



Summary of Meeting with Ken Orski

Civic Caucus, 8301 Creekside Circle, #920, Bloomington, MN 55437

Friday, March 14, 2008

Guest speaker: Ken Orski , Washington, D. C. transportation consultant

Present : Verne Johnson, chair; Chuck Clay, Paul Gilje, Jim Hetland, Jim Olson (by phone), and Clarence Shallbetter (by phone)

A. Context of the meeting —The Civic Caucus for the last five years has been urging significant improvement in strategic statewide transportation planning and priority-setting. Today's meeting compares what has been happening in Minnesota with developments in other states.

B. Welcome and introduction —Verne and Paul introduced C. Kenneth Orski, transportation consultant in Washington, D.C., who edits a newsletter on innovation in transportation and who served as associate administrator of the Urban Mass Transit Administration from 1974-1978. He later served as vice president of the German Marshall Fund of the United States. Orski is a magna cum laude graduate of Harvard College and Harvard Law School.

C. Comments and discussion —During Orski's comments and in discussion with the Civic Caucus the following points were raised:

1. Multiple revenue sources, jurisdictions, and plans, but no overall strategic state

transportation plan —By way of introduction Civic Caucus members first reviewed the fact that transportation planning and priority-setting is divided among several different groups at the state and local level, each with its own funding sources, provided by the state constitution or state law. These groups include the Minnesota Department of Transportation (MnDOT), the 87 counties, cities, the Metropolitan Council, metropolitan and non-metropolitan transit organizations, and a new transit organization of metropolitan counties being established as a result of a new law enacted by the Legislature in 2008. No overall strategic transportation plan exists for coordination or for setting priorities among geographic locations, among government agencies, or between transit and highways. Different funding sources—such as the gasoline tax, license fees, the state sales tax, and the property tax—are assigned to different jurisdictions.

2. Subscribers welcome —Orski said anyone may subscribe without charge to his newsletter, "Innovation News Briefs", by signing on at www.innobriefs.com. Orski said he also may be contacted directly at korski@verizon.net.

3. Leaner support from the federal government —Orski sees that the federal government will be leaner in its support of transit in coming years. First, he said, the federal government is not likely to

build new rail systems in cities that don't already have such systems. The Twin Cities metropolitan area already has the Hiawatha rail line and, thus stands eligible for additional federal funding.

4. Pricing can be effective in reducing congestion —The best way to reduce congestion, Orski said, is through pricing strategies that have the effect of distributing demand over a wider network of roads and over a longer time frame. The U.S. Department of Transportation is promoting pricing very heavily.

Under pricing strategies, motorists pay fees in varying amounts depending upon the time of day and location. Fees would be highest at times and locations of greatest congestion.

Responding to questions, Orski cited two types of pricing strategies. One is to install new high-occupancy toll (HOT) lanes, such as with I-394 in the Twin Cities and with expansion of the Beltway in Washington, D. C. A second strategy, more controversial, and being advanced for New York City, is to cordon off an area and impose a fee for all vehicles entering the congested area. London, England, and Stockholm, Sweden, are employing that strategy successfully, Orski said. A 20 percent reduction in traffic has been the result, he said. Everything is handled electronically, without the need for toll booths, he said.

Some discussion focused on a legislative act this year that limits the use of tolls on Minnesota roads. It was clarified that new tolls would be permitted on additional new lanes, but new tolls would not be permitted on existing lanes. Apparently, tolls would be allowed where shoulders are converted to new lanes. It is unclear whether tolls could be used to finance new bridges such as the bridge over the St. Croix at Stillwater.

5. Transit does little for congestion relief —In response to a question about demand from the public for congestion relief, Orski said that transit does little to relieve traffic congestion. The pent up demand for road space is so great that whatever reduction comes from transit is filled in by other motorists. Billions have been spent in Washington, D. C., on mass transit and yet the D.C. metro area is ranked as the second or third most congested metro area in the nation. While transit is a very important investment, it should not be looked at as relieving congestion, he said.

6. Reducing suburb-to-suburb congestion —It was noted that not more than 15 percent of job-related trips are to the downtowns of Minneapolis and St. Paul. Therefore, rail doesn't serve to reduce congestion for non-downtown trips. Orski replied that the Twin Cities area is like other metro areas in the nation. Most trips have destinations other than the downtowns. Rail systems are oriented to the downtowns and, therefore, serve a limited amount of the total population. Costs of rail to serve cross-suburban trips would be prohibitive, he said.

7. Potential of using increases in land values to help pay for transportation improvements —A Civic Caucus member noted that transportation improvements often produce significant increases in surrounding land values and, thereby, significant windfalls to landowners. In response to a question Orski said that while this is true, politicians aren't very willing to use tax-increment financing as a source to pay for transportation.

8. Importance of higher speeds to attract more transit riders —Speed, reliability and comfort are important factors in attracting auto and transit riders, Orski said. It was noted in discussion that a

proposed \$800 million light rail transit line on University Avenue between downtown Minneapolis and downtown St. Paul would not—according to recent reports—appreciably increase speed beyond levels already present on University Avenue buses and that some express service on I-94 would be reduced.

9. Limited use of feeder buses; more use of park-and-ride to bring riders to rail transit —Cities across the country haven't been inclined to rely on feeder bus service to bring riders to transit stations, Orski said. Instead they've relied more on park-and-ride lots next to the stations. In Washington, D.C., he said, park-and-ride lots are filled at the rail stations by 7 a.m. In fact, it now costs \$6 a day to use the park-and-ride lots, and they still are filled early. The question was raised briefly about the potential of parking charges as a revenue source for transit in the Twin Cities metro area.

10. Difficulty in serving cross-suburban trips —Continuing the earlier discussion about most trips in the metro area being headed for non-downtown destinations, Orski was asked what might be done for cross-suburban transit. Orski said that the most convenient, least expensive, approach for cross-suburban trips still is the private car. All you need to do is look at the dispersal of housing and job locations. You can't wave a magic wand. Orski said that making peak-period trips more expensive via pricing—and, thereby, off-peak trips relatively less expensive—seems to be the best way to reduce congestion.

11. Diminishing use of carpools? —Carpooling is going down as a percentage of total trips, Orski said. The traditional 9-to-5 work schedule is giving way to work arrangements that are much more flexible, which makes carpooling more difficult. Also people have other destinations, such as child care, on their way to work. Most carpooling now seems to be among people in the same household, couples or parent and child.

Telecommuting has not become a significant factor in reducing trips, he said. Employers like to see their employees face-to-face.

12. Need to satisfy many interests and jurisdictions in transportation —Orski noted that the Governor's veto of a major transportation bill was over ridden in the Minnesota Legislature this year. The reason is that it's a political fact of life now that to get unpopular financial measures enacted you need to spread the benefits among many interests and jurisdictions. He doubts the veto would have been over-ridden if benefits were centered in one jurisdiction.

13. Transportation planning and priority-setting not different in Minnesota —The Minnesota situation, explained earlier in this summary, is not all that different from other states and metro areas in the nation, Orski said. The Metropolitan Transportation Commission of San Francisco is an example of a regional authority that allocates monies across jurisdictions and modes of transportation.

14. Prospects for a comprehensive plan while retaining various jurisdictions with their own funding sources —A Civic Caucus member asked whether it should be possible for a comprehensive strategic plan to be prepared in Minnesota, without removing authority or revenue sources from existing organizations. Orski replied that state departments of transportation normally have that responsibility. In discussion it wasn't clear whether MnDOT is responsible for comprehensive strategic planning. Persons present felt that MnDOT's planning responsibility seems

limited to those transportation facilities (state trunk highways) that are funded with state government's share of the state gasoline tax and vehicle license fees.

15. Potential of review by a metropolitan planning agency —A member of the Civic Caucus recalled that years ago the federal government required that projects receiving federal funds were subject to review by metropolitan planning agencies, such as the Metropolitan Council, to determine whether projects were consistent with metropolitan plans. That practice, carrying the bureaucratic title "A-95 review", no longer exists. Persons present were not sure why such review was discontinued.

16. Future growth of transit funding —One proposal—whose chances of adoption are uncertain because of a shortage of federal dollars—would increase transit funding nationally from \$8.5 billion to \$10 billion a year, Orski said. He urged members of the Civic Caucus to attend a transportation forum to be conducted by Congressman James Oberstar on April 7 at the Radisson University Hotel. That forum should help people get an idea of a respected congressional leader's approach to the role of transit in overall transportation funding. Under the best of circumstances Orski predicted that increases in New Starts funding will be marginal in the future.

17. Importance of leadership at the state level —It was noted that Minnesota not only doesn't have a state transportation plan, the state did away with the State Planning Agency a few years ago. Orski said the prevailing practice in transportation has been for separate plans to be prepared for roads and transit, including rail transit. They haven't been planned together. Others noted that such a situation certainly is present in Minnesota today. The counties, which have had power to establish regional rail authorities, now have power to raise funds for transit via a sales tax (at least in the seven-county metro area).

Members of the Civic Caucus said it isn't clear what role the Metropolitan Council will play relative to the counties, under newly-enacted state legislation. Nor is it clear why the Legislature chose to reduce the role of the Metropolitan Council relative to the metro counties.

18. Thanks— On behalf of the Civic Caucus, Verne thanked Orski for meeting with us today.

***The Civic Caucus* is a non-partisan, tax-exempt educational organization. Core participants include persons of varying political persuasions, reflecting years of leadership in politics and business.**

A working group meets face-to-face to provide leadership. They are Verne C. Johnson, chair; Lee Canning, Charles Clay, Bill Frenzel, Paul Gilje, Jim Hetland, John Mooty, Jim Olson, Wayne Popham and John Rollwagen.

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