

South Bay Cities Council of Governments

May 22, 2014

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Consultant

RE: SBCCOG Transportation Update – April 2014

Adherence to Strategic Plan:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

Federal Update

Obama’s Proposed Transportation Reauthorization Bill Seeds Congressional Proposals

The Obama administration sent Congress on April 29th the GROW AMERICA Act, its proposal for a multi-year transportation bill. The four-year bill would cost more than \$300 billion.

The Administration’s bill includes \$206 billion for the highway system and road safety over its four year duration. Transit gets \$72 billion. Rail would be included in the Highway Trust Fund program for the first time with a proposed four-year funding level of \$19 billion, including nearly \$5 billion annually for high-speed rail. The proposal also would authorize \$9 billion for discretionary, competitive funding including \$5 billion for the TIGER grant project.

The bill, based on the budget proposal President Obama released two months ago, relies on corporate tax reform to raise \$87 billion to fill the hole in the Highway Trust Fund. But an agreement on tax reform is unlikely, leaving lawmakers to find another funding source. The House and Senate are expected to release their initial draft bills in May. During most of the 2012 infrastructure funding debate, the Obama administration deferred to appropriators in Congress to craft a detailed transportation funding bill. Because lawmakers decided in 2012 that they were only able to find enough money to approve a two-year transportation funding bill, the current transportation infrastructure bill will expire in September 2014. And the Congressional Budget Office has projected that the Highway Trust Fund will run out of money as early as August without congressional action.

Included in the bill is a proposal to end the prohibition on tolling existing interstate highways. States are currently able to toll interstates only to add lanes, but many simply don’t have the funds they need to widen or rebuild the oldest sections of interstate, and nor does the federal government. Toll opponents, including the American Trucking Association and Automobile Associations, argue that payment collection systems are inefficient, that they raise costs for businesses and consumers and that they divert traffic to local roads that were never designed for large volumes of traffic.

The country's 47,000-mile Interstate Highway System has largely been free of tolls since the system's creation in 1956. Its construction and maintenance was funded through a per-gallon tax on gasoline. The tax was increased only three times in its history, most recently in 1993. Since 2008, Congress has had to transfer more than \$50 billion into the Highway Trust Fund from general revenues to keep the fund solvent.

Another interesting bi-partisan proposal has been floated by House of Representatives members John Delaney (D-Md.) and Mike Fitzpatrick (R-Pa.). They suggest a long-term solution in the form of Delaney's bill, H.R. 2084, that would create a financing entity, called the American Infrastructure Fund, to provide loans or guarantees to state and local government for financing transportation projects. State and local governments would pay back the loans at a market rate determined by the American Infrastructure Fund. The bill would also direct the Treasury Secretary to issue \$50 billion worth of bonds for infrastructure projects. Profits from the bond sales would be retained in the American Infrastructure Fund.

The American Association of State Highway and Transportation Officials this week unveiled a new informational tool designed to educate the public and elected officials about the potential impact of an insolvent Highway Trust Fund. The "Nation at a Crossroads" is a web-based infographic, mobile app and printed brochure that provides a national perspective on surface transportation investments. It also provides state-level information to help tell the story of how federal funding affects transportation investment priorities. The web-based version of the infographic is available at invest.transportation.org, and the mobile app versions for both iOS and Android are available for download at invest.transportation.org/app.

One-time Revenue Fix Advocated for FY 15 Federal Transportation Budget In an April 13th letter to colleagues ahead of debate over a new highway funding bill this year, Reps. John Delaney (D-Md.) and Mike Fitzpatrick (R-Pa.) called on Congress to use one-time revenues from repatriated earnings as a temporary means of funding the trust while negotiating a long-term solution in the Highway Trust Fund reauthorization deliberations. Repatriated revenue comes from transferring foreign earnings or returns on foreign investments.

National Study Lauds Los Angeles Region for Reducing Sprawl

In 2002, Smart Growth America released a landmark report - *Measuring Sprawl and its Impact*. Researchers at the University of Utah's Metropolitan Research Center released an update on April 2nd that evaluates changes in sprawl during the past decade. *Measuring Sprawl 2014* looks at 221 metropolitan areas and 994 counties around the country, giving them number grades (higher is better) on a "Sprawl Index" by using four factors: density; mix of uses; strength of "activity centers" and downtowns; and accessibility of the street network. The follow-up study also outlines the human and economic costs of sprawl development.

The LA metro area is now the twenty-first least sprawled place in the US, and the seventh least sprawled among metropolitan areas with more than one million residents. The study also noted that LA is the second densest place in the US overall, after New York. Los Angeles was highlighted in the report as the biggest success story due to the substantial densification that has occurred during the past decade. The report attributes the region's new seventh place national ranking to development around transit stations and an ordinance that allows developers to build denser projects in exchange for affordable housing.

Why is it better to reduce sprawl? The researchers found that sprawl correlated with higher rates of obesity, traffic fatalities, ozone pollution, lack of social capital, vehicle miles traveled, physical activity, and residential energy use. Residents of more sprawling regions were stuck with fewer transportation options and higher combined costs of housing and transportation, despite higher housing costs in more compact cities. Researchers also found that an average American in a more compact county has a life expectancy three years longer than one in a less compact county and that residents of more compact metros had greater upward economic mobility: “for every 10 percent increase in an index score, there is a 4.1 percent increase in the probability that a child born to a family in the bottom quintile of the national income distribution reaches the top quintile of the national income distribution by age 30.”

U. S. Fuel Consumption Has Declined 11% Since 2004

At the end of March, the University of Michigan's Transportation Research Institute noted that fuel consumption by American drivers in light-duty vehicles -- cars, pickup trucks, SUVs and vans – has declined 11% since 2004 despite continued growth of the U.S. population. The researchers found that fuel-consumption rates by household, per person, per licensed driver and by registered vehicle, were 13 percent to 18 percent lower in 2012 than compared to their peak years in 2003 and 2004.

The researchers attributed some of the drop to economic factors. Higher fuel prices, decreased business and tightened personal finances during the recession meant less travel, increased telecommuting and a rising demand for public transportation.

Researchers at the UCLA Luskin Center for Innovation believe that, while the size of the nation will require continued reliance on the auto, and America's long love affair with the car isn't over, it may be starting to cool, with the period of rapid and unsustainable growth in auto ownership at an end. In addition to the economic factors that are still a driving force in consumer demand for cars, researchers also believe there is a generational shift taking place with younger Americans making fewer trips by car and "traveling considerably fewer miles" than teens and young adults in previous decades.

Cities Are Undertaking Ambitious Projects To Design Streets For Pedestrians Over Cars

Cities are increasingly designing streets for pedestrians over cars. A recent Smart Growth America article described a variety of models throughout North America. Five recent examples include:

Los Angeles Broadway Streetscape Master Plan - Los Angeles City is reimagining Broadway with pedestrian-friendly and traffic-calming designs—a plan inspired in part by Times Square. The first of two phases in the Broadway Streetscape Master Plan are currently underway. In an initial "dress rehearsal," temporary barriers like plastic poles and planters will reduce the number of car lanes from three to two. The west sidewalk will be widened by 8 feet to 20 feet, and both sidewalks will get bulbed-out curb extensions to slow traffic at intersections and reduce pedestrian crossing distances. If it all works, these changes will be made permanent in phase two.

Transformation of Times Square in Manhattan – Since Times Square was converted into a diamond-shaped pedestrian plaza with benches and other pedestrian-friendly features, foot traffic and store sales have gone up dramatically.

San Francisco's Car-Free Market St. - A stretch of Market Street through downtown includes four of the city's 20 most dangerous intersections for pedestrians and two for bikers. Since 2009, city planners have been implementing policies that push private cars off of Market altogether. Proposals include protected bike lanes and a car-free street between the hours of 7am and 7pm and an expanded plan that forces cars to detour around Market entirely, clearing the way for faster buses and for safer pedestrian crossings.

Mexico City's Historic Center Revitalization - Madero Street was turned into a car-free pedestrian walkway a few years ago. Mexico City's 2013-2018 Plan for the Historic Center includes 14 projects that will lower speed limits and widen sidewalks, add pedestrian elements, bike lanes, and a Metrobus Rapid Transit line.

Chicago's New Guiding Street Design Philosophy – The city's *Complete Streets Design Guidelines* put pedestrians first and cars last to force the city's department of transportation to consider all forms of transportation at once. That means that road crews heading out to resurface a street might consider ahead of time striping new bike lanes, engineers optimizing streetlights for car traffic will also think about crosswalk times, and construction teams rebuilding an entire boulevard may consider pedestrian islands in the roadway, or bike parking on the sidewalk. The city believes these small changes all over the city will add up to a pedestrian-friendly metropolis.

FHA To Change Mixed-use Housing Finance Rules

The financing of low-to-mid-rise mixed-use buildings, restricted by federal rules since the 1930s, will likely become easier in September when the US Department of Housing and Urban Development (HUD) releases its reforms of its Sections 221d4 and 220 multifamily financing programs. The HUD reforms would allow up to 35% non-residential uses in HUD financed projects, up from the current 20% cap. Old mixed-use restrictions remain in place at mortgage giants Fannie Mae and Freddie Mac since changes in these institutions' policies require changes in federal law rather than regulations.

Bike Share Memberships May Become Federally Tax Deductible

If you drive to work, take the train or the bus, or even ride your own bike, the IRS allows you to deduct some of the costs from federal income taxes. But if you get to work using any of the bike-share systems sprouting up in American cities, you get no federal tax benefit. New York Senator Chuck Schumer wants to add an amendment to a U.S. Senate package of tax benefit extensions that would allow commuters to deduct up to \$120 per year in bike-share expenses from their taxable income, the same as regular bike commuters. That would make much or all of the cost of an annual bike-share membership fee tax deductible, which ranges from \$70 to \$150 per year depending on the organization selected.

Sacramento Update

Data Gathering Bill Proposed For A Potential State Vehicle-Miles-Traveled Tax

SB 1077, by state Sen. Mark DeSaulnier, D-Concord, chairman of the Senate Transportation Committee, proposes to give the California Transportation Agency, the Department of Motor Vehicles and other agencies authorization to track vehicle miles traveled by motorists in a yet-to-be-determined city starting in January 2016. If approved, the pilot would use a "miles-based fee" to replace the state gas tax. The test would be the first in California but the third in the nation, behind similar test programs in Washington and Oregon.

A VMT of \$0.05 per mile starting in 2025 would raise \$110.3 billion a year for six Southern California counties: Los Angeles, Ventura, Orange, Riverside, San Bernardino and Imperial, according to SCAG. However, the proposal may face significant opposition from local elected officials who do not favor an increase in the gasoline tax or favor increased local sales taxes for transportation.

Caltrans Endorses the Innovative NACTO Urban Street Design Guide

Caltrans Director Malcolm Dougherty announced on April 10th that the agency is endorsing the use of the National Association of City Transportation Officials (NACTO) *Urban Street Design Guide*, giving California cities the state DOT's blessing to install modern infrastructure like protected bike lanes. Many cities around California trying to be forward thinking in terms of alternative modes have been blocked by the state's antiquated design standards. The endorsement of NACTO standards means this manual can be used alongside the California Highway Design Manual and the California Manual of Uniform Traffic Control Devices as an appropriate reference for new street designs

NACTO's Urban Street Design Guide is the product of collaboration between the transportation departments of its member cities around the U.S. The guide provides the latest American standards for designing safer city streets for all users, incorporating experience from cities that have developed innovative solutions into a blueprint for others to use. It supplements, but doesn't replace, other manuals such as the Caltrans Highway Design Manual and California's Manual of Uniform Traffic Control Devices.

The NACTO guide includes design standards for infrastructure including bike boxes, physically protected bike lanes, contra-flow bus lanes, and even parklets. Although these improvements have been implemented in cities in California and the world, they have been considered "experimental" until now.

Caltrans has control over the design of state-owned highways, but the design of local streets and roads is left to local jurisdictions — with one exception. Bicycle infrastructure throughout the state has been dictated by Caltrans-approved designs to protect local municipalities from lawsuits. As a result, city planners were often hesitant to build innovative treatments like protected bike lanes that don't appear in Caltrans Highway Design Manual.

California May Cut Gasoline Demand 9% by 2020

Demand for gasoline may drop by at least 9% through 2020 as consumers switch to greener cars and state and federal policies boost efficiency. If vehicle standards are strictly enforced, the decline could be as much as 13 percent, according to BNEF, a London-based research group. Fuel demand in California has dropped by more than 3 billion gallons a year since 2002.

Southern California Update

Metro Votes to Make I-10 and I-110 ExpressLanes Permanent

The Metro Board of Directors voted April 24th to make the ExpressLanes permanent on the I-10 and I-110 freeway segments that were created under a year-long federal pilot study. As part of the vote, FasTrak accounts will be charged a \$1 monthly maintenance fee to help cover operational costs.

The decision by the Metro board followed the release of a report that found the toll lanes generally met their purpose – providing faster commutes for people who used them. The report also found that ridership on the Silver Line express bus—which travels in the ExpressLanes—rose by 27 percent and bus travel times improved. The number of new vanpools, 117, also surpassed Metro's goals.

The toll amount has ranged from 25-cents to \$1.40 per mile, depending on congestion in the ExpressLane. Carpooling motorists, motorcyclists, some zero-emission vehicles and transit vehicles are not charged for using the lanes, but all vehicles that use the ExpressLanes must have a FasTrak transponder in their vehicle and have an active account.

Metro's board voted 8-to-3 to impose a \$1 monthly maintenance fee on ExpressLane account holders. The program initially included a \$3 fee for people who used the lanes three times or less each month. That fee was later waived during the demonstration period in response to customer complaints.

Metro pays the toll lane contractor \$3 for each transponder issued, and the \$1 monthly fee is expected to raise about \$2.3 million to help cover that cost, according to Metro.

Metro to Latch All Green Line Gates By The End of May

The next step to latch gates on the Metro Rail system to enforce fare collection on the Green Line will be completed with the latching all remaining Green Line Stations by the end of May. When this phase of latching is complete, 41 of 80 Metro Rail stations will be latched. Metro also is exploring adding gates at some of the remaining non-gated stations.

Gate latching requires passengers to use a TAP card loaded with an appropriate fare to pass through turnstiles at rail stations. TAP helps to strengthen security and fare enforcement and is utilized as fare media on 11 transportation providers including Metro, the Los Angeles Department of Transportation (LADOT), Access, Antelope Valley, Culver City, Gardena, Foothill, Norwalk, Montebello, Santa Clarita and Torrance. TAP-enabled paper passes are used on Metrolink.