



**Smart Growth America**

Making Neighborhoods Great Together

# State DOT Fiscal Crisis as a Lever for Reform

## New Partners for Smart Growth

February 2, 2012

San Diego, California

# Overview

- Smart growth
- Crisis? What crisis?
- What people want
- SGA's state transportation program
- Questions



# Smart Growth America . . .

. . . advocates for people who want to live and work in great neighborhoods. We believe smart growth solutions support businesses and jobs, provide more options for how people get around and make it more affordable to live near work and the grocery store. Our coalition works with communities to fight sprawl and save money. We are making America's neighborhoods great together.



# What I've heard about smart growth



Wengen



# Smart growth is ugly.



Riomaggiore, Italy

We have no history with it.



Boston, MA



Nobody would want to live there.



Aspen, CO



It just doesn't work here.



Pearl District, Portland, OR



# Shut up and drive!



# Smart Growth

Smart growth means building urban, suburban and rural communities with housing and transportation choices near jobs, shops and schools. These strategies support thriving local economies and protect the environment.



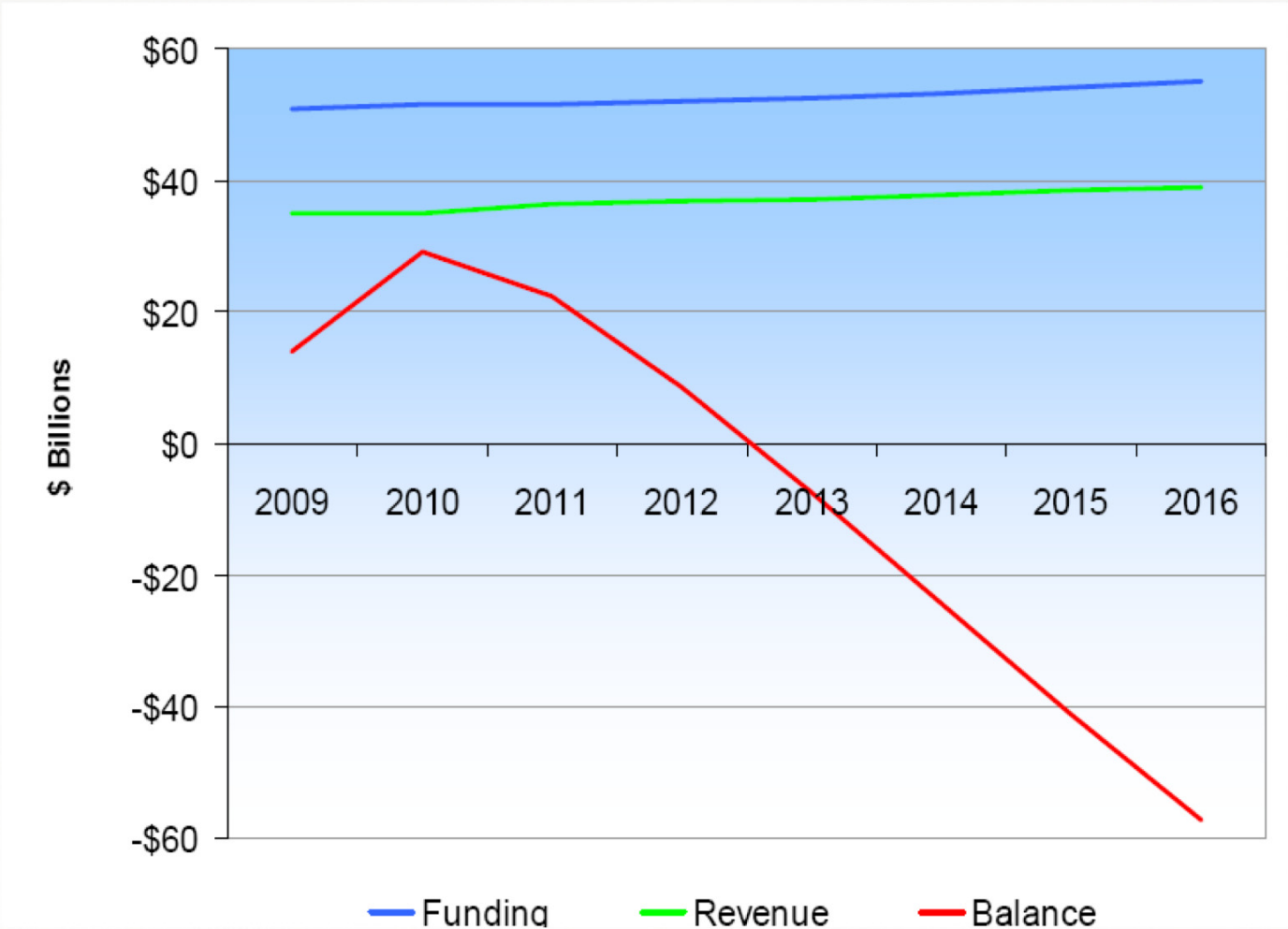


# Crisis? What crisis?



Wilkesburg, PA

# The Crisis





# “Uncertain” Federal Funding Landscape

- American Reinvestment & Recovery Act (ARRA) funding spike followed steep declines for most modes
- Long-term growth jeopardized by increasing federal budget constraints and related deficit reduction efforts
- Biased toward capital over O&M
- Little desire to charge users the true cost of transportation





# What people want



Wilkinsburg, PA



# The Role of Sustainable Communities in Economic Recovery

Funding Provided by the Ford Foundation



# Survey Methodology Overview

- Questionnaire designed by Collective Strength and reviewed by Harris Interactive
- 1,200 interviews from October 21 to November 1, 2010
- Results calibrated to Census estimates for age, race, income, gender and region
- Plus or minus 3% margin of error

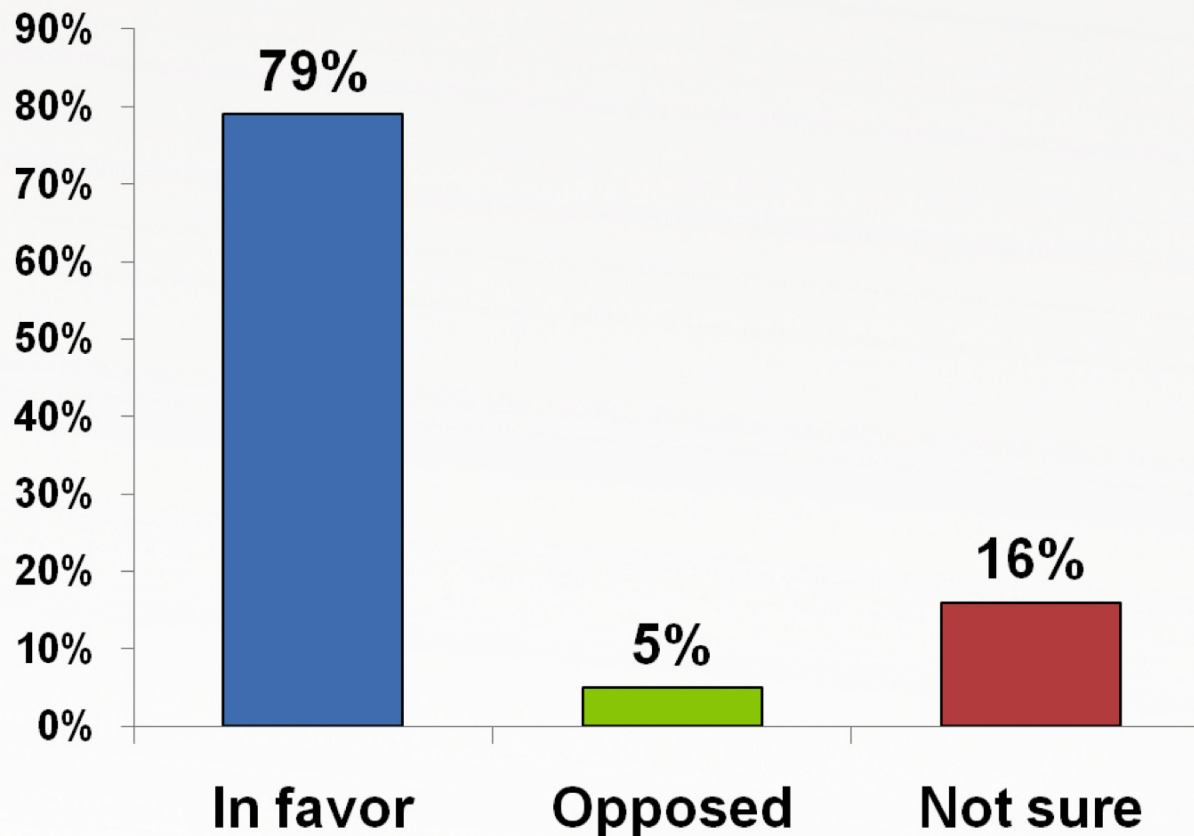


*An urban, suburban or rural community that has more housing and transportation choices, is closer to jobs, shops or schools, is more energy independent and helps protect clean air and water.*



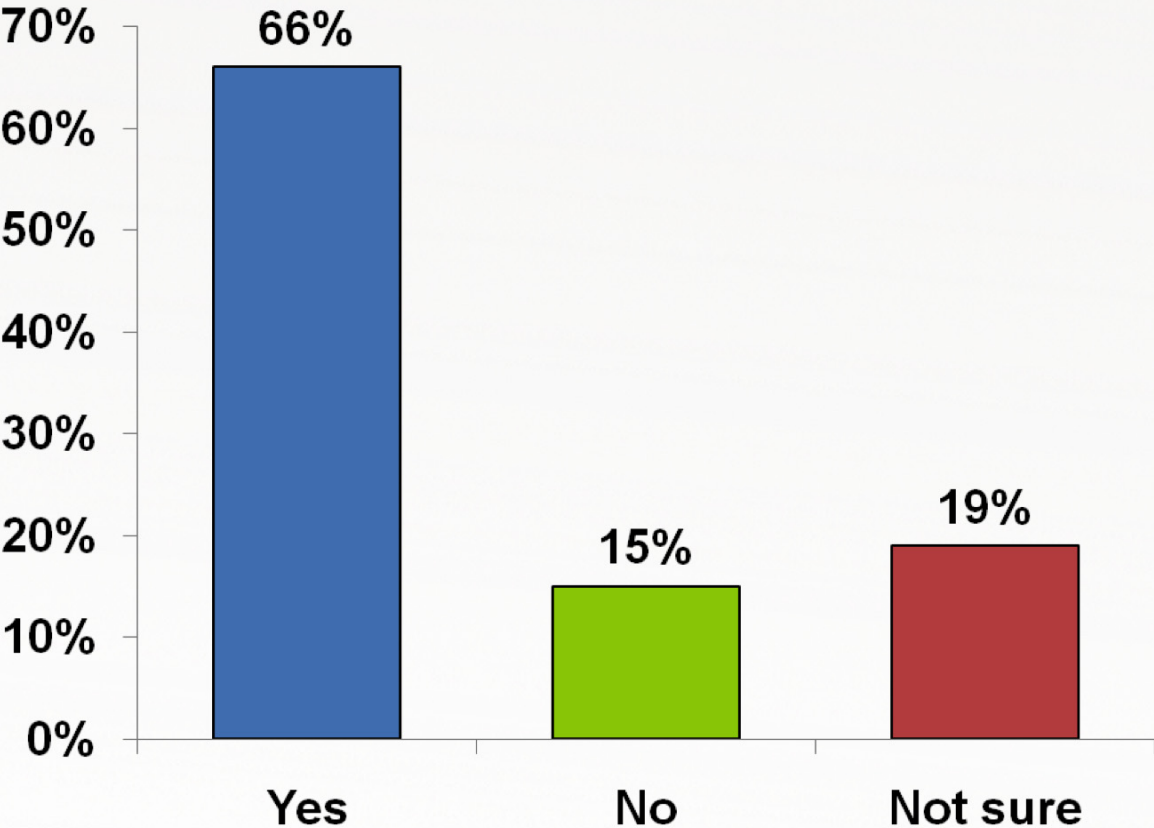


# Support for Sustainable Communities (with Definition)



Q: For the remainder of this survey, please use the following definition of sustainable communities: An urban, suburban, or rural community that has more housing and transportation choices, is closer to jobs, shops or schools, is more energy independent, and helps protect clean air and water.

# Does your region need more Sustainable Communities?



Q: Do you think that the region of the county in which you live needs more sustainable communities?



# Economic Messages

## % Agree

- 84%** Our country is too dependent on oil. We need to change that.
- 82%** Most Americans spend more than 50% of their household expenses on housing and transportation costs. That is too much.
- 82%** Rebuilding our economy and creating new jobs is the most important issue of our generation.
- 75%** Infrastructure spending on roads, trains, and buses create jobs and help the economy get stronger.
- 66%** We need to rethink the way we develop housing and transportation in this region. The way we have been doing it isn't working for most people.
- 58%** I believe that economic growth and environmental quality are interconnected goals. We can't have one without the other.
- 58%** Housing and transportation are in the infrastructure category that makes up 35% of the US economic base. We can't fix our economy unless we fix our housing and transportation problems first.





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# Smart Growth America Nationwide Survey



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# Timing and sample

- Conducted November 16-22, 2010
- 1,000 voters nationwide
  - 37% Democrat
  - 34% Republican
  - 29% Independent
- Voting Patterns:
  - 27% vote Democrat most of the time
  - 23% vote Republican most of the time
  - 50% swing voters

# Survey objectives

- Identify priorities for state transportation spending.
- Assess the urgency of investing in transportation in the current economic climate.



# Maintenance and repair top priority for state transportation funding

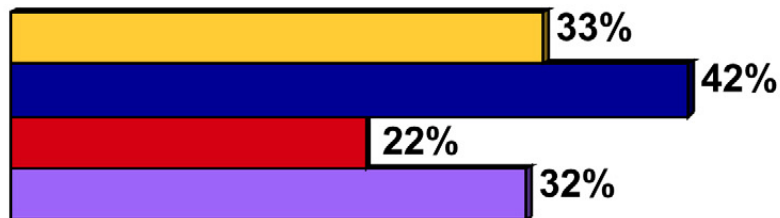
*Which one of these should be the top priority for state transportation funding?*



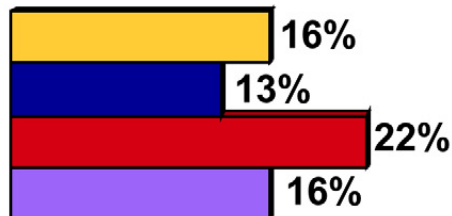
Maintaining and repairing roads, highways, freeways, and bridges



Expanding/improving bus, rail, van service, biking, walking, transportation choices

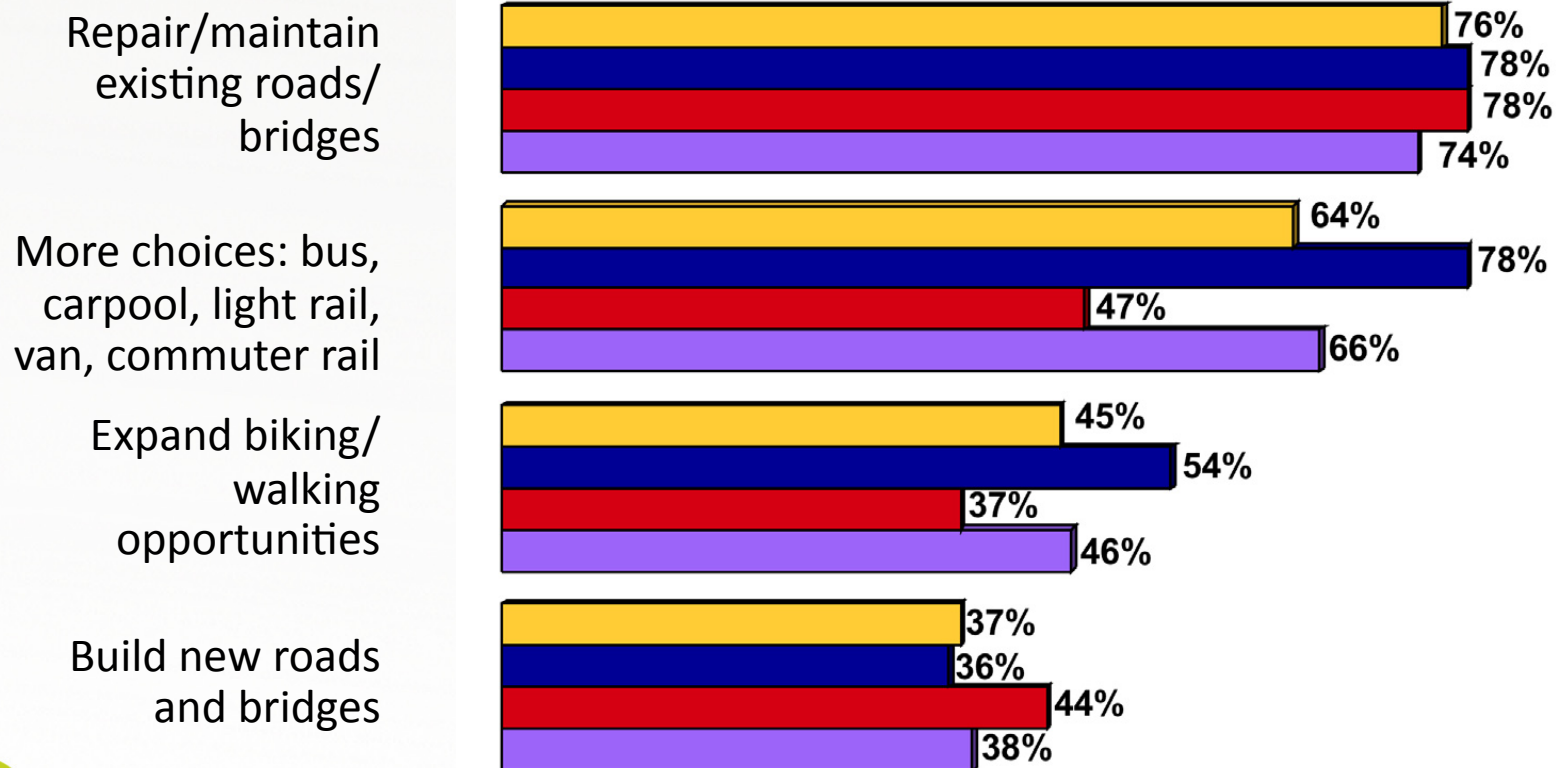


Expanding and building new roads, highways, freeways, and bridges



# Priorities for transportation funding align with perceived value for the cost

*% saying each would be a good value for the cost*

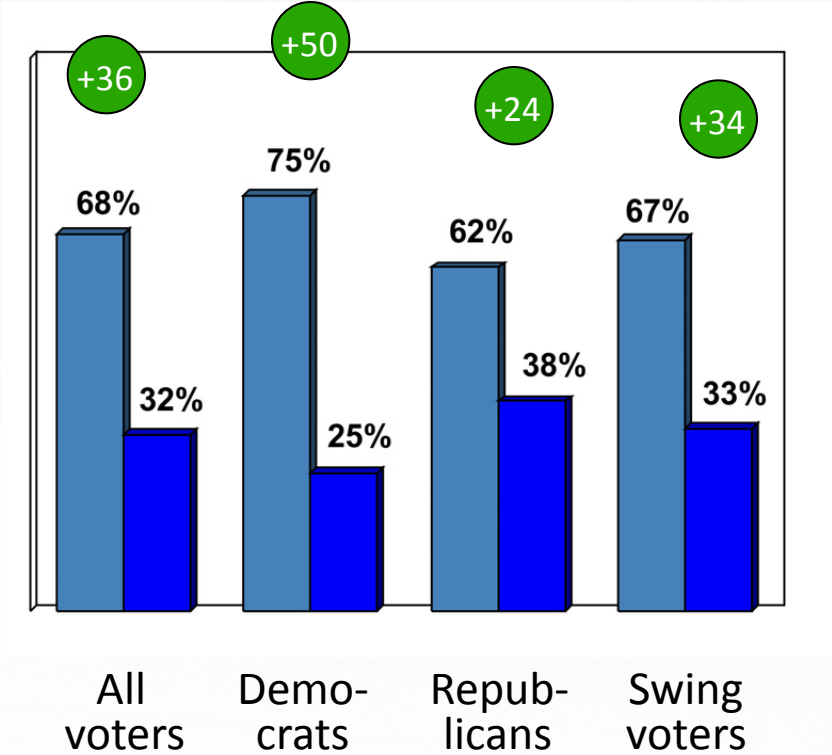




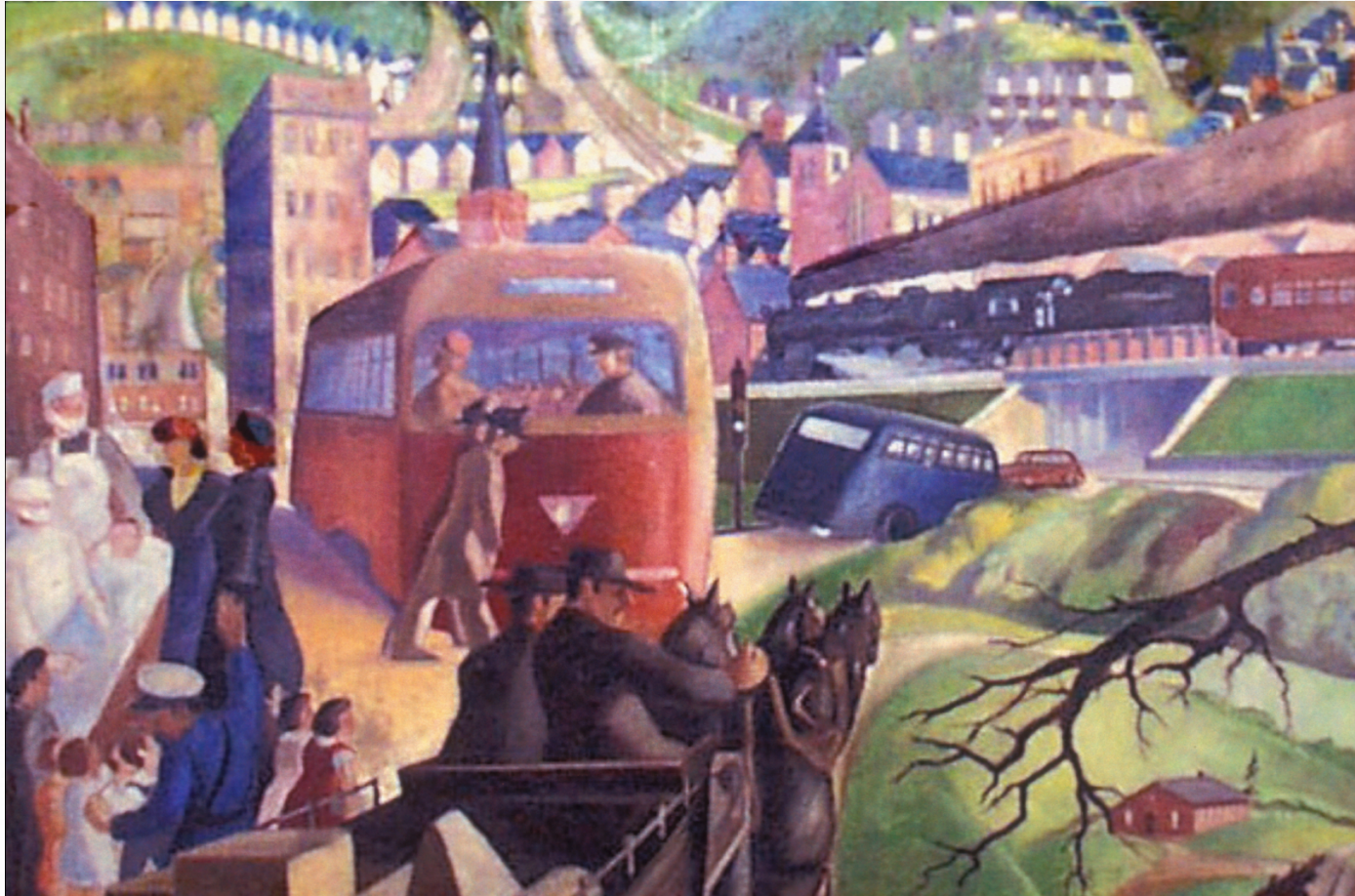
# Regardless of party, most agree that now is the time to invest in transportation

## View of State Investing In Transportation

- Now is the time for state government to invest in transportation, because if we do it right, these investments will create jobs and attract new business.
- Now is not the time for state government to invest in transportation, because budgets are too tight, and in this bad economy, there are more important needs the state should address.



# SGA's state transportation program





# Fiscal crisis as lever for reform

- Across the country, transportation revenue sources are falling, creating fiscal difficulties for many state Departments of Transportation and financial crises for others.
- In the current climate of budget shortfalls and rising deficits, tolerance for wasteful spending of taxpayer money is low.
- Smart Growth America sees this as an excellent opportunity to show state and federal leaders that fiscally responsible DOT policy and transportation reform are one and the same.

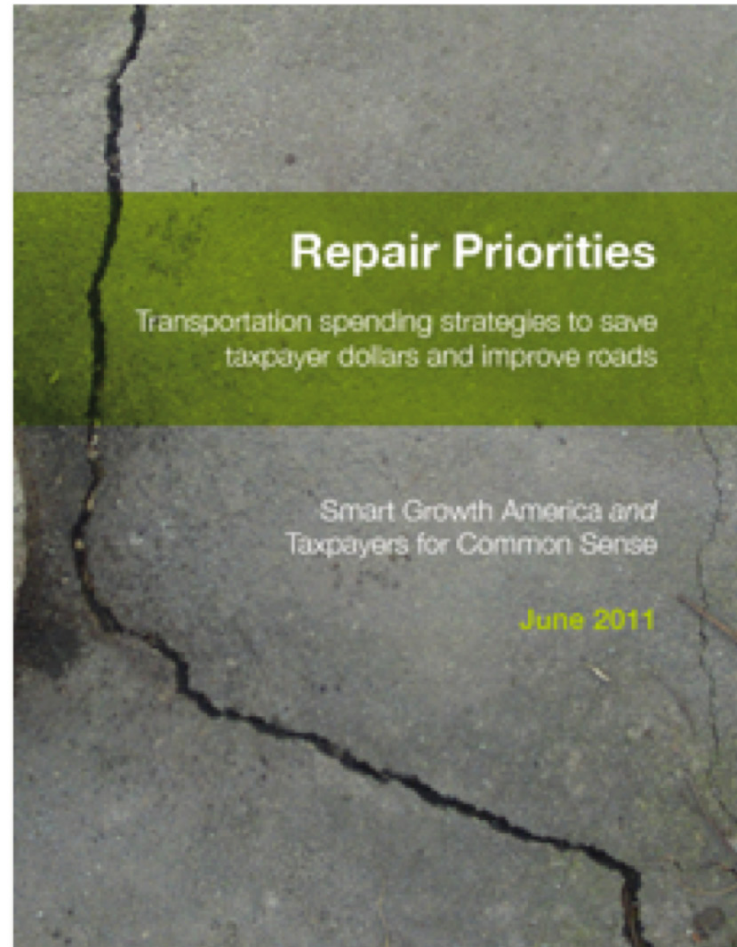
# Themes

- ***Save Money by Taking Better Care of What You Have***
  - Maintain and repair existing roads and bridges
- ***Grow the Economy by Making Your Transportation Investments More Strategic***
  - Fund the biggest job creator: public transportation
  - Spark innovation and cost-savings through a competitive transportation solutions program
  - Revisit near-term spending decisions and long-term project selection process



# Save money by taking better care of what you have

- SGA and Taxpayers for Common Sense
- National Report June 1, 2011
- 50 State profiles on SGA website



# Repair Priorities

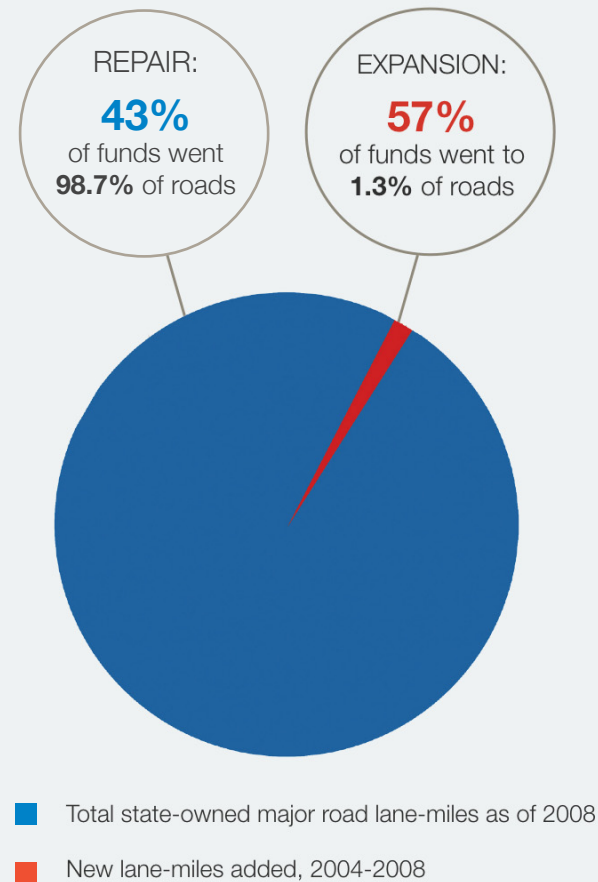
- Between 2004 and 2008 states spent 43 percent of road funds on repair of existing roads
- 57 percent went to new construction





# Repair Priorities

- 57 percent of funds spent on just 1 percent of the nation's roads
- 43 percent spent on the 99 percent of the system that already existed



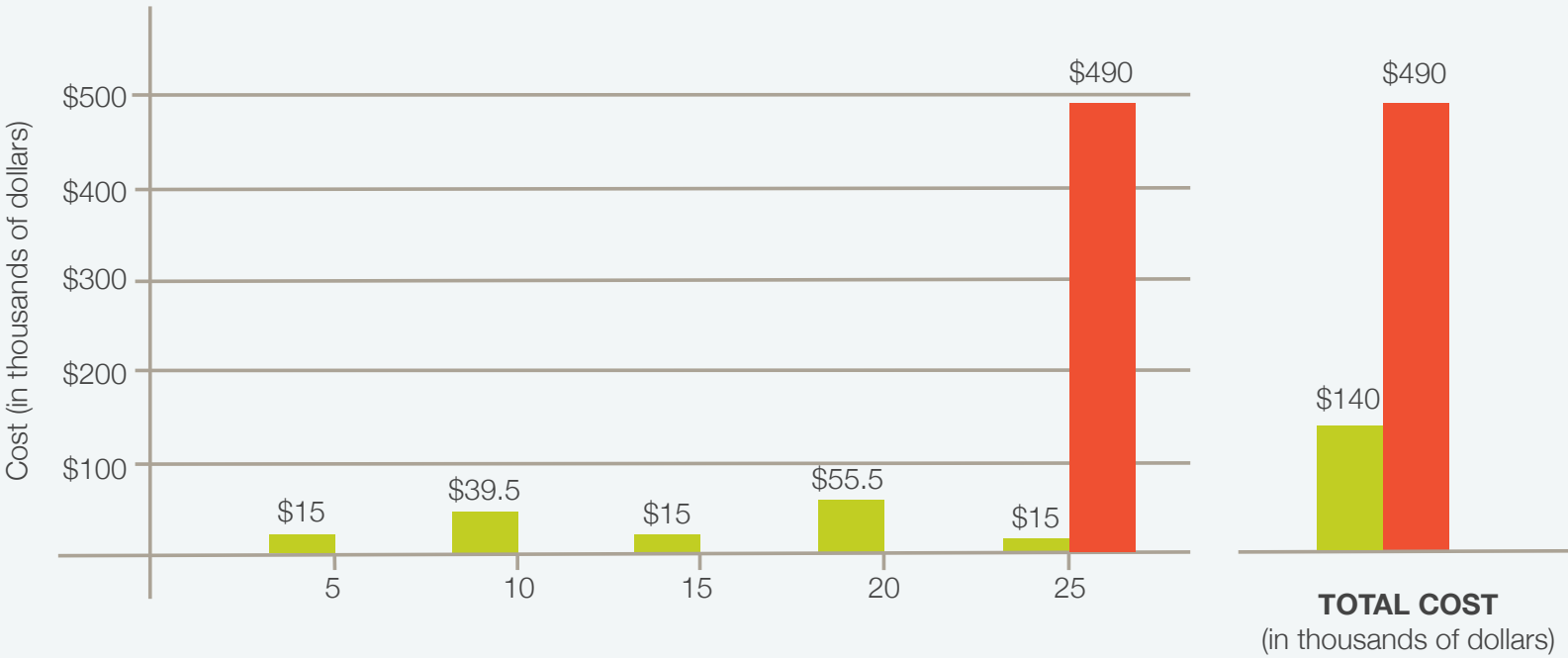
# Condition of existing roads

- 52% of major roads (732,500 lane-miles) in “fair” or “poor” condition
- ASCE Report Card
  - 2001: D+
  - 2005: D
  - 2009: D-
- \$43 B/yr needed for preservation and repair
- More than we spend on all road projects today





# Cost of deferred maintenance



cost of preserving one lane-mile (■)

(■) deteriorate to poor condition and then making major repairs

# Fund the biggest job creator





# Transit investment creates more jobs

## Employment Impacts per \$1 Billion in Infrastructure Spending

Category	Jobs (Direct and Indirect)*	Plus Induced Jobs	Difference from "New Road Construction"
New Road Construction	12,638	17,472	
Road Repair Work	14,790	20,317	+16%
Mass Transit	17,784	22,849	+31%

\* Direct: people working on the project (person laying asphalt). Indirect: people making things for the project (person working at the asphalt plant). Induced: Direct and indirect employees spending their wages (Either one buying lunch).

# Transit investment catalyzes economic development

- Hudson-Bergen (NJ) LRT - \$5.3 billion
- Dallas, TX LRT - \$4.2 billion
- Portland Streetcar - \$4 billion





# Spark innovation and cost savings



# TIGER

# GRANTS





# Connect Oregon



# Revisit project selection process





# McKinsey & Co study of Metro Atlanta (2009)

\$220 million invested in demand management

Would create \$40 billion in incremental benefits

\$26 billion in road investments

Would create \$40 billion in incremental benefits

Better coordination with development (deemed to be virtually cost free)

Would create \$39 billion in incremental benefits

# Headline news

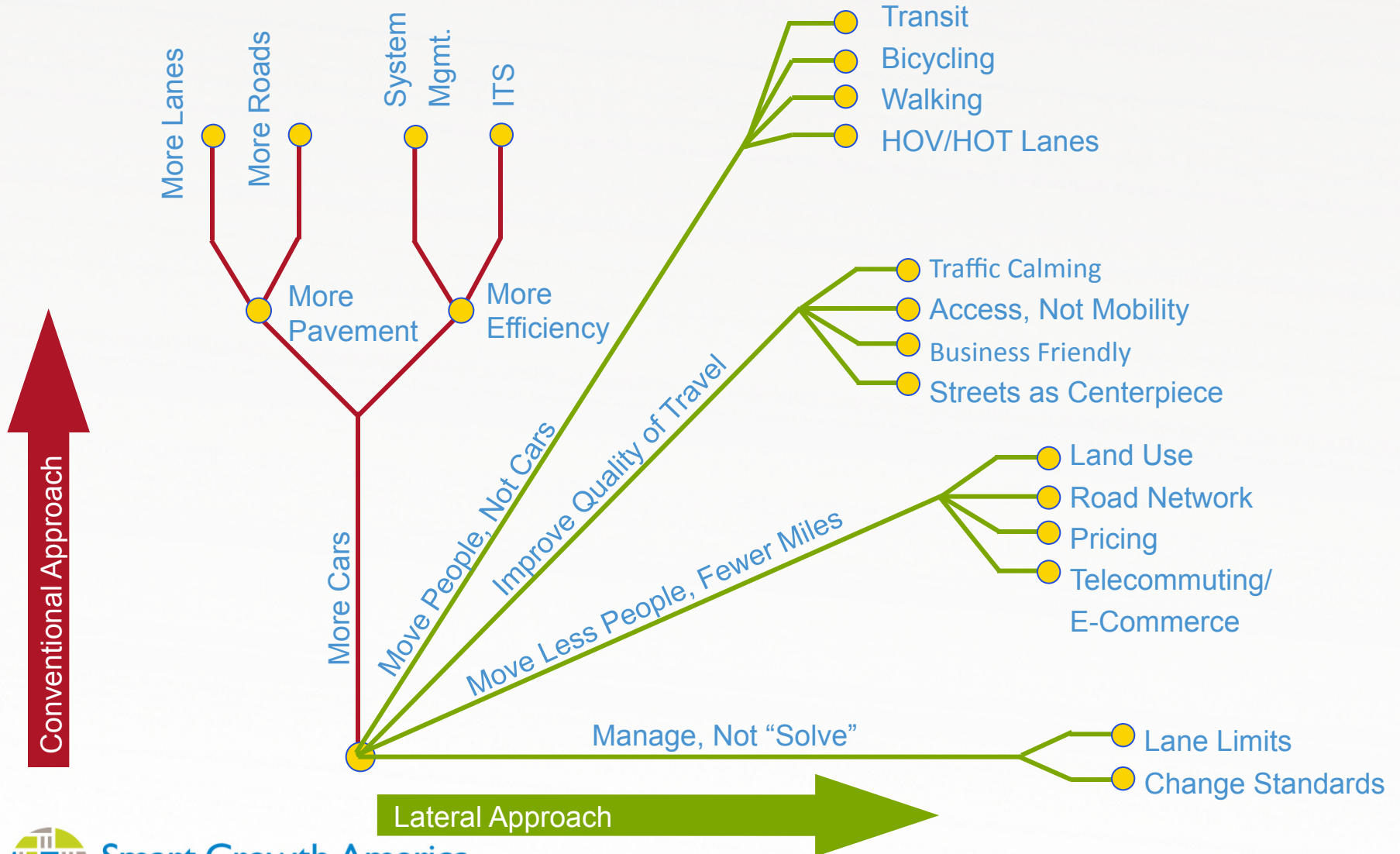
**“Bay Area transportation projects to be judged on benefits vs. costs” – Silicon Valley Mercury News**



# Headline news?

“Talk to any business person about not having a benefits-vs.-cost discussion and they'll say, 'Duh, you mean you don't do that?' ” said the commission's executive director, Steve Heminger. “They insist on it, but in the transportation profession it is not all that common. ... This levels the playing field.”

# Full View of Transportation Options





# Investing Scarce Transportation Resources

- Compete for the knowledge economy
- Protect people against energy price uncertainty
- Reduce household cost
- Improve access to regional labor pools
- Help all of our citizens participate in the economy
- Improve efficiency of goods and people movement
- Meet demographics and the market where it's going

# Spend Smarter

- Maintain what we have
- Make better use of it
- Invest strategically in incremental changes





We have the freedom to make informed, humane, and intelligent choices about the kind of world we want to leave for our children and grandchildren.





# Questions?

