

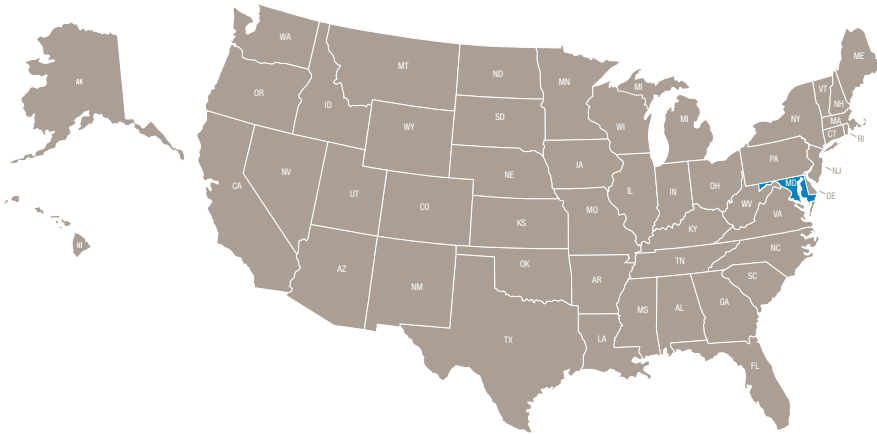


Smart Growth America
Making Neighborhoods Great Together

Maryland

Smart Transportation:
Save Money and Grow the Economy





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



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Smart Transportation: Save Money and Grow the Maryland Economy

Maryland's budget and economy face significant challenges. These challenges create the opportunity and the imperative to ask if we're getting everything we can from our spending.

Voters don't think the current approach is working. Polling in Maryland finds that people don't trust the state with their money. Only 17 percent of Marylanders think the government spends money wisely; 79 percent think the state does only a fair or poor job.

Marylanders think there is a better way. Sixty-eight 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 those hopes a reality.

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

The Need:

Maryland is a national leader in prioritizing spending to maintain its roads and bridges and investing in a complete, multi-modal transportation system. Maryland showed its leadership again in wise programming of stimulus funds.

But, Maryland also faces some hard realities.

- Total annual repair and maintenance needs exceed current annual repair and maintenance spending.
- More than half of Maryland's roads are not in "good" condition. Eight percent of Maryland's bridges are structurally deficient.
- Meeting Maryland's mobility, growth, and environmental goals will require billions in new investment, exceeding current Trust Fund revenues.

The Smart Solution:

By making fiscally responsible choices and spending state budget money strategically, Maryland can save money, create jobs, preserve the transportation system, and make Maryland a more welcoming business climate.



1. Maintain and repair existing roads and bridges

Especially in the recent past, maintaining roads and bridges has been a priority in Maryland. **Spending on repair and maintenance is a good investment; it saves money for the state and its citizens, is a superior job creator and is very popular.**

According to the American Association of State Highway and Transportation Officials, \$1 spent keeping a road in good condition avoids \$6-14 to rebuild one that has deteriorated. Poor roads add an average of \$425 to the annual cost of owning a car in Maryland.

The O'Malley Administration has committed to impressive investments in transit. However, the state is also considering numerous new road projects at a time when it has not identified funding for current needs.

It is critical that Maryland maintain its commitment to maintenance, repair, and transportation choices for its citizens. Failing in this commitment would substantially increase future costs. These would have to be paid for with higher taxes or substantially increased debt.

Per dollar, repair produces 16 percent more jobs than new road construction. The Maryland Department of Transportation (MDOT) would be wise to take full advantage of that lesson, by decreasing spending on new highway capacity, and shifting toward projects that create jobs and improve pavement quality.

In addition, now is the time for Maryland to prepare for a future with a smaller percentage of drivers and higher energy prices. That means investing to meet the demand for:

- Public transportation;
- Telework; and
- Biking and walking.

These shifts will help set MDOT on a sustainable fiscal path, and help pull Maryland out of the recession.

Without a renewed commitment to maintenance and repair, the state is ensured worsening roads — with attendant safety problems, cost to Maryland families for car repairs, and a loss of economic competitiveness as businesses target states with better freight and personal mobility.

Road and Bridge Assets and Annual Repair Needs

MDOT Major Roads in “Poor” Condition (lane miles)	2,587
Structurally “Deficient” Bridges	363 (8%)
Total Annual Road and Bridge Maintenance Cost	\$622,154,222
Total Annual Cost for 20-year Road and Bridge Repair Program	\$54,004,563
Total Annual Maintenance and Repair Costs	\$676,158,785
Actual MDOT Annual Spending on Maintenance and Repair (2004-2008)	\$578,532,054

Maryland voters who said they would feel more positive toward their governor if he favored a transportation plan that:

- Repaired and maintained roads and bridges: 74%
- Built new roads and bridges: 37%

Maryland voters who believe spending produces good value:

- Repairing and maintaining roads and bridges: 83%
- Expanding transit and other choices: 71%
- Expanding roads: 42%

More than 95% of all voters in Maryland say maintenance and repair should be a “top” or “high” priority for state transportation funding in 2011.

2. Revisit near-term spending decisions and long-term project selection

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

Many projects have spent years in the 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 Marylanders that the state's leadership is responding immediately to the current economic and fiscal realities.

Operationally, this means MDOT should update 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 Maryland, voters are skeptical of the state's ability to use their money well. Redesigning the project selection process so that projects are selected on the basis of clear and transparent criteria would help to address this credibility gap. It would also show that leadership is willing to break with past practices to get better returns on the money the government does have.

Possible criteria include:

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

"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 evaluated potential transportation investments in Metro Atlanta, finding:

\$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

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

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

- Pricing – enact corridor pricing, parking cash-out, and pay-as-you-drive insurance.
- 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 Maryland has available for new capacity, **the state could set aside a portion 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 Maryland 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.”

Letting people travel for less stretches MDOT dollars. Transit ridership figures, telework participation, and polls all tell the same story: people want more choices and will use them when made available. The good news for a budget-strapped DOT is that most of the options they want cost much less than building new roads, are safer, and create more jobs.

Build Maryland's Cost-Saving Programs

Telework can get Marylanders to work for less.

Maryland has a strong telework program, but the state can do much more. Minnesota DOT, for example, recognizes that it is much cheaper to accommodate peak demand with wires than lane miles. MnDOT's eWorkPlace program serves employers ranging from 20 to 8,000 employees, 18 percent of whom participate. eWorkPlace reports a reduction of more than 30 percent in peak period trips, and a 46 percent reduction in Vehicle Miles Traveled.

Employers reported increased productivity, better retention, and reduced absenteeism. In short, the program is business friendly, and the cheapest, safest way to accommodate demand.

Safe Routes to School (SRTS) might be the single most popular, cost-effective, and safety-enhancing transportation program in the country. In addition to significant safety benefits, SRTS reduces rush hour traffic. Maryland has a good record of spending federal Safe Routes to School funds, but the vast majority of state communities do not enjoy its benefits yet. And unlike many states, Maryland spends no additional (non-federal) funds on SRTS.

Walking and biking moves Marylanders for less.

Walking and biking is the least costly transportation, for both infrastructure and operations. In 2002, MDOT adopted a bike/ped master plan committed to making Maryland “the best state for bicyclists and pedestrians.” Yet in 2009, Maryland ranked:

- #35 in fewest bike and ped fatalities
- #45 for per capita funding for bike/ped (MD contributes 0.7% of its transportation dollars to bike/ped)
- #40 in percentage of transportation dollars dedicated to bike/ped.

Not pursuing these kinds of programs aggressively generates congestion that doesn't need to be there and increases MDOT's costs and need for taxes.

4. Fund the biggest job creator: public transportation

Investments in public transportation create almost twice the jobs that new highways do, help others get to their jobs, and attract private sector investment – creating still more jobs.

Historically, public transportation investments create 31% more jobs per dollar than road investments. In the recent stimulus, transit produced twice as many jobs per dollar as roads. MDOT should invest in public transportation, both in the Baltimore and Washington metropolitan areas, and throughout the rest of the state.

These strategic investments should include:

Shifting existing resources to restore service and hold the line on fares statewide.

When people use public transportation, they save themselves and everyone else money. Maintaining and increasing those savings is a critical part of cost-effectively improving Maryland's transportation system. From Allegheny County to Howard County, Maryland's public transportation agencies have cut service and/or raised fares in the last two or three years — some during periods of record ridership. Residents of small towns and rural communities in particular are increasingly stuck without transportation options to get to work and without services as agencies cut back on rural Maryland service.

These fare increases and service cuts disproportionately impact low-income workers. Providing the necessary resources will enable low-income workers to get to their jobs.

Funding the timely build out of Baltimore and Washington-area regional public transportation:

- Begin by moving aggressively on the proposed Purple Line expansion to the Metro system and extending the existing Baltimore Red Line;
- Invest in building out the regional system by funding the MARC Investment Plan, and the Corridor Cities Line;
- Fund regional transit providers, such as Delmarva Community Service, that provide transit options in rural areas; and

- Accelerate renewal of the Northeast Corridor Tunnel through Baltimore and establish it as a national transportation priority.

These will grow Maryland's economy – creating more jobs, faster, than any other public infrastructure investment.

Public Transportation is Popular in Maryland

Of Marylanders polled in late 2010:

- **64%** said 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.”
- **61%** 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.”
- **71%** said that “buses, carpools, light rail, van service, and commuter rail were a good or very good value for the cost.”



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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