

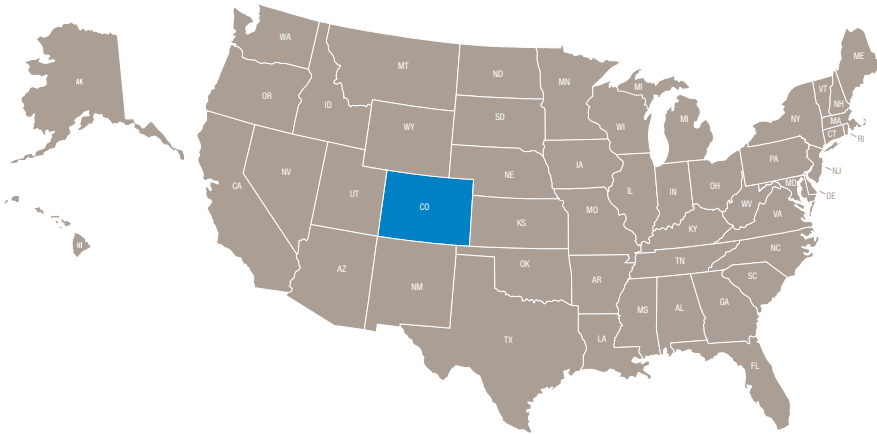


Smart Growth America
Making Neighborhoods Great Together

Colorado

Smart Transportation:
Save Money and Grow the Economy





Get Colorado Moving in the Right Direction

Save Money by Taking Better Care of What You Have

1. Maintain and repair existing roads and bridges

Grow the Economy by Making Your Transportation Investments More Strategic

2. Fund the biggest job creator: public transportation
3. Spark innovation and cost-savings through a competitive transportation solutions program
4. Revisit near-term spending decisions and long-term project selection process



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Smart Transportation: Save Money and Grow the Colorado Economy

Like the rest of the country, Colorado's state budget and economy face significant challenges. These challenges also create the opportunity and the imperative to revisit existing spending programs and ask if we're really getting everything we can from them.

Voters don't think the current fiscal approach is working. Polling in Colorado shows people are dissatisfied with the economy and believe the state is on the wrong track. Specifically, people don't trust the state with their money. Only 16 percent of Coloradans think the government spends money wisely, while 77 percent think the state does a fair or poor job.

Coloradans do think there is a better way. Seventy-one percent of those polled believe "now is the time for the state to invest in transportation because, if done right, these investments will create new jobs and attract new businesses." Voters are clear about their hopes for the state, and Smart Growth America has practical solutions to help make that vision a reality.

In the following pages, we outline an innovative yet common sense approach to transportation spending that cuts costs, creates jobs, and attracts businesses — and clearly shows that the state is responding to the fiscal and economic crisis with strong leadership that is not satisfied with a system that makes "fair or poor" use of taxpayer dollars.

The Need:

On its current path, Colorado's transportation system is on track to being highly expensive, uncompetitive and unsafe in 25 years. The state's long-range plan acknowledges that by 2035, the road network will deteriorate drastically with only one out of four roads in good or acceptable condition, and the state will fall short of meeting one-third of its projected public transportation demand.

The Smart Solution:

Colorado is at a crossroads. While there is still a sizable gap between revenue and spending, the action of the 2009 Legislature in passing the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act provides a significant new source of funding about which the state needs to make strategic decisions to get the highest return on its investment. By making fiscally responsible choices about the state's transportation priorities, Colorado can not only save money and create jobs, it can also help preserve the transportation system and make Colorado a more welcoming business climate on the mid- and long-term horizons.



1. Maintain and repair existing roads and bridges

Spending more on repair and maintenance is a good investment: it saves the state and citizens money and is a superior job creator. According to the American Association of State Highway and Transportation Officials, every \$1 spent keeping a road in good condition precludes spending \$6-14 to rebuild one that has deteriorated. Rough roads also add an average of \$335 to the annual cost of owning a car – in some cities an additional \$740 more – due to damaged tires, suspensions and reduced fuel efficiency.

The relative newness of Colorado’s transportation system has masked the impacts, but insufficient investment has already led to a backlog of roads and bridges in poor condition that will require an investment of \$71 million annually over the next 20 years to address.

While published revenue forecasts for the Colorado Department of Transportation (CDOT) used for capital planning anticipate flat revenues over time, the Governor’s proposed budget shows a steep decline in transportation revenues in 2011. It is clear that tough decisions regarding Colorado’s transportation improvement program are at hand.

Colorado’s fiscally responsible transportation investment would be to fund, to the extent possible, the \$877 million in annual maintenance currently needed to keep the road and bridge system in its present condition. Colorado does not have sufficient revenues to fully fund maintenance. While there will have to be strategic investments in new facilities to position Colorado for economic growth, prioritizing system preservation will save Colorado taxpayers hundreds of millions of dollars, while slowing the deterioration of the road and bridge network. An investment in maintaining existing infrastructure will also pay off in job creation, as studies of government spending show that maintenance and repair create more jobs than building new roads.

Without a renewed commitment to system maintenance and repair, the state is ensured a network of declining quality – with attendant safety issues leading to ten times greater construction costs.

Annual Repair Costs for Road and Bridge Assets

CDOT Major Roads (lane miles)	22,709
CDOT Major Roads in “Poor” Condition (lane miles)	1,659
Deficient Bridges	1,367 (17%)
Total Annual Road and Bridge Maintenance Cost for 20-year period	\$877,248,623
Road and Bridge Repair Program	\$948,242,554
Total Annual Maintenance and Repair Costs	
<i>Actual</i> CDOT Annual Spending on Maintenance and Repair (2004-2008)*	\$288,869,038

* Funding increased in 2009 and 2010 due to FASTER and ARRA

\$1 billion spent on fixing existing highways creates **16% more construction jobs** than new roads.

56% of Coloradans believe fixing roads and bridges should be the top priority for the state (30% chose expanding transit and other choices, 14% chose expanding roads)

Most voters in Colorado – **including 59% of Republicans** – believe that the government has a duty to make sure that roads and bridges are safe and reliable.

2. Fund the biggest job creator: public transportation

Investments in public transportation create almost twice the jobs that new highways do, help workers get to their jobs, and attract private sector investment—creating still more jobs. CDOT should invest strategically in public transportation, both in the Denver metropolitan area and throughout the rest of the state.

These strategic investments should include:

- **Shifting existing resources to restore service and hold the line on fares.** To address budget shortfalls, transit agencies across the state have proposed both fare increases and service cuts that disproportionately impact low-income workers. Providing the necessary resources will enable low-income workers to get to their jobs and prevent the potential lay-off of transit workers.
- **Supporting the timely build-out of FasTracks.** FasTracks will put transit at the forefront of growing the region's economy – creating more jobs faster than any other public infrastructure investment. Other communities have realized substantial returns on similar investments. For example, the Hudson-Bergen Light Rail line in New Jersey has attracted \$5.3 billion in development in the eight years since it opened; Dallas, TX has seen more than \$4.2 billion in development at light rail station areas and Portland, OR has seen over \$4 billion in development adjacent to its Streetcar system.
- **Using the authority granted in FASTER to enact user fees to move high priority multimodal corridor projects like the I-70 Mountain corridor.** Inter-regional transit connecting the Front Range with other regional growth centers is a new focus of state transportation planning. Funding the preferred alternative on I-70, a \$16.1 to \$ 20.2 billion multimodal investment, would generate 20,000 to 25,000 job-years of direct employment in the hard-hit construction sector and spur private investment that would generate thousands more jobs, as well as reduce traffic congestion and increase visits to mountain recreational areas.

- **Continue partnering with local governments to implement public transportation initiatives.**

Public transportation in Colorado is not just the purview of large metropolitan communities. For example, CDOT and its local partners in Garfield, Eagle, and Pitkin counties have made significant multimodal investments along Interstate 70 and State Highway 82 in the Roaring Fork and Colorado River valleys. CDOT should remain an active partner on projects like the VelociRFTA bus rapid transit project, a \$50 million project under the Federal Transit Administration's "Very Small Starts" program. The project will support almost 100 construction jobs and link low-income workers to employment centers on the Western Slope.

Public Transportation is Popular in Colorado

Of Coloradans polled in late 2010:

64% said that when it comes to prioritizing transportation investments, the most important factor should be "the number of jobs created in the long-term that would remain in your community."

68% said they would feel more positively about a governor who favored a plan that "provided more choices such as buses, carpools, light rail, van service and commuter rail."

70% said that "buses, carpools, light rail, van service and commuter rail were a good or very good value for the cost."

3. Spark innovation and cost-savings through a competitive transportation solutions program

There are a number of ways to solve transportation problems. While leaders often fall into the old standby of building large pieces of infrastructure, there are underused, more cost-effective alternatives that should be considered and incentivized.

- System management – develop ramp metering, improved stoplight timing, better incident management, and improved local road network connections.
- Pricing – enact corridor pricing, parking cash-out, pay-as-you-drive insurance and parking pricing.
- Better development – bringing grocery stores to underserved areas and increase transit-oriented development.
- Demand management – encourage telecommuting, alternate work schedules, employee commute programs, and car- and bike-sharing.
- Biking and walking – invest in connections that provide simple, low-cost solutions for many of the short trips people take every day.

Among transportation professionals, it is widely acknowledged that these techniques are quite often cheaper and more effective than either a road or transit solution.

From the funding the state has available for new capacity, **Colorado could set aside a portion of its federal and state revenues for places that want to pursue innovative least-cost solutions to their transportation problems.**

A state program similar to the federal TIGER (Transportation Investment Generating Economic Recovery) grant program would enable Colorado communities to put their best ideas forward. The widest range of projects should be eligible and they could be judged against criteria such as job creation, private sector investment and others emphasizing “returns on investment.”

Smart Victory: Transportation and Land Use Investments in the Denver Metro area to lower overall cost

The Denver Regional Council of Governments (DRCOG) is on its way to creating a winning strategy in Colorado.

DRCOG is revising the regional transportation plan to focus on new housing and employment in urban centers served by the 70 new FasTracks stations.

This approach is based on an analysis showing that channeling 80 percent of the next 1.3 million residents in the region between now and 2035 into pedestrian-friendly communities with walking and biking access to regional transit could reduce traffic growth to below the level of population growth.

This will reduce regional VMT growth, which will:

- Relieve congestion;
- Lower the share of family expenses dedicated to transportation;
- Reduce some of the unfunded need for new highway capacity;
- Lower fuel consumption to save the region \$4.4 billion in fuel costs; and
- Decrease ozone precursor emissions to help Denver meet EPA's next health standard for ozone.

4. Revisit near-term spending decisions and the long-term project selection process

Colorado's economy and transportation revenue situation demand that investment decisions made prior to the recession be revisited.

Many projects have spent years in the project development "pipeline" and their original purpose has either been forgotten, no longer applies or does not meet today's need for higher return on investment. Revisiting these spending decisions will show Coloradans that the state's leadership is responding immediately to the current economic and fiscal realities.

Operationally, this means CDOT should revise its Long Range Transportation Plan and its five-year capital improvement program. Re-evaluating near-term decisions to move those of highest value to the front can serve as the poster child for a broader initiative to bring greater transparency, performance and accountability to the project-selection process.

Nationally, voters want more accountability from government and want government to make better use of the money it has. In Colorado, voters are skeptical of the state's ability to use its money well. Redesigning the project-selection process so that projects are selected on the basis of clear and transparent criteria would help address this credibility gap. It would also show that the new leadership is willing to break with past practices to get better returns on the money the government does have.

Recommended criteria include:

- Cost-effectiveness;
- Impact on mobility, access and transportation choices;
- Ability to create jobs in the near term and jobs and economic activity in the long term; and
- Effect on long-term system costs and tax burden.

"It is of particular importance in these times of severe fiscal constraint that we invest scarce public resources more wisely and efficiently, in order to maximize the reach and impact of what we spend...Otherwise we will continue to get the same results: deteriorating infrastructure marked by unacceptable compromises to safety as well as worsening performance, especially growing congestion."

Bipartisan Policy Center's National Transportation Policy Project and the National Surface Transportation Infrastructure Financing Commission

In 2009, McKinsey and Company conducted a study of potential investments in Metro Atlanta finding:

\$220 million invested in demand management created \$40 billion in incremental benefits

\$26 billion in road investments created \$40 billion in incremental benefits

Better coordination with development (deemed to be **virtually cost free**) created \$40 billion in incremental benefit



Smart Growth America advocates for people who want to live and work in great neighborhoods. We believe smart growth solutions support thriving 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.

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. Visit us online at www.smartgrowthamerica.org.

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