

# Testimony for the Kansas Joint Legislative Transportation Vision Task Force

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Mid-America Regional Council

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Wyandotte County

Submitted by:

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On behalf of the Mid America Regional Council (MARC), we thank you for your service on this important task force. We strongly believe that continued investment in the state's multi-modal transportation systems will be vital for economic, social and environmental progress in Kansas.

MARC serves as the council of governments and metropolitan planning organization for the bi-state Kansas City region. One of our key roles is to lead development of regional transportation plans and priorities for federal transportation funding in consultation with state and local governments. The timing of this task force's work is very fortuitous as we are in the early stages of developing the next long-range regional transportation plan which will include policy, planning and project priorities through 2050. As part of this process, we've updated our regional vision, which describes Greater Kansas City as a region of opportunity, with a robust economy, healthy environment and the social capacity to support its people, places and communities. Our testimony will focus on the economic impacts of state investment in transportation.

In 2010, the Kansas Legislature passed T-WORKS legislation to support continued investment in the state's transportation system. Through T-WORKS, the Kansas Department of Transportation outlined a \$4.3 billion plan to ensure the preservation and modernization of the state's highways and bridges. Since this program was enacted some the funds designated for these projects were reallocated to other parts of the state budget. MARC encourages this task force to look for ways to raise new revenues to address the state's current and future transportation needs and preserve remaining T-WORKS funds for their original transportation purposes.

MARC supports transportation funding decisions that will:

- Help implement an effective multi-modal transportation program aligned with the region's priorities.

- Encourage regional approaches to public transit and transportation planning.
- Support the development of long-term, multi-year comprehensive transportation programs in collaboration with local governments and other stakeholders.

As members of a statewide task force, we know you must consider the transportation needs of all areas — urban, suburban and rural. But we encourage you to take note of how metropolitan areas, in particular, drive the Kansas economy. In 2016, metro areas produced 72 percent of state GDP and 71 percent of taxable sales. They represented 69 percent of both statewide employment and statewide population. The Kansas City metro alone represented 38 percent of Kansas GDP, 34 percent of both taxable sales and statewide employment and 30 percent of statewide population. And metro areas are driving growth. From 2010 to 2017, the Kansas side of the Kansas City Metropolitan Statistical Area represented 52 percent of statewide GDP growth, 107 percent of statewide employment growth and 86 percent of statewide population growth.

## Access to Opportunity

As the state and the region have recovered from the great recession, we have seen two parallel issues develop that illustrate the economic importance of transportation: workers need better access to jobs, and businesses need better access to a qualified workforce. If not addressed successfully, we believe these challenges will throttle continued economic growth. In our recent work to update the region's public transit vision, we learned that fewer than 10 percent of area jobs are currently accessible by public transportation. However, with increased investment in new transit and mobility strategies, access to jobs could double within 10 years.

We have seen significant growth of the e-commerce and logistics industries in Johnson and Wyandotte counties. As these 21<sup>st</sup> century industries establish new facilities and jobs in areas traditionally underserved by transit, they are finding it difficult to hire enough qualified workers who have affordable and reliable transportation options. While local governments have been able to fund new services to address some of these needs, we believe that continued and enhanced state support for public transportation will be necessary to support the growth of these industries.

We recently completed an assessment of the Kansas City region's public transportation systems compared to our national peers. We found that the Kansas City region currently invests only 80 percent as much as our peer metros in transit services, on average, and that state investments in transit services are significantly smaller than other states in our peer regions. For example, in 2016, the Kansas City region collected \$1.9 million in state funds for transit operations in Kansas and \$0.6 million in Missouri, placing us 10<sup>th</sup> out of 15 peer regions. This is well below the average of our peers — \$49.4 million. While the investments in public transportation made through T-WORKS have been critically important to the delivery of these services, we need renewed and enhanced commitments of state support to meet regional goals for job access and mobility.

## System Performance

Performance of the state highway system has a significant impact on the regional economy. The physical condition and reliability of these facilities underpins the ease and efficiency of moving people

and goods throughout the region. In general, the state highway system is currently in good repair with 93.7 percent of Interstate pavements rated in good condition and 94.5 percent of non-Interstate National Highway System (NHS) pavements rated good. However, recent trends are troubling. Good pavement conditions declined by 6.5 percent for Kansas interstates and 1.5 percent for other NHS routes between 2015 and 2016. During that same period, travel time reliability for trucks declined by 2.1 percent in the Kansas City area.

MARC believes that continued investment in our interstates and highways is vital to the economic health of the state and the region. Deferred maintenance often results in increased long-term costs to repair or replace deteriorated infrastructure. It also results in decreased reliability and added inconvenience for travelers due to greater construction impacts such as lane or bridge closures.

## Data and Technology

Changes in transportation technology are happening fast. Automated and connected vehicles, new models for vehicle ownership and evolving ride-hailing services will have wide-ranging impacts, creating new demands for existing state and local transportation facilities and services. Transportation system owners will need to respond and adapt to new challenges in managing and sharing data, planning responsibly for future infrastructure needs and coordinating a plethora of new transportation modes and options.

MARC is completing work on a regional policy framework for automated vehicles. We are also collaborating with KDOT and other state agencies on the Kansas Automated Vehicle Task Force. While there is still great uncertainty about the exact timing and specific impacts emerging technologies will have on Kansas transportation systems, we recommend that state and local governments prepare to address issues related to:

- Travel Demand Management and System Performance – How can we anticipate changes in travel demand and travel behavior that may result from widespread adoption of AVs? How can we maximize the safety benefits that AVs promise?
- Infrastructure, Planning and Investment – What new infrastructure systems and standards may be needed to support AVs? What new planning tools and processes will be needed to prepare for successful regional integration of AVs? What impacts are AVs likely to have on traditional transportation funding sources and what new revenue opportunities might they create?
- Data Management and Cybersecurity – What new partnerships, capacities and strategies will the public and private sectors need to securely manage and share AV-related data?
- Environment and Land Use – What changes in travel behavior may lead to changes in development patterns? How can AVs be deployed in ways that support compact, efficient development? How can AVs reduce the negative environmental impacts of transportation?
- Equitable Access and Mobility Services – How can AVs be deployed to equitably serve the needs of people and communities with transportation disadvantages?
- Economic and Workforce Opportunity – What opportunities and risks might AVs create for regional industry clusters, workforce and economic competitiveness?

- Certification, Liability and Insurance – How might AVs impact these issues, particularly for area local governments?

Many of these issues will impact needs for future infrastructure and funding models. We encourage this task force to explore their ramifications for the next Kansas transportation program, including implications for future operations and maintenance costs, impacts on future revenues, system capacity, reliability and safety.

## Financial Sustainability

As the state and the region look to the future, it is clear that significant public funding will be needed to operate, maintain and enhance the multi-modal transportation system.

In our last long-range plan, *Transportation Outlook 2040*, we identified more than \$900 million in unfunded Kansas state-system highway needs for the Kansas City region. The recent Smart Moves transit vision identified more than \$60 million in additional annual transit and mobility service improvement needs for area counties in Kansas.

As technology advances and travel behaviors change, the purchasing power of traditional funding sources such as sales taxes, vehicle registration fees, and per-gallon motor fuels taxes is very likely to erode over time. We expect state and local governments will begin to feel the impact of this erosion during the planning horizon you are addressing now. MARC recommends that the task force consider new public revenue sources such as mileage-based fees, motor fuel sales taxes, congestion pricing, and others sources, as well as potential private sector funding and financing options.

We urge you to support increased state investment in all modes of transportation and recognize the vital role that metropolitan areas around the state contribute towards the Kansas economy. Once again, we thank you for your important service to all Kansans and we offer MARC's continued support as a resource as you complete your work.