Pennsylvania

Smart Transportation: Save Money and Grow the Economy
Keep Pennsylvania Moving in the Right Direction

Save Money by Taking Better Care of What You Have

1. Continue to dedicate funding to maintain and repair existing roads and bridges.

Grow the Economy by Making Your Investments More Strategic

2. Fund the biggest job creator: public transportation.

3. Spark innovation and cost-savings through a competitive transportation solutions program rooted in asset management strategy and Smart Transportation principles.

4. Apply Smart Transportation principles to take an aggressive position on spending decisions and the project selection process to improve transportation outcomes, add jobs, and grow Pennsylvania’s economy.
Smart Transportation:
Save Money and Grow the Pennsylvania Economy

Like the rest of the country, Pennsylvania’s state budget and economy face significant challenges. These challenges also create the opportunity – indeed the imperative – to revisit existing programs and ask if Pennsylvania is really getting everything it can from them.

Pennsylvania has outperformed most other states in the nation in the Smart Transportation arena, due in part to good decisions made by the state government. But the state can do even better by reassessing transportation priorities and applying even more innovative ideas to keep Pennsylvania in a leadership position.

Americans want to rebuild their economy. In a recent survey by Hart Research Associates, 68% 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 their 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 Need:
Pennsylvania has made a sincere commitment to improving its transportation systems through the development of long-term spending plans, transparent project selection processes, and investment in public transit. The state has also made wise investments, specifically by increasing annual spending on repair and maintenance in recent years.

However, declining revenues will reduce the state’s ability to maintain its facilities in a state of good repair. Without the continuation of current efforts and prioritization on repair and maintenance, Pennsylvania will see a:

- Deteriorated road network
- Inadequate and uncompetitive transit network
- **Six- to ten-fold increase in repair costs** resulting from neglect and deferred maintenance

The Smart Solution:
Pennsylvania is at a crossroads. While there is still an unmet funding gap between revenue and identified needs, the state can make strategic decisions to leverage existing assets to get the highest return on its investment. By making fiscally responsible choices about the state’s transportation priorities, Pennsylvania can not only save money and create jobs, but it can also help preserve the transportation system and create a more welcoming business climate on the mid- and long-term horizons.

“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
1. Continue to dedicate funding to 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 among voters. According to the American Association of State Highway and Transportation Officials (AASHTO), every $1 spent to keep a road in good condition avoids $6-14 needed later to rebuild the same road once it has deteriorated. In addition, 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 Pennsylvania has invested heavily in repair and maintenance in recent years, insufficient investment over the long-term has led to a backlog of roads and bridges in “poor” and “deficient” condition requiring $509 million annually in major rehabilitation costs over the next twenty years.

Funding, to the extent possible, the annual maintenance need to keep Pennsylvania’s road and bridge system in a state of good repair - currently $3.4 billion - is the most responsible transportation investment the state can make.

Pennsylvania should strive to fully fund the annual repair need or as much of it as possible based on near-term highway revenue forecasts. While there will certainly have to be some strategic investments in new facilities to position Pennsylvania for economic growth, prioritizing system preservation will save taxpayers hundreds of millions of dollars while improving road and bridge conditions. The investment in maintaining infrastructure will also pay off in job creation. Numerous studies find that maintenance and repair creates even more jobs than building new roads.

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

<table>
<thead>
<tr>
<th>Repair Costs for Road and Bridge Network</th>
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<tbody>
<tr>
<td>PennDOT state-owned major roads (lane miles)(^1)</td>
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<tr>
<td>Lane miles in “poor” condition(^2)</td>
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<td>“Structurally deficient” bridges(^3)</td>
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<tr>
<td>Annual preventative maintenance needs for road/bridge network(^2)</td>
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<tr>
<td>Annual major rehabilitation needs for “poor” and “deficient” roads/bridges(^2)</td>
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<tr>
<td>Total annual road/bridge repair need(^2)</td>
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<tr>
<td>Past PennDOT annual investment in repair (2004-2008)(^1,4)</td>
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\(^1\) Source: 2008 FHWA Highway Statistics Report
See endnotes for definitions.

\(^2\) As calculated by Smart Growth America based on data available from FHWA. “Poor” and “deficient” road/bridge rehabilitation costs were annualized over 20 years.

\(^3\) Source: 2009 FHWA “Highway Bridge by Owner.” Includes bridges owned by state, county, town or township, and city or municipal highway agencies.

\(^4\) PennDOT’s road/bridge repair spending increased in 2009 and 2010 due to the American Recovery and Reinvestment Act (ARRA).

$1 billion spent on fixing existing highways creates 16% more person-years of construction jobs than new road construction.

51% of voters believe fixing roads and bridges should be the top priority for the state (33% chose expanding transit and other choices, 16% chose expanding roads).

Most voters – 59% – 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 highway investments do, help others get to their jobs, and attract private sector investment, creating still more jobs. Pennsylvania should invest strategically in public transportation statewide.

Specifically, it should ensure mobility choices by creating growing and sustainable funding for public transit service and holding the line on fares. To address budget shortfalls, especially with the $472 million funding gap in Act 44, the state’s transportation funding law, transit agencies across the state have proposed both fare increases and service cuts that disproportionately impact lower-income households. From 2004 to 2008, the state of Pennsylvania’s annual contribution toward transit budget needs averaged 42% of the statewide total, the 5th highest in the nation. Pennsylvania should continue to support transit budgets and seek to increase the overall funding in order to fortify and expand transit choices. It will go a long way in creating jobs and boosting regional and state economies.

Every $1 billion of ARRA dollars invested in new public transportation projects produced 16,419 job-months, compared to 8,781 job-months produced by highway infrastructure projects.

Using state resources to bridge transit budget shortfalls would allow Pennsylvania’s workforce to access employment opportunities. It would also increase critical access in rural communities and support key economic centers of the state, where commuters, senior citizens, and those with limited transportation alternatives rely on transit for daily needs. The demand exists in the state. In a recent poll on Pennsylvania’s transportation system, 67% and 62% of respondents believed that allocating funding to “expand the availability of transportation services for seniors and the disabled and for lower and middle income workers to get to jobs or training,” respectively, is very important.

In addition to channeling state funds to keep transit moving, the flexible funding provision in the national transportation act allows states to transfer federal Surface Transportation Program (STP) funds toward public transportation needs. Pennsylvania should develop a plan to build support for transit over the next four years in order to feed the state’s economy.

These investments would 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 investment. 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 has seen more than $4.2 billion in development at light rail station areas, and Portland has seen over $4 billion in development adjacent to its streetcar.

Public transportation is popular with voters

November 2010 National Poll by Hart Research Associates:

73% of those polled rated “the number of jobs created in the long term that would remain in [my] community” as the most important factor in developing the state transportation plan.

61% regardless of their party affiliation (and 57% of Independents) said they would feel more positively about a Governor who favors a plan that “provides more choices such as buses, carpools, light rail, van service, and commuter rail.”

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

March 2010 Pennsylvania Transportation Survey by Public Opinion Strategies and Fairbank, Maslin, Maullin, Metz & Associates:

76% agreed “Pennsylvania would benefit from an expanded and improved public transportation system, such as rail and buses.”

73% of respondents considered keeping public transportation affordable for all users as a very important service.
3. Spark innovation and cost-savings through a competitive transportation solutions program rooted in asset management strategy and Smart Transportation principles

There are many ways to solve transportation problems. While many leaders fall into the old standby of building large pieces of infrastructure, there are under-used alternatives to consider.

Continue to fund the Pennsylvania Community Transportation Initiative (PCTI) to spur local innovation. PCTI is a transformative program and serves as a model for PennDOT and other state transportation departments to follow. There is a significant demand for “livability” programs like PCTI; the overwhelming number of grant applications shows that Pennsylvanians want to improve their communities through transportation investment and land use planning. To fund local projects in the future through PCTI, the state could set aside a portion of its federal and state revenues for places that want to pursue innovative least cost solutions to transportation problems from the funding available for new capacity. Coordinating land use and transportation investment is at the heart of PCTI and it saves money, improves asset management, creates jobs, spurs private sector investment, and increases quality of life. Meanwhile, it is critical to balance such non-highway investments with maintaining and repairing existing roads and bridges.

Additional strategies to utilize:

- **Pricing** — corridor pricing, parking cash-out, pay-as-you-drive insurance, and parking pricing
- **Demand management** — telecommuting, alternate work schedule, employee commute programs, and car and bike sharing
- **Biking and walking networks** — connections that provide simple, low cost solutions for many of the short trips people take every day
- **System management** — ramp metering, improved stoplight timing, better incident management, and improved local road network connections

Among transportation professionals it is widely acknowledged that these techniques are quite often cheaper and more effective than either a road or a transit solution. It is also true that most governments underutilize these low-cost strategies, leaving significant benefits on the table.

**Smart Example: Point Park University’s Academic Village Initiative**

The Academic Village Initiative at Point Park University in Pittsburgh received a $3.95 million grant from PCTI in 2009 to support the implementation of the Wood Street Corridor Plan; this was the largest of the 50 awarded grants across the state. The 18-month construction project, which began in October 2010, seeks to upgrade, enhance, and revitalize the streetscapes of Wood Street, one of Point Park University’s main streets. The grant will allow the project to mill and resurface the street, install sidewalks and curbs to increase pedestrian safety and accessibility, and add new signaling systems and distinctive pedestrian street lighting.

**What are the economic benefits?**

It is projected that the Wood Street Corridor plan will generate 83 full- and part-time jobs and $10 million in total economic output over the course of the project. Furthermore, $6 million will be added in value to the local economy.

The Wood Street Corridor Plan is a great example of a sustainable transportation and land use project that is based on local innovation to improve livability, mobility and access, and overall operation of the transportation system. Projects like these are showcases of how non-highway investments can spur economic growth and private investment, which in return can save money.

Source: Academic Village Initiative, Point Park University. www.pointpark.edu/About/AcademicVillageInitiative.
4. Apply Smart Transportation principles to take an aggressive position on spending decisions and the project selection process to improve transportation outcomes, add jobs, and grow Pennsylvania’s economy.

**Pennsylvania is leading the country in directing its capital outlay to repair and maintenance, consistently revisiting its long-range plan, and having a transparent project selection process.** The state has made vast improvements in increasing its investment in repair while decreasing its capital outlay on new capacity. PennDOT’s continuous commitment to maintaining existing infrastructure should be greatly commended.

**Pennsylvania still has a long way to go in fully repairing its deteriorating infrastructure.** Considering current economic and fiscal realities, as well as the state’s extensive and significantly old infrastructure system, Pennsylvania should continue to take an aggressive position in the next several years by prioritizing and accelerating the rehabilitation of its roads and bridges to avoid the increased cost of deferred maintenance.

Nationally, voters want more accountability from the government and want it to make better use of the money it has. Pennsylvania should maintain its commitment to selecting projects on the basis of clear and transparent criteria and to work closely with its partners to show that leaders are willing to break with past practices to get better returns on the money the government does have. In doing so, the rigor of PCTI’s project selection model could be extended to the overall transportation project selection process. Metropolitan and Rural Planning Organizations should also utilize the PCTI project selection process to develop their local Transportation Improvement Program (TIP), which will increase the potential of the projects selected to:

- Create jobs
- Boost near- and long-term regional and state economic output
- Encourage smart land use decision-making
- Increase mobility, access, and transportation choices
- Be cost-effective (i.e. provide high returns on the initial capital and subsequent maintenance burdens required by the project)

With these Smart Transportation approaches, the leaders of Pennsylvania can demonstrate to voters the ability to be fiscally responsible while growing the economy.

**In 2008, McKinsey and Company evaluated potential transportation investments in Metro Atlanta, finding:**

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<tr>
<th>Investment Type</th>
<th>Benefits</th>
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<tr>
<td>$220 million invested in demand management</td>
<td>$40 billion in incremental benefits</td>
</tr>
<tr>
<td>Better coordination with development (deemed to be virtually cost-free)</td>
<td>$39 billion in incremental benefits</td>
</tr>
<tr>
<td>$26 billion in road investments</td>
<td>$40 billion in incremental benefits</td>
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![chart](chart.png)
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 (SGA) is the only national organization dedicated to researching, advocating for, and leading coalitions to bring smart growth practices to more communities nationwide.

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Developed in partnership with:

10,000 Friends of Pennsylvania is the leading statewide voice for great places to live and work. We work with citizens, organizations and public officials to create land use, infrastructure and governance policies and practices that protect our resources and strengthen our economy.

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Sources:
Public opinion polling: Smart Growth America Nationwide Survey: Strategic findings from survey among 1,000 voters nationwide conducted November 16 – 22, 2010 by Hart Research Associates.


Methodology Memo - Determining Road and Bridge System Preservation Costs – Smart Growth America, December 2010.


Point Park University’s Academic Village Initiative, http://www.pittpointpark.edu/About/AcademicVillageInitiative.
Economic Impact of the Construction of the Academic Village at Point Park University, April 2009., http://www.pittpointpark.edu/About/AcademicVillageInitiative/media/About/AcademicVillage/economic_impact_study.pdf.


Definitions:
State-owned major roads: Urban and rural interstates, urban freeways and expressways, Urban and Rural Principal Arterials, Urban and Rural Minor Arterials, Rural Major Collectors, and Urban Collectors.

Structurally deficient bridges: Those owned by state, county, town or township, and city or municipal highway agencies.

New Capacity: Right-of-way, new construction, reconstruction (added capacity), major widening, and new bridges.

State-of-good-repair: Reconstruction (no added capacity), 3R (Minor Widening, Restoration & Rehabilitation, Resurfacing), Bridge Replacement, Major Bridge Rehabilitation, Minor Bridge Rehabilitation.