



Peer Workshop on Integrating Innovative Finance with the Transportation Planning Process

Santa Fe, NM
June 8, 2008

Summary Report

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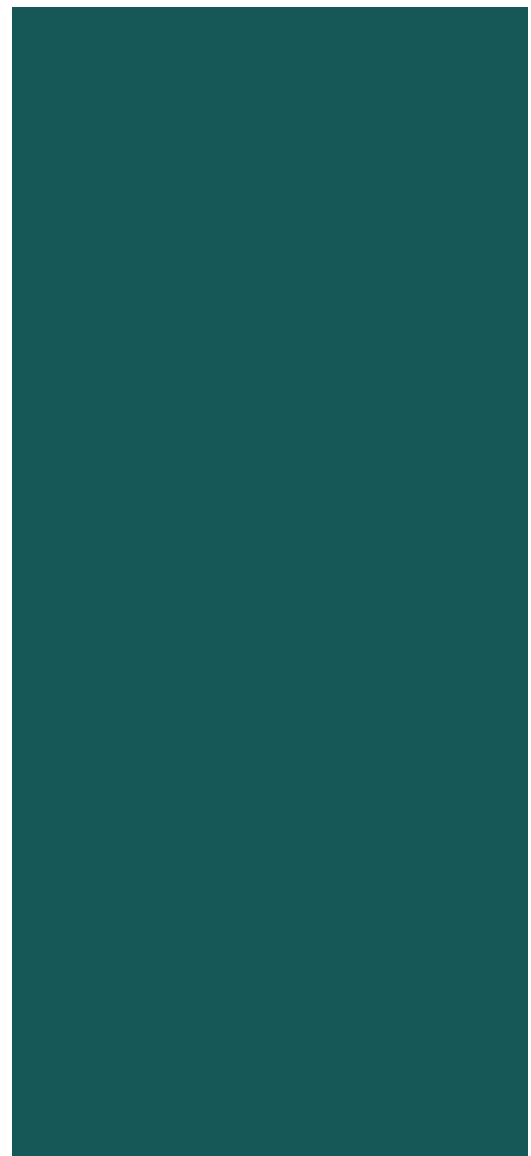


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1.0 BACKGROUND AND INTRODUCTION

On June 8, 2008, the Federal Highway Administration (FHWA), in collaboration with the AASHTO Standing Committee on Planning (SCOP) and Standing Committee on Finance and Administration (SCOFA), convened a peer workshop on “Integrating Innovative Finance with the Transportation Planning Process” in Santa Fe, New Mexico. Ten participants and 20 observers attended the day-long workshop, resulting in an exchange of ideas and practices between different state departments of transportation (DOT) and metropolitan planning organizations (MPO).

The workshop concept emerged from the work of the SCOP Capacity Building Task Force and its collaboration with FHWA’s Transportation Planning Capacity Building Program. The purpose of the workshop was to discuss experiences, the state of the practice and lessons learned related to integrating innovative finance with transportation planning in a peer exchange format. The workshop was also designed to help inform the new AASHTO Center for Excellence in Project Finance regarding research and technical assistance needs of state DOTs. Participants were invited based on their experience in integrating innovative finance methods into their planning processes. Many interested observers also attended the workshops and had the opportunity to join discussions between presentations.

A consulting team from Resource Systems Group, Inc. (RSG) managed, facilitated and documented the workshop. This report summarizes the workshop presentations and discussions and synthesizes the results into key themes for consideration and action by AASHTO and FHWA.

2.0 WORKSHOP SUMMARY

The workshop began with opening remarks and presentations. During the roundtable element, five participants shared their stories regarding how their agencies had addressed innovative finance in the planning process. Throughout the entire workshop, in-depth discussions of issues raised in the presentations and roundtable were facilitated and recorded for summarizing in this report.

The workshop also included three special presentations during the lunch break from Joung Lee, AASHTO Center for Excellence; Harlan Miller, FHWA; and Jennifer Mayer, FHWA.

2.1 OPENING REMARKS

After a brief self-introduction by participants and observers, four people offered welcoming remarks: Rhonda Faught, Secretary of the New Mexico DOT, welcomed the group to Santa Fe and stressed the importance of innovation in finance and planning processes. James Cheatham, FHWA Director, Office of Planning, spoke about federal support available for innovative finance. Joan Sollenberger, Division Chief for Transportation Planning with



Caltrans, provided background on how the peer exchange had evolved and discussed the challenges in trying to integrate uncertain funding sources into the planning process. Peter Plumeau of RSG, lead facilitator, introduced the agenda and purpose of the workshop: to share experiences and learn from each other, to build professional networks, and to provide input on the topic to AASHTO and FHWA.

2.2 OPENING PRESENTATIONS

Three participants gave presentations about innovative finance and planning to set the tone for the workshop: Joan Sollenberger (Caltrans), Gary Gallegos (SANDAG) and Jennifer Mayer (FHWA).

2.2.1 Joan Sollenberger, California Department of Transportation

Joan Sollenberger, Chief of the Division of Transportation Planning, California Department of Transportation (Caltrans), began her presentation by stating that integrating innovative finance into the planning process means that Caltrans is always seeking partnerships with other entities who have a stake in seeing transportation needs addressed. In California, MPOs have more authority than in most states, which requires them to have a high degree of involvement in state and federal transportation processes. Further, Caltrans has a high level of collaboration and partnerships with the federal government, AASHTO, private industry and academic institutions, in addition to the MPOs.

California has pursued several innovative finance initiatives over the years, and has been using various financing mechanisms for about 20 years. Proposition 42, the Transportation Congestion Improvement Act, was passed by California voters in 2003, requiring gas tax revenues to be used solely for state and local transportation purposes.

One challenge to implementing innovative finance methods in California is the understanding (or lack thereof) of the voting public of transportation funding needs and issues. Oftentimes, the voters will pass a bond issue under the assumption this will provide some sort of long-term surplus funding for the state's transportation needs. Thus, when a new bond issue is proposed a few years later, there will be a public outcry and a new need to educate the voters on transportation funding needs and issues.

The 2006 Strategic Growth Plan has been instrumental for increasing transportation funding in California. The transportation component of the Plan, developed by Caltrans and Governor Schwarzenegger, called for increased funding to rebuild and maintain the transportation system. Proposition 1A and 1B, the first funding stages of the Plan, were both passed by California voters. Key to the success of bond passage was the unified message by the Governor's Administration, the Legislature, business interests, key transportation stakeholders and others in the state that infrastructure investment is critical to the state's economy. Proposition 1A ensured that Proposition 42 revenues be directed solely for transportation purposes, while Proposition 1B allocated \$19.9 billion in general obligation bonds. The Plan is performance based and relies on successfully leveraging



federal, local, and private sector resources as well as a streamlined design and permitting process to reach the funding goal of \$107 billion.

2.2.2 Gary Gallegos, San Diego Association of Governments

Gary Gallegos, Executive Director of the San Diego Association of Governments (SANDAG), spoke about the work the agency has accomplished in innovative finance and planning. SANDAG, the region's MPO, collects a local option sales tax, whose revenues are used to service debt secured for transportation needs across the region. SANDAG also uses innovative finance tools such as managed lanes, variable congestion pricing, and transit fees.

In the late 1980s, funding for transportation was not keeping pace with demand. SANDAG appealed to the voters to help raise money for transportation through local revenues. In 1987, voters passed *TransNet*, a half cent local sales tax dedicated to funding transportation projects and programs. In 2006, the public reaffirmed its support for the tax by voting to continue it into the future. Revenues from *TransNet* have allowed the region to veer away from the pay-as-you-go approach to funding.

SANDAG has also funded transportation needs by borrowing against the revenue stream generated by the *TransNet* sales tax. As transportation costs are dramatically increasing, it is less expensive to borrow in the present and pay back in the future. Financing and refinancing allows long term debt to be swapped for short term debt. With low interest rates, this proves to be a sensible approach to funding. Recently, SANDAG began selling bonds to pay for highway and transit improvements that will be repaid through *TransNet* revenues.

The San Diego region's extensive transportation network is managed through a corridor approach that has facilitated and expanded local, regional, state, and federal partnerships. SANDAG is focusing on very specific corridors that have high impacts on the system. Taking a more comprehensive, less incremental approach to transportation has allowed projects to be built more quickly and efficiently. For example, I-15 would have been under construction for 20 years, but SANDAG was able to apply a corridor management approach to the project and in a matter of five years, the project was completed.

Other ways the San Diego region has coordinated transportation financing and planning has included building managed lanes, such as HOT lanes, value pricing, and transit. Transit and highway project and planning managers are required to work together with the goal of making transit competitive with automobiles. The long range planning process has helped policy makers realize that the approach cannot be "business as usual" and that there needs to be a push for more creative and sustainable funding mechanisms, such as tolling and variable pricing.

2.2.3 Jennifer Mayer, FHWA

Jennifer Mayer, FHWA Innovative Finance Team/Office of Public-Private Partnerships, spoke about several general innovative finance issues. One was the "ribbons versus



brooms” issue; that is, policy-makers tend to prefer to be associated with newly-built projects (“cutting ribbons”), but tend to downplay the need for maintaining, operating and preserving existing facilities (“brooms for cleaning”). To address this, FHWA works with states to explore ways to “do things smarter” and to take rehabilitation and maintenance into account in the planning and programming processes. Fortunately, Congress is beginning to grasp the need for increased maintenance and operations. The question needs to be asked: “what can we do to make things work better?”

Nationally, the gas tax has minimal support and the level of trust in Congress for such measures is generally low. At state and local levels, there is an increasing need for local sales measures. The challenge in implementing local sales taxes is that wealthier areas generate more funding, which disproportionately affects highway spending. Another challenge is that the finance of corridors is not exclusive to local regions; it is interconnected with regions along the corridor. One strategic move would be to invest in regional land use planning for rural counties in case they begin to sprawl, since transportation would subsequently be more expensive for those communities. Another issue is that mobility is usually considered at a project level and needs to be integrated at the planning level.

2.3 ROUNDTABLE DISCUSSION

After the opening presentations and discussion, the invited participants each provided a brief overview of efforts to address innovative finance in the context of the planning process in their agency. The following summarizes those presentations.

2.3.1 Rhonda Faught, New Mexico DOT

New Mexico is the fifth largest state geographically but has a population of fewer than two million. Due to its geographic situation within the country, NM plays something of a “bridge state” role, with 75 percent of truck traffic on its Interstate highways flowing between California and Texas. This bridge function has a significant impact on the highways, which in turn stresses the state’s transportation funding capacity.

New Mexico was the first state to employ Grant Anticipation Revenue Vehicle, or “GARVEE,” bonds. As the legislature was unwilling to increase state revenue sources to fund transportation projects, it decided to use state funds as a match to federal bonds. The bonds were used to build a four-lane highway, a project that the public supported because of its positive economic impacts.

In 2003, the state legislature approved “Governor Richardson’s Investment Partnership (GRIP),” a \$1.6 billion statewide transportation expansion and infrastructure improvement project that was supported by nearly 100 cities, counties, business groups and chambers of commerce across NM. GRIP includes 42 expansion and critical infrastructure improvement projects with more than 100 construction contracts across the state. The GRIP concept began when the state realized that the lack of transportation funding would have severe impacts on highway performance, reliability and operations. Tax reform was realized to be



necessary, and the state turned the trucking problem into a funding solution, creating a tax on trucks coming through the state.

New Mexico is expanding the Rail Runner, a commuter rail operation, north from Albuquerque to Santa Fe. This project has been a collaborative endeavor between local, regional and state governments. A second phase of the GRIP initiative (GRIP 2), which resulted from this collaboration, is providing most of the implementation funding for this project. NM pursued this on its own initiative without depending on federal assistance. The project will cost about \$400 million, a very large project for a state with limited resources and no project-specific federal funds.

The state has purchased both variable rate and auction rate bonds to fund critical transportation projects. NMDOT is also attempting to curtail the state legislature's practice of diverting transportation revenues to the state's general fund for non-transportation purposes.

2.3.2 Greg Nadeau, Maine DOT

Maine DOT began to pursue innovative finance efforts in earnest about three years ago when the state realized that they would need to become more creative in order to improve the ailing transportation system. Maine's transportation funding and planning situation is complex – while the state has a small population, it contains 492 municipalities, three MPOs, and seven regional planning organizations. The complexities and challenges faced by the DOT in addressing funding needs have propelled the use of innovative finance tools.

Maine DOT has recently begun planning for corridors on a multimodal basis. "Connecting Maine," the state's 20-year transportation plan, defines strategies for a sustainable, multimodal transportation system. The state's eleven Regional Councils participated in the planning process; each Council identified Corridors of Regional Economic Significance (CRESTs) and prioritized investment needs for each corridor. In addition, the "Gateway 1" initiative, an innovative, community-led land use and transportation planning project, has helped identify important corridors along Maine's coast.

During the last couple of years, the growing loss of buying power due to rapidly inflating material and construction costs has resulted in over 100 projects being cancelled and 20 percent of the state's transportation projects to be deferred. With this deteriorating situation in mind, Maine DOT conducted a public education and engagement campaign across the state, which heightened awareness of the plight of the transportation system.

The state legislature's Transportation Committees bought into this and concurred that a pay-as-you-go approach is unsustainable, especially with current high inflation levels. Thus, in 2006, the legislature passed a bill that sets long term goals for transportation capital improvements to be implemented through a stable, reliable, long term capital financing plan. Although that bill included no new taxes or revenue sources, it required the DOT to develop financing plans and priorities for new capacity investments and extraordinary bridge replacement, removal or rehabilitation projects with the bulk of proposed funding to come from new or expanded revenues. The bill also created a new Transportation Capital



Improvement Trust Fund, or “TransCAP,” into which transportation related sales tax and excise tax revenues will be allocated in full in phases over five years from the bill’s enactment.

The TransCap fund is in the control of the Maine Municipal Bond Bank, which creates the opportunity for the issuance of revenue bonds to enhance project delivery as an alternative to General Obligation (G.O.) bonds. In the 2008 legislative session, the legislature approved a framework for using the TransCap Fund to underwrite new bridge and highway programs.

In addition, the DOT developed a two-year work plan within regional planning processes. The legislature allocated funds, which allowed DOT, rather than the Legislature, to plan and direct use of the funds. This had a high degree of credibility with the public, creating a high level of involvement. The RTP engaged academic institutions in the state to help create the work plan and conduct an economic impact analysis, which indicated a future \$3 billion shortfall to achieve the Plan’s objectives.

Strong robust federal commitment is critical to the success of the statewide long range plan. Sixty-four percent of the total transportation budget is federally funded; 50 percent of this is spent on highways. To broaden the ability to raise revenue, the state is raising registration and licensing fees. One major issue is that many of Maine’s projects are earmarks, which limits the state’s ability to be flexible with funds in the capital program.

Maine DOT developed a two-year work plan and is starting to publish elements of the plan that have been successful. In the context of a ten-year plan, the agency is required to meet thresholds for every two year work plan. Maine recognizes the need to be more innovative in order to meet the challenges of issues such as climate change. The DOT has recently begun to discuss the possibility of a carbon “cap and trade” system specifically for the transportation sector among Canadian provincial premiers and New England governors. Revenue resulting from such a system could potentially be used to supplement conventional sources of transportation funds in participating states and provinces.

2.3.3 Earl Mahfuz, Georgia DOT

Georgia has recently focused on how to close the gap between transportation revenues and needs. With rapidly growing transportation needs and problems, particularly in the metropolitan Atlanta region, the state is realizing that the traditional pay-as-you-go approach no longer works. However, it is difficult to find political support for new taxes in the state legislature, and increasing the motor fuel tax or creating new local option taxes are not considered politically viable at this time. In addition, GDOT faces challenges in using bond revenue. For example, such revenues cannot be applied to most local road projects. Private investments are being explored as a funding option.

Georgia is continually trying to stretch its transportation revenues. Current revenue streams do not even meet the bare minimum of the state’s transportation needs. GDOT has only been able to pursue limited public-private partnerships in recent years. The state has discussed developing toll roads, but the political support does not yet exist within the state.



GDOT has also examined several different ways of bonding, although obtaining legislative support for G.O. Bonds or other forms of bonds has been challenging.

At DOT Board retreats, the Board tends to focus on projects competing for identical dollars—capacity projects—instead of maintaining what they currently have. Politics influence transportation and focuses on capacity as a priority. The DOT is now trying to develop a process to minimize the role of politics within the project selection process, specifically looking for projects with a high return on investment.

The STIP approval process is a challenge for GDOT. Estimated revenues associated with SAFETEA-LU can be skewed, and it can be difficult to ensure that funding will be available to complete projects. Georgia would like to see more equity in distribution of federal formula funds and greater efficiency in the federal funding process.

2.3.4 Jennifer Finch, Colorado DOT

Colorado has a growing population of 5 million people with an increasing annual VMT rate. The state has examined options to increase transportation revenue because it has not been able to solve many transportation problems with current state and local funds. Thus, the question, “What can we fund on a state-wide basis,” was the starting point for Colorado’s long range transportation plan update process. CDOT then moved to a corridor-level long range planning process with a multimodal focus.

One approach to enhancing the transportation revenue stream has been to redirect the sales tax revenue attributable to automobile purchases away from the general fund and toward transportation projects. Transportation is one of the last sectors to receive state funding, although this is beginning to change. The public generally does not support tolls and tolling is only permitted on new capacity roads. A few corridors have public-private partnerships and there is one managed HOT lane in the state. Colorado has used transportation bonds to advance strategic projects, but has no authority for further bonding. There are many environmental challenges on a corridor basis, and the NEPA process has been difficult.

Maintaining the existing system is Colorado’s top priority — CDOT has taken a “fix it first” approach. Initially, the business community did not seem to understand the idea that roads have to be maintained before new ones are built. It has also been difficult to build a robust transit plan and to provide regional multimodal connectivity. The state is trying to fund the gaps to complete strategic projects, although there is often not enough money to finish corridor-level projects.

CDOT has noticed that environmental and transit components are usually needed in general elections to garner enough support for new taxes. The idea of taxes on rental cars and specific transportation funding bills has been recently discussed by the public. CDOT has generally found it challenging to educate the public about the negative implications associated with insufficient transportation funding.



2.3.5 Amy Arnis, Washington State DOT

Washington State has one of highest gas tax rates in the nation, at 37 cents per gallon, yet the state faces severe funding shortages. Lack of revenue has also caused several major projects to be deferred. State voters eliminated the motor vehicle excise tax, which was later repealed. Maintenance projects have been especially underfunded.

Washington State runs the largest ferry system in the US, consuming 17 million gallons of fuel per year, which has become markedly more costly in the last few years with petroleum prices skyrocketing. State law prohibits WashDOT from increasing ferry fares. Thus, the Department is seeking federal aid to help pay for the remainder of this year's ferry fuel costs.

At the sub-state regional level, it is difficult to find new funding sources. Tax packages are unpopular with politicians. Several innovative finance initiatives have failed at the polls as well. Projects that receive strong public support, such as the replacement project for the SR 520 floating bridge, are still challenging to completely fund despite the relatively large amounts of revenue that have been identified.

Statewide and regional transportation plans are predicated greatly on new revenue sources, such as tolling, to fund future transportation projects. With only a per gallon gas tax, WashDOT has actively pursued tolling of existing and new facilities to address funding gaps. Other innovative finance mechanisms under consideration include assessing a weight fee on passenger cars and revising taxing structures associated with development of certain transportation projects.

3.0 WORKSHOP SYNTHESIS: ISSUES OF COMMON CONCERN

Several key themes emerged from the workshop's presentations and discussions. These include:

- Need for a stable national transportation funding source
- More closely integrating transportation planning and finance
- Understanding the importance of vision and leadership
- The role of partnerships and corridor-level approaches
- Establishing a link between transportation and economic vitality
- Recognizing the need for accountability and political and public buy-in to innovation

The following discusses these themes in more detail.



3.1 Need for Stable National Funding Source

It was generally agreed that federal transportation funding sources need to be made more stable and reliable. While federal revenue streams are part of funding equations for all transportation agencies, the federal share of the total transportation funding package for individual states is declining. Further, states with smaller programs are more dependent on federal dollars than the larger ones (the federal program tends to be a larger share of the total program in smaller states than in larger states).

There was general acknowledgement that a change is needed to increase the tax base for transportation revenues. Revenue for transportation spending is not keeping pace with inflation, escalation of materials costs and other costs or with ever increasing transportation needs. Further, the current relatively high gasoline and other petroleum prices are apparently resulting in declining vehicle miles of travel (VMT) across states and regions. This is exacerbating the overall decline in gas tax revenues across the nation and underscoring the seriousness of the transportation funding situation. Participants suggested that the nation needs to shift from the per gallon fuel tax rate to a VMT tax or to index the gas tax to adjust for inflation. Some agencies are currently using or actively pursuing tolling as a funding source, while others believe that tolling may not be feasible. Some urban areas are moving toward variable pricing strategies to help fund transportation systems. Several participants suggested that the federal government needs to become far less restrictive in allowing application of tolling to Interstate highways. It was also noted that prominent private sector organizations, such as the U.S. Chamber of Commerce, are beginning to support gas tax increases and transit projects in recognition of the potential impact on the nation's economy from not improving the overall transportation system.

While federal earmarks contribute to state transportation funding, there was discussion of the problems inherent to earmarked funds, such as their impact on formula funds and their basis in parochial politics rather than sound analysis. A few participants believed earmarks should be wholly eliminated.

3.2 Closer Integration of Planning and Finance

Incorporating innovative finance into the planning process largely depends on the comprehensiveness of the process. The fiscally constrained plan allows for projects to be pruned out and encourages the best project to be chosen, while plans with various revenue scenarios allow for more projects to be planned and prioritized. It was also noted that the planning process (and related financial structures) needs to be modernized and brought more in line with the changing geographies of economic and travel patterns and relationships (e.g., transcend traditional political boundaries at both sub-state and inter-state levels). Many state DOTs and MPOs are beginning to consider alternative scenario-based planning processes. There is a growing recognition that some of the standard assumptions on which transportation plans have been traditionally based, such as increasing federal funding, increasing SOV-based travel demand, and relatively inexpensive fuel prices, are changing; these assumptions need to be reconsidered and reflected in plans and



programs. In this regard, participants concurred that planning and finance units of transportation agencies need to become more nimble, flexible and creative to allow development of innovative finance options.

It was agreed that the transportation planning process must facilitate development of sustainable funding sources and defensible allocation of resources at both the state and metropolitan levels. Planning and programming staffs need to become more educated on and knowledgeable of financing tools and methods for transportation projects. Participants also believed that it is important to better integrate finance units of transportation agencies with planning units to help facilitate these advances and to tie the funding/revenue streams directly to projects in the plans and programs. Such integration could further use of life-cycle based planning that accounts for both physical and financial aspects of plans and programs. In addition, effective planning will demonstrate to the public that the needs of the transportation system are not being met, and that hard prioritization choices must be made.

Some participants also noted that the planning process needs to work more closely with the engineering and design processes to ensure that plans embrace the most cost-effective and durable technologies for sustaining revenue streams and mobility. For example, as tolling of existing and new facilities is considered more broadly across the nation, it is important to ensure that technology assumptions in plans accurately capture the mobility and finance impacts of open-road tolling, on-board traveler information systems, and similar advances.

3.3 Importance of Vision and Leadership

There was general agreement that it is necessary to “change the way we do business” within transportation planning and finance. With both transportation needs and public awareness of the funding gap growing, this is an opportune time to address revenue problems through new approaches and methods. It is important to have a vision that is incorporated into both the transportation planning and finance processes. Collaborative endeavors between and within agencies and organizations have led to new ways of communicating about transportation. Leadership is also a crucial element within transportation planning and finance.

The state and federal gasoline taxes provide a baseline of stable revenue, however, additional, more innovative sources of revenue are now needed - tolling, pricing, PPPs, sales taxes, bonding, general revenue. Various state DOTs and MPOs have demonstrated that strong leadership can facilitate pursuit of transportation plans and multiple financing innovations to make up for the declining federal share and escalating costs. For example, California is aggressively bonding for transportation improvements and leveraging multiple sources of funds such as a sales tax on gasoline, local option taxes and bonding, to supplement state gasoline tax revenues.

3.4 Role of Partnerships and Corridor-level Approaches

Partnerships are essential for the successful integration of innovative finance into the planning process. Inter-governmental partnerships among and across all levels of



institutions have helped foster success in financing innovations. Further, state agencies are working more toward building relationships with local and regional entities to facilitate finance opportunities and better coordinate the planning process. Public-private partnerships (PPP) also are a key dimension of the overall partnership framework for advancing transportation plans and projects. Toll projects are an obvious area where PPPs have an established and slowly expanding role.

A corridor-level approach to transportation planning and finance was cited as having potential for spurring innovation in funding mechanisms and sources. Innovative funding mechanisms can arise by taking a multiple-partners corridor management approach to planning and finance. Technology can be improved and new technologies can emerge through interregional and other partnerships. Regions must begin to also look at mega-regional partnerships to finance corridors. Some participants raised the Baltimore Tunnel as a “best practice” example of a corridor project where states partnered together for funding. Because the corridor based system extends outside of the traditional planning process, the process will have to be “bulked up” to meet needs of broad areas. There are many factors needed for successful corridor partnerships; for example, the vision of partners needs to be somewhat aligned to achieve goals. It is important to expand the scope of possible partnerships and think broadly to create innovative finance partnerships.

3.5 Establishing a Link to Economic Vitality

At the national, state, and local levels, transportation agencies have been working to articulate the link between transportation and the economy. By making direct correlations between transportation and the economy — such as the negative effects of traffic congestion on business and network reliability on freight and goods movement — transportation planning agencies have often garnered increased public support for transportation projects. It has also driven states to address corridors that connect states to each other and how these corridors affect economic growth. As more DOTs and their planning partners incorporate concerns about the U.S. transportation system’s overall effectiveness as it relates to the nation’s global competitiveness, there is enhanced potential for increased cooperation and collaboration between states and regions.

3.6 Need for Accountability and Public/Political Buy-in

The success of innovative finance approaches depends on both political and public support. For these reasons, transportation and planning agencies have often had to “sell” the importance of transportation to the economy and quality of life. Agencies need to help the public better understand and make sense of resource allocation. It is essential for the public to understand where and how public revenues, especially tax dollars, are being spent.

Certain technical performance indicators, such as a pavement roughness index, do not always resonate with the public. To address this challenge, some agencies have begun to try to translate performance measures into compelling and easily understood terms, such as letter grades or congestion maps. The public seems to be embracing the concept that doing a project now is less expensive than in the future, thereby engendering support for new



revenue raising options. Management techniques, such as internet dashboards, have provided the public with access to pertinent information, further garnering public support.

When capital programs are cut from communities, the public starts to feel the effects and begins to understand the magnitude of problems faced by transportation agencies and organizations. A tangible crisis grabs people's attention and focuses on the problems; it makes the problem real and not just conceptual. One of the challenges associated with this approach is that it can lead to mixed messages -- on the one hand, agencies are drawing attention to the good work they are doing, and on the other, they are relaying the severity of the problems that the system faces.

4.0 RECOMMENDATIONS FOR FUTURE PEER WORKSHOPS & FURTHER STUDY

Based on the discussions and information shared during the workshop, participants and observers concurred on several recommendations for additional research and peer information-sharing regarding the broad area of integrating innovative finance with the transportation planning process:

- Collaboration of DOT planning and finance unit staffs in development of long-range transportation plans and transportation programs
- Approaches to mega-region corridor planning and finance, including institutional partnerships and collaboration
- Establishing and effectively articulating the linkage of transportation investment and economic vitality to the public and policy-makers

These topics could be addressed through additional peer workshops, research/state of the practice scans, or both.



APPENDICES

1. List of Attendees
2. Workshop Agenda



APPENDIX 1

ATTENDEES

Peer Participants

- **Kathy Ames, Dep.** Director, Office of Planning and Programming, Illinois DOT
- **Amy Arnis,** Chief Financial Officer, Washington State DOT
- **Muffet Foy Cuddy,** Chief, Office of Programs Division, New Mexico DOT
- **Rhonda Faught,** Secretary, New Mexico DOT
- **Jennifer Finch,** Director, Division of Transportation Development, Colorado DOT
- **Gary Gallegos,** Executive Director, San Diego Association of Governments
- **Earl Mahfuz,** Treasurer, Georgia DOT
- **Greg Nadeau,** Deputy Commissioner, Maine DOT
- **Joan Sollenberger,** Division Chief, Transportation Planning, Caltrans

Observers

- **Ben Stein, Manager,** OFMB, Colorado DOT
- **Mike Thomas,** Director, Planning, Data, and Intermodal, Georgia DOT
- **Leon Hank,** Chief Administrative Officer, Michigan DOT
- **Dennis Slimmer,** Assistant to Director of Planning, Kansas DOT
- **Pat Oliver Wright,** Planning Director, New Mexico DOT
- **Larry Flynn,** Administration Division, Montana DOT
- **Cindy Van Dyke,** Assistant Planning Administrator, Georgia DOT
- **David Lee,** Administrator, Statewide Planning, Florida DOT
- **Angela T. Alexander,** Administrator, Office of Planning, Georgia DOT
- **Marsha Johnson,** Director, Financial Division, Florida DOT
- **Linda Koenig,** Planning and Policy Analyst, Oklahoma DOT
- **Joan Flores,** Freight and Government Affairs, MS DOT
- **Anne McLaughlin,** Strategic Planning Bureau, New Mexico DOT
- **Patricio Guerrerortiz,** Deputy Secretary, New Mexico DOT
- **Gary Giron,** Deputy Secretary, New Mexico DOT
- **James Bass,** Chief Financial Officer, Texas DOT
- **Lorie Tudor,** Programs and Contracts, Arkansas Highway & Transportation Department
- **Kevin Gray,** Chief Financial Officer, Minnesota DOT



- **Mel Adams**, Director , Policy and Planning, Vermont Agency of Transportation
- **Sandi Kohrs**, multimodal Planning manager, Colorado DOT
- **Tim Henkel**, Assistant Commissioner, Minnesota DOT
- **Michael Bridges**, Undersecretary, Louisiana DOT
- **Chuck Larson**, Deputy Director , Administrative Services, Utah DOT
- **Nancy Slagle**, Director, Administrative Services, Alaska DOT
- **Brenda Znachko**, Chief Financial Officer, Mississippi DOT
- **James Maconochie**, Principal, Cambridge Systematics

FHWA & AASHTO Staff

- **James Cheatham**, Director, Office of Planning, FHWA
- **Harlan Miller**, Team Leader, FHWA
- **Jen Mayer**, Innovative Finance, FHWA
- **Janet Oakley**, Director, Policy and Government Relations, AASHTO
- **Joung Lee**, Senior Analyst, AASHTO

Consultant Team

- **Peter Plumeau**, Resource Systems Group, Inc., Lead Facilitator
- **Erica Campbell**, Resource Systems Group, Inc., Staff Member



APPENDIX 2

PEER WORKSHOP ON INTEGRATING INNOVATIVE FINANCE AND TRANSPORTATION PLANNING

*CONVENED BY THE AASHTO STANDING COMMITTEE ON PLANNING (SCOP) AND
STANDING COMMITTEE ON FINANCE AND ADMINISTRATION (SCOFA)*

SUNDAY, JUNE 8, 2008
9 AM-5 PM MDT
LA FONDA HOTEL, SANTA FE, NM

AGENDA

9:00-9:30	Welcome, Introductions, Purpose & Goals	Rhonda Faight, NMDOT Joan Sollenberger, CalTrans Jim Cheatham, FHWA Peter Plumeau, RSG
9:30-10:30	Opening Presentations followed by Facilitated Questions & Answers	Will Kempton & Joan Sollenberger, CalTrans Gary Gallegos, SANDAG
10:30-10:45	Break	
10:45-12:00	Roundtable on Participants' Current Practices & Issues	All Participants
12:00-1:15	Lunch with Presentations: <ul style="list-style-type: none">▪ AASHTO Center for Excellence (20 min)▪ FHWA - Draft Fiscal Constraint Guidance (20 min)▪ FHWA - Fed Innov Finance Programs (20 min)	
1:15-2:45	Roundtable on Current Practices & Issues (Con't.)	All Participants
2:45-3:00	Break	
3:00-4:00	Facilitated Discussion – Issues, Options and Opportunities	Facilitated by Plumeau
4:00-4:45	Workshop Synthesis – Themes, Issues, Recommendations for AASHTO & FHWA	All Participants, Facilitated by Plumeau
4:45-5:00	Concluding Remarks & Adjournment	Joan Sollenberger