

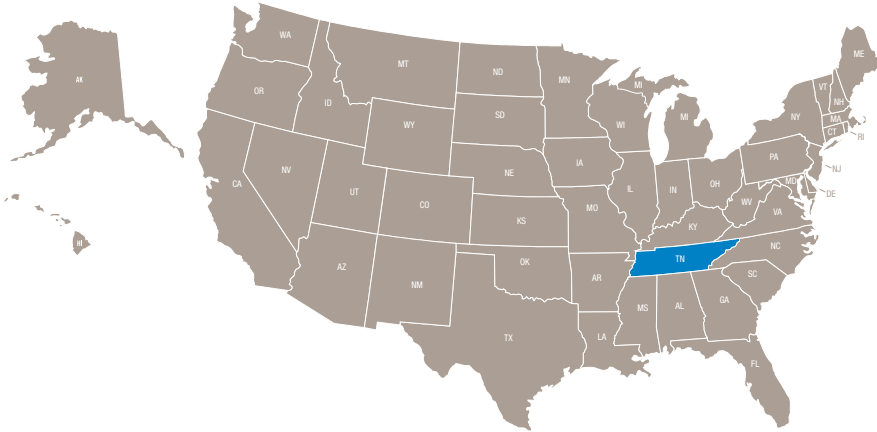


Smart Growth America
Making Neighborhoods Great Together

Tennessee

Smart Transportation:
Save Money and Grow the Economy





Keep Tennessee 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 Tennessee Economy

Like the rest of the country, Tennessee'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.

Right now, voters don't think the current fiscal approach is working. Polling in Tennessee shows people are dissatisfied with the economy and believe the state is on the wrong track. People don't trust the state with their money. Only 20 percent of Tennesseans think the government spends money wisely, while 76 percent think the state does a fair or poor job.

Tennesseans do think there is a better way. Sixty-nine 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." Tennessean 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, 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 Situation:

In many ways, Tennessee is an example for the rest of the country. The state has taken important steps to develop a balanced and fiscally accountable transportation program, including a pay-as-you-go policy that has kept itself out of debt. Clearly, there is a sea change in the Tennessee Department of Transportation's (TDOT) approach to transportation planning with initiatives such as:

- Plan Go;
- Implementation of the Tennessee Environmental Streamlining Agreement among federal and state agencies to coordinate environmental inclusion at all stages of project development;
- Participation in the National Governors Association's Policy Academy on Shaping a New Approach to Transportation and Land Use Planning and the Smart State Transportation Initiative; and
- Adoption of a Complete Streets Policy.

The Smart Solution:

Tennessee is at a crossroads. By making fiscally responsible choices about the state's transportation priorities, Tennessee can save money and create jobs, as well as help preserve its transportation system and make Tennessee 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 money, saves citizens money, is a superior job creator, and is very popular. According to the American Association of State Highway and Transportation Officials every

\$1 spent keeping a road in good condition avoids \$6-14 to rebuild one that has deteriorated. Poor roads add an average of \$335 to the annual cost of owning a car – in some cities an additional \$740 more – due to damaged tires and suspensions, and reduced fuel efficiency.

While TDOT efforts and the relative newness of Tennessee’s transportation system have masked the impacts, insufficient investment has already led to a backlog of roads and bridges in poor condition that will require \$102 million annually over the next 20 years to address.

Published TDOT forecasts used for capital planning show a steep decline in transportation revenues. It is clear that tough decisions regarding Tennessee’s transportation improvement program will need to be made.

Tennessee’s fiscally responsible transportation investment would be to fund, to the extent possible, the \$1.7 billion in annual maintenance currently needed to keep the road and bridge system in its present condition.

Tennessee does not have sufficient revenues to fully fund that maintenance. While there will have to be strategic investments in new facilities to position Tennessee for economic growth, prioritizing system preservation will save Tennessee taxpayers hundreds of millions of dollars, while slowing the deterioration of roads and bridges. The investment in maintaining infrastructure will also pay off in job creation. Numerous studies have found that maintenance and repair creates more jobs than new roads.

Without a renewed commitment to system maintenance and repair, the state is ensured a network of declining quality – with attendant safety problems, additional cost to Tennessee families for car repairs, and a loss of economic competitiveness as businesses target states with better freight access.

Road and Bridge Assets and Annual Repair Needs

TDOT Major Roads (lane miles)	36,667
TDOT Major Roads in “Poor” Condition (lane miles)	1,755
Deficient Bridges	1,220 (6%)
Total Annual Road and Bridge Maintenance Cost	\$1,552,551,348
Total Annual Cost for 20-year Road and Bridge Repair Program	\$102,329,243
Total Annual Maintenance and Repair Costs	\$1,654,880,592
<i>Actual</i> TDOT Annual Spending on Maintenance and Repair (2004-2008)	\$198,785,506

\$1 billion spent on fixing existing highways creates 16 percent more construction jobs than new road construction.

59% of Tennesseans believe fixing roads and bridges should be the top priority for the state (30% chose expanding transit and other choices, 11% chose expanding roads).

Most voters in Tennessee – including **55%** 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 others get to their jobs, and attract private sector investment—creating still more jobs. TDOT should invest strategically in public transportation in major 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. 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.

Funding the timely build out of regional transit systems statewide. For example, in Middle Tennessee there are major studies underway looking at new mass transit corridors between Nashville and Gallatin (the “Northeast Corridor”) and between Nashville and Murfreesboro (the “Southeast Corridor”). The Metropolitan Transit Authority has just initiated an alternatives analysis for a high-capacity transit solution along the Broadway-West End Corridor, connecting downtown Nashville with commercial, retail, and residential developments, including Vanderbilt University and two major health care clusters. The Chattanooga, Knoxville, and Memphis areas all have similar regional transit corridors under development.

These projects will put transit at the forefront of growing the state’s economy – creating more jobs faster than any other public infrastructure investment. Other states 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.

Continue partnerships with local governments to implement public transportation initiatives.

Public transportation in Tennessee is not just the purview of large metropolitan communities. For example, the Upper Cumberland Human Resource Agency (UCHRA) recently received an award from the Federal Transit Administration for Outstanding Public Service for rural transportation, one of only six awards given nationally. In response to a growing public demand, UCHRA successfully implemented fixed route and demand-responsive transit services, promoting technology and multi-modal mobility for students, workers, shoppers, and visitors to its communities and neighborhoods. UCHRA was nominated for the award by TDOT, which assisted with obtaining federal funding and planning for the system.

Public Transportation is Popular in Tennessee

Of Tennesseans polled in late 2010:

75% 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.”

57% of those polled 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.”

64% 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 many ways to solve transportation problems. While leaders often resort to the old standby of building large pieces of infrastructure, there are under-used alternatives to consider.

- System management—develop ramp metering, improved stoplight timing, better incident management, and improved local road network connections.
- Pricing—enact corridor pricing, parking cash-out, and pay-as-you-drive insurance.
- Better development—bring 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, **Tennessee 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 Tennessee 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 that emphasize the highest returns on investment.

Successful Regional Approaches and Partnerships in Land Use/ Transportation Projects Across Tennessee

Strong state and regional projects that are making a difference in two of Tennessee's fastest growing and desirable regions:

Middle Tennessee/Nashville Region - TDOT has successfully partnered with Cumberland Region Tomorrow (CRT) and other state departments, including Tennessee Departments of Agriculture, Wildlife Resources, Economic and Community Development/ Local Planning and Advisory Committee on Interagency Relations, and several departments at the University of Tennessee, on the first regional **Quality Growth Toolbox Pilot Project**. Through this project, CRT developed and successfully piloted new Quality Growth community outreach, training, and technical assistance tools and resources in seven of the ten counties in this region, resulting in new Comprehensive Plans and/or updated land use and transportation plans. These new local Comprehensive Plans are in keeping with CRT Quality Growth and new federal Livable Communities Principles. They are creating new local integrated land use and transportation frameworks for growth and development planning and decision making across this region. Through leadership among member governments involved in the Middle Tennessee Mayors Caucus and the Nashville and Clarksville Metropolitan Planning Organizations (MPO), these updated Comprehensive Plans are creating a modern platform that will support and make the most of future regional transportation and transit investments, greatly enhancing this region's livability and economic vitality.

East Tennessee/Knoxville Region - The Knoxville MPO, in conjunction with the City of Knoxville, received a \$4.7 million 2010 HUD Regional Planning Grant award that will support their efforts to create a new regional vision and sustainable development plan for the five-county Knoxville region. Through planned steps and adequate funding of this grant project, this region of Tennessee will benefit greatly from the creation of new regional public/private partnerships and integrated land use and transportation planning that will help address future growth and development and social equity issues.

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

Tennessee’s economy and transportation revenue situation demand that investment decisions made prior to the recession be revisited. The capital spending proposed in the TDOT draft 2011-2014 State Transportation Improvement Program (STIP) is based on revenue forecasts of \$1.8-\$2.5 billion annually, but the state of the economy and the uncertainty regarding federal transportation funding suggest that this forecast may be unrealistic. Many projects in the STIP have spent years in the project development “pipeline” and their original purpose, at this point, may have been forgotten, no longer applies, or does not meet today’s need for higher return on investment. Revisiting these spending decisions will show Tennesseans that the state’s leadership is responding immediately to current economic and fiscal realities.

Operationally, this means TDOT 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 Tennessee, voters are

“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

skeptical of the state’s ability to use its money well. Redesigning the project selection process so that projects are chosen 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.

Possible project 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 Tennessee.

In 2009, McKinsey and Company studied 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



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.

1707 L St. NW Suite 1050, Washington, DC 20036
202-207-3355

www.smartgrowthamerica.org

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