


The
Rural
Center

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**Demystifying Transportation Planning,
Prioritization, and Policy:
The Rural Perspective**

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The Rural Center

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About the Rural Center



- Private 501(c)3 non-profit celebrating our 30th anniversary in 2017
- *Our mission is to develop, promote and implement sound economic strategies to improve the quality of life of rural North Carolinians, with a special emphasis on individuals with low to moderate incomes and communities with limited resources.*

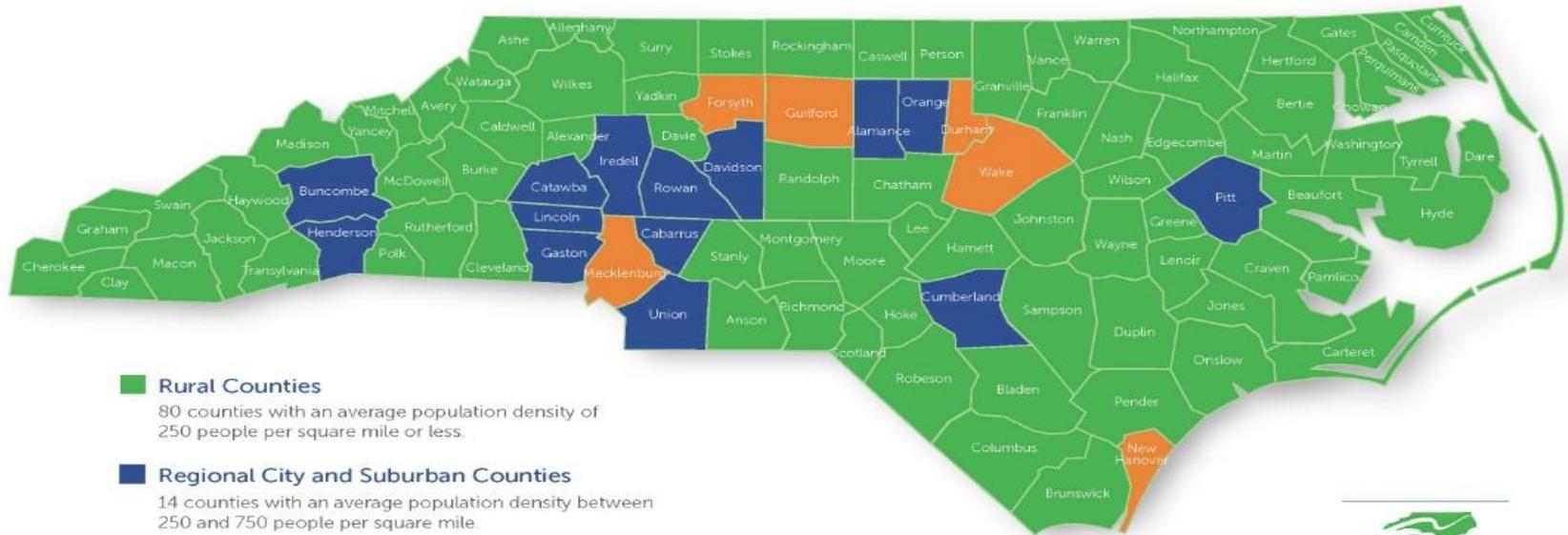


Rural Center Program Focus

- Leadership Development & Community Engagement
- Small Business Lending & Development
- Grassroots Advocacy: Research & Policy

How We See North Carolina

North Carolina Counties



- Rural Counties**
80 counties with an average population density of 250 people per square mile or less.
- Regional City and Suburban Counties**
14 counties with an average population density between 250 and 750 people per square mile.
- Urban Counties**
6 counties with an average population density that exceeds 750 people per square mile.

Densities as reported in the 2014 U.S. Census population estimates.

10 Strategies for Rural North Carolina's Future



- Education & Workforce Development
- Rural Health
- Fiber Broadband
- Water & Wastewater
- **Transportation & Natural Gas**
- Entrepreneurship and Small Business
- Manufacturing
- Agriculture, Bio-tech, and Value Added Processing
- Regional Collaboration and Partnerships
- Rural Development Funding and Capacity Building



Transportation is a Foundational Rural Issue



- Highlighted as a critical issue in six regional sessions, surveys & focus groups engaging 1,500 rural leaders
- RPOs have been key to our education on how STIP is working for rural communities

Rural Needs Are Different

- **Urban** - transportation needs largely driven by congestion resulting from rapid growth – a serious, legitimate need, we drive these roads, too!
- **Rural** - transportation needs center around safety, economic development and maintenance of existing stock – also serious, legitimate needs. (Alleghany)
- Different needs and different priorities, *but both are equally important.*

Rural Needs Are Different

- Examples of rural economic development priorities:
 - Federal designation of Highway 70 Corridor (future I-42)
 - Priority completion of I-74
 - Federal designation of I-87 to link RTP region/eastern NC to Tidewater Virginia
 - I-95 reconstruction

Themes for Today

- The big issues
- The smaller issues
- Not enough funding
- Draft transportation legislation

The Big Issues

- Data Driven prioritization is sound planning and good policy. We support it. The RPOs support it too. Everyone wants transparent decision making.
- **BUT** the formula is too heavily weighted to congestion - this minimizes the importance of economic development priorities critical to rural counties.

Distribution of Prioritization 4.0

- In the Statewide (40%) Prioritization 4.0 List:
 - **79 percent** of the total \$3.1 billion will go to urban counties
 - **68 percent** of it will go to **4** urban counties
 - **11.5 percent** will be awarded to projects in Regional City/Suburban counties
 - **9.5 percent** will be awarded to rural counties – 2 counties (Edgecombe and Brunswick) out of the 80 rural counties
- Looked at another way – just 4.5 percent (\$142.4 million) will go to RPO counties.

The Big Issues - 2

- 2014 Transportation Vision – strategic economic development objectives cannot be achieved by the current process
- Modest changes can make a difference, for example, stronger rural representation on the STI workgroup; potential adjustments between state, region, division tiers; potential adjustment to weighting of factors.

The Smaller Issues

- Because of the pressure to aggregate points to secure larger projects in the Statewide tier, it is now exceptionally difficult to secure funding for smaller and more rural projects as they cascade down the Regional and Division tiers.
- Transportation Alternative Program (TAP) - the 20 percent local match is onerous for our smallest and most distressed towns. Waiver or supplemental funding for towns in Tier 1 counties?

Not Enough Funding

- 2014 25-Year Vision Statement for transportation estimates a \$70 billion need. An analysis by Fiscal Research last Summer notes \$59 billion cost of P4.0 projects, but only \$9 billion in funding availability.
- Insufficient funding equals very short priority lists – rural projects will inevitably not be addressed.
- The cost of doing nothing is too high. A pay as you go approach is not equal to the challenge our state faces.

Draft Legislation of Importance

- House Select Committee on Strategic Transportation Planning and Long Term Funding Solutions has released draft legislation for review:
 1. Megaprojects
 2. State Infrastructure Bank revisions
 3. STI/Regional & Division Weighting
 4. Blue Ribbon Committee on Funding

We'll address 1, 3 and 4.

Mega Projects

- Creates a Megaproject Fund within the Highway Trust Fund, consisting of revenue from appropriations or transfers by the General Assembly
- NCDOT will use the Megaproject Fund for transportation projects of “statewide or regional significance that exceed \$200M in total project cost”
- Selection Criteria:
 - Provide for interstate and intrastate connectivity between urban and rural areas, and between rural areas
 - Encourage economic development in both urban and rural areas of the State
 - Improve existing major highway corridors by increasing capacity and relieving congestion
 - Provide for infrastructure improvements and rail and highway connectivity to State ports
 - Encourage delivery of projects in the most effective, efficient, and expeditious manner

STI/Regional & Division Weighting

- Adjusts the weighting attributed under the STI Formula to the rankings of NCDOT's Division Engineers, the MPOs, and the RPOs when selecting projects of Regional Impact and Division Need
- ***Regional Impact Projects***
 - Old Formula: 30% unspecified
 - New Formula: 10% Division Engineers; 20% MPOs and RPOs
- ***Division Need Projects***
 - Old Formula: 50% unspecified
 - New Formula: 15% Division Engineers; 35% MPOs and RPOs

Blue Ribbon Committee on Funding



- Committee to study all options available, including debt instruments, revenue changes, local government participation, and tolling to increase funding for transportation infrastructure needs
- Committee made up of 6 members of the House, 6 members of the Senate, 4 members of the public, 2 members representing small business, and 2 members representing large businesses
- Interim report to be made to 2018 Short Session; final report to the 2019 General Assembly

Initial Center and RPO Reactions

Mega Projects

- Unclear and not confident about where the funding comes from for the mega project category
- Could be interpreted as the beginning of the undoing of STIP

Weighting

- Substantial concern that the proposed division of points will not be helpful.
- Suggestion to give equal weighting between MPOs and RPOs, thus the limited points from DOT engineers could make a real difference.

Initial Center reactions, based on conversation with RPOs



Blue Ribbon Committee on Funding

Findings section of report notes all options – sales tax on motor fuel sold at pump, vehicle miles travelled based tax, increased registration fee, tolls, and “enlisting greater fiscal participation from county and municipal governments . . .”

The Center believes transportation infrastructure construction is a long-term investment, and costs should be spread out over time. Transportation funding was stripped out of the 2016 revenue bond legislation. We need increased consistent revenue from diverse sources, and a long-term general obligation bond should be part of the mix.

Time to focus on rural/suburban/urban connections



- “Let’s Bridge NC’s Rural, Urban Divide”
- Joint Op-Ed in News & Observer on January 29th
- “Our organizations – the Metropolitan Mayors Coalition and The Rural Center – understand that our rural communities are not competing against our cities. In reality, our fortunes are inextricably linked.”





RURAL COUNTS



Engagement Opportunities

- Become a Rural Counts Advocate
- Join Us at Rural Awareness Day at the General Assembly Building - **TUESDAY, MAY 9**
- Monthly webinars and advocacy newsletter
- Tell us what's on you mind!
 - Jason Gray, Senior Fellow for Policy & Research
 - John Coggin, Director of Advocacy

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