

Rhode Island Statewide Planning Program
STATE PLANNING COUNCIL
MINUTES

Thursday, May 8, 2008
William E. Powers Building
Conference Room A
One Capitol Hill, Providence, RI

I. ATTENDANCE

Members Present

Mr. Kevin Flynn	Representing Mr. Jerome Williams, Chair, RI Department of Administration
Mr. Jared L. Rhodes, II, Secretary	Statewide Planning Program
Ms. Jeanne Boyle	City of East Providence Planning Department
Mr. Daniel Burman	Representing Mr. Peter Osborn. Federal Highway Administration (Advisory Member)
Mr. Christopher Long	Representing Mr. Timothy Costa, Vice Chair Governor's Policy Office
Ms. Anna Prager	Public Member
Mr. Pedar Schafer	Representing Ms. Rosemary Booth Gallogly, Budget Office
Mr. Robert Shawver	Representing Mr. Michael Lewis, RI Department of Transportation
Mr. Henry Sherlock	Representing Mr. Steven Cardi, Public Member
Mr. John Trevor	Environmental Advocate
Ms. Janet White Raymond	Public Member

Members Absent

Ms. Susan Baxter	Rhode Island Housing Resources Commission
Mr. Daniel Beardsley	RI League of Cities and Towns
Ms. Sharon Conard Wells	West Elmwood Housing Development Corporation
Mr. Thomas Deller	Department of Planning & Development, City of Providence
Mr. L. Vincent Murray	Town of South Kingstown Planning Department
Mr. B. Michael Rauh	Environmental Advocate
Mr. William Sequino	Public Member

Guests

Ms. Harriet Holbrook	RIPTA
Ms. Meridith Holderbaum	R.I. House
Ms. Kelly Mahoney	R.I. Senate

Staff--Statewide Planning Program

Mr. George Johnson	Assistant Chief, Statewide Planning
Ms. Katherine Trapani	Supervising Planner, Transportation
Mr. Robert Griffith	Chief, Strategic Planning
Ms. Maria Costa	Executive Assistant

II. AGENDA ITEMS

1. Call to Order

Mr. Flynn called the meeting to order at 9:08 A.M.

2. Approval of April 10th Minutes

Ms. White Raymond moved to approve the Minutes of April 10, 2008, as presented. The motion was seconded by Mr. Trevor, and carried unanimously.

3. Chief's Progress Report

Mr. Rhodes began by introducing Ms. Maria Costa, recently employed by the Program as an Executive Assistant. He noted that Ms. Costa had 13 years of service with the State, including three years most recently with RIDEM. He noted that the Program was pleased to have her on board, and that the focus initially will be on assisting with scheduling and re-organizing the Program's central files.

He noted that the Program was also losing a staff member. Ms. Blanche Higgins, Supervising Planner of the Land Use section will be leaving on May 19th to join the planning staff in the Town of Westerly. Mr. Rhodes noted that Ms. Higgins had a total of 12 years of service with the Program during two separate periods, the most recent being the past 8 years. He cited her work with the State's Land Use 2025 Plan, and with the Council's committee that is working to promote its implementation. He noted that while the Program is sorry to lose Ms. Higgins' expertise, it is happy for her to have a planning position in her hometown. He said that the Program thanks her for her work and noted that all wish her the very best in her new position. The Program has initiated efforts to refill her Supervising Planner position as soon as possible, and it actually had been given approval by the State Hiring Council to fill a Supervising Planner slot that was opened earlier this year, and applications for that position are due May 12th.

Mr. Rhodes continued the Chief's Progress Report, describing the following items:

- **Comprehensive Planning Assessment** – Mr. Rhodes reported that the first two phases of this effort had been completed. The on-line survey was completed and documented in a report, and the three focus groups with planners, state agencies and developers had been completed. The input received is providing many good suggestions for enhancements in the Comprehensive Planning process, he noted, and the next step will be for staff to distill this input into a technical report that will be reviewed with the Technical Committee and then the Council over the Summer.
- **State Investment Strategy** -- Also related to implementation of Land Use: 2025, is the effort to align State investments with the policies of the plan. In that regard, Mr. Rhodes reported that the Program had applied yesterday to EPA's Smart Growth Technical Assistance Program to bring a team of experts to the state for 4 or 5 days to provide assistance to this effort. If the request is awarded, the team would work with the staff and the Implementation Committee to benchmark the inventory of State programs, and would also offer insights on best practices being used by other states to align investment policy with Smart Growth policy.
- **Economic Development** – The CEDS process is well underway. At its April meeting, the Technical Committee appointed Dr. Lynne Dunphy to the CEDS Subcommittee to fill a vacancy. Eight CEDS applications were received by the May 5th deadline, and staff is doing preliminary scoring of these in preparation for a CEDS Subcommittee meeting on May 22nd. The CEDS list will be presented to the Technical Committee and the Council for action in June.
- **Transportation** – In addition to the agenda items to be covered today, the Transportation staff has been busy revising the Airport Systems Plan to respond to comments from the City of Warwick. Staff had accomplished approximately 75-80% of the revisions, and a meeting is scheduled for next week with RIAC staff to review the proposed changes. It is expected that the revised draft can be ready for the Council to consider at the June meeting.

In the Safe Routes to School Program, progress is being made on scheduling the planned National SRTS Course Workshops. Three workshops have been scheduled for May 20th in Central Falls, May 21st in Woonsocket, and May 29th in Barrington. Staff is also working to get the first several project agreements in place with the grantee-communities.

- **Rules of Procedure** – Mr. Rhodes noted that a copy of the Council's complete Rules of Procedure was in members' packets. This version includes the revisions to the Rules approved by the Council at the April meeting.
- **Grow Smart RI Summit** – Mr. Rhodes concluded his remarks by noting that staff had participated in the Grow Smart RI Power of Place Summit last Friday. Mr. Flynn and Mr. Johnson spoke and other staff were involved as well. The Summit attendance was down slightly from the session two years ago, but overall there was a good representation of sectors interested in land use policy.

Mr. Flynn added the following comments to the Chief's Report:

On the Grow Smart Summit, he noted that attendance was about 400 this year versus 500 two years ago. He also recognized that a number of staff had supported the effort by being session recorders. In addition, Ms. Shawcross of the Division also spoke at a session. He noted that one developer had commented to him that in the two years since the initial Summit, the Land Use: 2025 Future Land Use Map had become an icon recognized throughout the state as presenting the pattern for future Smart Growth development desired for the state.

Mr. Flynn also reported that he, as other DOA managers, had submitted a Succession Plan to the Director, identifying likely retirements and contingencies for continuity of services following October 1st. The plan indicated that some of the expected vacancies would be refilled, while others could be consolidated. The hope is that the Division will emerge as strong, if not stronger.

Mr. Flynn also noted that Ms. Trapani had missed the recent Technical Committee meeting because she was asked to make a presentation on funding scenarios to the Blue Ribbon Transportation Finance Panel. He noted that she would be presenting this material to the Council later in the agenda.

There were no questions on the Chief's Progress Report.

4. Transportation Improvement Program (TIP): FY 2009-2012

Ms. Trapani reviewed the status of the Draft TIP. Since presentation to the Council at the March and April meetings, staff had worked with DOT and RIPTA to review the draft with the TAC and Technical Committee. There have been no changes to the draft presented last month, but several formatting changes will be made prior to the public draft being released. These are: including implementation years for the Earmark projects, incorporating the full listing of Study and Development Program projects, and dropping an erroneous transit item entry on page 18. The Transit Program will also be formatted to combine the bus and rail transit into one program. The text of the TIP will not be in the public review version, but will be added in as the document is finalized.

Ms. Trapani reviewed a handout providing a comparison of the funding levels of the draft TIP with prior TIPs. The change in emphasis to address Bridge maintenance priorities and complete Major Projects is apparent, and the impact has been to reduce the Highway Program. She noted that the draft Air Quality Conformity Analysis would be available next week, and this will become part of the public review package. The TAC and the Technical Committee both voted to recommend the TIP for public hearing. The TAC did include several comments on the draft, and they are identified on the handout. The plan is to advertise the hearing in late May, and hold the hearings on June 26th, one in the afternoon, and one in the evening as part of the TAC meeting. The revised draft would be presented in August for Council action. She noted that Ms. Holbrook and Mr. Shawver could respond to any questions on RIDOT or RIPTA projects.

Ms. White-Raymond moved acceptance of the draft TIP for purposes of conducting public hearings. Ms. Prager seconded this motion and it carried unanimously.

5. Surface Transportation Plan Update: Transportation 2030

Ms. Trapani delivered the presentation on this item. She noted that the schedule is to conduct the Air Quality Analysis and public hearing process concurrently with the TIP, and to have a revised draft ready for action at the August meeting. She reviewed a handout describing the significant changes incorporated in this update, which responds to new SAFETEALU requirements. A separate handout provides the TAC's changes to the draft, which would be included with the motion.

Since the last meeting, the major new addition to the draft is the Needs Assessment, which is based on the funding scenario work done by staff and DOT for the Blue Ribbon Commission. Ms. Trapani provided a presentation on the funding scenarios.

The first scenario is called "Sink", and reflects the current level of funding in the draft TIP, and in DOT and RIPTA budgets -- \$453 million per year. No new sources of revenue are presumed to be available for transportation. It completes current major projects, addresses some bridge deficiencies, continues bus service at current levels, and completes current commuter rail projects at Warwick and Wickford. Other new projects are not covered. It continues the gas tax and bus fares at current levels, and assumes that there will continue to be \$40 million per year in general obligation bonds available for

highways and transit. Under this scenario, debt continues to increase and erode the ability of the State to undertake capital projects and properly maintain and operate the current system. Deficient bridges would continue, and there likely would be transit service cuts and/or fare increases.

The second scenario framed is called “Tread Water”. It reflects an improvement in the timely maintenance of infrastructure. It also breaks the unsustainable dependence on using debt to pay for transportation capital projects. The scenario provides for, in addition to the service levels of the “Sink” scenario, the completion of the Routes 6 & 10 interchange, substantial progress in addressing bridge deficiencies, begins addressing the backlog of projects in the TIP’s highway, enhancements, study and development, resurfacing, and safety programs, and bus, commuter rail, and ferry service. It would cost approximately \$680 million per year; paying for this with new funding in the form of diverting vehicles sales taxes of \$80 million, increased vehicle registration fees being devoted to transportation purposes raising \$50 million, an increase in the state gas tax to 45 cents per gallon raising \$205 million, \$30 million in new tolls, and several smaller new sources. These funding options are included in the various scenarios as examples only, and no particular option is being recommended in the draft Plan. This scenario gets us to a ‘debt-free’ position over time, adequately funds maintenance and operations, reverses the overall decline of bridges and pavements and maintains transit choices and bike/pedestrian modes.

The third scenario is called “Swim”. It moves the state’s transportation system forward by providing for targeted expansion and overall improvement of the condition of our infrastructure. It includes everything in the previous scenario, Interstate 95 and 295 widening (Johnston to West Greenwich), startup of a local roads program, more enhancements, S&D, resurfacing, and safety projects, enhanced bus and ferry service to eliminate overcrowding, and commuter rail all along NEC (Westerly-Pawtucket and points between) and Aquidneck Island. The “Swim” scenario is estimated to cost \$860 million per year, or roughly double our current investment level. Examples of potential funding options include \$80 million in vehicle sales tax (diversion from General Fund), \$75 million in net registration fees (diversion and increase), a 60 cent state gas tax (a 30 cent increase per gallon), \$50 million in new tolls, 30% farebox recovery for transit, and it also assumes a \$60 million per year increase in federal funds. The outcome of the “Swim” scenario allows the state to make forward progress on transportation via improved safety, maintaining transit choices and bicycle pedestrian modes, and providing better modal balance. It provides for system-wide enhancements, and marked improvement in condition of infrastructure due to improved maintenance.

The last scenario sketched out is called “Win the Race”, based on the catch phrase used by the Economic Policy Council’s in its reports on how to advance Rhode Island’s economy. This scenario achieves the vision of the state’s land use plan, provides real choice and modal diversity, and maintains economic competitiveness for future generations. It includes everything in the previous scenario, as well as a healthy local roads program, a new fixed guideway system in the Providence metro area, commuter rail in the Blackstone Valley, and retrofitting major bridges for bicycles. It would take an estimated \$1.2 billion per year of investment, including funding options for \$80 million in vehicle sales tax (diversion from the General Fund), \$100 million in net registration fees (diversion and increase), a 75 cent state gas tax (representing a 45 cent per gallon increase), a new 7% sales tax on gas, \$60 million in new tolls, a 30% farebox recovery for all transit services, and an assumed \$145 million increase in federal funds. The scenario would provide transportation choices and mobility, with reduced congestion and improved air quality. It would enhance community livability, and offer robust operations, maintenance, and asset management. This scenario really develops the infrastructure needed for the next century, and supports the state’s economic competitiveness.

The overall assumptions are that the State’s transportation program should be self-sustaining, and that transportation fees and taxes should be used for transportation purposes. The Federal program must be increased substantially to achieve “Swim” and “Win” levels. Savings will be achieved in major bridge and highway projects by adhering to preventive maintenance schedules and by removing personnel costs from project costs.

Ms. Trapani advised that the scenarios and their details are really sketch-plan level, and would likely change as they are further refined and discussed with DOT and RIPTA, and with the Blue Ribbon panel's input. A couple of qualifications in that regard mentioned were that the analysis is a modest RIDOT/RISPP staff effort to provide order of magnitude numbers. Each scenario is a point in time and does not consider change in vehicle miles traveled, change in price or consumption of gas, variable fees/tolls for heavy vehicles, personnel or construction cost increases, or new technologies. Change in debt service over time is not reflected. There will be a transition period to pay down old debt. Locations for tolled highways are not specified, and earmark projects have been removed from the analysis.

Discussion:

Ms. White Raymond asked what the yield per cent of the gas tax was for transportation investments. Mr. Shawver replied that each penny produces \$4.55 million; that figure is down from \$4.8 million a couple of years ago, due likely to reduced driving.

Mr. Flynn commented that the discussion of a gas tax holiday at the federal level is curious, since the federal program faces critical funding needs, and most economists have indicated that the impact would be minimal for most households, given the steep increase in oil prices overall.

Mr. Shawver indicated that Rhode Island is different from most states in that its transportation program relies entirely on the gas tax, including paying debt on past projects. The Long Range Plan includes a chart showing the effect in the future as the debt burden grows to \$60 million per year – that will wipe out funding for maintenance and operations. This indicates that we do need to change the way we fund transportation in our state.

Ms. White Raymond asked if the Blue Ribbon panel was looking at these global issues. Mr. Shawver stated that at the first two meetings, they were given an appreciation of the needs, and an explanation of how the program is currently funded. They will next start to examine future options.

Mr. Flynn mentioned that Council member Sequino represents the Council and local governments on the Panel.

Ms. Boyle asked if the Panel is really thinking about a paradigm shift in funding, and what that would take. Ms. Trapani stated that the Panel has not really gotten to that point, but as it digs deeper, it will have to realize that at some point, the gas tax is essentially got to go away and be replaced by new mechanisms. She noted that in the handout showing detailed funding tables for the scenario analysis, the last page shows what a "vehicle mile traveled" tax might look like – in sketch terms. This shows that we are currently paying about 5.1 cents per mile traveled under the "Sink" scenario. This would have to grow to 8.3 cents per mile under the "Tread Water" scenario, to 10.4 cents per mile under "Swim" and to 13.3 cents per mile to "Win the Race".

Mr. Shawver noted that the FHWA is bringing in for the next Blue Ribbon Panel meeting a team from its research center to share what other states are doing on funding options with the group. Ms. Trapani stated that many states are experiencing funding crises, and some are proposing things like leasing or selling their infrastructure to raise funds.

Ms. Boyle asked if there was any economic analysis done of the effect of such large revenue increases. Ms. Trapani stated that no, this was just a sketch plan "order of magnitude" analysis, and did not have the benefit of econometric analysis, such as Massachusetts did with Cambridge Systematics for its Transportation Finance Commission. Mr. Shawver stated that URI's Transportation Center would be providing some expertise and assistance to the Blue Ribbon Panel. He also noted that the Panel received a presentation on the detours that closing of the Sakonnet River or Pawtucket "550" bridges would entail, and some sense of economic dislocations might be gleaned from that. Mr. Shawver also noted that even the "Sink" scenario may understate the current situation, since it assumed a level of federal funds that are not materializing.

Ms. Boyle suggested that the funding scenarios presentation should be given wider circulation. The public must be informed and educated about this problem if it is to endorse proposed solutions, she stated.

Mr. Shawver indicated that the Blue Ribbon panel understands the need for public relations on this, but needs to present the data in such a way that it doesn't just sound like DOT crying again for more money. Mr. Flynn agreed that the approach on public relations needs to be carefully considered.

Mr. Burman stated that states across the country are facing similar situations, as is the federal government. The current federal legislation expires next year, and it is hoped that a successor Act will be under consideration by the Fall of this year. In many respects, he noted, it will be difficult for states to restructure their transportation funding systems until the federal government acts to create its new framework.

Ms. Prager, commenting that she sees the same number of SUVs and single occupant vehicles on the roads as before the steep climb in gas prices, stated that we really need to construct a strategy that gives people the incentive and the means to modify their travel behaviors.

Ms. Trapani noted that RIPTA is undertaking a major transit study for the metro area, and that this could help define a future transit system that would provide options. She also noted that transit ridership is at an all time high. Ms. Prager replied that while urban residents are embracing transit, she fears that suburbanites still have not changed their driving patterns.

Mr. Trevor asked how the mileage tariff would work.

Mr. Berman indicated that there have only been experiments so far, but in Oregon, a system using transponders in vehicles was tested along with readers at gas stations that recorded data while vehicles filled up. Billings were based on a vehicle's weight and miles traveled. He noted that Rhode Island's State vehicle fleet might provide an opportunity to conduct a similar test here.

Ms. Prager commented that she served on the last Blue Ribbon Commission on Transportation Finance, and the recommendations were not fully embraced. She stated what is needed is political leadership to tackle the tough questions.

Mr. Shawver replied that the 1995 Panel's recommendations were implemented over time. An increased share of the gas tax was gradually devoted to transportation needs, and the GARVEE bonds were eventually issued to allow the major projects to proceed. The problem now is that there is no more funding available from the current gas tax proceeds, and bonding is maxed out. Also, the bridges built in the 1950s and 1960s are reaching the age where major work is required. So, it is more of a crisis this time.

There being no further discussion of the draft plan, the Chair asked for a motion to accept the draft, with the changes noted for public hearings.

Ms. Prager moved to accept the draft Transportation Plan Update, with the changes noted, for public hearings. The motion was seconded by Ms. Boyle and carried unanimously.

6. Unified Work Program for Transportation Planning

Mr. Johnson reviewed this item. He noted that since the draft of Part Three was reviewed with the Council at the April meeting, staff has added in Parts One, Two, and Four, and the Appendix; so that a complete draft is now available. Part One provides background and contextual information. Part Two reports on the Program's performance during fiscal 2008, and lists major products anticipated to be produced in the coming fiscal year (2009). Part Four adds in the budget and staff resources needed to implement the work program. Mr. Johnson noted that the federal resources remain more than adequate,

but that State funding available continues to decline. However, a budget has been proposed that supports the staff and activities proposed to be undertaken. The Appendix adds the transportation planning tasks of RIDOT and RIPTA, and thus the entire draft now constitutes the Unified Work Program for Transportation Planning.

He indicated that several comments had been received through the review process, and referred members to a handout summarizing the staff response and proposed changes. One comment, from FHWA, was to consider using some PL funds to support planning-related research at the URI Transportation Center. This is reflected in a change in the Planning Challenge Grant task to indicate that funds could be available for planning-related research as well as planning studies. A second comment came from Technical Committee member Eugenia Marks of the Audubon Society. This asked that the narrative on water supply planning be expanded in several respects. Draft language responding to this change is shown on the handout, Mr. Johnson noted. Two other comments from the TAC were taken under advisement, but do not appear to necessitate changes to the draft Work Program.

Mr. Johnson indicated that no action on the draft Work Program was being requested at this time, but that adoption action by the Council will be requested at the June meeting. He indicated that members who have comments or questions in the interim should contact him directly.

7. Other Business

Mr. Flynn commented that in his recent travels to South Korea he was astounded by the modern and efficient transportation infrastructure available and being developed in that country. Busan, a city of 3.7 million in the southern portion of South Korea has the 5th largest port in the world, and is replacing it with a new, bigger port. The old port is being redeveloped. The city had a first class subway system, more advanced than anything seen here. High speed trains connecting Busan with Seoul travel at 190 MPH, versus the fastest Acela at 120 MPH for short distances only. He noted Mr. Bruce Katz's comments at the Grow Smart RI Summit last week that America risks becoming a "third world" country in terms of its infrastructure, unless it gets serious about investing in and modernizing it. He noted that traveling around Asia drives home this point.

8. Adjourn

There being no other business before the Council, the meeting adjourned at 10:12AM.

Respectfully submitted,

Jared L. Rhodes, II
Secretary