

STATE OF NEW HAMPSHIRE

INTER-DEPARTMENT COMMUNICATION

2011-2020 Ten-Year Plan GACIT Public Hearing Executive Council District 2

October 27, 2009

Location: Martin Flanagan Room, Somersworth Community Center, 7:00 p.m.

Councilor Shea opened the meeting. The Governor's Advisory Committee on Intermodal Transportation (GACIT), comprised of the five Executive Councilors and the NHDOT Commissioner, are responsible for updating the Ten Year Plan every two years. This meeting's purpose was to receive public input on the proposed Draft 2011-2020 Ten Year Plan.

Cynthia Copeland, Executive Director for the Strafford Regional Planning Commission (SRPC) gave an overview of the regional perspective as it related to the Ten Year Planning process. She noted the responsibilities of the Regional Planning Commission, the Technical Advisory Committee (TAC) and the Metropolitan Planning Organization (MPO), and the process to identify transportation priorities that create a safe, convenient and cost effective transportation system. SRPC asked all of their communities to comment on both local and regional priorities. The top priorities that were identified in the region included sustainable revenue sources, operations and maintenance of existing infrastructure, addressing red listed bridges, safety and security and programs such as Transportation Enhancement, Congestion Mitigation and Air Quality, etc., and public transportation integration throughout the region, especially north and west of Rochester where there is a lack of transit opportunities. A prioritized listing of projects was approved and forwarded to NHDOT for consideration in the development of the Draft 2011-2020 Ten Year Plan, with projects in the existing Ten Year Plan continuing to be a top priority.

Bill Janelle gave a broad overview of the financial/budgeting background, capital needs and priorities, and the implications towards the update for the 2011-2020 Ten Year Plan. A number of issues affecting the Department and the Ten Year Plan were presented including:

- The existing 2009-2018 Ten Year Plan was developed with a very disciplined approach towards financial constraint, resulting in a credible financially responsible Plan.

- The 2009-2018 Ten Year Plan prioritized the preservation of existing infrastructure, red listed bridges, and the widening of I-93, which continue to be the focus areas of the 2011-2020 Draft Ten Year Plan.
- NH received about \$130M in American Recovery and Reinvestment Act (ARRA) funds that addressed many deferred needs throughout the state of NH. ARRA provided funds to resurface 750 miles of roads, as compared to the 250 mile average that has been achieved with available funding over the last few years. While helpful to address these deferred needs, it is only a one time boost to the program and does not substantially impact the overall Ten Year Plan.
- The FY 2010-2011 State Budget focused on meeting the operational needs of NHDOT and provides \$135M in new revenue to meet those needs, provides additional funding for Cities and Towns through the Block Grant Aid Program, and additional funding for the Betterment Program which will help to maintain paving needs (target 500 miles annually). The FY 2010-2011 State Budget was also impacted by the lack of available state Highway Funds for capital needs. Indirect (overhead) rates for delivery of the Federal program were increased from 3% to a more accurate 10%. (approximately \$17.4M/biennium). Also, state matching funds for federal funds (hard match) are not included in the budget. Instead, due to NHDOT's robust efforts on the Turnpike System, Turnpike Toll Credits are being utilized, allowing the state to use federal funds at approximately 100% instead of the usual 80%. Use of Toll Credits over the Ten Year Plan reduces funding levels available for capital projects by about \$150M, 15m/year.
- In recognition of these revenue issues, the budget bill establishes a Financial Commission to study and make recommendations for long term highway and transportation funding solutions. The makeup of this committee includes representatives from the Governor's Office, State Representatives and Senators, NHDOT, NHDOS and others. Recommendations from the Commission are due in late 2010 to inform the next biennial budget.
- The current Federal authorization bill expires at end of September 2009. It is expected that there will be continuing resolutions that extend the bill for up to 18 months. The Federal Highway Trust Fund required an \$8B transfer in FY 2008 and \$7B in FY 2009 to remain solvent. There is much uncertainty and speculation about the future Federal Reauthorization bill. Uncertain funding levels and structure of the program make it very difficult to predict what NH may receive in the future.

- Additional capital needs to be considered in the 2011-2020 Ten Year Plan development total at least \$800M in new projects, including additional funding for preservation, red listed bridges, consideration of prior identified projects that remain unfunded, and other specific needs identified by the Department and Regional Planning Commissions. Other needs not specifically quantified but recognized as areas that require attention include additional focus on posted/weight restricted bridges, municipal highway and bridge programs, secondary and unnumbered state roads, funding assistance to cities/urban areas, and funding needed to support rail, transit and aeronautics priorities.
- The 2011-2020 Draft Ten Year Plan is therefore developed in recognition of these budgeting implications. It is predicated on financially conservative assumptions that existing state and federal funding levels will remain at current levels, and the application of Turnpike Toll Credits will continue for the foreseeable future. Accordingly, the Draft Ten Year Plan is not terribly different than the existing Ten Year Plan. Existing projects have been reaffirmed and minor reprioritizations of existing projects are proposed. There is no solicitation for new projects. Programmatic preservation and maintenance projects are continued.
- The 2011-2020 Draft Ten Year Plan priorities continue to focus on maintenance and preservation, aggressively address red listed bridges, and to consider means for fully funding the I-93 improvements. The draft plan involves a disciplined financially constrained planning approach, while working with the Financial Commission to consider longer term funding approaches.
- Advancing major projects such as I-93 relying solely on federal program funding is difficult. Throughout the country, no major projects are being advanced without considering other means of dedicated funding such as bonds, tolling, public-private partnerships or other dedicated revenue source.
- One alternative for funding I-93 improvements that is being considered is through a demonstration project that the Federal Highway Administration (FHWA) is offering. This program would allow tolling on the interstate to fund the unmet needs for capital and maintenance expenses. This would facilitate the completion of I-93 sooner than would otherwise be possible and within the Ten Year Plan timeframe. More importantly, this would free up funds (approximately \$150M in the Ten Year Plan for I-93 debt service) that could go toward funding other statewide capital needs.
- NHDOT's continued focus will be on preserving and maintaining our existing infrastructures, addressing red listed bridges and safety issues while working with others to address the uncertainty of funding to

address the needs of the State. There will be continued dialogue and efforts to find a better way to accomplish the I-93 project.

The following comments from those in the audience were raised and discussed:

- Ken Ortmann, Rochester Planning Director, asked about the status of the application for demonstration project for I-93
Commissioner George Campbell replied that the Department has submitted a letter of intent, but needs legislative approval and authorization to do the application. We know that 54% of the traffic on I-93 at Salem is from out-of-state, 70% is from out-of-state at Hampton, and 30% at Hooksett. The MPO's would be involved in the process with strong support from Rockingham Planning Commission and Southern New Hampshire Planning Commission.
- Senator Jackie Cilley has met with the timber and logger associations and heard that posted bridges are causing them a hardship with impacts to economic development. She asked if a study has been done to determine the economic impact of posted bridges.
Commissioner Campbell replied that there are 1300 posted bridges in New Hampshire. The Ten Year Plan and NHDOT are addressing red list bridges as a priority. The Betterment program was created by the legislature to provide funding to address state highways and bridges. In August 2008 the forest industry presented a study to the Governor and Executive Council with a list of things to be done. The Business and Industry Association (BIA) has not provided information and support.
Commissioner Campbell explained that an eleven member Transportation Finance Commission has been established through legislation to find sustainable funding for transportation. The BIA and the Motor Transport group could contribute to the efforts and discussion of the Transportation Finance Commission.
- Representative Sandra Keans asked if the commission recognizes that if less gas is used, there will be less revenue. She also asked about the use of GARVEE bonds.
Commissioner Campbell the GARVEE bonds have not been issued yet, but will be in 2011. The pros are that the bonds will accelerate the construction of I-93 by twelve years. The result is that \$24 million/year of federal funds will be used from the federal portion of Ten Year Plan to pay off the bonds. This does not address the remaining \$250 million needed to complete the I-93 widening. The GARVEE bonds are the best solution in front of us today. Other solutions are the toll at I-93 through the demonstration project. Another issue with GARVEE bonds is that during the period of continuing resolutions of the federal transportation funding programs, the GARVEE bonds will need to be paid first as funds are made available. This could result in using all the federal funds available through the short periods of the continuing resolutions to pay back GARVEE and funding not being available for other projects.

Commissioner Campbell said another issue to consider is that currently \$5.0 million federal funds is made available for the municipalities with urban compacts for projects on their highways including Class IV highways, i.e. state-numbered routes that become the responsibility of the municipality inside the compact. For example, Hampton has had one project in this program in fifteen years for the reconstruction of Route 1. The program really needs \$20 to \$25 per year to meet the needs of these projects.

- Councilor Shea asked about I-93 being widened to Concord.
Bill Janelle replied that the Bow-Concord project to improve the interchange of I-89 and I-93 is not in the Ten Year Plan but is part of a list of potential projects that are needed that totals \$800 million. Commissioner Campbell said \$60 million is needed to complete Conway By-pass. He also explained that the good news with the recent budget and provisions for transportation funding that Department Operations are stabilized, Block Grant Aid to the towns and cities is stabilized, and there is an aggressive turnpike improvement program.
- Councilor Shea asked about the opportunities for private funding.
Commissioner Campbell explained that the bill to allow public private funding partnerships had been sent to study in the fall 2008 session of the legislature. He said we would not sell the turnpikes. He does see a day coming when private entities would build facilities and the State would buy them back, possibly in five years. He feels that a toll road operated by a private entity is probably not going to happen in New Hampshire.
- Councilor Shea asked if there could be tolls on the bridge to the Manchester Airport.
Commissioner Campbell said Manchester Airport Road is being built with federal funds therefore, a toll booth is not allowed. If we wanted to make that a toll road, we would have to repay the federal funds.
- Representative Dale Sprague said he supports the toll on I-93, but did not support the “aggregation” proposed by NHDOT in the last legislative session.
Commissioner Campbell noted that if he proposed aggregation or consolidation of turnpikes and interstates again, he would not propose it north or west of Concord.
- Councilor Shea asked when Manchester Airport Access Road will open.
Commissioner Campbell replied 2012.
- Commissioner Campbell delivered the message that the long-range Transportation Finance Commission over the next year offers a great opportunity for others to have input into how transportation funding and planning is structured.
- Ken Ortmann, Rochester, supported the information given by Cynthia Copeland. He made a number of specific comments including: 1) thanks for aggressive schedule on the Spaulding turnpike improvement project; 2) we need to have the

money to pay for transportation, keep the gas tax on the table as portion to pay for roads; 3) urge the Department to change the mindset from building more roads to preserve, maintain, and make more efficient and effective the transportation system we have, for example like what was done on Route 11; 4) maintain a strong level of support for Skyhaven Airport what serves general aviation and with improvements could serve more business aviation; 5) improve support for COAST, the regional transit provider; 6) move up the Rochester project for improving Strafford Square from FY 2015 to 2012 for which the city has bought right-of-way and do it along with the City's adjacent project and avoid disruption of another project in the area; 7) look at other funding sources so as to not rely on the turnpike toll credit.

Councilor Shea and Commissioner Campbell asked Ken to send in his comments in writing.

- Representative Dale Sprague asked if the rail project did not come to Nashua, could it come on the line to Ossipee. Representative Keans noted that rail lines can have passengers by day and freight at night. Commissioner Campbell replied that rail lines need to serve population centers such as the Capital Corridor serving Manchester, Concord, and Bow power plant and the Downeaster serving Dover, Durham, and Exeter. Commissioner Campbell further explained that the Rail authority is growing, there is a grant request in to do a major study for \$3 million for two tracks. He commented that the business community has to come to life on supporting rail.
- Councilor Shea asked if the FE Everett Turnpike, Exit 6 bus service is used. He also asked if the bus service stops at Manchester Airport. Commissioner Campbell replied that the Boston Express service is frequently used and said the service will be re-located to the Exit 8 park-and-ride which will have a new terminal facility. He noted that we need to work with Rockingham Planning Commission and Southern New Hampshire Regional Planning Commission to get east-west bus service and service to the Manchester Airport.

The meeting adjourned at 8:35