METROTRENDS

February/March 1992

A DEVELOPMENT INFORMATION SERVICE OF METROPLAN

Transportation Issue

A New Era in Transportation Planning

The Intermodal Surface Transportation Efficiency Act of 1991

For the first time since the 1950s, national transportation policy has taken a new direction. Beginning with the Eisenhower administration, the focus of transportation policy has been on new construction, the goal being to establish an interstate network for national defense (free flow of interstate travel was only secondary). Now, as we approach the twenty-first century, that network is essentially complete. Emphasis has turned to systems maintenance and operating efficiency—a radical departure from post-WWII infrastructure philosophy.

Against this backdrop, on December 18, President Bush signed into law the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. This landmark legislation substantially restructures the process for making the nation's transportation investment decisions. Many planning and programming issues previously resolved at the federal level are now being pushed down to state governments and local communities. The Act both reduces the number of categorical grant programs and federal oversight of surface transportation programs, while it increases the level of federal funding and state and local responsibility. The Act significantly increases state and local flexibility in the use of federal funds for both highway and transit improvements.

> ***. . . the act increases both the level of federal funding and state and local decision-making responsibility, its provisions are not self-executing . . .***

Major Provisions

The ISTEA provides funding of \$119.5 billion for highway construction and repairs, and \$31.5 billion for mass transit construction and expansion. Major funding categories in the bill include Interstate completion; Interstate maintenance; a \$16 billion bridge program; a \$38 billion, 155,000 mile National Highway System; and \$24 billion for the Surface Transportation Program.

The bill adds new funds to the transportation system by extending the 5 cent gas tax to 1999 and spending down the surplus in the Highway Trust Fund. The bill also corrects some past inequities in distributing funds among the states. According to Arkansas Highway and Transportation Department (AHTD) Administrative Analyst, Steven Alexander, under past formulas, Arkansas received only 86 cents for every one dollar in federal gas tax sent to Washington. Over the six year period of ISTEA, Arkansas will receive an estimated \$1.21 for every dollar sent to the capital.

Thanks to Congressman John Paul Hammerschmidt, the ranking minority member on the House Public Works Committee, Arkansas is the beneficiary of several major demonstration projects, including \$8.9 million for work on the North Belt Freeway in Pulaski County.

Surface Transportation Program

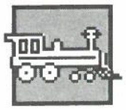
The Congress designated Transportation Management Areas (TMA) with populations over 200,000 for special treatment under the Act. The Little Rock/North Little Rock Metropolitan Statistical Area is the only transportation management area in Arkansas except for West Memphis' inclusion in the greater Memphis, Tennessee TMA.

The Surface Transportation Program (STP) calls for an enhanced role for local officials through the Metropolitan Planning Organization (MPO). Metroplan is the MPO for Little Rock/North Little Rock MSA and does transportation planning through its Pulaski Area Transportation Study (PATS) committees.

STP funds are divided into four broad categories. Ten percent (10%) is earmarked for safety improvements and is administered by the Arkansas Highway and Transportation Department. Another 10% is provided for transportation enhancement, also administered by the Ar kansas Highway and Transportation Department. Under this category, funds may be used for a variety of STP project "enhancements". Eligible projects include:

pedestrian and bike paths;

landscaping and other scenic beautification;

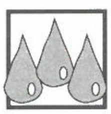


preservation or adaptive use, rehabilitation and operation of historic transportation buildings and facilities, including abandoned railways;

acquisition of scenic easements and scenic or historic sites;

control and removal of outdoor signs;

archeological planning and research; and



mitigation of water pollution caused by highway runoff.

Approximately 50% of STP funds are provided for local projects and are apportioned by population. For 1990, the Little Rock/North Little Rock urbanized area had 12.9% of Arkansas' population and will receive that share of the State's STP funds. The allocation for Fiscal Year 1993 is approximately $4.2 million. The remaining 30% of STP funds will be allocated to the states for their discretionary use.

The significance of the surface transportation program is that the program provides flexible funding for use between roads and transit, and among most levels of roadways.

New Planning Requirements

Under the provisions of the ISTEA, states and MPOs must respond to several new planning requirements, including:

- consideration of additional specific factors in the development of transportation plans and programs (see list below):
- development and implementation of transportation management systems;
- establishment of new metropolitan boundaries;
- development of detailed financial plans;
- National Highway System route designation; and,
- increased citizen participation.

Each of these planning requirements will be carried out by the MPO, the state, or as a cooperative effort of the state and MPO.

Pursuant to the legislation, MPOs will need to consider 15 factors in developing transportation plans and programs. The intent of this requirement is to ensure that transportation planning is carried out in a comprehensive and integrative manner.

The MPO planning factors include:

1. Preservation and efficient adaptation of existing transportation facilities;
2. Consistency of transportation planning with the goals and objectives of federal, state and local energy conservation programs;
3. Need to relieve traffic congestion where it exists, and to prevent congestion from occurring where it does not yet occur;
4. The likely effect of transportation policy decisions on land use and development, and the consistency of transportation plans and programs with the provisions of land use and development plans;
5. Programming of expenditures on Transportation Enhancement activities (see above);
6. The effects of all transportation projects undertaken within the metropolitan area, without regard to whether such projects are publicly funded;
7. Access to ports, airports, intermodal transportation facilities, major freight distribution routes, and military installations;
8. Connectivity of roads within the metropolitan area to roads outside the metropolitan area;
9. Transportation needs identified through use of management systems, as provided for in the ISTEA;
10. Preservation of rights-of-way for construction of future transportation projects, including identification of unused rights-of-way which may be needed for future transportation corridors;
11. Methods to enhance the efficient movement of freight;
12. Use of life-cycle costs in the design and engineering of bridges, tunnels and pavement;
13. The overall social, economic, energy and environmental effects of transportation decisions;
14. Methods to expand and enhance transit services and to increase the use of transit service;
15. Capital investments that would result in increased security in transit systems.

Systems Management

Another new requirement of the bill calls for each state to better manage its existing transportation systems. Consequently, each state must "develop, establish and implement" systems for managing:

- highway pavement,
- bridges,
- highway safety,
- traffic congestion,
- public transportation facilities and equipment, and
- intermodal transportation facilities and systems.

In the Little Rock/North Little Rock TMA, these management systems will be developed and carried out by the AHTD, in cooperation with Metroplan. Metroplan will be responsible for including a congestion management system in the PATS planning process, wherein the effective managment of new and existing facilities would be assumed through the use of travel demand reduction and operational managment strategies.

Planning Boundaries

Metropolitan planning boundaries will be affected by the Act. The law requires the metropolitan boundaries to include the dense urban core plus the contiguous urban area expected to be urbanized within the next twenty years. The new boundaries could include the entire four county MSA, but will probably stop short. Still, for the first time metropolitan planning boundaries will reach significantly outside Pulaski County.

Financial Plans

The Arkansas Highway and Transportation Department is currently responsible for developing a Transportation Improvement Program (TIP) for all areas of the State. New to this process is the requirement that projects may not be included in the TIP unless full funding can reasonably be anticipated within the time frame contemplated for completion of the project. The TIP must also reflect funding priorities, including transportation enhancements. Under the new Act, transportation plans and TIPs must include consideration of more facilities, programs, and factors than previously considered, must be supported by detailed financial implementation plans, and possibly involve air quality conformity determinations and limitations on adding new roadway capacity.

Citizen Participation

The ISTEA's renewed emphasis on citizen participation is a vital component in the transportation planning process. Although regulations concerning citizen participation have not been finalized, it is clear that MPOs and states will need to solicit greater input from citizens, affected public agencies, representatives of transportation agency employees, private transit providers and other interested parties. As with other new requirements, the intent is to ensure that transportation planning is a cooperative process that integrates the needs and values of states, public and private sectors, and local communities.

MPO Certification

Metropolitan Planning Organizations must be certified by the Secretary of Transportation no later than September 30, 1993. Severe penalties could result from failing the certification review.

Federal Transit Act of 1991

Title III of the new legislation, also referred to as the Federal Transit Act of 1991, contains several important amendments. The most immediately noticeable of those amendments is that the name of the Urban Mass Transportation Administration (UMTA) is changed to the Federal Transit Administration (FTA). The change reflects the comprehensive approach to transportation policy and planning at the national level.

Under Title III, planning funds are increased, and capital and operating funds are continued at the existing 80/20 federal-local matching ratios. In Transportation Management Areas, funds that cannot be used for transit operations and are not needed for actions relating to the Americans with Disabilities Act (ADA) may be used for highway projects.

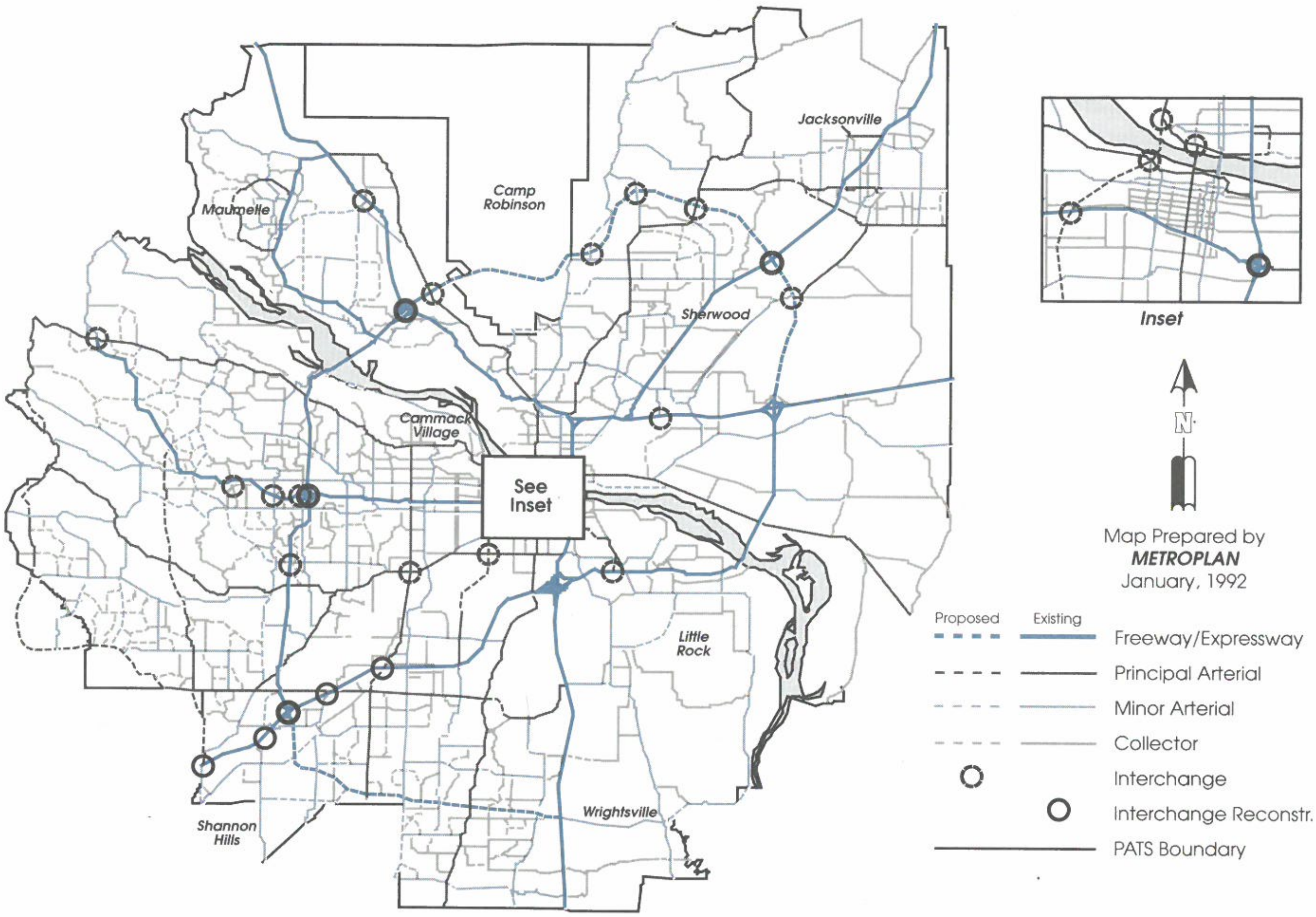
Although funding will be increased or continued at current levels, they are apportioned on a formula based in part on population density. In the Little Rock-North Little Rock area, densities have decreased, in part because the urbanized area has expanded, but also because of the 1980s trend toward out-migration of people from the dense urban core to the less dense suburban and exurban areas of the region. The Central Arkansas Transit Authority (CATA) has been negatively impacted by these new demographic considerations; consequently, CATA's 1992 formula allocation was reduced by $105,000.

Other amendments to the Act include the provision of a 90% federal match for projects involving the acquisition of vehicle-related equipment required by the Clean Air Act or ADA. It also requires the establishment of an Intercity Bus Transportation Program for the development and support of inter-city bus transportation and coordination with rural transit.

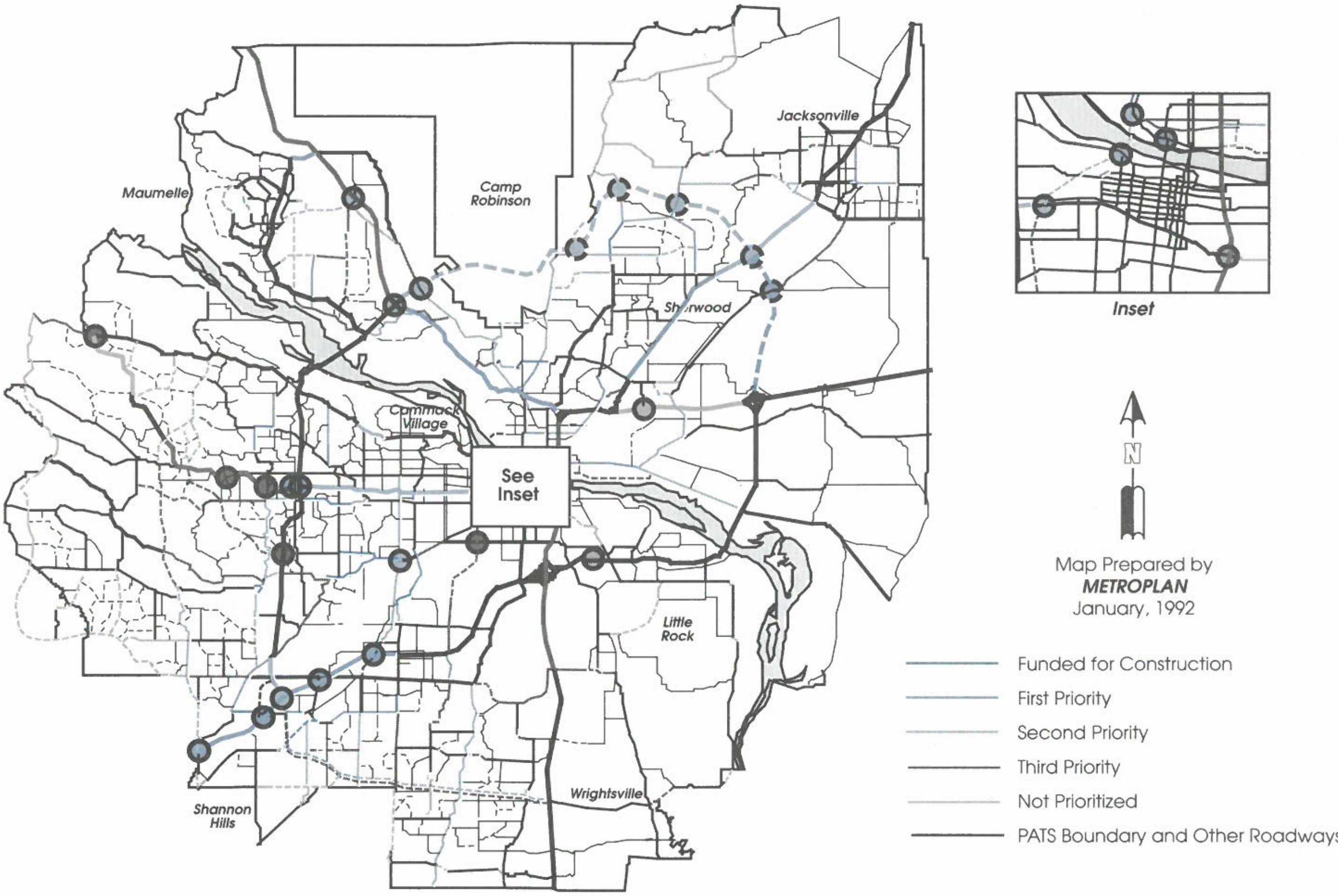
Implementation

The Secretary of Transportation is responsible for promulgating the regulations, procedures and guidelines over the next 2 years that will implement the Act's numerous provisions. Until such regulatory materials are developed and issued, the impact of the ISTEA on states, MPOs, and transit operators will not be fully understood. It is certain, however, that a new era has dawned in transportation planning.

Year 2010 PATS Plan For Streets and Highways
Roadway Facilities By Functional Class



Year 2010 PATS Plan For Streets and Highways
Roadway Improvements by Priority Phase



Air Quality Planning & Clean Air Act Amendments

The Clean Air Act Amendments, signed into law by President Bush on November 15, 1990, could have a significant impact on transportation planning requirements in the Little Rock-North Little Rock MSA (see May/June 1991 issue of *METROTRENDS* for discussion of Amendments). The Amendments shift more responsibility for improving air quality in designated clean air non-attainment areas to states and Metropolitan Planning Organizations, such as Metroplan, by requiring that local plans, programs, and projects conform to a revised State Implementation Plan for air quality control.

Currently, the Little Rock-North Little Rock MSA is in attainment of all national air quality standards and is not required to conduct clean air conformity determinations for transportation plans, programs, and projects. However, later this year EPA may require that sub-marginal attainment areas (including the LR-NLR MSA) perform conformity determinations. In future years, there is also a possibility that this area might slip into ozone non-attainment status.

The imposition of air quality planning requirements under the Clean Air Act Amendments, in conjunction with planning and programming provisions of the new transportation legislation, would almost certainly require a major restructuring of regional planning efforts and budgets, and could potentially impact regional economic development by limiting the construction of new roadway capacity.

METRO**FACT**

Families and Taxes, 1990

Estimated Burden of Major Taxes For a Family of Four With Income of $50,000 In the Largest City in Each State

*These figures include state and local individual income taxes, residential property taxes; general sales and use taxes; and various automobile related taxes, including gasoline, registration fees, excise taxes and personal property taxes.

Source: The figures came from a study by the District of Columbia of tax burdens in the largest city in each state. Office of Economic and Tax Policy, Department of Finance and Revenue, Washington, DC.

Central Arkansas Rideshare (CAR)

The CAR Program is a free public service provided by Metroplan for commuters working or living in the Little Rock-North Little Rock metropolitan area. The program is designed to provide commuters with carpool matching assistance, vanpool information, paratransit and public transit service information, and other types of information to assist persons interested in alternatives to solo commuting.

Organizations with employee parking problems, or organizations simply interested in encouraging their employees to consider CAR Program alternatives, should contact Metroplan to learn more about employee rideshare and transit incentives.

Call 372-3300

Pulaski County Apartment Market Survey

The 1991 Pulaski County Apartment Market Survey, a cooperative effort of Metroplan, the Accredited Residential Mangers of Arkansas Chapter #64 and Richard Cheek, is now available. The 307 page report details data for 153 of Pulaski County's largest apartment complexes including areawide occupancy rates since 1985. Purchase price for ARM member is $25.00, non-ARM member is $75.00.

The Pulaski County Apartment Market: Trends and Developments

This supplemental document to the Apartment Market Survey is scheduled for publication in April. It will examine in detail the five year trends for such items as price per square foot, occupancy rates and rental rates by year built, bedroom type, census tract, jurisdiction, and planning sector. The financial, appraisal, lending and development communities will find this document of particular interest. The purchase price for this document has not yet been established.

2010 PATS Plan

On January 22, 1992 the PATS Policy Committee authorized the publication of a document summarizing the year 2010 PATS Plan for Streets and Highways, which has been under development since 1985. The illustrations on pages 4 and 5 of this publication, graphically depict the 2010 PATS Plan by roadway classification and by priority improvement phase. A more complete summary of the 2010 PATS Plan is provided in the Streets and Highways Plan summary and supplemental documents, available from Metroplan.

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