



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTH OF APRIL, 2014 M. DURWOOD STEPHENSON, DIRECTOR

A late, cool Easter has transitioned into a warmer May with a weather focused see-saw: chilly wet to hot and dry and back again. The full bloom of color promised in my March report has been slow to emerge from a reluctant spring.

As the author of this monthly narrative, my priority objective is to impart a small measure of knowledge, informing the reader (assuming some are still reading) with new information, hopefully telling something most do not know or weaving together information that creates an unplanned action or reaching for unanticipated conclusion.

The future of transportation infrastructure and ultimately the economies of Eastern North Carolina and our twin partner, the far west, is undoubtedly nebulous and rated by many as uncertain and possibly inimical.

All of us with interest in transportation and especially those of us promoting the economic interests of rural communities have been religiously analyzing the scoring of projects under the new transportation funding criteria. Few of those expressing opinions from within our circle in rural North Carolina have indicated satisfaction with apparent "outcomes." It will be interesting to continue monitoring those opinions and to gauge the reactions of rural representatives in the General Assembly. The Legislature will be convening in mid May with knowledge of new scoring in-hand.

Many of our rural communities are struggling with a persistent legacy of low wages, low skills, remote location and isolated by time, travel and needed infrastructure. The continuing "out-migration" of population and an eroding economic base in rural North Carolina creates obstacles in becoming an active competitive participant in the new world marketplace. In order to meet the demands of the new global economy, rural communities will require major investments in public infrastructure. Unfortunately, revenue to meet those needs is declining with no new revenue sources identified or anticipated in the immediate future.

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Director

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The decline of transportation revenues has been an expressed source of great concern for literally years. A decline in both State and Federal transportation dollars appears to be racing toward an impasse that will soon impact transportation, jobs, growth and economies.

My March, 2014 report referenced two (2) recent articles detailing the funding dilemma. Previous reports have also included alerts, but unfortunately, too few solutions for the problem.

Governor McCrory and Transportation Secretary, Tata are continuing to promote public-private partnerships for major transportation projects in specific locations when this process is feasible and economically viable. As noted earlier, the General Assembly will reconvene in May for what appears to be a brief budget session. NCDOT will be seeking to renew a provision that expired in 2011 that allows DOT to partner with private developers to join in partnerships with DOT to escalate project delivery on smaller projects such as turn lanes, widening short sections and the installation of traffic signals. There is little expectation of new revenue sources designated for transportation during upcoming legislative session. As reported in March report, "year zero" with discussions persisting in the halls of Congress to reduce the authority of the Federal Highway Trust Fund to obligate funds in 2015 reducing available dollars to zero. Eastern North Carolina Chambers of Commerce have initiated an effort to lobby Congress opposing this action. The funds' traditional main source of revenue has been the federal 18.4 cent a gallon tax on gasoline and 24.4 cent a gallon tax on diesel fuel; an assessment that has not changed for the past 21 years and is not likely to be raised. There is no sentiment on either side of the aisle for increasing the federal gas tax, a common philosophy with our own General Assembly.

U.S. DOT Secretary and Charlotte native, Anthony Foxx, has proposed a four-year, \$ 302 billion transportation plan. As most of you are aware, transportation has been operating for several years on annual Congressional continuing resolutions imposing planning challenges on State Transportation Departments. Certainly I do not purport to have any special knowledge or insights into the minds of Congress, but the discussions I have had with some of our representatives reflect doubt Secretary Foxx's budget proposal will be approved. On a more positive note, none express belief in the "Year Zero" suggestion; but rather the consensus of opinions shared with me are the continuing resolution scenario will rule the day. As advocates for transportation, we must continue to be diligent and persistent pleading the cause for adequate transportation funding.

On April 2, I was invited to join Marc Finlayson at meeting of Highway 17 Commission Board of Transportation Work Group. Director Finlayson expressed appreciation to Board of Transportation members and DOT staff for their long-time support of Highway 17 improvement projects and complimented the success of the Highway 17 agenda. While acknowledging a history of support and success, he noted the challenges ahead in securing funding for projects designed and planned. A majority of the unfinished projects are unfunded and are now subject to the new STIP funding formula established by HB 817. As a side note, some of the projects have completed and/or are well into the Environmental Study process. The delays that it

appears will result from new funding criteria will probably require a restart of the NEPA and environmental process. An EIS is valid for only three (3) years which means they will expire before they are validated. We at the U.S. 70 Corridor Commission share these same issues with Highway 17 Commission and are challenged with maintaining the aggressive schedule previously planned. Like Mark, we are grateful for the strong and active support of our Board of Transportation Members and the promotion of our agenda by NCDOT staff.

Promoting the economics and quality of life for Eastern North Carolina has been our primary priority. Improving infrastructure is the “centerpiece” of that agenda which includes improvements of Highway 17 and a Freeway for U.S. 70 from I-40 in Wake County to the port at Morehead City.

On April 7, a notice was emailed to Corridor Commission directors requesting assistance with all local Chambers of Commerce to engage with NC Chamber by signing a petition to Congressional Delegation opposing “Year Zero” proposal. Failure to reauthorize MAP 21 or to enact new funding legislation for transportation will cost North Carolina approximately \$ 1.2 billion and cost an estimated 12,000 jobs.

Following the release of preliminary project scoring list, an interested group from Division 4 met in Goldsboro to review the list and plan forward. Discussion led by Division Engineer, Tim Little and Patrick Flanagan, Eastern Carolina RPO Council were informative and identified feasible possibilities and major challenges ahead. Notable facts provided:

- U.S. 70 at James City Improvements was area’s highest ranking statewide project. Although funding within 5 year program is available, the project has not yet finalized design and determination of environmental requirements not determined.
- Maximum funding available per Corridor in 5 year window is \$ 200 million
- Although Kinston Bypass was top priority for RPO, it did not make the State funding list.
- Part C, Harvey Parkway was rated No. 11 in region.

Corridor Commission Chairman Robin Comer suggested we finalize establishing Corridor Commission Executive Committee pursuant to Organizational documents Article 6 of Bylaws adopted on September 16, 2013.

Thanks to a prompt response from Corridor Commission members, Directors and affiliate partners, that task has now been completed. A copy is attached for your files and to be posted on our website.

As a region struggling to recoup from financial setbacks including loss of jobs, population decline and economic prosperity; we must utilize every “tool” in the box to improve quality of life, infrastructure and economic opportunity.

In a recent presentation, John Nelms, Economic Development Director for Duke Energy, detailed a program administered and funded by Duke Energy to assist local communities in identifying and promoting sites “ripe” for economic development.

A new round of funding for Tiger Grants was recently announced. It is too late to prepare a funding request application for this round, but we should begin a plan to prepare for the next round and submit at least one application from this region. I suggest we begin that plan soon. Within the next few weeks, after consulting with our Executive Committee, we will begin planning for the future.

A recent report from John Locke Foundation is critical of N.C. Map Act of 1987. The report describes N.C.’s Map Act as one of the Nation’s most restrictive and is one of only 13 states with such broad powers. The report cites a lawsuit filed by eight (8) property owners in Winston Salem to relief from Map Act filing that has impacted their property for 17 years. During my tenure on the Board of Transportation, I was involved in a property held hostage for more than 20 years. The road building planning, approval and construction process is far too long and is also a cost factor.

These are important cost containment issues provided by this legislation, but the property rights of individual property owners are sometimes a victim of the Act. We should seek balance in enforcement of the Act. It is probably time to revisit the 1987 Legislation with some relief from a process that stagnates property utilization far too long.

In an early April report from Julie White, Executive Director of N.C. Metropolitan Mayors Coalition, she again raised the issue of new funding sources for transportation. Quote: **“North Carolina leaders are trying earnestly to identify a dependable source of transportation revenue that will keep pace with the needs of a fast-growing state – but at the same time, they’re skittish about what they’ll find.”**

Most elected officials and a majority of drivers agree that a use-tax is probably fairest funding source. The gas tax is deemed a use-tax, but an increase in gas tax has been curtailed and there is no appetite for further increases despite a loss of revenue resulting from less driving and more efficient vehicles.

Much of the conversation lately has focused on another use-tax; vehicle miles traveled (VMT). With modern technology provided by GPS, the concept is simple, but privacy issues pose concerns. It is a process that may unfairly impact our rural citizens because of longer travel distances to jobs, activities and shipping.

The debate rages on and will probably be a topic for a considerable time without resolution in the short term future.

A list of alternative funding sources prepared by Larry Goode, a former State Highway Administrator and Leigh Lane, N.C. State University Institute for Transportation Research is now posted on NCDOT website and is worthy of review and consideration.

The month witnessed the installation of signs along U.S. 64/264 and U.S. 64 between Interstate 440 in Raleigh and I-95 in Nash County declaring I-495 as a future Interstate. The section of the roadway on the east side of Raleigh in Wake County meets Interstate criteria with the balance requiring widening of shoulders to satisfy Interstate requirements. NCDOT has 25 years to complete these improvements.

Although funding is and will continue to be a significant obstacle to transportation, other adversaries are posing a major threat and have delayed or are holding hostage several key projects; i.e.:

- Bonner Bridge
- NC 12
- Monroe Bypass
- Havelock Bypass
- Garden Parkway
- Asheville Loop
- Highway NC 89 (West)
- Northern Carteret Bypass

To name a few.

During the past several weeks, I have been meeting with a newly established 501(c)4 identified as NC Build. The function and purpose of this group is to advocate for worthy projects, challenges, misinformation or non-factual assertions and generally to provide a level playing field for NCDOT projects. Too frequently NCDOT, as a public governmental body, cannot be an aggressive defender of their work. NC Build can be that voice.

“Year Zero” as identified and reported in last report remains a concern and is being discussed in Congress. I find little sympathy within the North Carolina Congressional delegation for that option. The “hurt” to local economies as suggested by Transportation and Budget officials would be devastating. Hundreds of thousands of jobs could be lost if lawmakers fail to prevent the Highway Trust Fund from running out of money by August. More than 112,000 ongoing projects and 700,000 construction jobs are at risk if Congress doesn’t fund the \$ 18 billion needed to maintain America’s 1,001,874 miles of roads through 2015.

During the month we lost a Director as Wayne County Commissioner, Steve Keen, resigned his seat as a commissioner and was appointed by Governor McCrory as Director of

Eastern North Carolina Governor's office. His new office is located in Greenville. Although we lost a Director; we gained an advocate for Eastern North Carolina within the Governor's inner circle.

Commissioner Edward Cromartie was appointed by Wayne County Commissioners to serve as Director of U.S. 70 Corridor Commission in Mr. Keen's position. Wayne County still has one Director position available.

Lenoir County Commissioners appointed Commissioner Linda Rouse Sutton to serve on Corridor Commission Executive Committee and a Commission Director. We welcome Honorable Linda R. Sutton and Honorable Edward Cromartie as new Directors.

Attorney and Board of Transportation member, Michael Lee, was appointed by Governor McCrory to serve as Chairman, NC Ports Authority Board. Mr. Lee also serves as ex-officio member of Corridor Commission Executive Committee.

Congratulations to all of these new appointees and thanks for your commitment to service.

U.S. 70 CORRIDOR COMMISSION

EXECUTIVE COMMITTEE

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