



*Editor's Note: Mike Ryan with Michael Baker noted that we should clarify the story from last week about the planned improvements to I-80 in Pennsylvania. The last paragraph may be a little misleading. The rival plan is not to lease I-80 to a private entity. The proposal is to lease most of the existing Turnpike Network; including I-76 (mainline), I-476 (Northeast Extension) and portions of US 60 and PA 66. We appreciate attentive readers who help us ensure the accuracy of the report. TW*

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## N.C. Approves Funding for State's First Toll Road

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*Land Line Magazine – July 21, 2008*

North Carolina Governor Mike Easley has signed a budget that includes funding for the state's first toll road, in western Wake County. The North Carolina Turnpike Authority has allotted \$25 million annually in the budget to help cover construction costs for the planned southern extension of I-540, to be called the Triangle Expressway. The appropriation will continue for 39 years to help pay off the 18.8-mile section of roadway.

The funding for the Triangle Expressway will come from phasing out the \$172.5 million already redirected annually from the state's Highway Trust Fund to the General Fund. This will help bridge the gap between the amount of revenue the state projects to generate from tolls and the actual cost – about \$1 billion – to construct and maintain the Expressway.

The new road could be open by 2010, extending I-540 from Morrisville to Holly Springs. The interstate will be not be tolled north of state Route 55. The authority plans to remove all tolls when the debt is paid.

The budget bill also includes funding for three other proposed toll projects: \$24 million a year starting in fiscal year 2009 for the 21-mile Monroe Connector/Bypass in Union County; \$15 million annually also beginning in 2009 for the Mid-Currituck Bridge project over the Currituck Sound. In 2010, \$35 million will start to be allotted for the 15-mile Garden Parkway project in Mecklenburg and Gaston counties.

## **Red Light Cameras to Stay in Rhode Island**

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*Land Line Magazine – July 21, 2008*

Red light cameras are not leaving Rhode Island any time soon thanks to a bill in the state that has become law without Gov. Donald Carcieri's signature. Existing state law allowed cities to install red-light cameras and ticket drivers who ran them as part of a pilot program scheduled to end this month. The new law removes the sunset clause from the program.

Currently, the cameras are used only in Providence. They take pictures of the vehicle speeding or running a red light, and mail the ticket to the vehicle owners, regardless of who was driving at the time. Supporters say the cameras work as a deterrent and help catch red light runners who otherwise might never get caught.

However, critics argue that the cameras can be a distraction and cause more fender-benders. A study funded by the U.S. Department of Transportation reported rear-end crashes actually increased in cities using red light cameras, because motorists stopped abruptly at yellow lights to avoid tickets.

## **Tunnel-Drilling Risks Push up Cost of Light Rail Project**

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*Seattle Post-Intelligencer – July 17, 2008*

Tunnel-drilling risks may force Sound Transit to add \$150 million to the budget for a light rail system connecting to the University of Washington. Federal officials, who may contribute up to \$1.9 million to the budget, told Sound Transit to add the "contingency" money because of risks involved with drilling tunnels locally and nationwide. The Federal Transit Administration will contribute \$63 million of the \$150 million and Sound Transit the rest.

Federal officials said they don't want the light rail system to exceed cost estimates. This week the Sound Transit board's Finance Committee approved a request to increase the UW project's budget, saying the agency has enough money to cover its share. The full board will review the issue next week.

The previously estimated cost for the 3.15-mile line from downtown to the UW is \$1.7 billion, including financing expenses. Sound Transit has applied and been recommended for approval by federal officials for a \$750 million FTA grant for the project. Work could begin as early as next year and completed by late 2016, with tunnels under Capitol Hill and the Montlake.

Sound Transit spokesman Geoff Patrick said tunnels are “the highest risk construction,” and the FTA team overseeing Sound Transit’s light rail construction noticed cost overruns on rail tunnels being constructed with financial assistance in New York City, Pittsburgh and Los Angeles. Cost estimates for tunnels in San Francisco, Massachusetts and New Jersey have continued to increase because of new cost factors keep as designers reconsider their work, federal officials reported.

## City Council Approves \$1B Transportation Plan

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*El Paso Times* – July 20, 2008 and July 23, 2008

*AUSTIN* – Officials in El Paso have approved an ambitious plan to spend \$1 billion on transportation projects over the next three years, including highways, toll roads and mass transit. The plan, which received unanimous support from city council members Tuesday, will complete Loop 375 around El Paso, a pair of area toll roads and launch a bus rapid-transit system. It also requires the city to establish a Transportation Reinvestment Zone, or TRZ, that takes a portion of property taxes collected in the areas near new roadways for the projects.

The plan’s 15 projects include a proposed Southern Corridor toll project on the west side near I-10 and Sunland Park that would connect along the César Chávez Border Highway to Zaragoza and to I-10 in East El Paso and connections for I-10 at Loop 375. Additional projects involve adding more toll lanes to the César Chávez Border Highway, and another proposed toll road connecting U. S. 54 and Loop 375 taking motorists toward the Anthony Gap.

El Paso would work with the Texas Department of Transportation and the Camino Real Regional Mobility Authority to develop the projects over the next three years to help fix a city struggling with growth. The 15-project plan will now go to a vote before the El Paso Metropolitan Planning Organization on Friday. If they approve it, the Texas Transportation Commission will consider the plan at its Aug. 28 meeting in Austin.



*El Paso is going through tremendous growth right now. In addition to changes in the community, improvements at Ft. Bliss reflect the largest investment in a military installation in the nation. JD Abrams is currently building the 601 Spur, which is the first ever pass-through toll facility in Texas. If you’ve been to El Paso lately you will agree with the need for this proposed project; a great deal of work needs to be done in the future in El Paso. (In the spirit of disclosure, I provide partnering services on the 601 project for TxDOT and JD Abrams.) TW*

## Construction Kicks Off On Capital Beltway HOT Lanes

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*CNN Money* – July 22, 2008

Construction kicked off this week on the express lanes for the Capital Beltway, a project called a radical transportation improvement for the Washington region’s gridlock. The \$1.4 billion project will add two high occupancy toll lanes in each direction on Virginia’s portion of the beltway.

Cars with three or more passengers can travel in the lanes free, and tolls for solo drivers will vary based on demand. Tolls are expected to average about \$1 a mile, with the typical trip being 5 to

6 miles, said Barbara Reese, Virginia's deputy secretary of transportation. The private operator of the lanes will have the authority to set the tolls as high as necessary to prevent congestion.

"The beltway is really the main street of this part of northern Virginia, and it was never designed for the volume it now has," Fairfax County Board of Supervisors Chairman Gerald Connolly said at the groundbreaking ceremony. "Adding capacity to that main street is critical. Creating choices for our commuters is critical."

The HOT lanes are being constructed by a partnership of private companies—Transurban Group and Fluor Enterprises, which supplied \$349 million in private equity. The state provided \$409 million in funding and Fluor-Transurban is assuming the risk for bonds and loans that will pay for the remainder. The new lanes will not use tollbooths but will rely on electronic readers so drivers don't have to stop.



*This project took a long time to mature to the point of an agreement between VDOT and the developer, Capital Beltway Express (CBE) (Transurban and Fluor). CBE has an agreement with Fluor and Lane to do the actual construction. The improvements to the Beltway can't come too soon for those who traverse it on a daily basis. The industry has much to learn from this model during the course of the project. (I want to disclose that I also provide partnering services for this project.) TW*

## Peters Pushes Private Funding, Tolls to Fix Roads

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*The Detroit News – July 23, 2008*

WASHINGTON – In continuing efforts to increase transportation funding through private sector investments, U.S. Transportation Secretary Mary Peters is planning a radical reform of how the nation finances highway projects. In an interview with the Detroit News, Secretary Peters expressed strong opposition to raising the federal gas tax, which is the primary source of revenue for the highway trust fund. The fund is facing a looming shortfall of up to \$4.3 billion, partially caused by Americans using less gas amid rising fuel costs.

"The current system just is not working," Peters said Monday, noting the current system of primarily gas tax funded highway construction is too complex with too many programs and minimal flexibility. "What are we buying with the public's money and are we getting a good return on that investment?"

In 2009, the current six-year \$286.4 billion road funding law will expire, and Congress will spend much of next year debating over how to pay for the nation's crumbling transportation system. Secretary Peters said her agency's proposal, to be released in the next month, seeks to condense the 108 federal programs that pay for transportation projects down to about half a dozen.

Secretary Peters said an estimated \$400 billion in private sector investment could be directed to highways, and she said the government needs to "remove a number of federal barriers" and give federal and state officials more authority on whether to seek private funding for projects. At least 20 major private-public transit and highway projects are under way.

# Ex-Mayor Blames Toll Opponents for 281 Toll Road

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WOAI Fox News Radio – July 22, 2008

Toll opponents themselves are to blame for the fact that the U.S. 281 expansion project is being built as a toll road, according to former San Antonio Mayor Bill Thornton, who is now head of the toll road planning Regional Mobility Authority. Thornton made the comments at the Joint Legislative Committee on Toll Projects meeting at the University of Texas at San Antonio.

“While allegations have been made that previously planned improvements could have been fully funded without tolling, delays in the project, caused in part by litigation over environmental issues, initiated by TURF (Texans Uniting for Reform and Freedom, an anti toll group) and others, corresponding cost escalations due to inflation and highway construction costs, has eliminated the possibility of paying through the improvements through traditional gas tax,” Thornton said.

Anti toll groups have long argued that overpasses for through traffic at major intersections on U. S. 281 could have been built for about \$140 million, much less than the projected \$1.3 billion cost of the 281 North Tollway, which received approval in December.

Thornton said he hopes the success of the 281 projects will lead the way for public support of more non-traditional transportation projects in Bexas County. “Our first toll project, to have a publicly financed and owned project, is paramount to demonstrate the positive benefits to our community,” he said. “We are able to build today the foundation for an economic engine for future projects in transportation and multi modal far beyond what is imagined today.”

## Project Accelerated to Relieve I-5 Congestion

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The Orange County Register – July 21, 2008

*MISSION VIEJO* – A project to improve traffic flow and safety on one of the most congested interchanges along I-5 in south Orange county is going to be put on the fast-track, transportation officials announced this week. Representatives from Caltrans, the Orange County Transportation Authority and county and local mayors held a press conference near the I-5 and Oso Parkway Interchange in Mission Viejo, giving details about the \$28.8 million project to widen it.

The expansion is critical as traffic is expected to increase on I-5 in south Orange county from nearly 350,000 vehicles a day now to 460,000 by 2030.

A \$24 million Caltrans grant in June will fund the project, which includes adding a southbound auxiliary lane before the southbound off-ramp at Oso, widening the ramp lanes from three to four lanes and widening the southbound off-ramp to Oso from one to two lanes. Around \$4.8 million has been spent to plan, develop and engineer the project since it was put on the books five years ago. Construction will begin in September, and the project will be complete by fall 2011, officials said.

“It’s important to accelerate these transportation projects,” said Supervisor Pat Bates. “People want to see something happen in their lifetimes. You have to work collaboratively with Caltrans

and OCTA. That's how you move bureaucracy."

## MTA Looks at Fare Hikes for 2009 and 2011

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New York Daily News – July 24, 2008

New York commuters may not have been punished by high prices at the gas pump, but it will get more expensive for them to go places. The Metropolitan Transportation Authority has accelerated not just one hike- scheduled for 2009 – but another for 2011 when it released financial plans Wednesday in a heated meeting. The first increase could hit riders on July 1 if the MTA adopts it following a series of public hearings, and the second would follow in January 2011.

"I recognize what we are proposing is difficult, but our challenges are sobering," MTA CEO Elliot Sander said. Transit officials said the previously planned increases were being accelerated – by six months and one year, respectively – to avert service cuts and address a financial crisis.

Some MTA board members were not supportive of next summer's increases, possibly because fares and tolls were just increased in March. "Before we ask the riding public to take an 8% fare hit... I think we need to redouble our efforts ... to find every nickel and every quarter we can in expense reductions," said board member Andrew Saul. He said that state legislation allowing consolidation of MTA's divisions has been delayed for years, and the potential saving could be significant.

Transit advocates called on Mayor Michael Bloomberg and Gov. Eliot Spitzer to rescue the system and riders.



*In response to Mr. Saul's quote...no one argues that agencies like MTA and state DOTs must find every possible way to save money. Public agencies owe that to the citizens and elected officials to whom they answer. On the other hand, I have never seen a substantial transportation program in this nation funded solely or largely by agency efficiencies. While politically popular, the notion doesn't pass beyond the rhetoric. First, not enough savings are achieved no matter how deep the cuts to services or staff; second, agencies have been going through cost-cutting efforts for so many years not much is left to trim. Transit agencies are facing the same realities as their highway counterparts—prices are going up right along with demand for services while revenues are flat or declining. Something will have to give which probably translates into higher fares. TW*

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