

T-LINK Finalizes Recommendations

Summary of the January 26, 2009 Meeting

TOPEKA – After months of analysis and citizen input, a state task force on Monday recommended a new transportation approach that recognizes the crucial relationship between transportation improvements and economic development.

The recommendations, passed unanimously by the Governor's T-LINK (Transportation-Leveraging Investments in Kansas) Task Force, address the needs of state highways, local roads, aviation, public transit, short-line railroads and bicycle/pedestrian issues.

The work of the task force, which included local consultation meetings around the state in September, has been complicated in recent months by the economic downturn and state budget shortfall. Many discussions have revolved around how to pay for a new long-term transportation program amid a financial picture that has been changing.

But despite the uncertainties, task force members believed that it was critical for them to recommend a new, more flexible plan to replace the state's ten-year Comprehensive Transportation Program that will end this year.

The T-LINK recommendations call for the state to spend \$1.074 billion a year on transportation improvements over 10 years. Annual outlays would consist of the following:

- State highway preservation: \$415 million.
- State highway modernization: \$35 million.
- State highway capacity and economic impact improvements: \$340 million.
- Local roads: \$235 million.
- Aviation: \$6 million.
- Transit: \$16 million.
- Short-line rail: \$7 million.
- Economic development set-asides: \$20 million.

By comparison, annual spending during the most recent transportation plan totaled \$719 million, or \$1.077 billion when adjusted for inflation.

With the spending recommended by the task force, Kansas faces a transportation funding gap that will average \$640 million a year over the next 10 years, including adjustments for inflation. Officials hope that federal transportation funds will help close the gap, but the timing and amount of federal transportation reauthorization funding is uncertain.

HOW TO PAY FOR IT

The task force recommended that funding for a new transportation program come from a broad range of sources, using a multi-pronged strategy that includes traditional revenue streams and some new ones.

Possibilities include increasing traditional funding sources such as motor fuel taxes (per gallon) and vehicle registration fees. In addition, the task force recommended consideration of motor fuel sales taxes and lifting or lowering the exemption on aviation fuel sales tax.

Other funding possibilities include more flexible debt financing and combining into a single piece of legislation approaches similar to the economic development and transportation specific elements found in STAR Bonds, Transportation Development Districts (TDDs) and Tax Increment Financing.

Task force members and KDOT officials have acknowledged that it will be difficult to obtain legislative approval of any increases in taxes or fees amid the ongoing Kansas budget shortfall.

But even during these difficult times it is important to offer a transportation plan for legislative consideration, T-LINK members said. Some members noted that a new transportation program would help the state economy move forward.

NEW BUSINESS MODELS

The task force recommended that KDOT establish processes that better link transportation investments to the economic priorities of the state by working collaboratively with local governments and stakeholders. Those processes should be multi-modal and include the following concepts:

- Use a more flexible and frequent project selection process to help the state make the most of its transportation investments.
- Use economic impact analysis as part of project selection.
- Expand and reform the economic development set-aside program.
- Develop more affordable, practical improvements to the Kansas highway system.
- Develop a strategy to handle mega highway projects.
- Create a regional transit approach to expand and improve delivery of rural transit service.
- Create a special, stand-alone, discretionary “commuter corridor” transit funding program.
- Create a strategic aviation projects plan.
- Amend the statute for the Short-Line Rail Loan-Grant Program to allow participation by shippers, local governments and industrial parks.
- Establish clear evaluation criteria and a screening process for accommodating bicycle and pedestrian facilities for KDOT to apply when developing highway projects.

The task force on Monday voted to make some changes in the draft recommendations prepared by KDOT staff. One of the most significant was increasing annual spending for state highway capacity and economic impact improvements from \$300 million to \$340 million. The task force also bumped state

highway modernization spending from \$20 million to \$35 million a year, including more money for railroad grade separation improvements.

The T-LINK task force is composed of business, government and community leaders. Task Force Co-Chair Tim Rogers, executive director of the Salina Airport Authority, said their deliberations had caught the attention of transportation experts from around the country.

“They have been impressed by the depth and the scope of the discussions of this task force,” Rogers said. “As task force members, you can be very proud of the work you have done.”

Rogers thanked Transportation Secretary Miller for her guidance and KDOT staff for preparing information for the task force.

Miller also thanked task force members and KDOT staff for their efforts. She noted that the New York Times recently published a report about the “T-LINK Calculator” developed by Kyle Schneweis, former KDOT Long Range Planning Project Manager.

The calculator is an interactive tool that enables users to create and fund their own theoretical Kansas transportation program. Schneweis now heads KDOT’s Office of Governmental Affairs.

THE NEXT STEPS

The T-LINK recommendations, taking into account the adjustments approved Monday, will be sent to Gov. Kathleen Sebelius.