

TESTIMONY



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Testimony by Northern Flyer Alliance President, Deborah Fischer Stout before the Kansas Legislative Interim Committee on Transportation Oct. 29, 2012

Recommended Next Steps to Move Passenger Rail Forward in Kansas

Thank you for this opportunity to discuss the passenger rail issue and its potential impact on the State of Kansas. As many of you are aware, the reinstatement of passenger rail from Kansas City to Dallas Fort Worth has been the Mission of the NFA since its inception six years ago. We have made great progress with the passage of two favorable bills, and the successful advocacy for all required and preliminary plans completed since 2010, including the Feasibility Study, the new State Rail Plan and the Service Development Plan.

As President of the NFA, I have been tasked by this Committee to provide action steps the State of Kansas may consider in order to move passenger rail forward for its citizens.

Next Steps for the Region

NEPA Study:

1. **The state of Kansas must make the commitment to fund the NEPA studies necessary** to render the corridor shovel-ready. The competing corridor of Oklahoma City to Tulsa already has an Environmental Impact Study underway. Waiting to perform this study would be helping Tulsa and St. Louis to bypass Kansas altogether, as pointed out on the potential corridors map shown on page 2 of Appendix B.
2. **The next step in development of the North Flyer is to determine stakeholders** and complete a Service Proposal for submission to the Federal Railroad Administration. They will then determine what kind of Environmental Impact Study is needed.
3. **Thirdly, direct KDOT to, fund the study, then select a firm to perform the study.**

To not do these things would mean the corridor is not shovel-ready when federal monies are available to build the corridor. Oklahoma is in the process of making sure that the route to Tulsa is shovel-ready, as evidenced by the NEPA study underway between OKC and Tulsa. We are already behind. We have a chance to catch up, but we can't stall. The good news is that support in Oklahoma for the North Flyer is growing.

4. **The NFA recommends the State of Kansas create a State Passenger Rail Task Force to spearhead the following action steps:**

NEPA Process:

1) **Stakeholders are determined.** Likely stakeholders at a minimum would be KDOT and ODOT. Additional stakeholders (depending on the service being considered) could include a representative from the NFA, representatives from Universities with stops along the corridor, MoDOT, City of Wichita, City of Oklahoma City, City of Kansas City, and any additional city along the corridor. (It is possible that businesses could be considered stakeholders.)

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- 2) **Stakeholders** (whoever they are) collaborate and determine what the First Phase of the service looks like.
- 3) **Prepare the Service Proposal** (information from the Service Development Plan is used to fill out the majority of this form). A transportation professional or city staff member can complete this form.
- 4) **Stakeholders sign off on the Service Proposal.** By doing so, they are all in agreement that they have identified what the First Phase of service will look like.
- 5) **Completed Service Proposal is sent to Catherine Dobbs at the FRA for evaluation.**
- 6) **The FRA determines** (based on the service proposal) **what kind of a NEPA is required**, and if the FRA has staff to oversee the study process.
- 7) **Stakeholders then would seek proposals** from transportation firms to determine the cost of doing the study.
- 8) **Stakeholders would make good on their commitment to fund the study.**
- 9) **NEPA study begins.**
- 10) **1 1/2 - 2 years later, the study is complete.** (Time to complete is impacted by what kind of study is needed. For example, a categorical exclusion would take almost no time at all.)
- 11) **Corridor is now shovel-ready, i.e. ready for federal grants for capital improvements.**

5. **The NFA recommends this Special Committee provide a directive to the new State Passenger Rail Task Force to spearhead the creation of supporting legislation:**

State Funding Match/Supporting Legislation:

Federal capital investment for passenger rail comes with a lengthy list of requirements, **including a state funding match**. Federal capital programs such as HSIPR, PRIIA and TIGER require a state investment of around 20% -50% of the total cost. **Before any capital grant is awarded, the FRA has shown by example in neighboring states that state funding must be secured.**

The completion of this task could include, but not be limited to the **creation of a Task Force to draft legislation** to fund the maintenance and expansion of passenger rail into the future, culminating in the introduction of legislation in 2013, or at the latest, 2014.

6. **The NFA recommends this Special Committee provide a directive to KDOT whereby collaboration with neighboring states is required.**

Expansion of Support:

Look to successful states for the path to achieve economic development through passenger rail expansion. The States of Illinois and Michigan have a well-developed network that includes municipal government, business leaders, grass roots organizations, university and chamber of commerce coalitions, as well as organized legislative and gubernatorial support. **The new Task Force could be directed to establish and nurture these coalitions as well.**

Group of States Application/Effort:

A regional effort is preferred. **Regional grant requests receive priority over individual state applications.** In order to receive federal funding for capital improvement, **a Group of States Application between Kansas and Oklahoma is necessary** for capital investment for Alternative #1 while a **Group of States Application between Missouri, Kansas, Oklahoma and Texas** would likely be necessary for Alternative #2 or a Combination of #1 & 2.

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Currently, Oklahoma and Texas understand the need for regional effort and are collaborating on and received a federal grant for, a high speed rail study from Oklahoma City to San Antonio. This study is currently underway. Missouri and Kansas must play catch up to achieve the organized success of neighboring states. (see attached document entitled "Improving Oklahoma's Passenger Rail System")

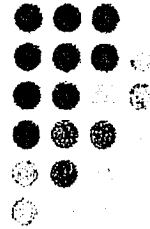


Megapolitan Areas: America's New Metropolis

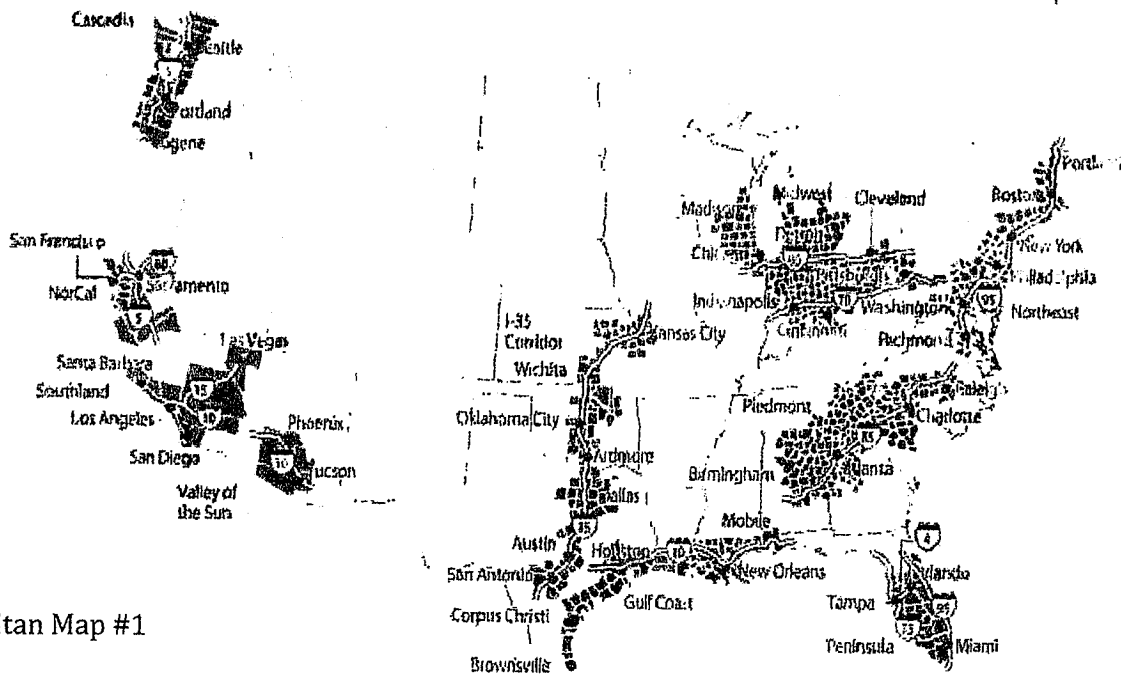
April 13, 2006

Robert Lang, Arthur C. Nelson & Paul Knox
Virginia Tech, Alexandria, VA

John S. Hall
Arizona State University, Tempe, AZ



Megapolitan Geography



Megapolitan Map #1

29-4

APPENDIX A

Planning group exec says KC must grow as region, not separate cities

BY KEVIN COLLISON

The Kansas City Star

More News

The president of the American Planning Association, Mitchell Silver, was here last week for his organization's regional conference. But according to his forecast of where the country's going, he was visiting the land that's being left behind.

Silver, who honed his planning chops in New York and Washington before becoming the chief planning and economic development officer for Raleigh, N.C., certainly didn't insult his hosts at the 2012 KS/MO Bi-state Conference and the 300 folks in the audience from a four-state region that included Iowa and Nebraska.

He let his Power Point presentation do the talking.

Silver projected the major job growth will be concentrated in 11 "mega-regions" by 2050. Kansas City and other metros in the middle of the country weren't among them.

The closest mega-regions were called the Great Lakes centered on Chicago; the Front Range anchored by Denver, and the Texas Triangle encompassing Dallas, Austin and Houston.

Kansas City also didn't make a list of promising metros that Silver divided into three categories: international hubs; creative and nimble; and comeback kids. Minneapolis-St. Paul was in the creative and nimble group, the sole regional metro to make the list.

The antidote for a greater Kansas City suggested by Silver is something we've all heard before.

"The future of the country is the metropolitan economy," he said. "You must compete as a region, not Kansas City, Missouri or Kansas.

"People will pass you over and you'll just trade jobs."

Sounded as if he was familiar with the absurd, incentive-driven border war that's shifted more than 4,000 jobs back and forth within the metro the past three years.

And in the meantime, the overall Kansas City area economy is dragging behind the rest of the nation, ranking 241st among the nation's 363 metro economies, according to a recent report by the U.S. Conference of Mayors.

Silver's presentation also boosted the case for more mass transit in Kansas City and less highway-building.

APPENDIX A

According to Silver, aging Baby Boomers are going to need transit options soon — whether they like it or not — while at the same time Generation Y, those born between 1983 and 1996, are eager for the option of taking a streetcar, light rail or bus.

Within three years, 15.5 percent of Americans over the age of 65 will be living in what he called “poor transit areas.”

And guess which metro area in the U.S. between 1 million and 3 million in population has the poorest transit access for seniors? Kansas City, followed by Oklahoma City, Fort Worth, Nashville, and Raleigh-Durham.

On the other end of the demographic spectrum, Silver said the 80 million Gen Y’ers prefer to live in a place with an urban pace and an environmental bent.

“Place matters, not just a job,” he said. “They are the most purpose-filled generation since the Boomers of the ’60s.... They will have as big of impact on our country as the boomers.”

Another big demographic shift is the growing number of single-person households.

By 2025, Silver said, there will be as many single-person as family households. By 2050, single-person will eclipse family households.

And those younger people who want urban living and transportation choices also will want smaller residences.

By 2030, Silver predicted, there will be an oversupply of 25 million single-family homes. He also observed that many of the suburban homes built during the boom of the 1980s and 1990s also were inferior in quality.

“What will happen when they’re 50 years old?” he asked.

Meanwhile, in metropolitan Kansas City, we’re spending hundreds of millions of dollars to upgrade our freeways to places that well may be de-populating in 20 years, and quarreling over investments in transit that would enhance our appeal to a new generation of talent — and help older people get around.

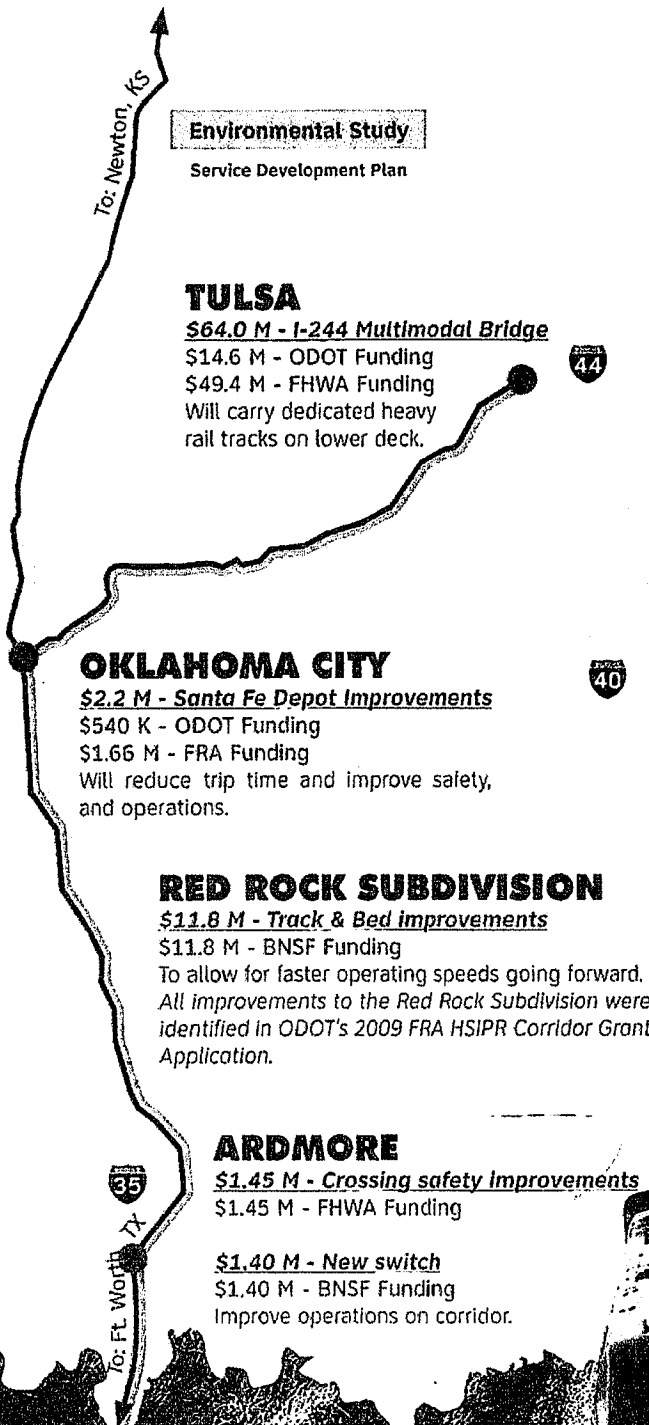
“When you are saying ‘no’ to something, you’re saying ‘yes’ to something else,” Silver told his audience. “What are you saying ‘yes’ to?”

To reach Kevin Collins, transportation reporter, call 816-234-4266 or email kevin.collins@kansascity.com. Follow him on Twitter: [kevin_collins](https://twitter.com/kevin_collins).

Read more here: <http://www.kansascity.com/2012/10/15/3868182/planning-group-exec-says-kc-must.html#storylink=cpy>

IMPROVING OKLAHOMA'S PASSENGER RAIL SYSTEM

Highlighting key ODOT improvements made in partnership with the Federal Railroad Administration (FRA) and the Federal Highway Administration (FHWA) since 2009



Environmental Study
Service Development Plan

TULSA
\$64.0 M - I-244 Multimodal Bridge
\$14.6 M - ODOT Funding
\$49.4 M - FHWA Funding
Will carry dedicated heavy rail tracks on lower deck.

OKLAHOMA CITY
\$2.2 M - Santa Fe Depot Improvements
\$540 K - ODOT Funding
\$1.66 M - FRA Funding
Will reduce trip time and improve safety, and operations.

RED ROCK SUBDIVISION
\$11.8 M - Track & Bed improvements
\$11.8 M - BNSF Funding
To allow for faster operating speeds going forward. All improvements to the Red Rock Subdivision were identified in ODOT's 2009 FRA HSIPR Corridor Grant Application.

ARDMORE
\$1.45 M - Crossing safety Improvements
\$1.45 M - FHWA Funding

\$1.40 M - New switch
\$1.40 M - BNSF Funding
Improve operations on corridor.

OK / TX
\$3.47 M - Heartland Flyer Signal Timing Improvements
\$3.47 M - FRA funding

\$669 K - State Rail Plan: A long-term rail plan that addresses both passenger and freight rail needs across the state of Oklahoma, for the next 20 years.
(ODOT: \$294 K; FRA: \$375 K)
Completed: July 1, 2012

\$3.79 M - OKC/Tulsa Planning Study: FRA-approved Corridor Investment Plan that will be used to determine a way to successfully introduce passenger rail to the OKC -Tulsa corridor.
(ODOT: \$1.54 M; FRA: \$2.24 M)
Expected completion: 2014

\$11.6 M - OKC/South Texas Planning Study: This study will pave the way for growth and expansion of the existing Heartland Flyer service while also addressing possible expansion in Texas.
(ODOT: \$350 K; TXDOT: \$5.56 M; FRA: \$5.6 M)
Expected completion: 2014

\$500 K - Kansas City to Ft. Worth Planning Study: This "Service Development Plan" discusses the issues behind adding passenger rail service to this corridor.
(ODOT: \$125 K; KDOT: \$125 K; FRA: \$250 K)

\$100,879,000.00
IN UPGRADES & IMPROVEMENTS
SINCE 2009



For more information contact:
Oklahoma Department of Transportation
Rail Programs Division
(405) 521-
www.odot

APPENDIX B

Why Kansas Should Care About Passenger Rail:

At the current level of stagnation, according to the President of the American Planning Association, Mitchell Silver, the counties of Johnson and Wyandotte as well as the entire Kansas City Metro area, are being left behind by peer metros and he cites very specific reasons why; **Kansas City needs to grow as a region - not as separate cities; they are too focused on highway building and not enough on transit and rail (see Appendix A).** According to the Regional Planning Association, the same can be said of Wichita.

Another consideration is the cost of highway construction. Highways are becoming increasingly more burdensome to build and maintain, causing the cost of transportation infrastructure to skyrocket. By introducing rail and increasing the use of transit, economies of scale can be achieved that have otherwise nearly vanished from our highway system.

As the primary economic engines for the state, Kansas can ill-afford to neglect the infrastructure and development needs of its two largest metro areas.

Megapolitans:

The US is now a Metro Nation. As of 2010, 80.7% of the population of the U.S. lives in a metropolitan area, while 85% of all jobs are located in metro areas. This fact is reflected in Megapolitan Map #1, which was created as a result of the economic and demographic research of four professors from Virginia Tech and Arizona State University in 2006. This map shows how metropolitan areas are beginning to grow into clusters of metropolitan areas known as Megapolitans or Megaregions. ***These emerging Megapolitans can be understood as networks of metropolitan centers and their surrounding areas, connected by existing environmental, economic, cultural, and infrastructure relationships. Individual urban areas no longer operate individually, but in concert with other urban and rural areas as a comprehensive unit providing and attracting goods and services for the world.***

By 2050, there will be an additional 100-130 million Americans who will be living in these Megapolitan areas. The emerging Megapolitan Geography of the US that Map #1 identifies represents both a call to action as well as an opportunity for Kansas. The I-35 Corridor Megapolitan area as shown in this map identifies the corridor from Kansas City through Wichita and on south to Oklahoma and Texas as intimately connected. As the fastest growing state in the US, both economically and demographically, Texas is a state whose economic engine should be courted. What this map also represents is a corridor of commerce, culture, and infrastructure investment, including both freight rail and passenger rail.

The Benefits to Kansas of Connecting to Texas via the North Flyer:

The benefits to Kansas by first recognizing, and then investing and nurturing the myriad of interrelated commercial, economic and cultural relationships along the I-35 Megapolitan corridor are **enormous**. The results of two different Return on Investment Studies that have been completed since 2009 are shown below. These independent studies were conducted in two different states, by two different, highly respected institutions. One studied part of the proposed corridor from Kansas City to Dallas/Fort Worth,

APPENDIX B

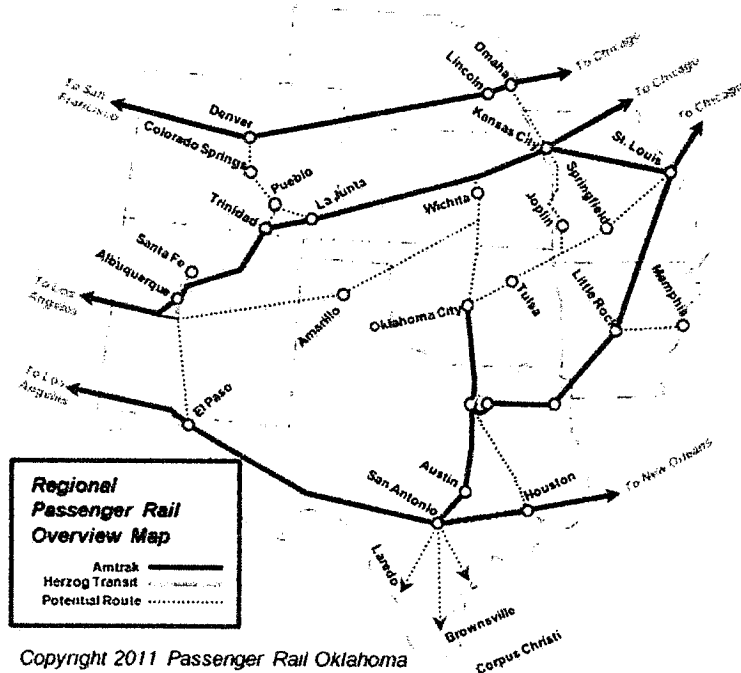
while the other studied an existing connection between Oklahoma City and Dallas/Fort Worth.

Interestingly, the return on investment for both studies turned out to be nearly identical in magnitude:

- KU's ROI study showed a potential **4.6 to 1 economic development ratio** for the corridor from KC to OKC, completed in 2009. Sectors studied include:
 - Amusement & Recreation Industries
 - Hotels/Motels, including Casino Hotels
 - Food Services & Drinking Places
 - Retail – General Merchandise
- Texas A&M's Transportation Institute Heartland Flyer study showed an existing **4.5 to 1 economic development ratio** for the corridor from OKC to DFW, completed in 2010

What Could Happen If Kansas Stays on the Side Lines?

The Kansas City and Wichita Metros including Johnson and Wyandotte counties will likely become even more isolated, perhaps within 5-10 years and continue to fall further behind their peer cities in both economic vitality and job growth according to the US Conference of Mayors, the Brookings Institute and the Regional Planning Association. The map below says it best. (Solid lines are existing routes; dotted lines are potential or possible new corridors.)



APPENDIX B

Why Kansas Should Care About the Southwest Chief:

Without state and federal investment, the Southwest Chief will either be re-routed or eliminated. Here are the possible scenarios:

- 1) The Southwest Chief is re-routed.
 - a. The potential connection to another Megapolitan Area known as the Front Range (including Denver) via the Southwest Chief is greatly diminished, as the train moves much further south through western Texas and New Mexico.
 - b. Kansans would have to travel east to Galesburg, IL to make the trip west to Denver.
 - c. A direct trip to Chicago is eliminated.
 - d. No direct connection to Oklahoma City or Dallas/Fort Worth, (two communities ranked higher than Kansas City and Wichita in economic vitality).
 - e. Wichita gets a train, but the Service Gap remains. Kansas City is no closer to directly connecting to Dallas/Fort Worth, and neither is Wichita.
 - f. Connection to western Kansas and southeast Colorado is eliminated.

- 2) The Southwest Chief is eliminated. Further isolation of the state and its metros occurs within 5-10 years.
 - a. Connection to Chicago is eliminated.
 - b. Connection to Los Angeles is eliminated.
 - c. The potential easy connection to Denver and the Front Range is eliminated.
 - d. Potential direct connection to Dallas/Fort Worth is lost (would have to go east to St. Louis and south through Arkansas to get to Texas).
 - e. Connection to western Kansas and southeast Colorado is eliminated.

- 3) Train to Tulsa is built first. Kansas is bypassed.
 - a. MODOT fulfills its promise to directly connect Springfield to St. Louis.
 - b. The gap between Tulsa and Springfield is closed shortly thereafter, directly connecting St. Louis to Tulsa and therefore Texas.
 - c. Kansas City and Wichita are bypassed altogether, further isolating these two cities.
 - d. Currently under construction, St. Louis by then will have high speed rail to Chicago.
 - e. Already designated as a High Speed Rail corridor, the Oklahoma City to Tulsa route soon becomes high speed, encouraging a fast track connection to St. Louis. St. Louis directly connects to Texas via Tulsa, negatively impacting Wichita's and Kansas City's ability to create a connection in the future.
 - f. Kansas City and Wichita further stagnate while people may begin to migrate away due to economic reasons (as predicted by the American Planning Association).