

2040 Plan

Joint Legislative Transportation Oversight Committee
September 7, 2012



Joint Legislative Transportation Oversight Committee

The 2040 Plan is:

- NCDOT's overarching guide for transportation planning and programming
- A broad direction for where NCDOT should concentrate efforts in the future
- High level document to guide NCDOT decisions
- Recommendations for needed process improvements for NCDOT to pursue





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The 2040 Plan Is NOT:

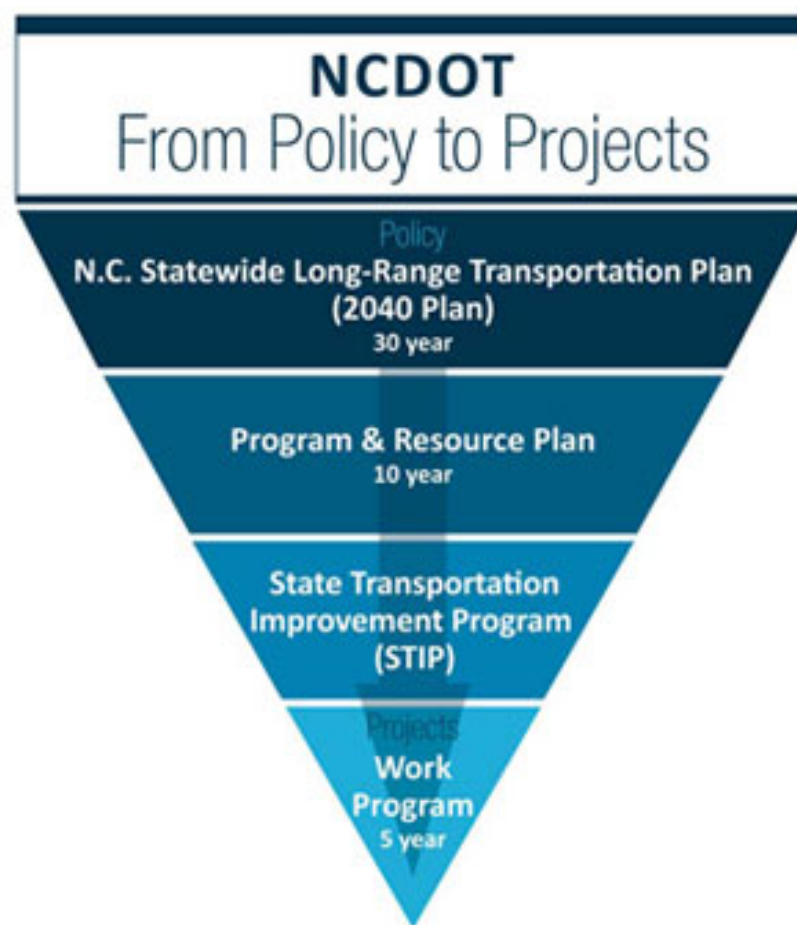
- A schedule for project implementation
- A list of specific projects
- A recommended future funding strategy





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2040 Plan Overview



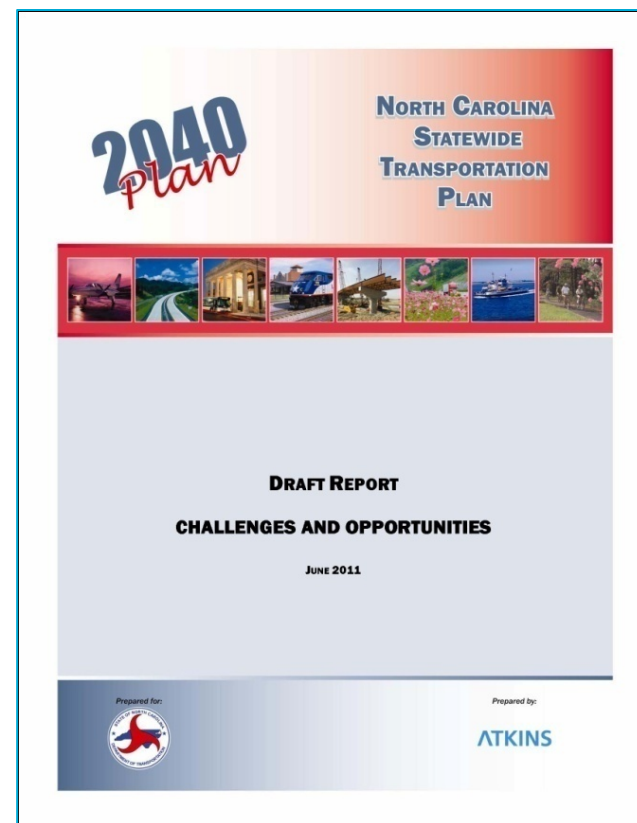


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2040 Plan Overview

The 2040 Plan identifies:

1. Challenges & Opportunities
2. Long-term modal infrastructure and service needs
3. Identified feasible & sustainable financing strategies
4. Strategic investments and plan implementation

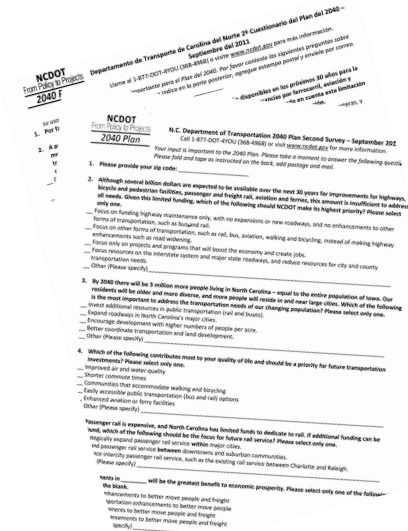




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Public & Agency Input

- Statewide Stakeholder Group
- Agency Coordination Group
- Regional Stakeholders webinars
- 3 surveys (over 8,500 total responses)
- MPO/RPO regional workshops & MPO/RPO Association briefings





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Statewide Stakeholders Group

Providers

- NC Rails to Trails
- NC State Parks Trails Committee
- NC Rural Economic Development Center
- American Road and Transportation Builders
- NC Trucking Association
- Railway Assoc. of NC
- NC Ports Assoc.
- NC Public Transp. Assoc.

Partners

- NC Chamber of Commerce
- NC Farm Bureau Federation
- NC Assoc. of County Commissioners
- NC League of Municipalities/Metro Mayors Council
- NC Assoc. of MPOs
- NC Assoc. of RPOs
- NC Assoc. of Regional Directors (Assoc. of COGs)

Advocates

- NC Conservation Network
- Legal Aid of NC
- AARP of NC
- NC Center for Non Profits
- NC Council on Developmental Disabilities
- United Hmong Assoc. of NC
- NC Statewide Independent Living Council
- NC Housing Coalition
- Salvation Army
- El Pueblo
- AARP of NC





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Transportation Challenges

Transportation Challenges: *changing conditions that might define different needs, expectations, and responses*

- Growing and Changing Personal Mobility Needs
- Preservation of Transportation Infrastructure Health
- Growing and Changing Freight Movement and Logistics Needs
- Financial Sustainability
- Environmental Sustainability





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Transportation Opportunities

Transportation Opportunities: *situations that might contribute to ever-greater economic opportunities, financial sustainability, and environmental stewardship*

- Emphasis on personal mobility
- Investments responsive to expanded logistics focus
- Expanded, more flexible funding initiatives
- Data driven needs identification process
- Enhanced partnerships
- Environmental sustainability





Identifying Needs

- Metropolitan Planning Organizations provided urban needs from fiscally-constrained long range transportation plans (highway and transit needs)
- For rural highways, the NCDOT and the consultant developed needs based on traffic growth rates, roadway characteristics, and bridge and pavement management systems
- For all other modes, the NCDOT Business Units developed needs based on data projections, review of current programs, and various planning reports





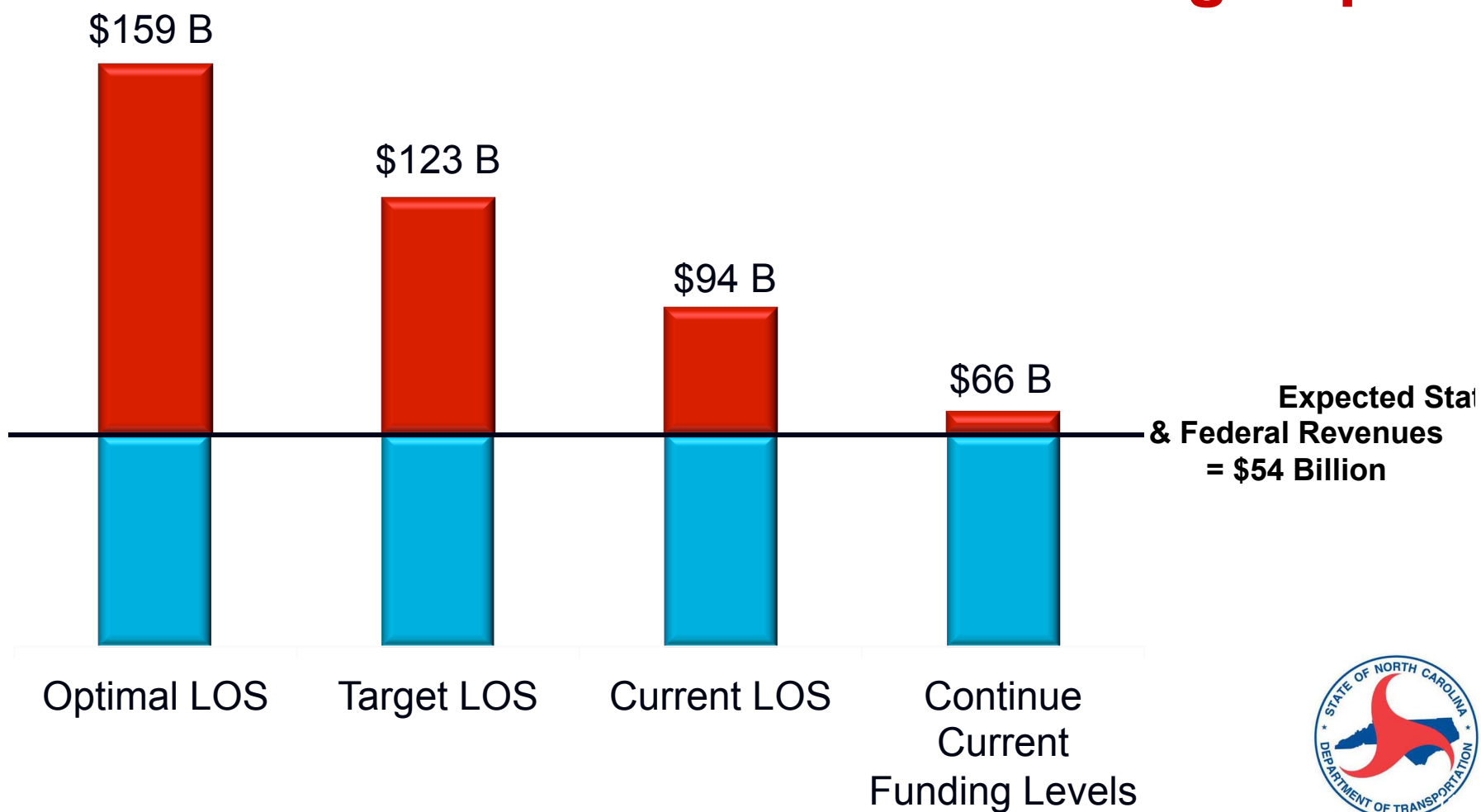
Transportation Needs Categories

- Optimal LOS: refers to all of North Carolina's transportation needs required until 2040 to bring our system's performance to a LOS A.
- Target LOS: was identified by NCDOT modal business units for each mode as their basis for defining 10-year needs during Prioritization 2.0. The specific LOS was applied to each mode until 2040 to define the transportation need.
- Current LOS: needs required to maintain our current performance level for each mode through the year 2040.
- Continue current funding levels: continuing funding each mode as it is currently through 2040.





NCDOT's 30-Year Needs and Funding Gap





NCDOT's 30-Year Needs and Funding Gap

30-Year Investment Needs by Quality of Service and Mode (in 2011 \$ billions)

Mode	Target LOS	Current LOS	Continue Current Funding Levels
Aviation	2.22	2.08	1.46
Rail	3.54	3.03	1.66
Bicycle/Pedestrian	0.77	0.77	0.34
Public Transportation	20.38	17.34	14.74
Ferries	1.59	1.42	0.71
Ports	1.30	0.97	0.65
Highways	93.03	68.52	46.62
Total Needs	122.83	94.13	66.17
NCDOT Share of Needs	114.11	86.30	59.70
Total Baseline Revenues	54.03		
Funding Gap	60.08	32.27	5.67





Revenue Enhancement Options: Can we close the funding gap?

- Continue motor fuel tax indexing - \$19 Billion
- Increase registration/license fees - \$6 Billion
- Eliminate Highway Fund transfers - \$4 Billion
- Redirect vehicle lease fee to NCDOT - \$1 Billion
- Increase Highway Use Tax - \$3 Billion
- Local vehicle property tax - \$1 Billion
- Auto insurance surcharge - \$12 Billion
- Wholesale motor fuels tax - \$12 Billion
- Interstate tolling - \$42 Billion
- VMT Fee - \$27 Billion





Funding Gap Closure Strategies

Four revenue scenarios evaluated

(Objective not to choose, but to demonstrate power and limitations of different strategies)

1. Interstate tolling to supplement existing taxes/fees

Revenue = \$42B

Current LOS - \$10B Surplus

Target LOS - **\$18B Gap**





Funding Gap Closure Strategies

Four revenue scenarios evaluated

(Objective not to choose, but to demonstrate power and limitations of different strategies)

2. VMT fee to replace motor fuel tax in 2020

Revenue = \$2B*

Current LOS - \$30B Gap

Target LOS - \$58B Gap





Funding Gap Closure Strategies

Four revenue scenarios evaluated

(Objective not to choose, but to demonstrate power and limitations of different strategies)

3. Existing revenue sources with indexing & increases gap

Revenue = \$33B

Current LOS - \$1B Surplus

Target LOS - **\$27B Gap**





Funding Gap Closure Strategies

Four revenue scenarios evaluated

(Objective not to choose, but to demonstrate power and limitations of different strategies)

4. New revenue sources

Revenue = \$69B*

Current LOS - \$37B Surplus

Target LOS - \$9B Surplus





Key Study Findings and Conclusions: Modal Needs and Finance

- Transportation needs remain large and challenging
- Current transportation funding is insufficient and not sustainable
- Current and ongoing level or quality of service is not acceptable to NCDOT's customers
- Revenue options are available and feasible to address needs



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2040 Plan

Key Findings & Recommendations





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Strategic Investments & Policy Recommendations

1. Establishes investment priorities in a funding-challenged environment:
 - Priority for safety and taking care of existing system
 - Emphasis on Statewide Tier
 - Emphasis on addressing logistics needs
 - Recognition of regional and urban/rural diversity of needs





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Strategic Investments & Policy Recommendations

2. Endorses recent/ongoing major policy and process initiatives:

- Transportation Reform and Project Prioritization
- Expanded coordination with our local and regional transportation partners to address diverse needs
- Sustainable Investment including a more dynamic linkage between land use and transportation
- Financial stewardship by improving efficiency in delivering our projects and programs





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Strategic Investments & Policy Recommendations

3. Endorses 9 Strategic Initiatives

- Developed based on interviews with stakeholders, planning partners, and internal NCDOT Business Units
- Not in a priority order
- Initial initiatives were modified based on input received during public involvement process
- Initiatives represent benefits for needed process improvements but does not provide details for implementation





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Strategic Investments & Policy Recommendations

Strategic Initiative 1

Place highest priority on investments within the Statewide Tier, with a lower priority on Regional and Subregional Tiers

- Review and update the NC Multimodal Investment Network (NCMIN). This includes updating the Strategic Highway Corridors.
- Investments would still be necessary on Regional and Subregional Tiers.
- Prioritization process will reflect priority on Statewide Tier.
- Review funding structure.





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Strategic Investments & Policy Recommendations

Strategic Initiative 2

Improve the MPO and RPO processes with a focus on improving relationships and communications

- NCDOT will be responsive to changes in priorities
- Monitor and evaluate MPO and RPO structure, including restructuring and consolidation
- Each Transportation Division will include a planning engineer to facilitate communication with MPOs, RPOs, and local governments
- Address through review and administrative changes in transportation planning process





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Strategic Investments & Policy Recommendations

Strategic Initiative 3

Encourage integration between land use and transportation planning

- The transportation system will work better if there is an improved coordination between transportation & land use
- Work with the Transportation Divisions, MPOs, and RPOs to develop process that enhances communications between transportation and land use decision makers
- Implement through better coordination of land use and transportation plans and possible legislative changes





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Strategic Investments & Policy Recommendations

Strategic Initiative 4

Expedite project delivery times

- Continue moving forward on process improvements that:
 - link long range transportation planning to the environmental process (NEPA);
 - find efficiencies internal to NCDOT; and
 - Support the Federal Highway Administration's initiatives to improve project delivery
- Work within current legal requirements; may necessitate changes in administrative processes





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Strategic Investments & Policy Recommendations

Strategic Initiative 5

Strengthen planning processes to ensure all perspectives of the human environment are considered

- Population is shifting to urban areas
- Older adults are the fast growing segment of our population
- There will continue to be a higher concentration of ethnically and linguistically diverse groups
- NCDOT will continue to look for ways to engage groups that are difficult to reach and have historically not be involved in transportation planning processes
- Implement through changes in transportation planning processes





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Strategic Investments & Policy Recommendations

Strategic Initiative 6

Better integrate logistics needs into transportation planning process

- Develop expertise in freight logistics planning
- Improve communication and coordination with the freight industry
- Implement through better coordination and collaboration between Department of Commerce and NCDOT





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Strategic Investments & Policy Recommendations

Strategic Initiative 7

Establish new sources of revenue for transportation investments

- No new funding source = reduced revenue for transportation maintenance and improvements
- 2040 Plan does NOT recommend new funding sources
- Work with partners at the federal, state, regional, and local levels to find feasible replacement revenue source(s) for the gas tax
- Implementation will most likely require changes to state legislation and/ or Federal approval





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Strategic Investments & Policy Recommendations

Strategic Initiative 8

Recognize differences in regional, urban and rural needs

- Feedback from public and stakeholders
 - Urban issues are related to congestion
 - Rural issues are related to economic attraction
- Identify issues that may hinder NCDOT's ability to address the difference between urban and rural needs
- Ensure Prioritization Process balances urban and rural issues
- Fully optimizing flexibility in funding may require changes to state legislation and/ or Federal approval





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Strategic Investments & Policy Recommendations

Strategic Initiative 9

Embrace and capitalize on technology advances

- Utilize technology to improve construction, construction processes, and system management
- Open up to new and improved technologies to reach out to the public, stakeholders, and partners in transportation planning
- Monitor and administer within NCDOT





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Discussion Q&A

