



**Grand Valley Metro Council
Legislative Committee**

Agenda

**Wednesday February 11, 2009
8:30 a.m.**

GVMC Offices 40 Pearl St., Suite 410, Grand Rapids, MI

- 1. Call to Order**
- 2. Approval of Minutes from January 14, 2009 meeting**
- 3. Update on Federal Economic Recovery Act**
- 4. FY 2010 State Budget**
- 5. Planning for May GVMC Legislative Luncheon in Lansing**
- 6. Update on State and Federal Transportation Funding**
- 7. Other Issues**



Grand Valley Metropolitan Council

MEMORANDUM

To: GVMC Legislative Committee
From: Donald J. Stypula, Executive Director
RE: February 11, 2009 GVMC Legislative Committee
Date: February 10, 2009

Attached are the agenda and support documents for the next meeting of our **GVMC Legislative Committee** – scheduled for **8:30 AM, this Wednesday – February 11, 2009 -- at the GVMC Offices in downtown Grand Rapids.**

Advance planning for our GVMC Legislative Luncheon in Lansing tops our agenda this month. We'll also discuss the latest on the Federal Economic Recovery Act and look ahead to the Governor's budget presentation on Thursday. We'll also bring you the latest on transportation funding in Lansing and Washington.

We'll start by reviewing and approving the minutes from our January 14, 2009 meeting.

LEGISLATIVE ADVOCACY – FEDERAL ECONOMIC RECOVERY ACT

Later today, the U.S. Senate is expected to pass its version of the \$800 billion + Federal Economic Recovery Act (the stimulus package), setting the stage for a contentious joint Senate-House Conference Committee to work out the final details.

The House and Senate largely agree on the transportation-infrastructure funding levels in their versions of the economic recovery plan, but they differ on funding allocations to the states and locals and on how quickly the money would have to be spent.

The House bill would require states to obligate at least half of the stimulus highway funding within 90 days, while the Senate would give them 180 days. Resolving this disagreement over the "use it or lose it" provision in the bill is likely to be a sticking point once the bill passes in the Senate and moves to conference.

With respect to the other provisions of the Senate bill, this is what we know about the transportation components so far:

Highways: \$27 billion is included for highway investments. The vast majority of this funding will be distributed as grants using a formula set in current highway authorization law. The vast majority of this funding will be distributed as grants using a formula set in current highway authorization law. The funding can be used on activities eligible under Federal-aid Highway Program's Surface Transportation Program. Eligible activities could also include rail and port infrastructure activities at the discretion of the states. The grants will be provided in two parts:

- * The first half of the funding will be provided to state governments, and must be obligated within 180 days of the grants' distribution. Any funds left unobligated by the states after 180 days will be reallocated by the Federal Highway Administration among the other states.

- * The second half of the funding will be available for obligation for a full year from the date of enactment. Of that funding 20 percent will be distributed to states and 80 percent will be distributed to local governments. Any unobligated balances remaining after one year will be transferred to the competitive grants program discussed below.

- * Taken together, roughly 60 percent of the formula funding provided for highway investments will be directed to states while 40 percent will be sub-allocated to local governments.

Within the \$27 billion for highways, the bill includes the following set-asides:

- * \$320 million for grants to Indian tribes for transportation investments.

- * \$180 million for transportation improvements at national parks, forests, and wildlife refuges.

Mass Transit: The bill includes \$8.4 billion for investments in public transportation. This funding will be distributed by formula to local areas using formulas set in current transit authorization law. Like the highway formula grants, the transit formula grants will be provided in two parts: The first half of the funding must be obligated within 180 days of their distribution, with any unobligated balances being redistributed among the other grantees. The remaining funds must be obligated within one year of their distribution. Any unobligated balances will be transferred to the competitive grants discussed below.

The funding for public transportation includes \$200 million for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

* Competitive Grants for Transportation: The bill includes \$5.5 billion for competitive grants to state and local governments for transportation investments. These grants will go to a many different kinds of transportation investments – including highway, transit, rail, or port infrastructure – but the bill requires that projects must have a significant impact on the nation, a region, or a metropolitan area. Grants for this funding will be made from the \$5.5 billion appropriated directly to the program, as well as any amounts transferred as a result of the “use-it-or-lose-it” provisions applied to the highway and transit formula grants.

We’re watching this legislation carefully and engaging our congressional representatives and U.S. Senators on a daily basis. I will have an update for you at tomorrow’s meeting.

LEGISLATIVE ADVOCACY – FY 2010 STATE BUDGET

On Thursday, state budget director Bob Emerson will unveil the Governor’s proposed FY 2010 budget recommendations. Top legislators and other officials who have seen the proposed spending blueprint have called it "a grim" budget document.

A spokesperson for Ms. Granholm said the administration will not outline any aspects of the budget before Thursday's presentation. But Liz Boyd said the administration has said all along that the budget outlined will be "painful" and that whatever the state gets from the federal stimulus package will not be used to balance the budget.

My contacts in the Governor’s office said every budget area – including statutory revenue sharing to cities, villages and townships -- will see cuts for 2009-10.

The administration is not planning on across the board cuts, these folks told me, so some departments and budget lines could see smaller cuts than others. Administration officials have already indicated that universities and colleges will see smaller overall cuts than other areas.

But because the state faces an anticipated \$1.4 billion deficit in the general fund ledger, no area will be spared from cuts.

Complicating the budget is the anticipated federal funds the state will get in the federal economic recovery bill that was passed by the U.S. House. Those funds were stripped out in the Senate version of the bill. If the Senate cuts are allowed to stand in the congressional conference committee, the State of Michigan would receive more than \$1 billion less in “stimulus money” than anticipated in the House bill.

There is still hope that federal funding will help the state ease into the major restructuring that Ms. Granholm called for last week in her State of the State address. In that address she called for shrinking the number of departments from the current 18 to eight.

LEGISLATIVE ADVOCACY – LEGISLATIVE LUNCHEON IN LANSING

I would like to spend the bulk of our time on Wednesday morning discussing the logistics for our legislative luncheon in Lansing. I am looking at a Tuesday or Wednesday in early to mid-May to travel to Lansing, meet with our legislators, attend one of the two House local government committees that meet on those days, and then greet our legislative delegation and their staff people at a buffet lunch on the “glass floor” of the Capitol building.

Alternatives locations and meeting formats are available, but I thought it would be most helpful to use a venue very convenient for legislators and set an atmosphere that is conducive to one-on-one chats over lunch with our individual legislators.

I’m approaching this with an open mind and a clean sheet of paper, so please bring your thoughts, ideas and suggestions to our meeting tomorrow.

UPDATE: TRANSPORTATION FUNDING – LANSING

Partisan election politics, coupled with a desire by State Senate leaders to demand efficiencies – especially from county road commissions – is stalling legislative consideration of the recommendations from last year’s State Transportation Funding Task Force. We are continuing to work with our very influential partners in Lansing and around the state to push for increases in state funding for transportation infrastructure. The latest information and more thoughts on this strategy tomorrow.

I’m looking forward to seeing you and having a productive meeting on Wednesday morning. As always, if you have any questions, or if we can be of further assistance, please call me directly at 776-7604, on my cell at 450-4217, at home at 257-3372 or via email at stypulad@gvmc.org.

**GRAND VALLEY METROPOLITAN COUNCIL
LEGISLATIVE COMMITTEE MEETING**

January 14, 2009

8:30 a.m.

GVMC Offices
Grand Rapids, MI 49503

MINUTES

1. Call To Order

Chair Rick Root called the meeting to order at 8:40 a.m.

2. Roll Call

Present:

Haris Alibasic	City of Grand Rapids
Jerry Alkema	Allendale Township
Alex Arends	Alpine Township
Sam Bolt	City of Wyoming
Jim Buck	City of Grandville
Jim Day	Kent County
Sharon De Lange	Village of Sparta
Denny Hoemke	Algoma Township
Abed Itani	Grand Valley Metro Council
Andy Johnston	Grand Rapids Area Chamber of Commerce
Jim LaPeer	Cannon Township
Dale Mohr	Georgetown Township
Rick Root	City of Kentwood
Don Stypula	Grand Valley Metro Council
Keith Van Beek	Ottawa County

3. Approval of Minutes from November, 2008

**MOTION – To Accept the Minutes of the November 2008, GVMC Legislative Committee meeting into record. MOVE – Buck. SUPPORT – Hoemke.
MOTION CARRIED.**

4. Review of Legislative Breakfast

Rick Root asked the committee for their input on the December Legislative Breakfast. What worked; what should be added and what should be done differently.

Don Stypula reported Rep. Dave Hildenbrand suggested the breakfasts be moved around to various city or township halls throughout GVMC's membership territory.

Rick Root stated the Prince Center works well as it is centrally located and neutral territory. Should it be moved to more suburban locations?

Jim Buck reported at the Board meeting, Carol Sheets suggested the breakfasts be held at least twice per year.

Rick Root added that was a great idea, and the timing of the breakfast would help determine its success.

Don Stypula reported we would have to work around legislative spring break; summer break; hunting and Thanksgiving break and Christmas break. The best day of the week to hold an event is on Monday.

Rick Root asked if we want to continue to use the same format where GVMC determines its issues, and uses the breakfast as a forum of educating the legislators; or if we should give the legislators a chance to talk about what they want.

Jim LaPeer stated he thought we should be topic specific so we both have time to prepare.

Rick Root asked if we are topic specific, would we send out the topics ahead of time and give everyone a chance to speak on the issue.

Jim Buck stated he feels the format we currently use is better than giving all legislators the floor and letting them speak as the first few people basically say everything there is to say, and the last few are left to just reiterate what has already been said. Our current format is much more affective.

Don Stypula asked if the committee would consider holding an event in Lansing. We could get a room at the MML building and share costs with the MML and MTA. It would require all of us to drive to Lansing. We should also include the legislative staffs. We would be coming to their territory. You would ask in advance to see if you could get on the floor with your legislator. It tells them we feel strongly enough about our issues. We could also set up individual meetings with our legislators.

They like visitors and roll out the red carpet for them. Is there any interest in this?

Rick Root stated being seen at their offices has some value, but I have a fear that many of us won't be able to be there. There needs to be enough participation.

Jim LaPeer stated he would be interested. He would like to see how things work.

Rick Root stated if the committee was in agreement, we will take it to the GVMC Board.

Elias Lumpkins asked how we could tie this in with the legislative staff.

Don Stypula reported he will make the first call and ask them to sit down with us and staff individually. You should also make an effort to meet with your individual representative in their office. If I get an O.K. from GVMC Executive committee and Board, I will pursue dates for the event. I talked with Arnold Weinfeld of the MML yesterday and asked him if we could use their room and he said certainly.

Rick Root said lets develop the idea and see what happens.

Sam Bolt asked if a luncheon would work better than a breakfast.

Alex Arends asked if we could get a bus so everyone could ride together.

Rick Root stated that could be a possibility.

Don Stypula said depending on what the Board says, he will go forward with making arrangements. He asked Haris Alibasic and Keith Van Beek if they could check with their legislative contacts to get some advice on timing of the event.

Keith Van Beek said he feels it is a show of goodwill to meet on the legislators' territory.

Rick Root reported relationships he has developed with legislators from other districts have proven very valuable.

5. City of Wyoming Request

Don Stypula asked Sam Bolt to report on the City of Wyoming's request for help regarding the General Motor's 35th Street plant.

Sam Bolt reported as long as there is money out there for the automaker bailout and stimulus package, they would like to use it for redevelopment, not only of the 36th Street property, but also related companies which will be affected. GM claims they are not closing the 36th Street plant, but rather ceasing production.

Haris Alibasic asked how this situation would relate to the bail-out and stimulus packages and how can it be included.

Don Stypula explained the idea is to facilitate quick access to these locations by the local communities so they can help with redevelopment. It affects a lot of areas. A communication on behalf of GVMC to our US Senators and Representatives, with copies to the Governor and state legislators is what we are looking for. We would like an opportunity to include in the stimulus package money for redevelopment of these areas. Maybe it could be a modification of the Detroit 3 bail-out. It would force them to allow access to the location and an opportunity to market it for redevelopment.

Sam Bolt reported the document included in the agenda packet was sent on December 1, 2008.

Denny Hoemke stated the letter should be rewritten.

Rick Root stated closed facilities and quickly become shovel ready locations. Numerous locations around the area could be involved.

Don Stypula added there is a toxic substance issue also. We would be asking for funding in the stimulus package for communities to address environmental issues.

Sam Bolt reported Wyoming is working with a coalition on this.

Haris Alibasic stated at this time we really can't affect the bail-out package. But could work to include redevelopment in the stimulus package. We could also work through MMAC and the Obama transition team.

Don Stypula asked for approval from the committee to work on this issue and work with the coalition.

MOTION – To Authorize the GVMC Executive Director to Work on the Redevelopment Issue and Create a Draft Document. MOVE – DeLange. SUPPORT – Hoemke. MOTION CARRIED.

6. Update on Federal Stimulus Package

Don Stypula asked Abed Itani for his thoughts on the stimulus package.

Abed Itani reported the MPO has a good process in place that looks at needs. To date, we have a list of about 100 projects. The Federal Highway Administration doesn't even know how the process will work. We think it will go through the MPO process. Others would like it to go directly to communities. The administration is demanding accountability, which can be done through the MPO process. Projects on

the TIP already have funding. The remaining projects are eligible for the stimulus package. Everything must move very fast. We don't know what the size will be for sure. We have heard ½ - 1 billion per year for two years per state. That would be 15 – 20 million per year for our area. The process would determine what will be funded. Any projects already obligated cannot be used.

Abed Itani added the focus will be on ready to go projects. The second year there will be time to go through a thorough process

Haris Alibasic added he believes the projects included in the stimulus package must be completed by 2010.

Denny Hoemke stated he didn't know if any of these funds would flow down to the township level. It doesn't seem like it. There isn't a mechanism in place to include them. Only through the county road commission.

Abed Itani stated some township projects are on the list. It is not too late to contact the road commission and have your projects added.

Rick Root reiterated there still may be time to get your projects on the list.

Don Stypula stated the stimulus package will also include projects to make government buildings more energy efficient.

Rick Root reported they have been told to include LED certification on any renovations or upgrades so they might qualify for the stimulus.

7. Transportation Funding

Don Stypula reported there was nothing new and nothing was moving.

8. Other

Haris Alibasic reported House Resolution III regarding super caps died when 2008 ended, but may be reintroduced as House Resolution Q.

Don Stypula stated later today new ergonomic standards were to be released which could cause a lot of headaches from business.

9. Adjourn – 10:00