

Infrastructure Notebook

Vol. 1, No. 1: October 13, 2015



Infrastructure Conference

Held Tuesday, October 6

Governor Bill Haslam (Keynote)

Gov. Bill Haslam served as the keynote speaker for the Transportation Infrastructure Conference, telling attendees that it is important to pass down a transportation system to the next generation of Tennesseans that is just as good as the transportation system that our state now enjoys.

He also stressed the importance of maintaining Tennessee's reputation of having a debt-free road system. Gov. Haslam applauded Tennessee for being rated the third-best transportation system in the country, while spending the third-least per mile on its road systems.

Haslam warned that the state cannot maintain this high quality for too much longer without increasing funds for Tennessee's infrastructure. The current funding model of the fuel tax has not changed since 1989 and no longer adequately meets our system's needs.

Haslam said it was up to state and local government leaders to educate the general public about the problem and potential solutions. He said there are many misunderstandings about how funding works for transportation projects. He said, as an example, a project can be approved but not funded. A project can be in an approved and funded status yet still take years to complete.

Haslam talked about the difference



between federal and state funding for transportation infrastructure. He pointed out that Washington has failed for years to approve a long-term funding fix, and that uncertainty has made it more difficult for states to plan transportation projects.

Following his remarks, Haslam took questions from the audience. One common theme was the surplus in revenue the state had this year and how those funds could potentially be used for transportation infrastructure funding. Haslam emphasized that infrastructure, although extremely important, is not the only funding need in the state. He said he would consider using part of this surplus for transportation, but other state needs would also be considered. He noted that this is one-time funding.

He concluded with this call to action: Spread the message about how critical this problem is for our transportation in order to pass along just as good of a system as we now have in Tennessee.



Senate Transportation Committee Chairman Jim Tracy Continues Meetings To Discuss Transportation Needs

Senate Transportation and Safety Committee Chairman Jim Tracy, (R-Shelbyville) scheduled meetings across the state to discuss Tennessee's roads and transportation needs. Sen. Tracy said he wants to get input from a wide variety of citizens and community leaders regarding solutions to the challenges the state faces in funding Tennessee's transportation infrastructure.

Knoxville

Thursday, October 15

10:00 a.m. EDT
Bridgewater Place
205 Bridgewater Road
Knoxville, TN 37923

Chattanooga

Wednesday, October 28

2:00 p.m. EDT
Hamilton Co. Commission
Chambers
624 Georgia Avenue #401
Chattanooga, TN 37402

Kingsport

Thursday, October 29

10:00 a.m. EDT
Kingsport Center for Higher
Education
300 West Market Street
Kingsport, TN 37660

Presentations will also be made by Susan Mattson, Principal Legislative Research Analyst for the State Comptroller and Bill Moore, P.E., former Chief Engineer at the Tennessee Department of Transportation and Chairman of the Tennessee Infrastructure Alliance.

Infrastructure Notebook

Susan Mattson – Principal Legislative Research Analyst, Tennessee Comptroller of the Treasury

Susan Mattson, Principal Legislative Research Analyst, Tennessee Comptroller of the Treasury, presented a Tennessee Comptroller of the Treasury report on transportation infrastructure funding, which included potential funding options.

Mattson explained the breakdown of current funding: 56 percent from federal taxes, 42 percent from state taxes and 2 percent from other local sources. Tennessee relies more heavily on highway user taxes than other states do, she said, and does not accumulate debt to fund its infrastructure projects. At this time, our state's roads and bridges are typically rated of good quality.

However, current funding has stagnated, and Mattson explained that there are several factors that have contributed to this situation, including a fuel tax that hasn't changed since 1989, Tennesseans driving less and using less fuel, the increased fuel efficiency of cars today, and the uncertainty of federal funding.



Potential funding options from the Comptroller's report include a variable rate or indexed fuel tax, a vehicle-miles-traveled tax, and debt financing. Mattson said these options are solutions that other states have used to fund transportation infrastructure, but noted that these are merely options, not recommendations, to address Tennessee's transportation infrastructure funding.

Michael Skipper, AICP – Executive Director, Nashville Area MPO

Michael Skipper, the Executive Director of the Nashville Area Metropolitan Planning Organization, addressed the predicted growth in population throughout the state, especially in Middle Tennessee. The population is expected to increase by 2.5 million in Tennessee by 2040, with 1.3 million of that increase in middle Tennessee.

Skipper pointed to a map that showed congested main and secondary routes. He said travel time will increase by 113 percent over the next 25 years.

Even if the \$6 billion in future planned road projects take place between now and 2040, there will be little change in the projected congestion map, Skipper said.

Skipper was referring to a \$6 billion figure which represents a level funding capital investment strategy for the Metro



Region. It is based on Federal and State funding levels of investment in transportation infrastructure for the Metro Region remaining the same during 2010-2035.

Mayor Kim McMillan – City of Clarksville

Clarksville Mayor Kim McMillan told the audience that the state was in a crisis, with now being the time to fix the transportation infrastructure funding problem. McMillan said public education was key to developing a solution that would be achievable.

McMillan said \$6 billion in unfunded projects are only part of the total transportation need for the state, and that Tennessee should not rely on a federal solution to a state problem.

Like the previous speakers, McMillan echoed the call to action of the day, telling the audience that their voices needed to be heard.



Bill Moore, P.E. – Chairman, Tennessee Infrastructure Alliance & former Chief Engineer, Tennessee Department of Transportation

Bill Moore, chairman of the Tennessee Infrastructure Alliance and former TDOT chief engineer, outlined the nearly \$8 billion of TDOT projects that the Tennessee Infrastructure Alliance has identified as planned, but unfunded.

Moore described TDOT’s process for developing a road or bridge project, starting with a transportation planning report. Projects begin with an initial planning and environmental stage, which often takes a long time, but accounts for a mere 2 percent of the total project cost.

Often when residents see a project on TDOT’s planned list they think that it is fully funded, when in fact, that may reflect only the initial stage. There may be 75 percent or more of the total project funding still uncovered, he said.

He also walked attendees through 20 major projects across the state that he considers to be the most critical, with the lowest-cost project still requiring millions in funding. These include projects in all of Tennessee’s major cities plus the



proposed \$1.34 billion four-lane highway project which would be I-69 from Memphis to the Kentucky line in Union City.

Moore ended by saying that, with the expected significant population increase in Tennessee by 2040, we must act now to move forward on a long-term solution.

He showed attendees how to access interactive maps detailing, by county, the planned but unfunded TDOT projects showcased on the Transportation Coalition of Tennessee website.



Presentation Dates

**Crockett County
Friday, October 16**

8:00 a.m. CDT
“Chamber Coffee”

**Crockett County
Chamber of Commerce**
25 North Bells Street
Alamo, TN 38001

**Johnson County
Tuesday, October 20**

6:30 p.m. EDT
**Johnson County
Chamber of Commerce**
716 South Shady Street
Mountain City, TN 37683

**Trousdale County
Tuesday, October 20**

6:30 p.m. CDT
Eleanor Ford Auditorium at
Trousdale County High School
Hartsville, TN

**Henderson County
Tuesday, October 27**

12:00 Noon CDT
Lexington Rotary Club
Stewart’s Coffee Corner
585 Main Street
Lexington, TN 38351

**Haywood County
Thursday, November 12**
Brownsville, TN

**Anderson County
Friday, November 13**
Oak Ridge, TN

Infrastructure Notebook

Lynnisse Roehrich-Patrick – Executive Director, Tennessee Advisory Commission on Intergovernmental Relations

Lynnisse Roehrich-Patrick, the Executive Director of the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), opened by saying that adequate infrastructure is as essential to economic growth as economic growth is to the individual.

TACIR is responsible for developing and maintaining the inventory of public infrastructure needs for the state and municipal and county governments. The inventory Roehrich-Patrick presented included the full cost of all public infrastructure that needs to be started or completed in a five-year window, starting with July 2013 and going through June 2018. All inventory needs were placed into separate categories, including a category for transportation and utilities. This category alone makes up 61 percent of the entire inventory and totals \$26 billion.

Roehrich-Patrick stressed the importance of TDOT's cost-effective solutions to meet the immediate transportation needs the state faces, and these projects total \$2.4 billion. TDOT has developed the new Expedited Project Delivery program to address these immediate needs.



She showed attendees several maps that illustrated the improvements that have been made or identified throughout the state, including the cost per capita. The value placed on infrastructure improvements should not necessarily be based on population, or so focused on major cities Roehrich-Patrick said. Rural areas also play a big role in the state's infrastructure, and these projects are critical to its overall success.

Tommy Hodges – Chairman, Titan Transfer Inc. & former Chairman, American Trucking Association

Tommy Hodges, Chairman, Titan Transfer Inc. (Shelbyville, Tennessee) & former Chairman of American Trucking Association, spoke on behalf of the trucking industry and its value in the Tennessee economy, as well as its reliance on quality infrastructure. Hodges began his presentation by pointing out the economic value of the trucking industry, which provides 180,000 jobs in Tennessee and contributes \$7.7 billion in wages.

The trucking industry also contributes to transportation funding, Hodges said, paying the fuel tax in every state its drivers pass through and paying trucking registration fees, which make up 36 percent of transportation funding.

The highways are a trucker's office, Hodges noted. Truckers move about 80 percent of all manufactured goods, which makes infrastructure paramount to the industry. Truckers not only want good roads, they do not want to spend their time sitting in traffic – which is an added cost to all Tennesseans.



Hodges stated we should reframe the argument from a tax increase to a user fee, making it clear that everyone who uses the roads, including those who use public transportation, help pay for them.

**Tennessee Public Transportation Association (Video)
presented by Jason Spain, Executive Director**

Jason Spain, Executive Director, The Tennessee Public Transportation Association presented a video on the value of public transit. According to the video, in 2012, there were 35 million public transportation rides, and public transit travel in Tennessee totaled 51 million miles.

The video highlighted a public transit success story of a one-car family. The mother was working and attending school, making it tricky to balance the use of the car. She decided to start taking the bus a few times a week. This worked so well that their family decided to forego a car completely and then traveled by public transit for one year.



The video concluded by enforcing the multiple benefits public transit provides to the community, including aiding the economy and bettering the environment.

Ralph Schulz – President and CEO, Nashville Area Chamber of Commerce

Ralph Schulz, President and CEO of the Nashville Area Chamber of Commerce, spoke on the Chamber’s latest transportation initiative, Moving Forward. Schulz began his presentation by highlighting lessons learned from the AMP initiative, which included the realization that the chamber needs to bring the transit conversation to the community.

With that in mind, Schulz discussed the differences in today’s population and workforce, which tend to value time more than anything else. Transportation is key to this value, Schulz said, considering a person spends on average a total of three days in his or her car a year. In addition to this, Schulz compared the housing costs to the transportation costs in various cities. Nashville has one of the lowest housing costs, but has one of the highest transportation costs.

That is where Moving Forward comes into play, Schulz said. The purpose of the initiative is to ensure the creation of a regional



transportation solution through a cohesive community effort. Schulz stressed the value of engaging everyone and encompassing the strengths of multiple organizations to meet the goals of Moving Forward. The next step is to educate the community and public officials on the need and initiative.

Schulz concluded with a call to action, encouraging attendees that this is not the time to sit on the sidelines, but to be engaged in what could be a decade long conversation.



**A Message from
Susie Alcorn**

Our Infrastructure Conference was, by all accounts, a resounding success.

We are pleased to share this overview of the Conference speakers and their presentations.

As we continue to educate Tennesseans on the need for long term sustainable funding to meet identified needs, we will periodically distribute additional versions of the Infrastructure Notebook.

Please share with colleagues and friends. And join us at one or several of the events listed above.

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Infrastructure Notebook

Dr. Alison Premo Black – Chief Economist, American Road & Transportation Builders Association

Dr. Alison Premo Black, Chief Economist, American Road & Transportation Builders Association, presented an economic impact study, conducted by American Road & Transportation Builders Association, outlining the tangible benefits for the Tennessee economy if the state were to increase its highway and bridge investment by \$460 million. The study found economic benefits for every community and in many key sectors of Tennessee's economy, not just limited to construction.

According to the study, this investment would translate to \$1.17 billion in total economic output. Dr. Black highlighted study details including an increase of \$600.4 million to the Tennessee gross domestic product, an addition of approximately 10,000 jobs which would produce \$348.5 million in additional payroll plus \$82 million in new state sales tax revenue. Businesses would see long-term benefits, such as greater access to labor, lower operation and production costs, and more efficient operations overall. Dr. Black



explained that expanded transportation also provides businesses access to a greater talent and labor pool. This significant investment would have long-term benefits across many sectors of Tennessee's economy.

John Bucy – Executive Director, Northwest Tennessee Development District



John Bucy, the Executive Director of Northwest Tennessee Development, spoke briefly on the importance of a survey that TACIR implements at the local levels through the state's development districts. Through this survey, data is collected to inform the overall TACIR study of transportation funding needs.

He noted that the survey is directly tied to the economic development strategy for Tennessee's infrastructure funding. Bucy asked local officials to take the survey each year to help identify needs in their area.

Susie Alcorn – Executive Director, Tennessee Infrastructure Alliance



Susie Alcorn, Executive Director, Tennessee Infrastructure Alliance, wrapped up the day's presentations by reiterating the message of engagement. Ultimately, those vested in finding a long-term sustainable solution for Tennessee's transportation infrastructure must engage their local citizens and legislators in the effort, Alcorn said. Legislators are the ones who must act to put funding measures in place. This can only be achieved through educating communities at a local level about the infrastructure needs that directly affect them.

Alcorn concluded by saying that the Transportation Coalition of Tennessee and other supporters of long-term sustainable funding will keep working until the funding issue is found, no matter how long it takes.