

**TRANSPORTATION ADVISORY COMMITTEE  
SEPTEMBER 19, 2007  
MINUTES**

The Transportation Advisory Committee met on Wednesday, September 19, 2007 at 4:00 p.m. at Wake County Commons, 4012 Carya Drive, Raleigh, NC with the following present:

**Members**

Chairman Bryan, presiding  
Robert Ahlert  
Dan Andrews  
Tony Braswell  
Frank Eagles  
R. H. Ellington  
Jan Faulkner  
Anne Franklin  
Hubert Gooch  
Vivian Jones  
Charles Meeker  
Perry Safran  
Dan Sears  
Keith Weatherly  
Ronnie Williams

**Representing**

Wake County  
Clayton  
Harnett County  
Johnston County  
Rolesville  
Angier  
Morrisville  
Triangle Transit Authority  
Granville County  
Wake Forest  
Raleigh  
NC Turnpike Authority  
Holly Springs  
Apex  
Garner

**Staff**

Ed Johnson  
John Burris  
Chip Russell  
Diane Wilson  
J. J. Walter  
Kenneth Withrow

**Representing**

CAMPO Director  
CAMPO Staff  
TCC Chairman  
CAMPO Staff  
CAMPO Staff  
CAMPO Staff

**ADJUSTMENTS TO AGENDA – AGENDA APPROVED AS PRESENTED**

No changes to the agenda were requested; therefore, without objection, the agenda was approved as presented.

**PUBLIC COMMENTS – NONE RECEIVED**

Chairman Bryan explained this was an opportunity for comments by those in attendance. No one asked to be heard.

**MINUTES – AUGUST 15, 2007 – APPROVED AS PRESENTED**

Members received minutes of the August 15, 2007 meeting in their agenda packets. Mr. Williams moved approval of the minutes as presented. His motion was seconded by Mr. Eagles, unanimously passed. Chairman Bryan ruled the motion adopted.

**2009-2015 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM – STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) REQUEST TO NCDOT – PUBLIC HEARING HELD – APPROVED WITH UNDERSTANDING STP-DA FUNDS WILL BE DISCUSSED AT A LATER DATE**

Mr. Johnson provided the overview of this item. He noted during December 2006, staff solicited projects for inclusion in the FY 2009-2015 update of NCDOT's Statewide Transportation Improvement Program (STIP) and the Capital Area MPO's Metropolitan Transportation Improvement Program (MTIP). He explained each member agency was requested to submit prioritized lists of Roadway, Advance Planning, Bicycle/Pedestrian and Enhancement projects by March 30, 2007.

Mr. Johnson noted based on the information received and input from TCC subcommittee members, a consolidated list of priority projects for each type improvement was developed for submittal to NCDOT for inclusion in the draft STIP for release later this year and adoption next year. The TIP Request priority lists were developed using several technical criteria as well as trying to achieve reasonable geographic equity among member jurisdictions. The final recommended lists of priority projects for inclusion in the MPO's TIP Request were presented on August 15, 2007 to the TAC. At the August 15, 2007 meeting during review of the Roadway priority list, it was noted that Fuquay-Varina's #1 project, Judd Parkway (ranked #12) had received public support via approval of a local bond referendum to help pay for its construction. The Town of Fuquay-Varina proposed to pay for and construct the project under the condition that NCDOT would agree to subsequently reimburse the Town for one-half of the cost. Based on this information and the projected traffic volumes in Fuquay-Varina in 2035, at the Town's request the TAC agreed to move this project from #12 to #10 on the list of priority roadway projects. Members received a copy of the Draft TIP Request which was reviewed in detail.

A 30-day public comment period was opened to allow the public an opportunity to review and provide comment on the priority project lists and a public hearing to receive comment was scheduled to be conducted at this meeting.

Mr. Johnson reported NCDOT staff had provided an update of the status of the MPO's Surface Transportation Program – Direct Allocation (STP-DA) federal funding for FY 2009-2015 indicating a total amount of \$29,156,000 as currently unobligated for an equalized annual amount of \$3,645,000 over eight years (FY08-15) or \$4,165,000 over seven years (FY09-15). Members received in their packets a table indicating the current

status of the STP-DA funds as provided by NCDOT as well as a proposal that would fully utilize the unobligated funds to:

- (1) establish a reserve account with an annual availability of \$3.2 million of federal funding (equivalent to a minimum \$4.0 million when including required 20% non-federal match). This reserve account would be for the MPO to utilize as it sees fit to fund operational improvements to improve traffic safety and mitigate traffic congestion.
- (2) Supplement the MPO operational budget to hire additional staff for the purpose of improving and expanding program services as has been discussed and agreed upon in principle at recent TAC and TCC strategic planning retreats.

Mr. Johnson reviewed Attachment 5B included in the agenda packets in detail related to the STP-DA allocations. The document noted the funding scenario as recommended by NCDOT and as proposed by Ed Johnson. Mr. Johnson noted his scenario was one way to allocate these funds assuming there is available \$4.2 million beginning next year. He emphasized it is important how NCDOT and CAMPO come together on how to have this money allocated noting DOT is amenable to show it as CAMPO desires.

Mr. Meeker indicated this group has been very clear it has the right to allocate our STP-DA money. He referred to the chart provided noting it shows STP-DA money being averaged and results in there being less money on the front years. He emphasized this group should back off on its position and insist upon receiving all dollars coming to it each year subtracting and setting aside what we have already committed to and placing the rest in reserve. He questioned if the \$600,000 in reductions had been counted twice. He reiterated he opposed acceptance of the averaged amount and should put those in reserve after dedication of what we have already allocated. Mr. Johnson explained the first line (on the chart) is the expenditure line and the second line is the annual amount federal law says we are to get on an annual basis. NCDOT has let us treat it like a bank with no interest. He noted the \$7 million is what comes in annually and the number above is what we have committed to spend. Mr. Meeker indicated if we are receiving \$7.6 million, that is satisfactory. Mr. Johnson explained our commitment is to spend money through 2012 and we have already committed to spend that amount of money and the out year money is not committed. Mr. Johnson indicated a way had not been determined to expand the MPO program and that decision is up to this body; however, a decision does not have to be made at this meeting.

Mr. Sears felt this is a step in the right direction stating this body had been talking about this for 5-6 years and it was good to have this on the agenda.

Mr. Meeker requested confirmation of what this body is already committed to.

Mr. Withrow further reviewed Tables 6-9 relating to Capital Area Transit and Triangle Transit Authority projects.

Chairman Bryan declared the hearing on this item open.

Mr. Milazzo, Triangle Transit Alliance, spoke in support of projects included in the MTIP. He indicated his group applauded inclusion of the I-40 Widening from Wade Avenue to US 1/64/I-440 and the Triangle Expressway Turnpike.

No one else asked to be heard thus the hearing was closed.

Ms. Jones moved approval of the TIP request for submittal to the N. C. Department of Transportation for inclusion in the draft 2009-2015 Statewide Transportation Improvement Program (STIP) to be released later this fall and adopted next spring. Her motion was seconded by Mr. Sears.

Mr. Meeker requested a friendly amendment that this approval is with the understanding that the STP-DA funding will be discussed later. Ms. Jones and Mr. Sears accepted the friendly amendment. A vote on the motion with the friendly amendment was taken and unanimously passed. Chairman Bryan ruled the motion adopted.

Later in the meeting, Mr. Johnson explained, in regard to STP-DA funding, the committed items. He stated there is \$3.6 million to spend each year noting we are already in 2008. The next TIP is 2009-2015. He noted the numbers provided in the attachment to add up.

#### **N.C. TURNPIKE AUTHORITY – SUPPORT OF LEGISLATIVE GAP FUNDING ENDORSED**

The agenda provided the history of this item. At the August 15, 2007 TAC meeting, members requested that the NC Turnpike Authority be placed on the September 19, 2007 TAC Agenda to report on the following topics:

1. What options, other than gap funding, are being considered for financing of the Triangle Parkway and Western Wake Parkway projects,
2. Does the NC Turnpike Authority have the authority to negotiate with private companies on financing and if not, who does,
3. What legal issues will need to be addressed before investigating tolling of the previously constructed portions of I-540.

Members received in their agenda packets various legislation that will need to be addressed prior to investigation of tolling on the previously constructed portions of I-540.

Mr. Safran indicated he had passed on to David Joyner the items that were raised at the previous meeting. He expressed appreciation for staff including in the agenda packets the statute relating to this item.

David Joyner, Executive Director of the North Carolina Turnpike Authority, reported the legislators did their job and went home and left transportation funding on the table and leaving the Turnpike Authority in a quandary. He spoke to the 5% annual increase in the cost of the project resulting in a \$45 million per year increase in cost of the project. Mr. Joyner stated the Authority is looking the fact that all of that additional cost goes to the debt side of the ledger. What they are looking for from the private sector is any expressions of interest to lend the Authority this \$250 million gap money. If we wait another year there will be another \$50-100 million needed. He explained the Authority met with their financial advisors and they suggested they send out a Request for Expression of Interest for a Subordinate Load Transaction. He noted this is a request for interest only and are asking capital markets if they would be interested in lending the Authority \$250 million as a subordinating debt. He stated they had made it clear that the Authority is not interested in putting control to the private sector and this would be much like a second mortgage. Mr. Joyner reported the Authority is receiving letters of interest and once all of those are in hand the Authority plans to bring the group that responds in for discussion. They will be briefed on revenue forecasts, costs, etc., and let them determine if this is something that makes sense to them. The companies would come back to the Authority and say if they are interested. He stated the Authority would maintain control of the project, operations and maintenance of the facility, toll rates, etc. All companies would be treated fairly. He indicated the Authority feels there is some interest but would not know anything until late October or early November. Mr. Joyner stated he did not know what the terms will be but felt for a \$250 million loan that 5 ½% - 6% is reasonable. How the loan would be paid off, etc. would have to be determined. He indicated the Authority's term would involve no prepayment penalty and once we have gap funding from the Legislature this loan would be paid off. He stated this makes economic sense and would avoid inflation costs.

Mr. Meeker spoke to the concerns of CAMPO relating to third tier loans including higher interest rates, loan amount increasing, etc. He emphasized the desire to have the gap funding paid publicly and not privately. Mr. Joyner indicated the Authority is in agreement with that. Mr. Joyner indicated the Authority does have the authority to negotiate with private companies.

Mr. Safran indicated the Turnpike Authority would stay in touch with this body relating to any decisions. He indicated the Statute does not require consultation but the Authority is consulting with this body.

Mr. Meeker questioned what are the chances of there being a special Legislative Session or the introduction of this gap funding at the short session. Mr. Joyner indicated they have 44 votes in the Senate to provide the \$50 million to the Turnpike Authority for the gap funds. He indicated because there were new taxes associated with the Senate version, the House did not want to go with that version. He explained the House did want to help. Mr. Joyner stated he was at the Legislature 7-8 days and in all that time never saw one person opposed to the Turnpike Authority. He explained on the final night, the House passed a bill including \$20 million for gap funding and those funds

would come out of the General Fund and this had to go back to the Senate and they did not have time to cover SB 1310 in their remaining time and adjourned. Mr. Joyner felt they could do something during the short session. He stated if everyone present to let the Wake Delegation know how much they care about the future of this project, something could be done in the short session. He did not feel there will be a special session but a Blue Ribbon Committee may be appointed. He referred to the General Assembly's short session noting not only is there political will to do something, there are also feels on the books that do not have to be raised that can be redirected to the Turnpike authority that will allow the Authority to move forward. There are always adjustments to the budget mid term and this year will be no exception. He spoke to the possibility of this money being replenished by excess revenues. Mr. Joyner indicated soon the General Assembly will do something about transportation. He stated the Authority is in agreement with CAMPO that their preference is for the State to supply gap funds and they are only asking the private sector what their terms would be if the Authority borrows from them instead. He emphasized this will not be something coming in the dark of night because the Authority does not work in that manner.

Chairman Bryan questioned when the Authority would expect to hear from capital markets. Mr. Joyner responded by the end of September and would be discussed at the November Transit Authority Board meeting. There may be others that may respond later.

Chairman Bryan stated it was determined the State gave counties the authority to build roads but there were no resources that went with that authority. He asked for Mr. Joyner's feel whether the county be willing to be involved in that stop gap noting his initial answer is "no". He did not know if the legislature will act and was not sure the county could get their funds back. In regard to short term financing, Chairman Bryan questioned whether Mr. Joyner had reason to think as far as structuring of another option that some other municipality provide the backup or are there too many unknown. Mr. Joyner indicated he would love to discuss an arrangement that would help. He stated when the Authority first met he was asked by Mayor Weatherly and others if they were expecting abutting municipalities to participate in gap funding and at that time he responded "no". Chairman Bryan wanted to make it clear the money will come back. Mr. Joyner reiterated he would love to sit down and discuss this possibility and nothing would help put pressure on the legislature more than having local participation. He indicated circumstances are different if counties do receive road funds.

Mr. Meeker felt if Wake County or another municipality raised money no funds would be received from the General Assembly and all efforts should be placed on getting the General Assembly to fund this project. He stated private funding would be very expensive. He stated we are almost there and everyone has agreed on a Memorandum of Understanding and this is moving forward. He felt the legislature wants to find a solution and did not understand why they don't do it this year, either in the short session or a special called session.

Mr. Johnson expressed concern that the LRTP and TIP show completion of one or the other of these projects before 2010 which is a commitment for air quality. He stated he is curious relating to maintaining the schedule and the \$3 million per month increased cost and how this will affect the overall cost and completion date. Mr. Joyner explained 2010 is the driver for all of this and the Authority's engineer had been asked if they could maintain this schedule if they could get the funding in June. He explained this is not a complicated project that is 4 miles long with 60% of the right of way already obtained and the engineer feels they can meet the schedule if they get funding by next June.

Mr. Milazzo, representing the Transportation Alliance, expressed the Alliance's support of this project and supported the State paying the gap funding. He noted traffic is getting worse, not better. He expressed appreciation for the continued efforts in investigating all funding options.

Mr. Weatherly referred to question #3 from the previous meeting: "What legal issues will need to be addressed before investigating tolling of the previously constructed portions of I-540". He stated in the interest of making sure all options are on the table, it seemed the legislature had an opportunity to provide gap funding. He hoped there is major skepticism relating to private financing. He stated he other option we want to be sure is not left behind as a way to complete this project is the option of tolling the entire I-540 project. He questioned what would have to be amended to allow the option of tolling the entire project. Mr. Safran stated the applicable statute was included in the agenda packet. Mr. Weatherly questioned if there are federal statutes prohibiting tolling of the entire project. The representative from FHWA responded there are no federal statutes prohibiting this option. Mr. Weatherly stated this is one project and completing this as a regional project should not leave out the option of tolling the entire Outer Loop to complete the western and southern portion. Mr. Joyner indicated the Authority had not studied that concept but they are trying to find an alternative way to build this project. He pointed out from the beginning they have told people they are not going to toll existing roads. He explained they must look at what value the project brings. He stated no where in the United States has an existing road been tolled noting the public reaction to that is severe but it would generate money. Mr. Weatherly stated a toll road is unchartered territory in North Carolina. He indicated if we are talking about options to get this transportation priority built, tolling the existing portion has to be one of the options.

Mr. Meeker indicated tolling the existing portion of the road has been discussed previously and the idea of tolling a road that is built, paid for and in use does not make sense to him or to the public. He emphasized the gap funding should be obtained from the General Assembly and if other approaches are pursued, noting else will be done by the legislature. He emphasized the necessity of looking at the big picture.

Mr. Sears stated this is a very controversial issue and there are many people in the southern portion that feel they have assisted in paying for the portion in the north.

Mr. Weatherly indicated this body should send a signal to the Turnpike Authority that this body does not think it would be in the best interest to finance a public project with private funding.

Ms. Franklin questioned if this type of financing plan would have to go through the Local Government Commission with Mr. Joyner responding it would have to go before that Commission. He indicated he had not talked to the LGC; however, their bond counsel talked with them informally and they are aware the Request for Expression of Interest had been issued. He explained there is really not a lot to discuss with them at this point. Mr. Joyner explained public/private partnerships come in all sizes and shapes and any investors want a return on their investment.

Chairman Bryan felt the TAC would want to be sure its concern is expressed about negotiating these third tier types of loans. He stated it is a short term gap that has the ability to be paid off early, it will not extent the life of tolls, etc. He indicated this body is not interested in longer term extensions and a significantly higher building cost that extends it or makes the rates go higher. Mr. Weatherly indicated is seems inevitable and there seems to be clear authority for the Authority to enter into a contract to do that before this TAC has the opportunity to react. Mr. Weatherly moved that CAMPO express its opposition of private financing for the funding gap for the I-540 project. His motion was seconded by Ms. Jones.

Mr. Ahlert spoke in support of the motion noting if we get private financing for the funding gap, it would take the General Assembly off the hook and they will never provide that funding.

Mr. Safran stated he could not vote for this motion and did not think the Turnpike Authority has made a decision at this point and there are 9 members, 2 of them local. He opposed the motion as a member of CAMPO and should determine what is included in the expression of interest and then the Authority could come back and ask for consent. He indicated whatever is received by the Authority from the private sector may be something to discuss. He urged the TAC not to vote in favor of the motion on the floor and should reserve judgment and let the Authority get something back to this body.

Mr. Weatherly referred to the potential of higher interest rates and longer terms and this body could change its position should facts turn out to be different than they appear today. He noted the TAC is voting on what is known today.

Mr. Safran indicated this becomes public expression and asked this body to delay that vote or for Mr. Weatherly to withdraw his motion. He noted the Authority is testing the market and it could be possible that they get a negotiation posture that would be good for them with the General Assembly.

Ms. Jones did not think anything is being done to change what the Turnpike Authority is going to do and they will come back with their report. She agreed private financing

seemed to be a bad idea. Mr. Safran stated the General Assembly left at the end of July and did not give the Authority anything and all they want to do is find out what is out there.

Ms. Faulkner questioned if we are sending a message just to the Turnpike Authority or are we sending a message to the legislature that they should belly up to the bar. She noted if that is the case, the motion is leaving out the belly up to the bar part and that should be added somewhere. She stated it is time for the General Assembly to put this funding in place and should be looking at the General Assembly for the answer in addition to saying no to private financing.

Mr. Meeker made a formal amendment to the motion that in addition to opposing the private financing that the TAC support gap funding by the General Assembly. A vote on the amendment was taken and unanimously passed. Chairman Bryan ruled the motion adopted.

A vote on the motion that CAMPO oppose the third tier private funding and supports the legislature providing the gap funding with public funds and passed by a vote of 14 to 1 (All members voted in the affirmative with the exception of Mr. Safran who voted in opposition.)

Chairman Bryan indicated this action of the TAC is not directed towards the Turnpike Authority but is more for direction to the General Assembly and indicates the legislature should find financing from the state and that is the action the TAC wants to see. He stated the intent is to clarify that and hoped it would not be perceived as tying the Authority's hands more than they are tied already.

Mr. Joyner stated the Turnpike Authority would continue to let this body know what is occurring.

#### **7-YEAR TRANSPORTATION DEMAND MANAGEMENT (TDM) PLAN – RECEIVED AS INFORMATION**

Mr. Johnson reviewed this item. He explained this plan has been a collaborative effort of Capital Area and Durham-Chapel Hill-Carrboro MPOs, NCDOT, TTA, TJCOG, SmartCommute at RTP, UNC and NCSU. The consultant, UrbanTrans was hired and their ended in early June, 2007. Staff is discussing the re-organization of responsibilities and the options for funding the recommendations in the 7-Year TDM Plan with staff from NCDOT-PTD, CAMPO, DCHC and TJCOG. There has been discussion on the need to seek a mix of government and private funds for the Plan. The 7-Year Regional TDM Plan recommends that in order to achieve the VMT reduction goals, the regional investment in TDM should grow to \$2.3 million in FY 2009 and to \$3 million by the 7<sup>th</sup> year of the plan.

John Tallmadge, Director of Commuter Resources of TTA, presented an update on the plan and implementation. Members received in their agenda packets a copy of the Executive Summary. He outlined the rationale for the 7-year plan. The TDM Advisory Committee collectively determined the purpose of the plan is to reduce regional growth in vehicle miles traveled by 25% between 2007 and 2015. In order to achieve this reduction in commute VMT, the program will need to shift 6,000 regional commuters on a daily basis to non-single occupant vehicle modes. This can be achieved through a recommended package of improvements to TDM strategies that encourage alternative mode usage. He reviewed the target areas and recommendations.

Chairman Bryan questioned whether there is information on how many people have been impacted by programs such as SmartCommute. Mr. Tallmadge stated there is information on SmartCommute and over 12,000 people in the past 2 years registered to try new modes of transportation. Chairman Bryan questioned if it is known how many people changed their behavior permanently as a result of this program. He indicated the TAC is going to be asked to increase funds and questioned how the TAC could show something is being done. Mr. Tallmadge stated accountability is the reason this work had been done. He explained they knew by the follow up survey that not everyone did it more than one time. He reported it is known of the 2600 responding, 40% are still taking some other mode of transportation that started out driving alone. Mr. Tallmadge reviewed the hotspots including Downtown Raleigh, NCSU, North Raleigh Crescents, Wake County portion of RTP, etc. and these are not the only areas that would benefit from the outcome.

Mr. Tallmadge presented members with a handout entitled "Proposed Triangle TDM Program Budget and Funding Partners (FY 2008-15)". This document was reviewed in detail.

Mr. Johnson indicated an article appeared recently in the newspaper relating to the Raleigh bus system getting kicked off shopping centers noting many shopping centers in the county do not have bus service. He stated how to get shopping centers to accommodate the bus system is something that would be done by this. He explained we are operating on the best we can with resources available and we are making a conscious decision we will do better. He felt this is an appropriate use of CMAQ funding to pay for this since it would improve air quality. Mr. Johnson stated there are many things we want to see get done that is not getting done. He explained year 5 does not have to be funded now and could do this year and see what next year looks like. He indicated this is the first time we have given this idea of what a 7 year plan looks like. He felt it is a good idea and is an effort that should be done if we are committed to getting all we can out of the infrastructure we have. He strongly recommended adoption of this plan at a later point. He explained this had not been reviewed by the TCC and was not the intent at this time to get the TAC to sign off on it.

Mr. Ahlert requested additional information relating to what is our funding level so he will know how much it is increasing. Mr. Meeker requested to see the quantification on

the return for the investments. Mr. Johnson indicated a lot of work has gone into this and would be glad to provide the requested information.

Chairman Bryan indicated this is a great concept and it is desired to reduce congestion and vehicle miles traveled. He stated this would be reviewed further at the next TAC meeting.

Ms. Franklin questioned work trips, shopping trips and school trips noting she did not think the school system was a participant in this effort.

Mr. Tallmadge referred to the handout, left hand column, showing this year's actual expenses. In regard to work trips versus school trips, he noted they acknowledge work trip reduction is not the entire answer.

This item was received as information.

#### **MPO STAFF REPORT – RECEIVED**

Mr. Johnson introduced J. J. Walter as the replacement in the CAMPO office for Jake Petrosky.

#### **ADJOURNMENT**

Upon motion of Mr. Weatherly, seconded by Mr. Ahlert, unanimously passed, Chairman Bryan announced the meeting adjourned at 5:45 p.m.

Respectfully submitted,

Brenda Hunt