



Smart Growth America

Making Neighborhoods Great Together

Transportation Spending and Job Creation

February 2011

\$26 Billion in Flexible Transportation Dollars



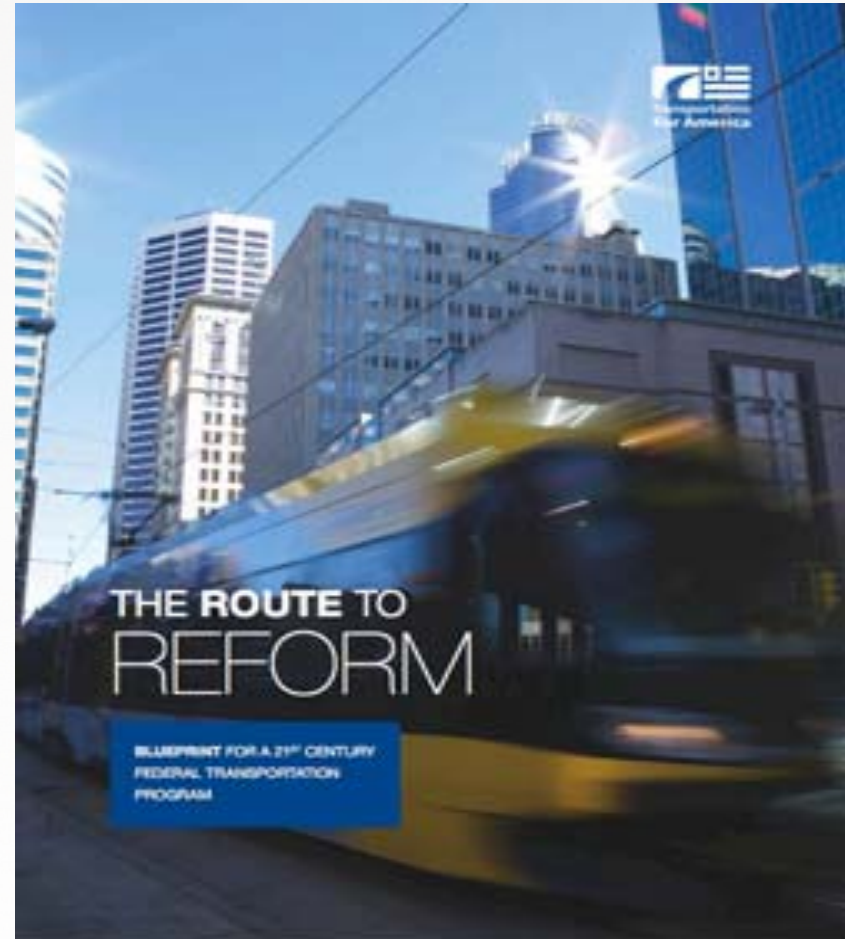
LOUISE FAVORITE / Staff
Traffic heads north on I-75, just north of I-285, on Thursday. A proposal for the interstate is enough to make a road builder weep with joy, and make others wonder whether it's overkill.



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What We Knew Going In

- Compared to new roads repair and maintenance create 16% more jobs
- Transit creates 31% more jobs



“Recent Lessons From The Stimulus: Transportation Funding and Job Creation”

Amount Allocated to:

Road preservation projects	\$15.7 billion	(58.9%)
Road new capacity projects	\$8.9 billion	(33.5%)
Ped, bike, streetscape	\$1.04 billion	(3.9%)
Public transportation projects	\$462.8 million	(1.7%)
Other, including	\$529.0 million	(2.0%)
• Freight rail		
• Maritime		
• Aviation		

ARRA Required Unique Reporting

- “We will use the transportation funding in the Act to deliver jobs and restore our nation's economy.”
- -Transportation Secretary Ray LaHood



Top Job Creating Activity: Transit

- An ARRA dollar spent on public transportation is yielding 70% more job hours than an ARRA dollar spent on highways.
- Transit \$ spent just as fast as road money



Transit's Manufacturing Impact

Apollo Alliance, Northeastern Univ., Worldwatch

- 250 existing manufacturing locations in 35 states
- U.S. passenger and transit rail supply chain supports between 10,000 and 14,000 employees

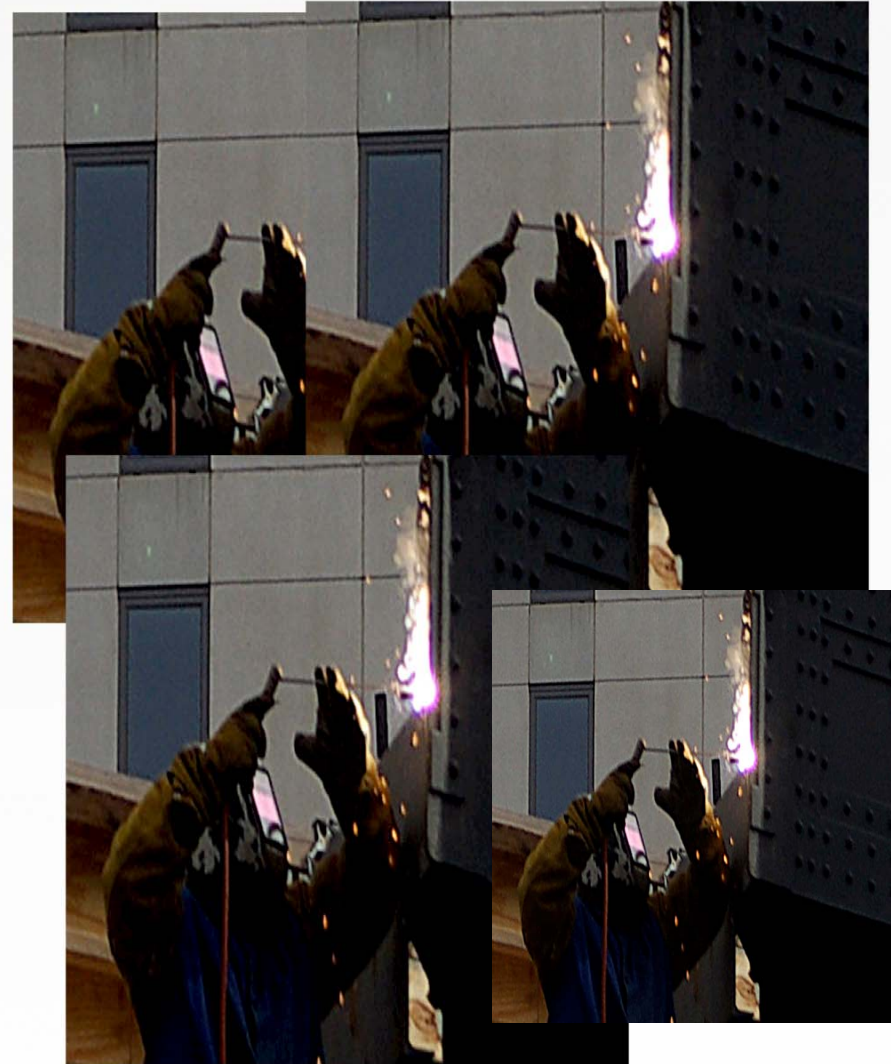


Other Countries Have Stronger Manufacturing

- Germany, Spain, Japan, and China—at least half a million people are directly employed in rail vehicle manufacturing.
- Key are steady domestic markets for these products, driven by substantial and sustained investments in rail and transit infrastructure.

Doubling Transit Ridership in 20 Years

- could gain over 79,000 jobs in rail and bus manufacturing and related industries



What Kind of Hole are You Digging?

Nicole Gelinas, fellow, Manhattan Institute:

“They say public transport creates more jobs per dollar spent versus new things,” Gelinas says. “I’m all for public transport where there’s the density, but I don’t think the emphasis should be on job creation. It should be, does the economy need this?”

- “Amen”

-Geoff Anderson
President and
CEO of Smart
Growth America

Crumbling Infrastructure

- 18,772 bridges on state and interstate systems are rated “structurally deficient” by the US DOT and are “unsafe” according to the American Society of Civil Engineers
- 1/3 of major roads are in poor or mediocre condition
- More than 1/4 of urban roadways are in poor



Fixing and Maintaining is a Good Investment

- Prevents reconstruction later, which costs 4 to 14 times as much;
- Saves an average of \$335 on damaged tires, suspensions and reduced fuel efficiency



Some States Focused on the Backlog

	% of total road spending allocated to: ³		Percent of roads not in "good" condition
	System Preservation	New Capacity	
Vermont	100%	0%	55%
Maine	100%	0%	46%
New Jersey	100%	0%	90%
S. Dakota	100%	0%	49%
Connecticut	100%	0%	66%

Need for System Preservation

	% of total road spending allocated to:		Percent of roads not in "good" condition
	System Preservation	New Capacity	
Texas	27%	63%	59%
Kentucky	26%	74%	45%
Florida*	23%	77%	24%
Kansas*	19%	81%	25%
Arkansas	19%	81%	62%

Need for System Preservation

	% of road \$ on repair	% of roads not in "good" condition	Number of structurally deficient bridges
Arizona	48%	32%	65
Virginia	46%	54%	1,054
Tennessee	46%	29%	300
New Mexico	45%	36%	243
Hawaii	45%	90%	51
Louisiana	40%	62%	675
Texas	27%	59%	421
Kentucky	26%	45%	573
Florida	23%	24%	60
Kansas	19%	25%	71
Arkansas	19%	62%	285

New Capacity

Declining Returns

• Source: Best Stimulus for the Money

Table 7.1

Annual Rate of Return by Type of Investment

	1950-89	1950-59	1960-69	1970-79	1980-89
Total Highway Capital	28%	35%	35%	16%	10%
Non-Local Highway Capital	34%	48%	47%	24%	16%

Better Understanding of Transportation Investment

- Cincinnati**

- Source: Best Stimulus for the Money

Measure	Bus Improvement, Region Wide	Light Rail Region- wide	New Highway Capacity
Total Cost	\$522	\$6,218	\$1,209.1
Total Benefits	\$1,141	\$10,784	\$1,365.2
Net Benefits	\$619	\$4,566	\$156.1
Internal Rate of Return	27.1%	8.7%	4.9%

Note: Dollar figures in millions.

Source: HLB Decision Economics (2001)

Better Understanding of Transportation Investment

- Atlanta

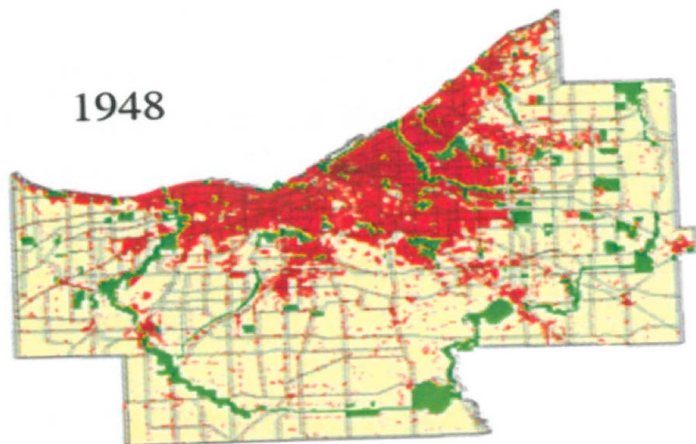
- Source: Best Stimulus for the Money

Investment Type	Incremental and Cumulative Investment	Incremental and Cumulative Returns	Cumulative Ratio
Transportation Demand Management	\$0.22B	\$40B	182.0:1
Connecting Infrastructure	\$26.00 B	\$40B	
	\$26.22B	\$80B	3.1:1
Doubling Down on Congestion	\$17.20 B	\$10.B	
	\$43.42B	\$90B	2.1:1
Better Coordination with Development Patterns	\$0	\$39B	
Total Direct Return (all investments)	\$43.20B	\$129B	3.0:1

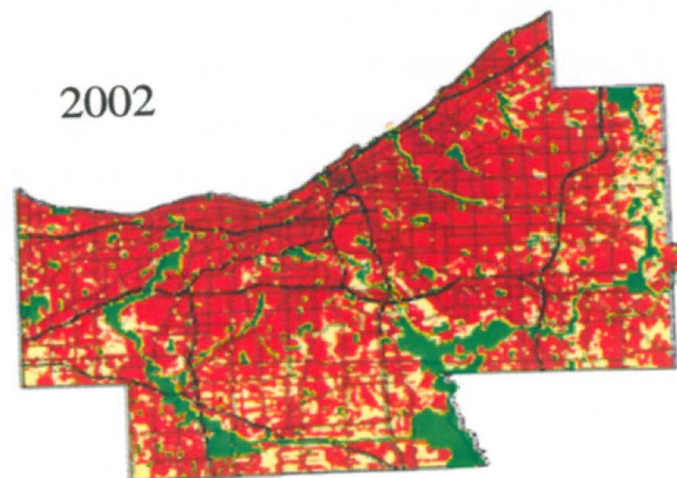
Note: "B" means billion.

Source: McKinsey and Company (2009).

Cleveland: Same Population



1950: 1,389,582



2002: 1,393,978

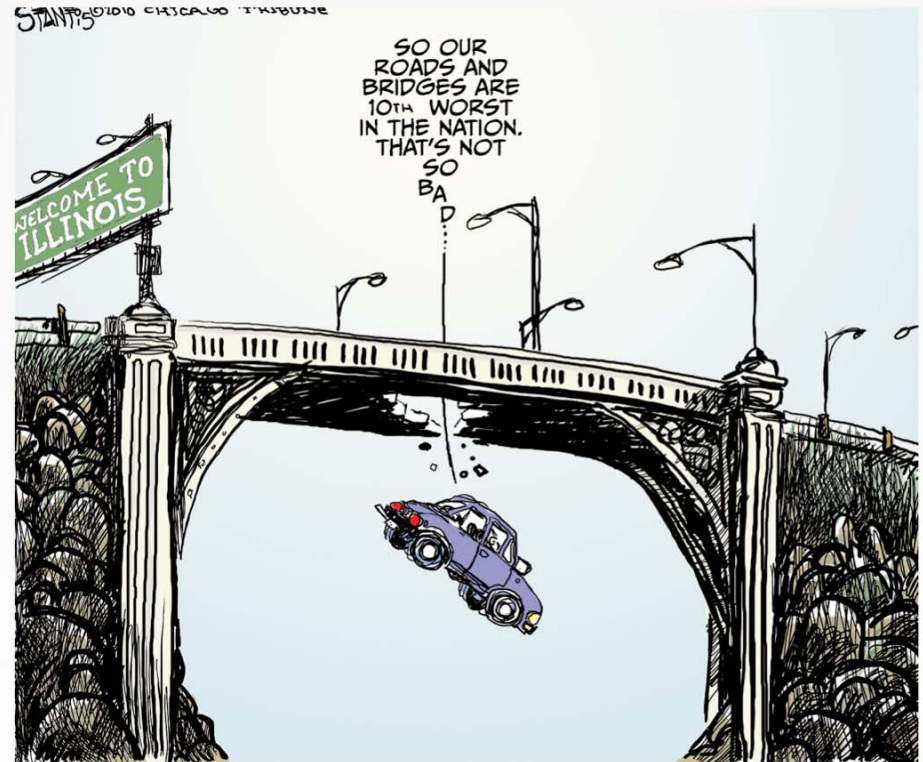
Source: TTI	1982	2007
% peak VMT congested	10	28
% of land miles w/ congestion	10	23
Number of rush hours	3	5
Freeway and arterial miles	2420	4490

So Much for the Data...

What do People Think?

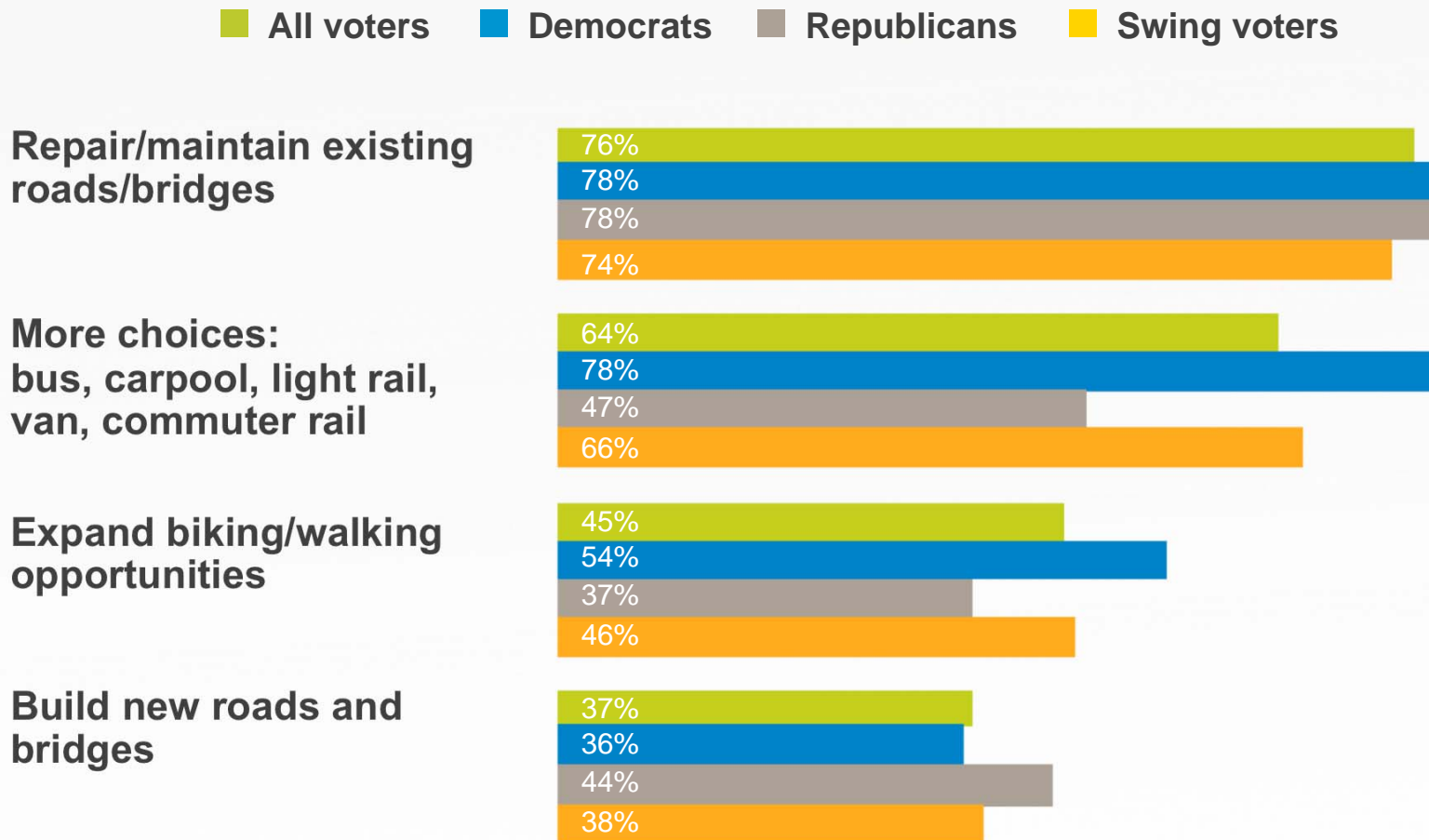
SGA Poll by Hart
Research:

91% of voters believe that maintaining and repairing our existing roads and bridges should be the top or a high priority for state governments.



Priorities for transportation funding align with perceived value for the cost

Percentage of voters who believe each would be a good value for the cost



A majority side with more transportation options as a solution to traffic congestion

Traffic Congestion Statements

Some people say that we need to improve public transportation, including trains and buses, and make it easier to walk and bike to help reduce traffic congestion.

59%

Other people say that we need to build more roads and expand existing roads to help reduce traffic congestion.

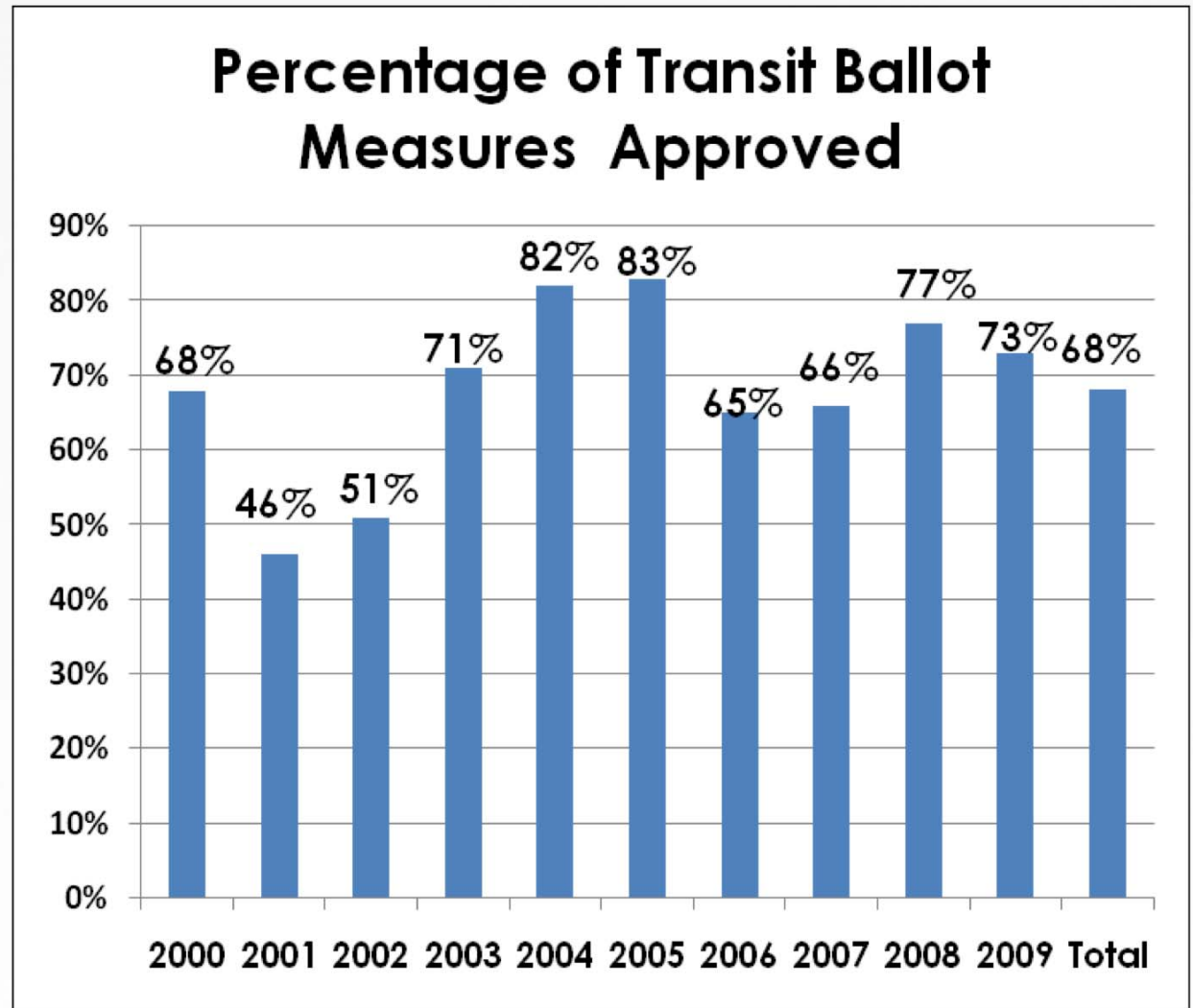
38%

2010 National Poll conducted by POS/FM3

82%	"the United States would benefit from an expanded and improved public transportation system, such as rail and buses."
66%	"would like more transportation options"
52%	willing to increase their own taxes in order to expand and improve public transportation

Transportation Choice Wins at the Ballot Box

- **Almost a 70% approval rate for transportation measures (twice the rate of all ballot measures)**
- **Success across region, population, party affiliation**
- **But it takes a sustained and dogged public education effort to get to yes**



How Do We Make Transportation Investment Accountable?

- Accountable to the Data
- Accountable to People



NATIONAL ASSOCIATION OF REALTORS®

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American
Public Health
Association



NACTO



Smart Growth A

Making Neighborhoods Great Together



NATIONAL
HOUSING
CONFERENCE

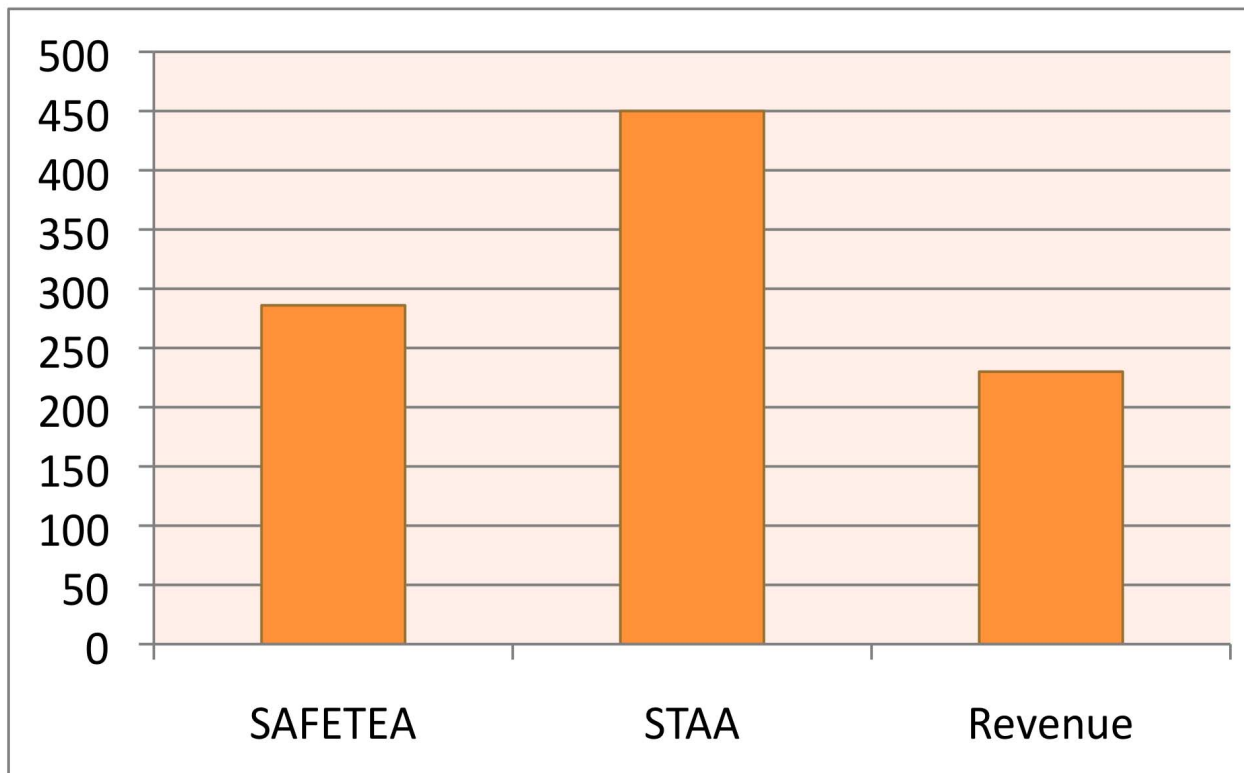


CENTER FOR
HOUSING POLICY

ion agenda.

Transportation for America believes the 21st century requires a more complete transportation system—one that is smarter, safer, cleaner, and provides more mobility options for all Americans.

The Money Problem



T4America Proposals

- State of Good Repair –
 - Priority for repair & rehab projects
 - Performance measures with condition targets
- New Capacity –
 - Clear Goals for New Investment
 - Level playing field for all modes
 - Local financial resources must be leveraged
 - All options thoroughly analyzed – operations, ITS, BRT
 - Tolling (highways) – Value capture & land use (transit)
 - Projects showing performance benefits get expedited

THE PAST	THE FUTURE
Gas Tax	VMT fee Pricing new road capacity Value Capture for Transit
Reliable formula funds based on lane miles, VMT etc	Lumpy funding, more of which is competitive and performance based
Single Interest Coalitions Representing Transportation	Multiple Stakeholders including environment, equity, health
Adversaries help stop projects	Former adversaries work to advocate <u>for</u> projects

- Find out more at www.t4america.org

or

Contact me at
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Don't Wait for a New Bill: Act Now

Money is Still Flexible and is Programmed Annually:

- Push for fiscal responsibility by pushing state of good repair
- Demand clear goals for new transportation spending
- Look at all options with transparent evaluation



Smart Growth Transportation System

- Roads-- Networked, More Numerous in Typology, Context-Sensitive.
- Balance and Choice-- Multimodal, Connected Network of Modes.



Smart Growth Transportation System

- Better Single Goal Problem Solving- what is the best way to solve this transportation problem?
- New Multi-Goal approaches, solve a transportation problem *and* achieve equity, health, env. outcomes



Invest in a Future Vision Not to Catch Up With Past Congestion and Land Use Problems





Smart Growth America

Making Neighborhoods Great Together

Smart Growth America is the only national organization dedicated to researching, advocating for and leading coalitions to bring smart growth practices to more communities nationwide.

www.smartgrowthamerica.org

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