

Summary of Meeting with Shallbetter, DeBoer
Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437
Thursday, October 18, 2007

Guest Speakers: **Clarence Shallbetter**, former transportation staff, Metropolitan Council, and **Bob DeBoer**, director of policy development, Citizens League

Present: Verne Johnson, chair; Chuck Clay, Bill Frenzel (by phone), Jim Hetland, and Wayne Popham (by phone)

A. Context of the meeting --Transportation issues are likely to be front and center in the 2008 Legislature. By way of providing background for Civic Caucus participants, today's meeting focuses on transportation reports prepared by the Citizens League in 2005 and by the Civic Caucus in 2003.

B. Introductions --Verne introduced Bob DeBoer, director of policy development for the Citizens League, who was the staff person who worked on the Citizens League report "Driving Blind: Minnesota Needs a More Transparent Transportation Policy That Connects Prices to Costs and Benefits to Investments", issued in 2005. Verne introduced Clarence Shallbetter, former transportation staff, Metropolitan Council, who drafted the Civic Caucus report, "Untangling Traffic Congestion in the Expanded Metropolitan Region."

C. Central message in Citizens League report, "Driving Blind" --The public expense in Minnesota transportation must become transparent, not be hidden in various sources and unrelated to travel behavior. The report recommended several steps, including: (1) imposing "free-flow" pricing, imposed during peak drive times, as an incentive to reduce highway congestion, (2) basing vehicle registration fees on amount of wear and tear impact on roadways, (3) remove dedicated funding from new gas tax and vehicle license fees, and (4) enable the state to capture some of the increase in value of land near major transportation improvements.

D. Central message in Civic Caucus report, "Untangling Traffic Congestion" --To effectively attack the problem of reducing congestion, the Legislature would center responsibility in the Governor, assisted by a Transportation Commission, instead of allowing decisions to be so widely distributed among governments and agencies that no one seems to be in charge. The Transportation Commission would develop and recommend a transportation policy plan for where congestion is most severe, in a 15-county area surrounding the Twin Cities. It would consider directing all major new state funds into a single transportation fund. It would set priorities on all federal funds for regional facilities.

E. Comments and discussion --During the comments made by DeBoer and Shallbetter and in discussion with the Civic Caucus the following points were raised:

1. Public concern over funding --There is growing public understanding of the need for better transportation, Shallbetter said, but the public is concerned with additional funding, state or federal, and who pays for what and when. A transportation bill passed the 2007 Legislature, was vetoed by the Governor, and not considered in a later special session. The mountain of transportation needs grows and grows.

Meanwhile, conflicting interests of cities, counties, state, rural and urban, rail builders, truckers, organized special interests groups, and developers prevent passage of broad legislation.

2. Single-occupant trips by car to diverse locations is growing --Most work trips are from suburb to suburb, not from suburb to the downtowns of Minneapolis and St. Paul, which, combined, account for fewer than 20 percent of work trips, Shallbetter said.

3. Issue is much more than money --Money is a problem, but not the problem, Shallbetter said. There is little or no agreement on capital or operating needs or priorities. No transportation investment guide exists. Citing several examples of bottlenecks and insufficient road capacity and transit and bus service locations, Shallbetter said we'll never have enough money to build our way out of congestion. The state should focus on real work trips, cross regional trips, and vehicle size to serve the transit need. We need to remember, too, that trucks are an important economic part of the picture and require great road weight tolerance. Truck traffic also is time sensitive.

4. State leadership essential --State leadership is essential and the Governor is the one person who must lead, Shallbetter said. The Governor should be assisted by a Transportation Commission to collect data, make contact with all interests, and make recommendations to the Governor on needs, priorities, and funding.

5. Single fund recommended --All new funds for transportation should go into a single fund for use by all transportation needs. Use of expanded sources of funding collected by the state, beyond those that must be constitutionally dedicated, should be placed in a single fund for allocation to projects that compete with one another in making the greatest contribution to congestion reduction and increased public safety, Shallbetter said.

6. Importance of transparency --The Citizens League report focused on transparency, or visibility, of true transportation costs, DeBoer said. The public does not see true congestion costs, he said. Asthma from air pollution costs \$500 to \$800 per capita per year. Vehicle crashes cost \$700 per capita per year.

7. Diversity of trip origins and destinations --DeBoer cited many examples of suburban counties and cities where 80 to 90 percent of work trips are to locations outside the county of residence or where residents of a single city would be traveling to work in as many as 19 or 20 different cities. Solo driving is increasing in spite of improved bus and rail service. The challenge is to look at congestion costs across the system. Toll roads or pricing lanes are essential. Use of pricing lanes during times of congestion have the effect of producing better use of roads during times when non-congestion times when pricing would not be in effect.

DeBoer said pricing lanes should be open to all users, contrary to the practice on I-394, where the pricing lanes are not in use during non-peak times. Pricing should be true flow pricing related to the level of congestion. Excess revenue should be used for other transportation choices besides roads.

8. Consider all forms of moving people or goods --In response to questions, Shallbetter said transportation must be seen to include all forms of moving people or

goods, not just autos and big vehicles. DeBoer agreed and said pricing is only a starting point in addressing the problem. The structure of decision-making also must be considered.

9. Consider new funding sources --The state general fund is tapped out, Shallbetter said, so new funding sources must include user fees and revenue from benefited persons or property.

Shallbetter said the gas tax never has been used properly because it is constitutionally protected among cities, counties and the state, and each level of government makes its own decisions regarding needs and proper use. DeBoer said the urban partnership is still important as is a larger view.

10. Congestion is a state issue --Shallbetter stressed that congestion is now a state issue and the Governor must accept leadership. On advancing solutions on needs, restructuring and funding, Shallbetter said it is important to be aware of where commercial building permits are being taken out to see where job growth is occurring.

11. Thanks --On behalf of the Civic Caucus, Verne thanked Shallbetter and DeBoer for meeting with us today.