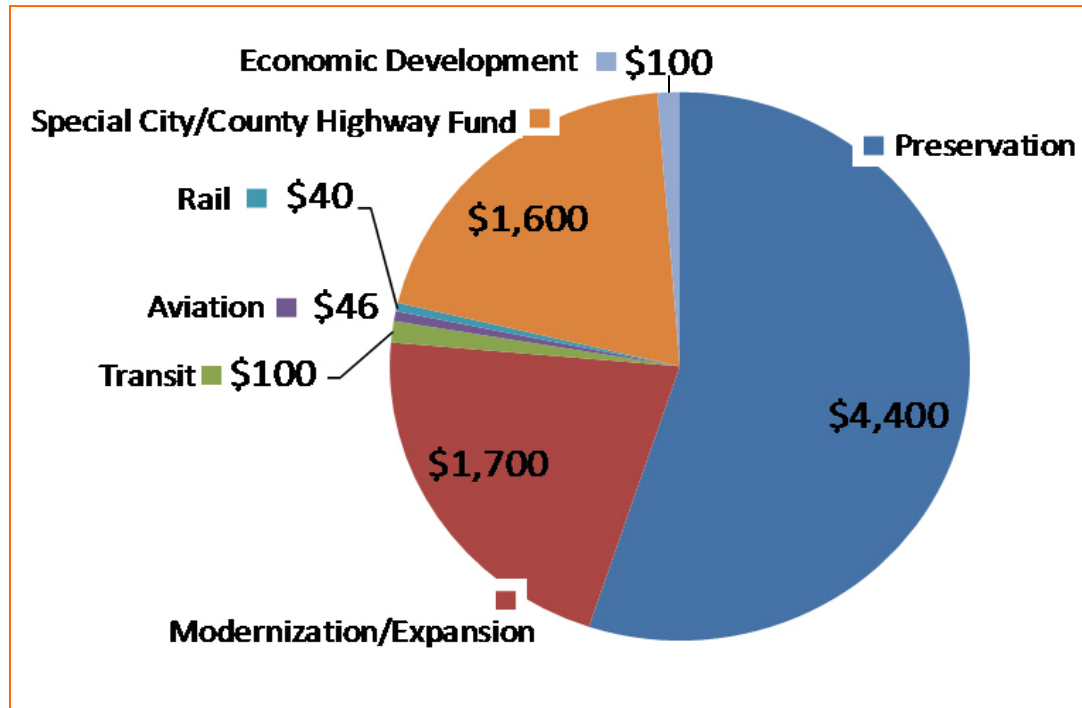


## WHAT'S NEXT FOR T-WORKS?

While today's announcement is focused on highway expansion and modernization projects, it's important to realize those projects represent just over 21 percent of the total program. Through the planning process we heard loudly and clearly that preserving our existing system is a priority for Kansans - and T-WORKS reflects that fact. Over half of the \$8B program is dedicated to preserving the roadways and bridges that we already have. - a smart move for Kansas.

In addition to highway investments, T-WORKS is about making sound investments in other modes of transportation. Transit, aviation and rail will all see increases in funding thanks to the latest transportation program.

So, continue to watch for updates each year as KDOT announces new highway preservation and other modal projects made possible through the T-WORKS program.



Coming Tuesday, June 7 to a computer near you...



A new website where you can create customizable searches for T-WORKS projects. Check it out. There is a wealth of information about the state's new transportation program and what it means to you.

[www.ksdot.org/tworks](http://www.ksdot.org/tworks)



### Today is a great day for transportation and for Kansas.

The infrastructure investments we commit to today will pay short and long-term dividends by growing our economy and increasing safety. In addition to the three points from my email message two weeks ago highlighted in the box below, I'd like to share my reflections and observations about what today means:

**I'm proud.** We've accomplished what few states have managed - we're taking care of our infrastructure needs in a responsible way so that safety isn't jeopardized and future generations aren't burdened with outrageous expansion and repair costs. Moreover, T-WORKS was developed in a truly collaborative manner - from a new selection process that values engineering judgment, economic impact and regional input to delivering projects in a more practical way which recognizes an affordable (though smaller) improvement is better than no improvement at all. I'm proud of the way KDOT and communities across the State have worked together for the last eight years to reshape and modernize transportation in Kansas.

**I'm thankful.** Please indulge me for quick look back - I'm thankful for the leadership of Governors Carlin and Hayden as they took tough positions by supporting transportation in the 1980s when the Kansas highway system was in deplorable condition. I'm thankful for the ongoing leadership of subsequent Governors - most recently Governor Parkinson for championing T-WORKS funding and for Governor Brownback's unwavering support even as difficult budget decisions had to be made. Clearly, our success is firmly rooted in bipartisan support through the years - I know that and appreciate it.

**I'm energized.** Governor Brownback is announcing a set of projects that provide enormous statewide and regional benefits. KDOT is set to deliver these projects in a collaborative manner so that relationships with communities are strengthened and costs and disruptions are minimized. I have never had higher confidence that KDOT will set the gold standard for transparent and accountable delivery.

I appreciate you being here today and hope you'll visit the new T-WORKS website often to track our progress!

*With the above in mind, I ask that you remember these three points:*

- **T-WORKS is sized for our times.** T-WORKS is significantly smaller than the CHP or the CTP when adjusted for inflation. You'll see that play out as fewer projects are announced and fewer miles can be improved under T-WORKS than the two previous programs. While I know there will be some disappointment, I want to assure you that KDOT has taken input from Local Consult seriously and we're working hard to stretch dollars as far as possible.
- **Practical improvements and designing to a budget will be used to stretch limited dollars.** Because T-WORKS is significantly smaller than the CTP, KDOT is recommending lower cost options such as expressways instead of freeways and adding passing lanes instead of 4-laning many highways. Also, KDOT is setting an improvement budget for many corridors, conducting more detailed analysis and committing to make as many improvements as possible within a corridor budget. We call that "designing to a budget" - much like you have to do when you think about home repairs and remodeling. You decide what actions provide the most good on a limited budget. We're taking this approach because most Kansans we've heard from have said some improvement is better than no improvement at all.
- **I believe T-WORKS projects are widely supported by Kansans.** KDOT used the T-WORKS selection process that was developed based on input from stakeholders across the State. Local input was a significant factor in selection, along with engineering considerations and economic impacts. In addition to putting people to work in the short-term, these projects will provide an outstanding return on taxpayers' investment with an estimated \$10B in economic impact associated with a \$1.8B investment.

# YEARS OF INPUT LEADS TO PREDICTABLE RESULTS

EVERY REGION'S TOP PRIORITIES FROM 2010 LOCAL CONSULT MEETINGS HAVE BEEN SELECTED FOR CONSTRUCTION

2006-2010

Today

2011-2020



40+ meetings • 420+ Kansans • 400 candidate projects emerge



14 meetings • 850+ Kansans • 200 candidate projects emerge



10 year program • \$8B • Jobs • Safety • Economic Development

## T-WORKS Highway Spending Ranges

### Expansion & Modernization

\$75 to \$125	\$100 to \$200	\$500 to \$800
\$100 to \$150	\$300 to \$600	\$125 to \$225

Total Available Statewide \$1.7B

### TOTAL Highway Spending

\$675 to \$925	\$700 to \$1,000	\$1,700 to \$2,300
\$450 to \$650	\$1,000 to \$1,500	\$625 to \$875

Total Available Statewide \$6.3B

10 meetings • 1,000+ Kansans • 100 top scoring projects considered

While today is a T-WORKS milestone, it's important to recognize that we – KDOT and Kansas communities - have spent five years developing this program and we have 10 years ahead of us to deliver it. Included in today's announcement are a few updates worth noting:



- **Refined cost estimates.** During the local consult process, KDOT used costs estimated in 2016 dollars because that's the mid-point of the T-WORKS program and it was helpful to have a baseline year for evaluation. Since that time, KDOT has started refining cost estimates from the 2016 planning construction cost estimates to actual programmed costs (i.e., what KDOT estimates it will cost to construct the project in the year in which it will likely be let to construction).

- **Preparing for the future.** In addition to projects that are slated for construction, additional projects have been selected for preliminary engineering, full design work and right of way purchase. By doing advance work now, the State and communities are positioned to take advantage of additional funds should they become available.

Coming soon:

- **More specific schedules.** KDOT understands that communities need more specific project schedules so they can plan for the future. KDOT anticipates announcing project schedules (i.e., year the project will let to construction) later this fall.

## Looking forward:

Below is a list of assumptions KDOT has made for the next 10 years. However, as the old saying goes – the only thing that's certain is change. KDOT will monitor market and funding conditions closely, and we're committed to letting you know when conditions change our assumptions.

- **Inflation rates** – KDOT assumed a 3.5 percent inflation rate for projects to be let to construction from now until Fiscal Year 2015. For projects let after that, the rate is 4.5 percent.
- **Low bid prices** – While construction prices have been the lowest in recent memory, no one is sure how long bid prices can remain that low. KDOT will keep you advised of trends in construction prices.
- **Construction schedules** – KDOT will keep the project profile sheets updated with current construction schedules (project profile sheets will be posted at [www.ksdot.org/tworks](http://www.ksdot.org/tworks)). To the extent any construction work can be accelerated, we will do so to take advantage of low construction prices and beat inflation.
- **Material costs** – From rock prices to oil prices and everything in between, construction material costs have a significant impact on the overall budget. KDOT will keep you advised of trends in material prices.
- **Revenue** – KDOT will be closely monitoring various revenue sources, from: motor fuels tax which decline when gas prices rise; to State sales tax revenues which rise and fall with economic conditions; to Federal revenues which may increase or decrease depending on Congressional action on a new federal transportation funding program.

## T-WORKS BY THE NUMBERS

- 5 year planning effort
- 95+ meetings held
- 2,000+ Kansans participated
- \$1.7B in T-WORKS Expansion & Modernization Funding
- Approximately \$100 M in local contribution and other revenue
- 37 construction projects selected totaling \$1.8 billion
- 6 preliminary engineering projects selected
- 253 miles will be completed
- An estimated \$10 billion economic impact will be generated