

March 13, 2009

From: Leon County Commissioner Bob Rackleff
To: County and City Commissioners and Senior Staff
Subject: Thoughts about the Stimulus and Beyond

Based on four days of NACo activities and two of appointments with others in Washington, I offer the following ideas for how we should take full advantage of the policy changes happening in the new Congress and Presidential administration. These policy changes are major and welcome shifts in emphasis that can benefit a wide range of our county's program areas if we act quickly to take advantage of them.

Here are four major policy areas:

Transportation Programs

The stimulus package enacted last month provides an estimated \$5 to \$7 million for Leon County projects both indirectly through FDOT and directly to our CRTPA. We've submitted our project list to the state and can expect to get started soon. However, the amount we will receive doesn't come close to meeting our transportation needs. We need to look beyond to how the reauthorization of SAFETEA-LU is shaping up and how we can influence its outcome to achieve maximum benefit for our long-term future.

Congress has moved past the stimulus package to begin rewriting SAFETEA-LU, which expires this September 30. Chairman Oberstar of the House Transportation and Infrastructure Committee plans to present a reauthorization bill this summer, but other committees will miss this expiration deadline. Best guess is final bill approval at the end of 2010 or early 2011. In the meantime, current funding levels would continue as "extensions" – not "continuing resolutions" – a distinction Washingtonians consider excruciatingly meaningful.

According to his committee staff director and others, Oberstar wants a reauthorization bill of \$450 to \$500 billion, far higher than the current \$286 billion. It would take federal transportation programs beyond its bias now toward roads and bridges to include more transit, pedestrian and bicycle, and freight and passenger rail – perhaps including a national infrastructure agenda similar to the interstate highway system that would bring new accountability and coherence to all this federal spending. A 10-cent increase in federal gas taxes and other new mechanisms would fund this more ambitious level.

Fortunately for Leon County's pressing urban transportation needs, advocates for transit and other urban transportation solutions led by Transportation for America (www.t4america.org) expect this Congress and the President to provide more support of programs that can help meet those needs. This could include adjusting

local match requirements that currently provide up to 90 percent federal funding for roads but only 50 percent for transit. Moreover, advocates believe that the Obama administration is ready to provide more flexibility in project designs. The new USDOT secretary Ray LaHood has talked about teaming with HUD to pursue transportation policies that help create “livable communities,” an effort we should embrace.

Transportation for America is a new coalition with nonprofit members ranging from the National Association of Realtors to Smart Growth America to reorder national priorities to reduce energy waste, improve safety, create complete streets, and expand system preservation, among many objectives. I visited its national staff, who are very interested in enlisting local governments and others in Florida. For example, one change it seeks is to authorize Surface Transportation Program funding for transit operations, not just capital improvements. It also seeks more direct funding and authority for MPOs, a key reform sought by the Conference of Mayors.

NACo members are increasingly concerned about improved passenger and freight rail service – including the lack of cooperation from railroad corporations – and are forming a task force on railroad regulatory reform. But we must remember that NACo members are predominantly from small counties and tend to support transportation policies that disadvantage transit and pedestrian programs that are important to urban areas; it’s a bias I have repeatedly encountered during my 10 years on the Transportation Steering Committee.

During my trip, I visited a friend and former neighbor, Adam Sieminski, chief energy economist for Deutsche Bank, who now projects higher crude oil prices this year. He was a leading bear on crude oil prices for much of last year, but recently has changed his outlook to project that prices will rise again at least through this spring. He credits OPEC production cuts and rising demand for the turnaround.

Incidentally, several contacts stated the importance of gaining the support of Rep. John Mica, D-Florida, who is ranking member of the House Committee on Transportation and Infrastructure. His district runs from Casselberry to north of St. Augustine. He tends to be helpful on transit and commuter rail programs, as well as the usual road projects, and could help address our needs.

Transportation Funding

Local taxing effort is advancing as a priority among federal decision-makers from Congress to USDOT, based on responses to my questions, and confirmed by others. Senator Bill Nelson on Tuesday seemed mildly impatient that local governments continue to expect Congress to raise gas taxes that the state and locals fail to do. “Why do you keep coming back to us? You need to talk to the legislature,” he told a delegation of Florida transit officials that I accompanied to Capitol Hill.

It is clear to me that Leon and other counties in our CRTPA should raise our local option fuels tax to the statutory maximum if we expect to get local projects moving again. Over and over, I heard assurances that a maximum local gas tax effort – added to our existing penny sales tax for Blueprint 2000 – would improve our chances for new federal funding.

Also, several speakers emphasized that Congressional leaders and senior staff will be closely monitoring spending of transportation funds from the stimulus for greater accountability and future direction. We need to spend this new money wisely.

The reality now and far into the future is that the federal revenue ideas being discussed will probably not be enough to fully fund an ambitious new reauthorization bill. Congress may return to form and include optimistic assumptions about future revenues, as SAFETEA-LU did (and required an \$8 billion bailout this fiscal year), but that would keep us in the hole we occupy now.

Ideas like a VMT tax, an independent infrastructure bank, and increased use of toll roads or lanes are a long way from general acceptance and unlikely to get beyond the demonstration project phase. Plus, our irresponsible Florida Legislature has abdicated its responsibility to fund public services, including adopting reasonable state gasoline tax increases.

In short, federal, state and local motor fuels taxes will remain the mainstay of transportation revenues through the next decade – and we should accept the reality that a stronger local taxing effort is unavoidable.

Climate and Energy

Numerous contacts encouraged Leon County to apply to the U.S. Department of Energy for Energy Efficiency and Conservation Block Grants. The EEDBG is both well known and large, with most going to state and local governments by formula, but \$400 million also for competitive grants.

Less visible but perhaps more promising for us, a newly re-energized Environmental Protection Agency is ready to support local government climate and energy initiatives in various ways.

For example, during my visit to the EPA Smart Growth program offices, my host encouraged Leon County to apply for Smart Growth Implementation Assistance that would provide a team of experts to advise us; deadline is April 23. Points in our favor include our large minority population, recent successful initiatives like Blueprint 2000, and our regional outreach to neighboring counties. My host also encouraged us to nominate ourselves for this year's National Award for Smart Growth Achievement. He was impressed by the BP2000 15-year budget spreadsheet.

At the NACo climate change workshop on Monday, several speakers noted that legislation is moving fast to establish a new regulatory framework for reducing greenhouse gases and mitigating global warming effects. These could offer numerous opportunities, as EPA officials stated during private conversations.

The emphasis was on new and emerging programs for local governments who can act quickly. In fact, there may be funding for our climate change coordinator. Some other noteworthy programs that could benefit Leon County are:

- Climate Showcase Communities Grant, pending 2009 appropriations, can help local governments pursue their own climate change initiatives.
- Transportation control measures to reduce motor fuel consumption.
- Heat Island Reduction Initiative to help reverse increasing climate effects of tree and vegetation loss in our urbanized area.

Broadband and the Digital Divide

Perhaps the most exciting innovation in the stimulus package are the significant funding increases for federal programs to expand high speed internet service to underserved areas and populations. About \$7.2 billion is now available – \$4.7 billion for the NTIA Broadband Technology Opportunities Program (TOP) and \$2.5 for USDA's Rural Utilities Service (RUS) programs.

We already know that the digital divide is serious within Leon County, and that our substandard local broadband services are a key competitive disadvantage as a community. Some obvious opportunities for Leon County include:

- Expanding public computing centers at public libraries and community colleges (and perhaps community centers), for which \$200 million is available nationwide.
- Broadband inventory and mapping, part of a \$350 million program.
- Through Talquin Electric Coop, offer broadband to homes and businesses in rural areas of Leon and surrounding counties.

For surrounding counties, we could help them apply to the RUS Distance Learning, Telemedicine and Broadband Grant Program.

In a conversation at the end of the Tuesday workshop I attended, Fort Wayne IN mayor Graham Richard urged Leon County to obtain funding to develop a Local Strategic Broadband Plan that could lead to a nonprofit public-private partnership to establish a local network comparable to the best in the nation. He related how local businesses in Fort Wayne recently ranked broadband services as a priority second only to the availability of skilled workers.

This would be separate from the sorry broadband services now available from Comcast and Embarq – which I repeatedly have stated is a serious impediment to our economic development efforts.

Mayor Richard described the many uses that such a local system would have, from telemedicine (including online medical records), mentoring of at-risk children by retired teachers, and instruction in schools in such specialized languages as Mandarin Chinese. One goal should be broadband for the home of every at-risk child in Leon County to overcome the current digital divide. “An offline child,” he said, “is a child left behind.”

Recommendations

Transportation Programs

1. Join the Transportation for America coalition (at no cost) to participate in refining and pursuing the agenda for improved urban and rural transportation, local control through MPOs, and reduced greenhouse gas emissions.
2. Provide more specific direction to our Washington lobbyist to pursue both Congressional and agency programs that can expand transit and commuter services and the pedestrian infrastructure to facilitate these programs. Make a special effort to coordinate with Congressman Mica.
3. Provide special emphasis on programs that can help us achieve our goals in our education quadrant’s multimodal transportation district.

Transportation Funding

4. Enact a five-cent local option motor fuels tax increase for Leon County in a coordinated effort with our CRTPA partner counties.
5. Draw up a city-county projects budget for this increase to specify road improvements, transit and commuter expansions, and pedestrian and bicycle infrastructure.

Climate and Energy

6. Make a special effort to prepare county agencies to use Energy Efficiency and Conservation Block Grants in the allotted time, while also pursuing competitive grants.
7. Follow up with the EPA Smart Growth Program to apply for Smart Growth Implementation Assistance and the National Award for Smart Growth Achievement.

8. Develop close contacts with the EPA clean energy and climate protection staffs to identify and pursue funding opportunities for local projects.

Broadband

9. Pursue funding to expand public computing centers at county libraries, community centers and Tallahassee Community College.

10. Pursue funding to conduct a broadband mapping and inventory for Leon County and (with Talquin Electric Coop) expand broadband services to surrounding rural areas.

11. Follow up with Mayor Graham Richard to begin developing a Local Strategic Broadband Plan that would create the local network needed for our community to compete in the global economy.

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