Ward, University of Missouri – Columbia, testified there is a need for a pedestrian study along College Avenue in Columbia. The construction would include pedestrian cross walks, pavement, median barriers, and HAWK signals. There is also a need for improvements at Rosemary Lane and Wilson Avenue.

Mike Kenagy, Lake West Chamber of Commerce, testified that improvements along Rt. 54 between Laclede County and the City of Camdenton have contributed to a ten percent economic growth in the area.

Mr. Kenagy said the area is fortunate to have worked with MoDOT on local projects. Improvements along Rt. 5 and 242 on the Westside of the lake remain. Farm to market roads need to be maintained.

Mr. Kenagy said that a combination of revenue sources must be considered as a mix to fund roads. A new tax source must be dedicated to roads or a specific list of projects.

Steve Taylor, MO-AG, Missouri Agribusiness Association, testified that his only concern is to take care of the existing roads and that his company is supportive of a process to spell out the general public, a plan, of what needs to be done with additional revenues.

Mr. Taylor suggested to the Blue Ribbon Committee that they look at the process used to renew Missouri's State Park Tax which includes a 10-year sunset.

Mr. Chris Heard, City of Lebanon, testified on the importance of selling a specific list of transportation needs; for example, sell the list of needs at local coffee shops to gain support. Revenue cost sharing is important.

Mr. Heard said improvements are needed along Rts. 32, 5 and 64.

Mr. Brad Frazier, Walmart Distribution Center (St. James), testified that transportation should be a non-partisan issue and that the Blue Ribbon Committee seek more than just one funding source; look at several new sources.

Mr. Frazier said improvements to Hwy. 63 south should be part of the transportation needs list.

Dr. Chris Belcher, Columbia Board of Education, testified the importance of the city, state and local county to work together of make improvements along Rt. Z in Boone County in order to support the construction of a new high school.

Doug Mache, Red Wing Shoe (Potosi), testified that his company has been able to withstand the recent downturn in the national economy and they continue to add jobs to their operation.

After polling his employees, Mr. Mache said improvements are needed along Rts. 21, 53, 32, 67 and 8. Also, the state should consider the completion of the construction of the remaining 6 miles of Rt. 21 towards Desoto. Finally, a reduction in curves, shoulders and improvements on rural roads are needed.

Dan Atwill, Presiding Boone County Commissioner, said that 162,000 residents live in Boone County and 110,000 residents live in Columbia. These residents use I-70 as a local street.

Mr. Atwill said the Blue Ribbon Committee, MoDOT and the Missouri Highways and Transportation Commission must concentrate on credibility in order to get Missouri voters to support a revenue package.

Mr. Atwill said now is the time to issue bonds; this could be done by identifying needs per each MoDOT district and distributing only the amount of money that is needed in each area of the state.

Chief Jeffery Dorhauer, Osage Beach Fire Protection District, testified that toll roads are only the beginning, but is not the answer to the state's funding problem. Public private partnerships should be considered as part of the funding solution.

Chief Dorhauer stated emergency responses need to be considered as part of any road and bridge improvement plan.

Gordon Ipson, individual citizen, testified that a vehicle miles traveled (VMT) tax could be used as a way to credit the fuel taxes that motor vehicle operators currently pay.

Peter Hofherr, St. James Winery, testified that wineries and vineyards are a growing industry throughout the state and transportation plays a vital role for the industry.

Mr. Hofherr said that while the safe and sound bridge program impacted accommodations to bed and breakfast communities, it was worth the inconvenience.

Mr. Hofherr said that shoulders are needed in the rural areas of the state and that the "TODs" directions signing program needs to be expanded to help direct customers to wineries.

Joe Roeger, Lake Ozark Community Bridge Corporation, testified that the Lake Ozark Bridge is the only self funded bridge in the state (via the use of tolling). The corporation recently refinanced its operation and will now include funding for adjacent improvements to Rts. MM, TT and F.

Mr. Roeger suggested to the Blue Ribbon Committee that they consider local cooperative agreements as a way to build infrastructure. Mr. Roeger personally supports user fees.

Mike Bates, Central Missouri Professional Service, provided a historical perspective on President Dwight Eisenhower who had a vision for building a national interstate system.

Mr. Bates supports an interstate connector between Jefferson City and I-70.

Mr. Bates said that transportation drives economic development and that the taxpayer gets no better return than on transportation investments.

Ian Thomas, PedNet Coalition, testified that all trips people travel are 3 miles or less and that biking is a very reasonable mode of transportation.

According to Mr. Thomas, when people travel - 90 percent use a vehicle, 1 percent use bikes, 4 percent walk, and 5 percent use mass transit.

More people would bike if the proper infrastructure were in place. Mass transit should be part of any bike/ped program.

Mr. Thomas said that MoDOT only spends one percent of its budget on bike/ped facilities and that MoDOT should pilot a mass transit system between Kansas City, St. Louis, Springfield and Columbia.

To sell any revenue package there must be a vision and an effective campaign.

Jim Herfurth, Lake of the Ozarks Transportation Council (retired), testified that Amendment 3 was sold to the voters as a way to end diversions and to use those funds on the roads. However, the Highway Patrol still receives highway funds which are considered a diversion. Funding the Highway Patrol should come from general revenues; not highway dollars.

Gerald Wohlgemuth, United Transportation Union, testified that rail is an important part of the state's transportation system; Kansas City and St. Louis are two of the nation's largest rail hubs. Rail jobs offer a positive impact to local communities and the nation.

Mr. Wohlgemuth said that Missourians supports passenger rail which provides a 3 to 1 return on investments.

Bonnie Prigge, Meramec Regional Planning Commission, provided an overview of the regional planning process to the Blue Ribbon Committee. Ms. Prigge emphasized there is a practice in place to help advocate for a revenue increase for transportation.

Ms. Prigge testified that improvements to Hwys. 50 and 63 are needed in the southern part of the state.

Funding options to be considered according to Ms. Prigge could include an increase in the gas tax, sales tax rate, license fees and using tolling on bridges.

Randy Becht, Becht Properties, Inc. testified the MoDOT has a good reputation because it completes projects as promised. Between MoDOT's good reputation and the need for transportation improvements this is a good possibility to sell a revenue increase to the voters of the state. "Focus on the gain – not the pain."

Ron Leone, Missouri Petroleum Marketers and Convenience Store Operators, reflected on the need to sell a revenue package to the voters. Mr. Leone's association supports a federal tax increase moreso than a state fuel tax increase, but strongly opposes tolling that impacts businesses along the existing exit points of an interstate system.

Mr. Leone offered 7 different transportation funding options to be considered by the Blue Ribbon Committee:

- Increasing the state per gallon excise tax on motor fuel
- Increasing the federal per gallon excise tax on motor fuel
- Applying state and local sales taxes to motor fuel
- Increasing the state sales tax
- Vehicle miles traveled (VMT) tax
- Dedicating a percentage of state budget growth
- Tolls, public private partnerships and commercialization of rest areas

Written testimony was submitted by Jim Grebing, Economic Development/Tourism, City of Hermann.

At the request of Mr. McKenna, the committee approved the minutes from the Blue Ribbon Committee meetings held on June 29 in Cape Girardeau.

The next meeting for the Blue Ribbon Citizens Committee is scheduled for July 23, at the Arch United Methodist Church, in Hannibal, at 10:00 a.m.

The meeting was adjourned.