



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

**North Carolina Board of Transportation
Environmental Planning and Policy Committee
Meeting Minutes for April 2, 2008**

A meeting of the Environmental Planning and Policy Committee (EPPC) was held April 2, 2008 at 8:30 AM in the Board Room (Room 150) of the Transportation Building. Board Member Nina Szlosberg chaired the meeting. Other Board of Transportation members that attended were:

Conrad Burrell
Mac Campbell
Bob Collier

Marion Cowell
Tony Dennis
Nancy Dunn

Douglas Galyon
Andrew Perkins

Other attendees included:

Julie Hunkins
David Farmer
Jennifer Garifo
Theresa Hunt
Wally Bowman
John Sullivan
Lori Knoll
Clarence Coleman
Greg Thorpe
Tim Johnson
Rob Hanson
Beth McKay

Beth Neely
Bill Wilson
Barry Moose
Lisa Glover
Ehren Meister
Dan Thomas
Amy Simes
Bob Andrews
Don Voelker
Tom Norman
Donny Brew
David Brook

Don Lee
Debbie Barbour
Phil Harris
Marshall Dobson
Barry Moose
Jay Swain
Joel Setzer
Greg Burns
Allen Pope
Jerry Jennings
Berry Jenkins
C.A. Gardner

Ms. Szlosberg called the meeting to order at 8:31 a.m. Ms. Szlosberg opened by accepting a motion to approve the meeting minutes from the March 5, 2008 committee meeting. The minutes were approved as presented.

Ms. Szlosberg introduced Bill Wilson, Associate State Director – Advocacy, AARP North Carolina. Bill Wilson began his presentation by mentioning that North Carolina's TRAM (Transformation Reform and Modernization) is a growing coalition in support of transportation reform and modernization that currently represents 18 organizations. The coalition's membership includes well over one million North Carolinians. These organizations support a set of principles that are intended to provide a better approach to meeting North Carolina's transportation needs. The principles reflect the view that North Carolina's transportation system should serve all aspects of society, promote

MAILING ADDRESS:
NC DEPARTMENT OF TRANSPORTATION
OFFICE OF ENVIRONMENTAL QUALITY
1502 MAIL SERVICE CENTER
RALEIGH NC 27699-1502

TELEPHONE: 919-733-1200
FAX: 919-733-1194

LOCATION:
TRANSPORTATION BUILDING
1 SOUTH WILMINGTON STREET
RALEIGH NC

sound economic development, and contribute to a high quality of life for the state's residents. The presentation focused on access to jobs, services for all North Carolinians, environmental, public health, and quality of life issues.

Mr. Wilson stated that TRAM has five policy principles. Mr. Wilson believes that states must prioritize projects using objective criteria to make decisions, and use a process that includes transparent and meaningful public participation. North Carolina needs first to protect our existing transportation investments by better balancing maintenance and new construction. The State needs to increase spending to provide accessible and affordable transportation options. Long-term congestion relief needs to incorporate transit-orientated, mixed use development, and transportation decisions that keep in mind fairness, equity and sustainability.

In an Elon University poll on transportation issues conducted March 10-13 of this year, people were asked what was the most important transportation issue facing North Carolina. After gas prices, the most often cited issue was public transportation, ranking above concerns for roads. Public transportation is part of the solution to high gas prices. The poll also asked about the best options to address congestion. The most frequent answer was to improve public transportation services. Respondents stated that, it was not only the most effective option, but also the one they supported the most. Two of the other options cited in the top four were: Increase public transportation services, and increase in park and ride locations.

Mr. Wilson went on to indicate that needs-based transit riders are those whose mobility is compromised by their ability to access public transportation. Seven and a half percent of North Carolina's population consists of families or individuals without a car. The 2000 census identified nearly one million adults 65 years of age and older in North Carolina. This number will more than double (to 2.1 million) by 2030. It is a sea-change in our state's demographic profile. Two hundred thousand of these one million older adults do not drive a car, and that number will increase to 450,000 by 2030. These non-drivers make 65 percent fewer trips to social, family, and religious events, and 15 percent fewer trips to the doctor.

According to a 2005 Harris Interactive Poll, 98% of older adults say mobility is extremely important to them. Eighty-three percent said that public transportation should offer them mobility options. Sixty percent said that they would use public transportation more often if it was available. This number matches the Elon University Poll.

In addition, 21% of North Carolinians are disabled according to the 2000 census. One third of disabled persons, or about a half a million people, in North Carolina report not having adequate access to transportation. In North Carolina a typical low-income family of four spends about one fourth of their incomes on transportation, and this is based on gas prices from a year ago. This strain on low income households underscores the great need for transportation options for these families.

A mobility gap exist for needs based transit riders in North Carolina. Seven and a half percent of the state's population has no access to a vehicle; 7.2% of the state's population consists of older persons who would use transit if it were available; and 6.7% of our population consists of disabled persons without sufficient access to transportation. Yet NCDOT budgets just 3% for public transportation.

Choice riders are those who can drive, but would choose public transit because of cost, convenience, or conscience. A 25% increase in gas in the past 12 months is adding to the demand for transit options. According to the Elon Poll, almost 60% would consider using rail and when service is improved, we see big changes. In Raleigh, CAT ridership is up 76% since 1998, almost 10% this year alone. In Charlotte LYNX ridership is up 33% over what was originally estimated. As it was mentioned 3% of the budget is for public transportation, but, estimates conservatively, 15% of our population needs transit options, and 60% would consider using transit if it were available.

Mr. Wilson introduced David Farren of the Southern Environmental Law Center to continue the presentation. Mr. Wilson indicated that Mr. Farren has also been involved in transportation reform efforts in southeastern states. He was also going to illustrate the coalition's principles and suggest some solutions.

Mr. Cowell asked Mr. Wilson a question concerning slide 12, "The Mobility Gap". He inquired if the current DOT spending column was in dollars or a percentage. Mr. Wilson indicated that the first column was in dollars, but the other two columns, "Estimate of Needs-Based Riders and Potential Choice-Based Riders" were based on a percentage. Mr. Wilson explained that the chart indicates a percentage of need that exists in the state compared to the percentage of money being spent to meet some of those needs.

David Farren thanked the committee for the invitation to present information on the coalition principles and issues from the prospective of the various members of the coalition. He stated that he would talk about environmental issues that relate to the coalition's principles and illustrate some examples of solutions to help implement those principles.

One of the things brought out at the 21st Century Transportation Committee is the phenomenal growth that is expected in North Carolina over the next twenty to twenty five years -- about another 4 million people will be here in North Carolina. Where these people are in the state the development and growth patterns will have a profound effect on the quality of life we enjoy as well as our children and grandchildren. Mr. Farren showed a series of illustrations that depicted growth in North Carolina. Mr. Farren displayed slides 13-16 which showed growth from 1950 to 2030 which were based on trends of growth patterns. He noted the growth around the state. He pointed to the map key indicating the red orange area where it showed low density development in the area of one to two houses per acre. What that meant was not only a lot of growth, but a lot of low density growth that, if continued, would require tremendous additional investment in infrastructure (water sewer, schools, and transportation infrastructure).

He talked about the quality of life and environmental issues with this growth in mind, and mentioned the loss of open space which includes loss of habitat, loss of places for hunting and fishing, recreation and some profound changes in the landscape in North Carolina from a land use perspective. He stated that he would talk about air quality and water quality and then get into a discussion about our policies principals and solutions.

He showed a slide that showed that in our three major metro areas over the past several decades, we have been developing our open space at a rate three to four times our population growth. He made it clear that the TRAM coalition is not anti- growth but rather how North Carolina can continue to grow and prosper and maintain the high quality of life that is attracting all these people.

Looking at this from a perspective of air quality, we all know that there are some challenges here in North Carolina. The smog problem is one we have been wrestling for decades now. Most of our metro areas have been in and out of what is called “non-attainment”, which means that our air quality does not meet federal standards. If you look across the state at our major metro areas, the nitrogen oxides which are our primary cause of the smog pollution come primarily from transportation. So if you look at the pie charts for Triangle triad and Charlotte area (slide 18), the red area in the pie graph indicates the contribution from motor vehicles to our smog problem.

Many of you have heard the announcement earlier this month that the EPA has strengthened the air quality standards for smog. So we have many more counties in North Carolina that are going into non-attainment. Mr. Farren displayed slide 19 showing the metro areas that are in violation of the smog standard. The areas in the red indicate that all three major metro areas are in non-attainment. But with the new standard that will be announced March 12, 2008, and will take effect over the next two years, there will be more counties going into non-attainment. This means we have an air quality problem which fundamentally is a very important public health problem. It disproportionately affects elderly and young people which are the key constituents in our coalition. But it also means from a regulatory and economic perspective, the prospect of many more areas running the risk of sanctions under federal law if the air quality is not improved. For example, in Atlanta in the late 1990's, that region failed to address its transportation related air pollution, and as a result lost its federal highway funds for a period of time, until it developed a plan to address transportation related pollution. Obviously this all ties back with how clean the cars are, but also how much people are driving. As our cars get cleaner, we are driving more. The average person drives about three times more than a decade ago. So the improvements at the tail pipe are being offset by more people driving.

The other big air quality issue in North Carolina and around the world is carbon pollution and climate change. You hear a lot about this in connection with coal fire power plants, including some proposed plants that have been in the news recently. Like it or not, this is going to be an area of great change in terms of federal regulation and not just from a government perspective, but also from an economic perspective. We've already seen Wall Street reacting to the current situation regarding coal plants and potential carbon caps, and carbon limits. Wall Street is factoring that in to its investment decisions regarding new coal plants. Mr. Farren stated that he thinks we are going to see the same thing regarding coal plants in the near future. There will be some regulatory regime related to carbon. We don't know what it's going to be, but the state and metro areas that take the lead in addressing this will have a competitive advantage. You can see in the pie chart (slide 20) that if you divide carbon pollution into the four sectors (residential, transportation, industrial, and commercial), transportation is the largest source of carbon pollution in the country. This is something that has to be addressed, and something with which DOT's will have to grapple. Cleaner cars help, but when you are looking at carbon pollution, those tailpipe controls that help with knocks and help reduce the ozone pollution don't do much for carbons when you are talking about

climate and carbon per person. Vehicle miles traveled is even more important and has to be part of the solution if we are going to address transportation related carbon pollution.

Mr. Farren stated that he has the privilege of serving on the technical working group for the Climate Study Commission here in North Carolina, which has recently released its recommendation. As for transportation-related pollution, the most beneficial investment would be in transit and complimentary land use, which includes transit-orientated development, mixed-use development and other strategies that would reduce individual per person driving. Those ranked number one and two in carbon reduction. So, these two things are related. As we know in Charlotte, the new rail line has sparked approximately 2 billion dollars in investment. Again, transportation and land use go together and this is true in terms of dealing with climate issues.

Mr. Farren talked briefly about water quality, which is another huge issue related to transportation, and the larger issue of the development and quality of life. There are really two pieces to this. One piece is water quality, and the other piece is water supply. He showed a map showing impervious surfaces in North Carolina (slide 23). You can see that the impervious surfaces match up with the major metro areas -- the major developed areas. But you can also see the lines that vividly illustrate the connection not only with growth and development but also transportation. So when you're talking about impervious surfaces, you're talking about runoff from roads, parking lots, buildings and all types of structures and in North Carolina. What we call non-point runoff is the single most cause of impure water in the State. It's a huge issue, there's a federal overlay and it is something that will have to be dealt with. We're seeing it already in the proposed transportation projects here in North Carolina, where water quality issues paired with endangered species issues are definitely having an effect on transportation planning. So a proactive approach to water quality with these four million additional residents in North Carolina is going to be necessary.

Another issue related to water quality is water supply with more paved surfaces, faster runoff and less brown water recharge. This means we have less water stored in our system for when we have droughts. This has hit very hard for us in North Carolina in the past year. Water supply is on everyone's mind from a public policy perspective, it's certainly going to play a larger role in transportation and land use planning.

So this brings us to the policy principles that Mr. Wilson mentioned earlier during his presentation. Mr. Farren continued by illustrating positive proactive solutions that the TRAM coalition recommends that North Carolina consider and adopt to address some of these challenges: the changing demographics, the elderly population, the needs-based riders, the choice-based riders, quality of life and the overall environment of North Carolina .

Starting with our first principle of prioritization, this is something NCDOT's consultant company, McKinsey and Company, has already recommended: the DOT should put in place a clear objective prioritization process so that the limited money that DOT has can be spent on the highest needs. We saw that play out last year in South Carolina where they had a DOT modernization bill go through the General Assembly. It was adopted at the end of the session, and one of the most important pieces of that legislation is a new system to prioritize all proposed transportation projects in the state according to this set criteria. This criteria is general enough to allow some flexibility. But this puts in place an objective basis for prioritizing how DOT money is spent on projects. Of course

congestion is important. But again having objective metrics to measure congestion to get the most bang-for-the-buck is something that will be helpful to steward those limited funds.

Economic development has always been discussed with transportation projects, but having in place objective criteria beyond something on the lines of “let’s build it and hope people come”. But instead, like Florida is doing, they are looking at this comprehensive plan with the Florida DOT and saying what kind of economic development they want. They are discussing whether the future economic development opportunities are going to be those that will bring in high paying jobs. That will be consistent with a high quality of life, and having those objective measures in place to insure that part of our rationale for our project is economic development will maximize the chance that economic development will occur and be the type of economic development consistent with a high quality of life.

South Carolina also adopted a statute last year that included environmental criteria linking transportation and land use and looking at alternative transportation solutions. So that when you’re looking at a project, you’re looking at a variety of strategies, not just different locations but also different modes and different strategies to address the transportation needs.

The second principal of our coalition is a “fix it first” principle. This is to better balance DOT funds that get spent on new construction versus maintenance. Looking to our neighbor to the north, Virginia, they have a “fix it first” law that they have adopted and it has been in place for several years. Basically the principal is that they fix the roof before they put an addition on the house. And they make sure they have enough money in maintenance to take care of all the crumbling bridges, all the highways, especially the high priority highways, to keep the system running at optimum efficiency. If you compare Virginia to North Carolina, North Carolina spends about 23% of its budget on maintenance. In Virginia its 39%, so there is a dramatic difference, especially when you consider that North Carolina has a much larger state highway network that shows a greater need to maintain our huge highway system.

Our third principle is multimodal transportation. The 21st Century Transportation Committee has been looking at this very closely, and I’m sure Ms. Szlosberg will be reporting to the EPPC about their efforts as this continues on. Everybody knows that the Charlotte system has been a huge success. We have citizens across the state who would like to see us move forward with similar options and choices in other parts of the state.

The fourth issue is linking transportation and land use planning. This is a multi-faceted issue and a huge challenge in North Carolina because you have a lot of the transportation planning with influence from MPO’s, but ultimately state roads and a state board. Then you have land use planning being controlled at the local level. It’s further complicated by the fact that as we look at our metro areas, we have a system that has not kept up with the growth of our state. In the Charlotte area we have four different MPO’s just in the core metro area. For air quality purposes it’s an eight-county watershed, and for planning purposes, they think about it as a 15 county region. One of the challenges is coordination among all the MPO’s. Then another challenge is coordinating what’s happening at the local land level with state resources and the long range transportation plan. Other states have grappled with this. After it had its air quality train wreck in the late 1990’s, Atlanta put in place some structures and mechanisms, a series of carrots and sticks, to encourage local planning

bodies and local governments to put in place land use planning that would be complimentary to a transportation investment strategy, with corridors, nodes and other strategies to reduce per capita BMT.

The last issue is funding fairness. This really has two pieces to it. One piece relates to the proposed private partnership that has been proposed in various states. We certainly understand the need for innovative financing, the need for greater funding for transportation in weight of the needs and the coming growth. There's a bit of a cautionary tale from some of the other states that have experimented with this ahead of North Carolina. For example, in Georgia they found some concerns about how the Public-Private Partnership (PPP) program had been implemented and the new DOT executive director has called a "time "out to reevaluate this issue and make sure PPP projects not only bring in new sources of revenue but are projects that are high priority projects, projects that are consistent with the long range transportation plan and consistent with the overall needs of the State. Another issue that our coalition is very interested in is issue of the so-called transfer, which is the amount of money that goes to the General Fund from car sales tax. If you add this back into the DOT budget, it would be an additional 5%. The groups that we represent -- the elderly, the disabled, child advocates, health advocates -- we are very concerned that any changes to the state budget be very sensitive to the needs of these other constitutes so that these other programs are not harmed as the DOT looks for other funding sources.

If you look at that 173 million dollars (slide 33), that amount would pay for all these programs. These are programs that have been hit hard with budget cuts. Our point is that this is not money that just sitting there available -- its money that's being used in other programs around the state. So any comprehensive solution to help DOT with funding needs to take this into account.

The last issue that Mr. Farren discussed is the issue of DOT transformation. He stated that TRAM is very excited to see the commitment. He and his counterparts met with staff at DOT and discussed some of the innovative programs and new ways of approaching things at DOT. He stated that he thinks it is important to give the transformation time to settle in and to play out before anyone rushes forward with any new funding programs. We need to make sure that this transformation has had time to really take hold.

An issue that's been talked about less in connection with transportation is the issue of the North Carolina Board of Transportation and the DOT board structure. Mr. Farren displayed a map showing the DOT divisions (slide 34). We stated that they recommend that the DOT Board, as part of a comprehensive transformation, look at the Board structure and Board Members. Some of the Board Members have already recommended that the Board move in the direction of a policy-making body that is looking at the whole state and the needs of the state and the overall policies that should govern transportation planning in North Carolina. So issues about where a particular stop light, turn lane, or a bypass would go would be governed by the transportation professionals. The Board would play into the prioritization process that McKinsey and Company has recommended, and the Board can focus its time on the bigger picture and most important issues about transportation policy. There certainly will be many policies needed as North Carolina continues to grow and develop. Mr. Farren then opened the floor for questions.

Ms. Szlosberg thanked the speakers and added that in the last few weeks she was in Washington, DC at the APTA conference, where a major report on climate change and transportation was released. The information in that report is very compelling. It shows that people that live near transit, reduce BMT by 4,400 miles a year. That is very significant. It also shows that currently in the United States the use of public transportation reduces carbon emissions by 37 million metric tons. What that translates into is you have to shut off all the electricity in New York City and a number of other metro areas to achieve that kind of savings. That's with a system that's really not that robust. In the United States we don't have great public transportation infrastructure yet, but it's something we are working on. Another thing she learned was about a piece of legislation coming from the Congress that has to do with cap and trade. In the new world ahead, we will live in a carbon-restrained environment. So the government will allow 9 million metric tons to be emitted into the atmosphere. We can reduce carbon emissions and reduce the effects of climate change. There will be an auctioning of carbon units. Each company will get an allocation of allowable units. Companies will be able to buy and sell carbon units as if they were money. It will be an auction just like the FCC and communications. When we went to HD and digital, you can get more channels into a bandwidth. They started to sell off those numbers and a lot of money was generated.

The Warner Lieberman bill estimates that 4 trillion dollars will be generated as a result of the auction. The transportation authorization bill that we've been focusing on is peanuts compared to this. Right now we know that 33% of carbon emissions come from the transportation sector. So it makes sense that transportation get about a third of the money that comes from the coffers as a result of this cap and trade system for mitigating purposes and things that reduce climate change or the effects of climate change. So there's a working group in Congress that is looking at that for transportation. That would be alternative fuels and public transportation, the things that would offset carbon emissions. So that's really exciting interesting stuff that we want to track. The other thing that Mr. Farren mentioned that I want to share with you is that we are going to get a presentation next month about what's happening here in North Carolina around climate change. The Legislative Study Commission and the Climate Action Planning Advisory Group have made a serious recommendation to the Legislative Committee and will report out at the short session. One piece has to do with transportation and some recommendations surround that. Ms. Szlosberg stated that she believes we will receive those recommendations next month. So there is a tremendous amount going on in our state and across the country on climate change and transportation, and we have the opportunity to be involved in that. So we're going to keep working on that. Ms. Szlosberg stated that she has some ideas about how the EPPC can help with some of those policy recommendations.

Nancy Dunn added that she would ask the Board's Planning Committee to come together and have a discussion of these issues and see if there are places they might plug that group in and help support the ones we want to pursue.

Ms Szlosberg asked if there were any further comments. The meeting adjourned at 9:25 a.m.

The next meeting for the Environmental Planning and Policy Committee is scheduled for Wednesday, April 30, 2008 at 8:30 a.m. in the Board of Transportation Room (Room 150) of the Transportation Building.

