

BLUE RIBBON COMMISSION
TO STUDY NORTH CAROLINA'S
URBAN TRANSPORTATION NEEDS

Final Report



REPORT TO THE
2006 SESSION OF THE
2005 GENERAL ASSEMBLY
OF NORTH CAROLINA

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TABLE OF CONTENTS

LETTER OF TRANSMITTAL	2
COMMITTEE PROCEEDINGS	3
FINDINGS AND RECOMMENDATIONS.....	7
AUTHORIZING LEGISLATION.....	10
MEMBERSHIP OF THE COMMISSION	12

December 6, 2005

TO THE MEMBERS OF THE 2005 GENERAL ASSEMBLY:

The Blue Ribbon Commission to Study North Carolina's Urban Transportation Needs submits to you for your consideration its final report pursuant to S.L. 2005-383, Sec. 5.

Representative Drew Saunders, Cochair

BLUE RIBBON COMMISSION
TO STUDY NORTH CAROLINA'S
URBAN TRANSPORTATION NEEDS

COMMISSION PROCEEDINGS

The Blue Ribbon Commission to Study Solutions to North Carolina's Urban Transportation Needs, authorized by Sec. 5 of S.L. 2003-383, held a total of nine meetings from March 2004 to November 2005.

In accordance with its charge, the Commission studied several urban transportation matters, including: innovative financing approaches to mitigate urban congestion; local revenue options which would give urban areas more control over their regional mobility future; and other related urban transportation issues.

Commission members traveled to several cities across the state in 2004 and 2005, including Asheville, Charlotte, Greensboro, Fayetteville, and Raleigh, to gain information concerning the transportation issues facing North Carolina's urban areas as well as potential mobility solutions. The Commission did not limit its search for mobility solutions to North Carolina -- Commission members received information on January 25, 2005 from public member Joe Freddoso of Raleigh concerning transportation innovations observed first-hand in San Diego and southern Orange County, California.

Below are brief summaries of the meetings of the Commission. A complete record of each meeting is available in the Commission notebook filed in the Legislative Library.

March 10, 2004

At the first meeting of the Commission, Co-Chairs, Senator Wib Gulley and Representative Drew Saunders, welcomed the members and briefly discussed the purpose and charge of the committee. The Commission then heard a presentation from Mr. Calvin Leggett, Manager, Program Development Branch, DOT, who gave an overview of the Department of Transportation's budget. After some discussion, Mr. Mike Bruff, Manager, Transportation Planning Branch, DOT, was recognized to discuss urban congestion trends in North Carolina.

Commission members were then asked to make suggestions for future meeting topics. Suggestions included national security, methods for reducing traffic and making alternate means of transportation a priority, the causes of congestion in certain areas, coordinating with other interested groups such as the Toll Authority and the Regional Transportation Alliance, state and local sources of funding, creative uses of funds by municipalities, vehicle miles traveled and employer incentives, examination of the State's long and short term planned projects, transit system expansion, rural roads, how to accelerate technology and possible incentives to speed it up, segregation of trucks and cars when possible, roadways that are designed and constructed for specific types of traffic, coordinating with the development community, examination of recently passed federal law, and EPA and non-attainment issues.

April 14, 2004

At the second meeting of the Commission, Chairman Saunders recognized Smedes York, Regional Transportation Alliance Chairman Emeritus and former mayor of Raleigh, to speak about the Regional Transportation Alliance. Joe Milazzo, CEO of the Alliance was also recognized. Nick Tennyson, former mayor for the City of Durham, and Rosemary Waldorf, former mayor for the Town of Chapel Hill, also discussed the Alliance's work with the Commission.

Bill Martin was then recognized for a slide presentation identifying the following needs in the Triangle area: \$7.7 billion in transportation improvements - while realizing that even with these improvements congestion will worsen, an additional \$8-10 billion investment to maintain good mobility, and an additional investment to maintain economic competitiveness and meet air quality regulations.

Mayor Charles Meeker discussed issues facing the City of Raleigh. He expressed support for local option taxes, specifically, a local option sales tax on gas and an increase in registration fees that could generate about 30 million dollars in Wake County.

Jim Roberson from the Research Triangle Foundation spoke to the Commission about transportation and economic growth. Harvey Schmitt, President of the Greater Raleigh Chamber of Commerce, was also recognized for his remarks on economic development and transportation issues.

Finally, Sheila Holman, Division of Air Quality, NC DENR, was recognized to speak on air quality non-attainment and transportation conformity issues.

September 23, 2004

The third meeting of the Commission took place in Duke Energy Theatre at the Charlotte Chamber of Commerce. Chairman Saunders reviewed the charge of the Commission and then recognized Patrick McCrory, Mayor of Charlotte, for his comments. Mr. McCrory also recognized Malcolm Graham with the Charlotte City Council.

Mr. John Muth with the Charlotte Area Transit System, and Mr. Jim Humphrey, Director for the City of Charlotte's Transportation Department, were recognized for a joint presentation on public transit and highway needs.

Carroll Gray, President of the Charlotte Chamber of Commerce, was recognized for his comments on the Business Committee for Regional Transportation Solutions. Mr. Bill Thornburg, a member of BCRTS, was also recognized for his comments.

Mr. Stan Thompson, President of Hydrogen Economic Advancement Team, described a new type of rail transportation technology called "hydrail", which is electric railway propulsion powered by onboard hydrogen fuel cells.

Mr. Joe Milazzo, with the Regional Transportation Alliance, briefly described the goals of the Alliance, illustrated what the Triangle Region will probably look like in 2030, and discussed some creative solutions used by other US cities.

Ms. Sarah LaBelle, with The LPA Group of North Carolina, was recognized for her presentation on Alternative Financing Options. She also recognized Mr. Robert Probst, Senior Associate with The LPA Group, to describe the "27 in 7" program used in South Carolina.

Mr. Jim Carpenter, Monroe Union Chamber President, was recognized to discuss the Monroe By-pass project. He recognized Mr. Larry Helms, DOT Commissioner from Union County, to also give his perspective on growth needs.

November 17, 2004

The fourth meeting of the Commission took place in the J. Douglas Galyon Depot in Greensboro. Chairman Saunders recognized Sandy Carmany with Greensboro City Council District 5 and Chair of the Piedmont Authority for Regional Transportation for comments. After welcoming Commission members to Greensboro, she recognized Mr. J. Douglas Galyon, a member of the NC Board of Transportation and the person for whom the Depot was named. She then introduced Brent McKinney, Executive Director for the Piedmont Authority for Regional Transportation, for his presentation. Mr. McKinney described the region's unique transportation problems and emphasized the importance of mass transit.

Jim Westmoreland, Director of Transportation for the City of Greensboro, discussed Greensboro's top transportation needs and possible solutions, including more state funding, a greater focus on multi-modal investments, and finding ways to reduce the amount of time it takes to complete projects.

Phil Wylie, Director of Transportation for the City of High Point, and Stan Polanis, Director of Transportation for the City of Winston Salem, were also recognized for their comments and recommendations.

December 9, 2004

The fifth meeting of the Commission took place December 9, 2004 at 10:00 a.m. in the Ferguson Auditorium at Asheville Buncombe Technical Community College in Asheville, North Carolina.

The Commission first heard a presentation from Scott Shuford, Director of Planning and Development, City of Asheville, who discussed the City's demographics, their plans to integrate land use planning and transportation facilities, and transportation improvements important to the City, such as passenger rail and I-26 connector funding. The Commission next heard from Bruce Black, Transit and Parking Director, City of Asheville, who discussed City and regional bus service and funding needs.

Jake Gilmer, Land of Sky Rural Planning Organization; Dan Baechtold, French Broad River Metropolitan Planning Organization Coordinator; and Richard Lutovsky, President and CEO of the Greater Asheville Chamber of Commerce also appeared before the Commission, and discussed regional transportation priorities. Asheville Mayor Charles Worley closed the meeting with final remarks, thanking members for attending.

January 13, 2005

The sixth meeting of the Commission took place January 13, 2005 at 10 a.m. at the Airborne and Special operations Museum in Fayetteville, North Carolina.

The Commission first heard presentations from Fayetteville Mayor Marshall Pitts; Rick Heickson, Transportation Planner for the Fayetteville Area Metropolitan Planning Organization; Jerome Brown, Fayetteville Area Transit System Director; and Bill Martin, President of the Cumberland County Business Council; who discussed transportation priorities of the Fayetteville area, including the need for additional transportation revenue for roads, transit, and passenger rail.

The Commission next turned its attention to southeastern and eastern areas of the State, with presentations from Tom Tysinger, Greenville Urban Area Metropolitan Planning Organization; and Mike Kozlosky, Associate Transportation Planner for City of Wilmington, who advocated additional funding for transportation projects, including the State Ports, and expedited permitting and construction of transportation projects.

January 25, 2005

The seventh meeting of the Commission took place January 25, 2005 at 2 p.m. in Room 643 of the Legislative Office Building. The Committee recommended legislation to the 2005 General Assembly to extend the life of the Commission until May 1, 2005.

October 18, 2005

The eighth meeting of the Commission took place October 18, 2005 at 10 a.m. in Room 643 of the Legislative Office Building. Commission Members Joe Freddoso of Cisco Systems gave a presentation to the Commission summarizing findings and recommendations for its final report, and the Commission heard a presentation from Joe Malazzo II, Executive Director Regional Transportation Alliance, on the work of NC Thinking Ahead!

December 6, 2005

The ninth and final meeting of the commission took place on December 6, 2005 at 10 a.m. in Room 643 of the Legislative Office Building. The Commission reviewed and approved this final report for submittal to the 2005 General Assembly.

Findings and Recommendations

Findings

North Carolina's urban areas face many transportation challenges that need to be addressed in order for our State to be successful in the future. After hearing information from several sources across the State, the Commission finds:

- Population growth in North Carolina is the third fastest east of the Mississippi.
- The North Carolina Department of Transportation reports that vehicle miles traveled is increasing at about 1.4 times the population growth rate. As a result, if population doubles or goes up by 100%, demand on highways goes up almost 140%.
- Longer, cross county commutes are more common. In some cases, more than half of a county's commuters exit the county each day to work – examples are Stokes County to Forsyth County (Winston-Salem) and Franklin County to Wake County (Raleigh). These daily commuting flows highlight the critical importance that urban counties possess as the economic engines of the State. Improving urban mobility is essential for the State's continued economic growth and development.
- Charlotte is now the second-most congested mid-sized city in the country, behind only Austin, Texas, according to the Texas Transportation Institute's annual Urban Mobility report. The Triangle had the nation's second-largest increase in commute times over the past decade according to US Census data.
- Currently, North Carolina's urban areas enjoy high ratings on destination and company growth lists, but these high rankings will erode without transportation improvements. Businesses considering locating or expanding in the State rank mobility as their fourth most important issue.
- Swift and efficient evacuation routes are a concern in response to weather emergencies and homeland security. The financial, research and innovation and power generation/fuel refining assets in North Carolina urban areas may be high threat targets.
- Resources fall short of transportation needs by billions of dollars. The State reports an expected 25-year transportation funding shortfall in excess of \$30 billion. The shortfall in the Triangle region alone is expected to approach \$8 billion over the next 20 years.
- North Carolina is a federal transportation fund "donor" state. Even under the recently enacted federal "SAFETEA-LU" transportation legislation, the State sends more in transportation funds to Washington than it receives in return, for both highways and transit.

- The current State highway funding allocation formula is not designed to target resources to those urban and rural areas with critical mobility needs. In addition, several vital transportation priorities – such as Interstate reconstruction in both rural and urban areas – currently have no dedicated funding sources.
- The State has utilized the State Highway Trust Fund for purposes other than transportation, leaving transportation needs unmet.
- GARVEE bonds are a financing tool in use in other states that have provided significant acceleration of federal funding resources.
- Toll roads have become a vital means of financing highway expansion in areas across the nation. Orange Co., California has created a 51-mile toll system – nearly \$4 billion worth of freeways – that saves time for 300,000 motorists each day while serving as a catalyst for economic growth along the toll road corridor.
- High Occupancy Toll (HOT) lanes – such as the FasTrak express lanes in the median of I-15 in San Diego – are providing additional funding resources, added travel options, and an efficient use of existing freeway capacity in growing areas.
- “Junior freeways” – with lower design standards than Interstates – are providing signal-free, uninterrupted mobility along several key arterials in San Diego and other areas with reduced right-of-way and construction costs.
- Multimodal considerations are becoming more paramount across the State and nation, from a commuting, recreation, and overall quality-of-life perspective.
- Several regions are in violation of air quality standards for ozone and fine particulate matter, including portions of the Charlotte, Triad, and Hickory areas.

Recommendations

In the course of its nine meetings over the last two years, the Commission has heard many recommendations to address the urban transportation needs of North Carolina. Given the magnitude of the Statewide funding shortfall, it is clear that no single funding, financing, or policy solution exists to solve all of the challenges facing North Carolina's large and small metropolitan regions. Rather, a host of solutions – implemented in concert in each region, based on the region's unique needs – will be required to prevent a decline in mobility in the State. The Commission recommends that the General Assembly consider each of the following methods as it searches for solutions to address the transportation needs of North Carolina's urban areas.

Potential sources of new funding for transportation infrastructure

- Suspension of transfers from the State Highway Trust Fund.
- Expanded legislative authorizations for turnpike routes, express toll lanes, and high-occupancy toll (HOT) lanes at the Statewide or regional level.
- Legislative authorizations for transportation or infrastructure revenue options implemented at the municipal, county or multi-county level. The new revenue source options should have a direct nexus to transportation.

Financing options to accelerate the receipt of existing funding sources

- Use of GARVEE bonds to accelerate the receipt of federal revenues for strategic transportation projects, particularly to provide congestion relief along urban corridors of Statewide significance.

Primary policy objectives concerning transportation funding

- Insure that new revenues, such as from tolls or GARVEE bonds, are allocated fairly to urban congestion relief efforts.
- Review the components and distribution region boundaries of the current highway funding allocation formula to insure that both urban and rural transportation needs are being met for the near- and long-term.
- Create an "Interstate Maintenance Fund" not subject to the current State transportation funding distribution formula.

Other policy objectives

- Maximize the use of Intelligent Transportation Systems (ITS) technology to improve traffic flow and enhance system efficiency.
- Maintain a focus on maintenance of existing transportation infrastructure as well as needed system expansion, as reflected in the new Statewide transportation plan.
- Continue improving North Carolina Department of Transportation project delivery processes through use of innovative strategies, such as design-build.
- Expand ongoing multimodal planning approaches that integrate highway, transit, pedestrian-bicycle, and other improvements such as High-Occupancy Vehicle (HOV), High-Occupancy Toll (HOT) or express toll lanes.

- Conduct security and weather-related threat assessments to insure adequate evacuation routes from critical civilian, government, and military sites as well as from populated regions.

Authorizing Legislation

S.L. 2003-383, Sec. 5

SECTION 5.(a) Commission Established. – There is established in the General Assembly a Blue Ribbon Commission to study the unique mobility needs of urban areas in North Carolina.

SECTION 5.(b) Membership. – The Commission shall be composed of 27 members as follows:

- (1) Fifteen members of the public appointed by the Governor, two of whom shall represent the Regional Transportation Alliance, one of whom shall represent the environmental community, two of whom shall represent the Business Coalition for Regional Transportation Solutions, two of whom shall represent the North Carolina Citizens for Business and Industry, two of whom shall represent the transportation industry, and four of whom shall be mayors from among the 10 most populous municipalities in the State.
- (2) Six members of the House of Representatives, representing the diverse geographic regions of the State, appointed by the Speaker of the House of Representatives.
- (3) Six members of the Senate, representing the diverse geographic regions of the State, appointed by the President Pro Tempore of the Senate.

SECTION 5.(c) Secretary of Transportation. – The Commission shall invite the Secretary of Transportation to attend each meeting of the Commission and encourage his participation in the Commission's deliberations.

SECTION 5.(d) Duties of Commission. – The Commission shall study the following matters related to North Carolina's urban needs:

- (1) Innovative financing approaches to mitigate urban congestion.
- (2) Local revenue options which would give urban areas more control over their regional mobility future.
- (3) Any other urban transportation issues if approved by the cochairs or recommended by the Secretary of Transportation and approved by the cochairs.

SECTION 5.(e) Vacancies. – Any vacancy on the Commission shall be filled by the appointing authority.

SECTION 5.(f) Cochairs. – Cochairs of the Commission shall be designated by the Speaker of the House of Representatives and the President Pro Tempore of the Senate from among their respective appointees. The Commission shall meet upon the call of the chairs. A quorum of the Commission shall be 11 members.

SECTION 5.(g) Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 5.(h) Staff. – Adequate staff shall be provided to the Commission by the Legislative Services Office.

SECTION 5.(i) Consultants. – The Commission may hire consultants to assist with the study. Before expending any funds for a consultant, the Commission shall report to the Joint Legislative Commission on Governmental Operations on the consultant selected, the work products to be provided by the consultant, and the cost of the contract, including an itemization of the cost components.

SECTION 5.(j) Cooperation. – The Commission may call upon any department, agency, institution, or officer of the State or any political subdivision thereof for facilities, data, or other assistance.

SECTION 5.(k) Meetings During Legislative Session. – The Commission may meet during a regular or extra session of the General Assembly, subject to approval of the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

SECTION 5.(l) Meeting Location. – The Commission shall meet at various locations around the State in order to promote greater public participation in its deliberations. The Legislative Services Commission shall grant adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building.

SECTION 5.(m) Report. – The Commission shall make an interim report of its findings and recommendations to the 2004 Regular Session of the 2003 General Assembly and shall make a final report of its findings and recommendations to the 2005 General Assembly. The Committee shall submit copies of the reports to the Governor and the Secretary of Transportation. Upon the filing of its final report, the Commission shall terminate.

SECTION 5.(n) Funding. – The Commission may apply for, receive, and accept grants of non-State funds or other contributions as appropriate to assist in the performance of its duties.

SECTION 5.(o) Appropriation. – Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate sufficient funds for the expenses of the Commission.

SECTION 5.(p) This section is effective when it becomes law.

MEMBERSHIP

BLUE RIBBON COMMISSION TO STUDY NORTH CAROLINA'S URBAN TRANSPORTATION NEEDS

Pro Tem Appointments

(Vacant) Co-Chair

Sen. Charlie Smith Dannelly
North Carolina General Assembly

Sen. Katie G. Dorsett
North Carolina General Assembly

Sen. Linda Dew Garrou
North Carolina General Assembly

Former Sen. Eric Miller Reeves

Former Sen. Robert Anthony Rucho

Speaker Appointments

Rep. Drew Paschal Saunders Co-Chair
North Carolina General Assembly

Rep. Cary Dale Allred
North Carolina General Assembly

Rep. Becky Carney
North Carolina General Assembly

Rep. Earl F. Jones
North Carolina General Assembly

Former Rep. David M. Miner

Former Rep. Don Munford

Governor Appointments

Mr. Charles Bullock
6400 Godfrey Street
Raleigh, NC 27612

Mr. Mark C. Cramer
1201 Greenwood Cliff
Suite 310
Charlotte, NC 28204

Mr. Sanford T. Cross Jr.
220 Jansmith Lane
Raleigh, NC 27615

Mr. Joseph A. Freddoso
Cisco Systems Inc.
PO Box 14987
RTP, NC 27709

Mr. Charles E. Knox Jr.
The Knox Group
PO Box 2608
Cornelius, NC 28031

Mr. Duane Long
Logistics
PO Box 110007
RTP, NC 27709

Mr. L. Dale McKeel
3559 Hamstead Court
Durham, NC 27707

Mr. Brent McKinney
Piedmont Authority for Regional Transport
6415 Bryan Blvd., Suite 18
Greensboro, NC 27409

Hon. Charles C. Meeker
Mayor of Raleigh
PO Box 590
Raleigh, NC 27602

Hon. Marshall B. Pitts Jr.
Mayor of Fayetteville
433 Hay Street
Fayetteville, NC 28301

Hon. Aaron W. Plyler
Plyler Grading & Paving
2170 Concord Avenue
Monroe, NC 28110

Hon. Charles Worley
Mayor of Asheville
PO Box 7148
Asheville, NC 28802

Hon. Rebecca R. Smothers
Mayor of High Point
1843 Country Club Drive
High Point, NC 27262

Mr. Stephen P. Zelnak Jr.
Martin Marietta Materials
2710 Wycliff Road
Raleigh, NC 27607

Mr. R. Wayne Troutman
P.O. Box 965
Concord, NC 28026

Staff to Committee

Giles S. Perry
Wendy Graf Ray
Research Division
(919) 733-2578

Evan Rodewald
Bob Weiss
Fiscal Research
(919) 733-4910

Contact

Ann Jordan
Committee Clerk
(919) 733-5746