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California Legislature Pushes Toll Roads

TheNewspaper.com, DC - Sep 2, 2008

California – Lawmakers in California have approved a measure to extend tolling usage across the state. Introduced on behalf of State Treasurer Bill Lockyer (D), Assembly Bill 3021 creates the taxpayer funded California Transportation Financing Authority, which will have the authority to issue toll road bonds and permit local authorities to turn existing HOV lanes on four freeways into toll projects without additional legislative approval.

With Assembly and Senate votes of 49-29 and 23-10, respectively, the bill will become law with the anticipated signature of Gov. Arnold Schwarzenegger (R). The bill's advocates say it does contain many of the typical drawbacks of conventional public-private partnership tolling projects, such as non-compete clauses, lease terms of up to 99 years and other conditions designed only to generate massive profit for private companies. While the bill does not exclude P3's, projects under the bill would fund through the state instead of using the private sources that impose these limited terms.

"AB3021 will enable local and regional entities to contribute more to the funding of transportation projects, create a method for them to finance projects in the municipal bond market, and ensure that projects and funding are consistent with state transportation policy objectives and 'best practices' public finance criteria," Lockyer said in a statement.

The proposed law allows project sponsors to issue bonds for any project considered financially viable.

A Slow Summer on WV Turnpike

West Virginia MetroNews, WV - Sep 2, 2008

CHARLESTON – The West Virginia Turnpike has seen a drop in revenues - the three months of summer travel declined by 5.5 percent and since last November, the Turnpike's revenue is down \$1.8 million. Ever since gasoline prices got close to \$4.00 a gallon, toll collections began to decline and continued to do so throughout the summer, according to State Parkways Authority General Manager Greg Barr.

Barr said Labor Day Weekend toll revenue (Fri-Mon) was 6.5 percent less than that collected in 2007, and collections from Memorial Day were down 7.1 percent. Turnpike officials had hoped traffic would increase in June, July and August with vacation travel, but each month was lower than the previous year (June 5.5 percent, July 3.9 percent, August 7.3 percent)

Maintenance on the southern West Virginia highway depends on toll collections as its main revenue source, and Barr says it is becoming increasingly difficult to keep the bridges and pavement on a regular maintenance schedule. He added that the pavement and milling work completed this summer will help the Turnpike stay ahead of its problems, at least for the next five to six years.

California Seeks to Curb Sprawl

Wall Street Journal - Sep 1, 2008

California - Lawmakers in California have passed the first bill in the nation to control global warming by rewarding cities and counties for preventing urban sprawl and enhancing public transportation. Senate Bill 375 will link urban planning and CO2-reduction goals with government transportation funding, and advocates expect it to become a model for state and national policy makers.

Under the new bill, projects that meet climate goals will get priority funding from the annual \$20 billion the state spends on transportation. SB 375 requires the state's 17 metropolitan planning organizations and its regional transportation plans to meet specific targets to cut global-warming emissions. The targets will be set by the state Air Resources Board.

The bill's sponsor, incoming state Senate leader Darrell Steinberg (D-Sacramento), said lawmakers hope to get the governor's approval after the state passes a budget. "Our communities must change the way they grow," said Steinberg.

The 17,000-word legislation stems from the state's work to implement its landmark 2006 global warming law, which would reduce California's greenhouse gas emissions to 1990 levels by 2020, a 30% cut from expected emissions. State officials say fuel-efficient cars and factories will not be enough to accomplish that goal. Commercial centers, subdivisions, and highways must be planned so that residents can live and work closer together, reducing the amount they drive.



We would all do well to watch carefully this bill's ramifications regardless of where you work or live. Expect it to spread through the country as more and more states and communities look to acting on the principles of sustainability we have mostly just talked about to this point. The real question is: What are you and your firm or agency going to do about it and what role will you play? TW

Asphalt Shortage Delays Bridge Work

Deseret News – September 2, 2008

CLEARFIELD – High oil prices have resulted in a lack of available asphalt, contributing to the delay in construction of Clearfield's Center Street Bridge in northern Utah until at least November, and possibly next spring. The bridge originally was scheduled to be completed at the end of this month.

"Given the number of road projects currently being completed around the state and the lack of asphalt availability, we were told by contractors who didn't bid that they simply didn't have the time or the asphalt to consider the project," said Scott Hodge, Clearfield public works director. "In essence, it's back to the drawing board."

The bridge work began in March, and was halted in July, pending completion of mandatory Utah Department of Transportation and federal bidding requirements. Fewer than anticipated bids were received, and UDOT, the FHWA and Clearfield officials found the bids to be considerably higher than 110 percent of the engineers' estimated costs, causing all of them to be rejected. FHWA procurement policies require new bids before alternatives are considered. UDOT hopes the time extension will give interested contractors the opportunity to finish other work to allow them to devote resources to this project.

County Council to Declare Opposition to Charging Corridor Tolls

KCPW News – September 2, 2008

Utah – The Salt Lake County Council has announced its opposition to charging tolls to help fund the Mountain View Corridor in northwestern Utah. The council joins several cities near the route in opposing the means of funding.

"We believe that our transportation needs should be shared equally amongst all our citizens. And when we're looking to build a new road like the Mountain View Corridor, I don't think it would be fair to toll the west side of the valley and not other parts of Salt Lake County for the roads that they have," said Salt Lake County Mayor Peter Corroon, adding that he does not want any toll roads in the state.

The mayor said there are other ways to cover the cost of the Mountain View Corridor. "The gas tax is one way to pay for it. Senator Howard Stephenson (R, Draper) has talked about congestion pricing, which is not the same as toll roads but a pay-as-you-go system. We'd love to have some

more help from the federal government. There are many ways," Corroon said.

Bids Drop as More Seek Road Projects

The Tampa Tribune – September 2, 2008

TAMPA – The stalled construction economy has forced contractors to rely more heavily on cities, counties and the state for jobs. One beneficial result to the government: bids are dropping and those agencies are experiencing substantial savings on road projects.

In Hillsborough County, Florida last month, a contract to widen Race Track Road was awarded to R.E. Purcell Construction Co. for \$10.1 million – a good deal considering county engineers had expected bids close to \$13.4 million. Two months ago, the Florida Department of Transportation awarded a contract to Prince Contracting Co. for the widening of U.S. 301 in south Hillsborough for \$60.8 million. Initial cost estimates for the project were \$90.7 million. "It's a dramatic change from where we were," said Scott Collister, director of transportation development at the DOT's Tampa office. "We used to put projects out to bid and get maybe two or three bidders, sometimes one bidder."

The planned 40th Street widening between Humphrey Street and River Pines Apartments drew an astonishing 20 bidders, offering from \$5.1 million to \$8.8 million to do the job budgeted by Tampa City at \$9 million.

"In general now, most anything we bid we're seeing anywhere from eight to 14 bidders," said city contracts administrator David Vaughn. The city, whose capital improvement budget is up \$50.5 million to \$169 million for next year, plans to use money saved on low bids to fund projects delayed because of cost. Contractors say they are grateful for government contracts because work in the private sector has decreased precipitously.

Gas Tax Suspension goes into Effect

KTUU News, AK – September 1, 2008

Gas stations in Alaska dropped prices this week after a one-year suspension of the state motor fuel tax was signed into law. Many stations in Anchorage immediately dropped their prices by the full 8 cents a gallon. The suspension was among a series of bills signed into law last week including a \$1,200 energy rebate.

There is no way to tell if this 8-cent reduction will stick. Two weeks from now, when the price of a barrel of oil has changed multiple times, the price of fuel at the pump will go through its own gyrations. At the end of the day, no measure exists to ensure that the consumer will still be paying 8 cents less per gallon given all those changes. TW

Delay in Hawaii Rail-Transit Progress will Cost Millions

Hawaii - Honolulu's proposed mass-transit project has fallen behind schedule after missing two critical dates. While city officials say the \$3.7 billion project is still on schedule to break ground in December 2009, and begin partial operations by the end of 2012, the delays could raise the project's price tag.

An engineering application and draft environmental impact statement were supposed to be finished in the spring, but have been pushed out to this fall. The draft EIS process is now expected to run from October of this year through October 2009, according to city officials. The delay could be significant because construction cannot begin on the project until the EIS receives federal approval. Delays to the project will cost the city \$10 million per month due to inflation. The original \$3.7 billion cost estimate is in 2006 dollars, which will increase to \$5 billion by the end of the project because of the delays.

Honolulu plans to have the entire 20-mile elevated commuter line up and running in about ten years. It will be the biggest public works project ever completed in the state.

Central Corridor Applies for Federal Funding

Minnesota Public Radio – September 3, 2008

ST. PAUL, Minn. – The proposed Central Corridor light rail line in Minnesota, which has been talked about for decades, reached a milestone this week in the Metropolitan Council's approval of the application for federal funding. The rail service, planned to run between St. Paul and Minneapolis, could be the largest public works project ever in the state. Officials are hoping to receive about half of the project's \$915 million cost, or \$450 million, from the Federal Transit Administration.

Advocates of the project call it the transit link between the eastern and western half of the Twin Cities, and hope it will someday be a link to other cities as well. But right now, the main goal is to secure the money to pay for the line. Project director Mark Fuhrman said construction cost increases have been shocking. "We have just seen in the last year a 100 percent increase in the steel required for the tracks for the project," he said.

The project is also competing with 13 other transit projects from around the country for federal funding. The FTA should announce their decision on funding the Central Corridor by spring 2009.

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