

Linking Transportation Plans & Programs – Prioritizing Projects Based on Economic Development Potential

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SW Plans -- Current Trends

- **System performance basis**
- **All modes at the table**
- **Targeted corridor investments**
- **Scenarios that highlight tradeoffs**
- **Quality of life**
- **Fix-it-first**
- **Major investments that have an economic justification**

Planning Starts With Goals

- **Safety/security**
- **Preservation**
- **Mobility**
- **Operations**
- **Feasibility**
- **Sustainability**
- **Organization/administration**
- **Freight**
- **Economic factors**
- **Environmental**

New Foundation ... Shift in Perspective

From ...	To ...
Individual modes and facilities	Complete end-to-end trip
Individual jurisdictions	Economic regions and trade corridors
Facility design standards	User-oriented service standards
Capacity and throughput	Reliability and bottlenecks
Travel time/vehicle operating costs	Business logistics and economic competitiveness
Reacting to economic growth and community/environmental impacts	Proactive planning for economic, community and environmental goals

Economic Competitiveness Principles

- **Global economy**
- **Transportation investments**
- **Transportation and land use**
- **Transportation system efficiency**
- **Logistics / modal choices**
- **Competition between modes**
- **Multimodal comparisons**

I-10 Corridor

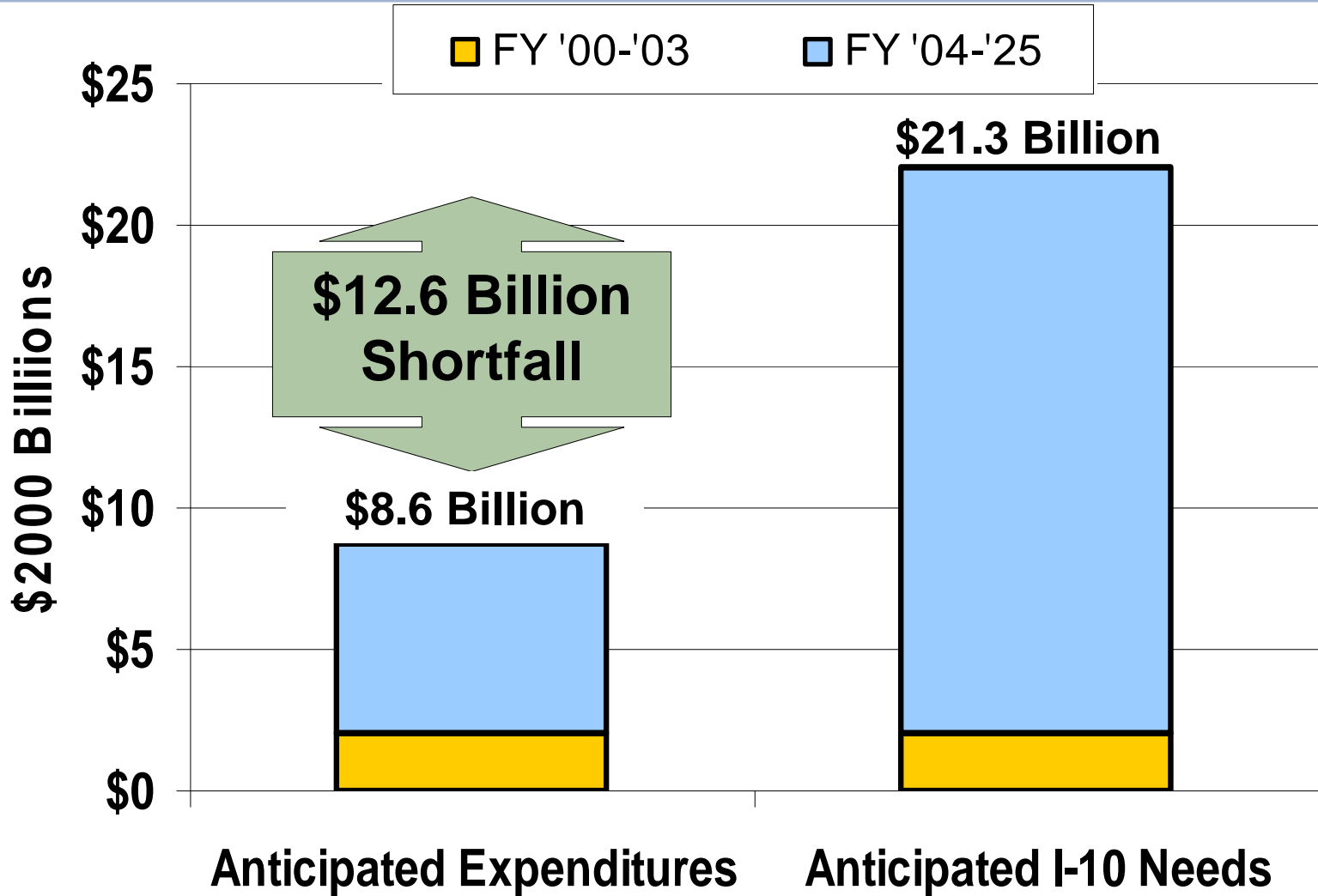
The I-10 Corridor Covers:

- 8 states
- 17 major metropolitan areas



... Serving More Than 35 Million People

Needs vs. Expenditures



ITS Scenario Benefits

Travel time savings = 82.6M VHT

Accident reduction = 1,418

CO emissions: -30,753 tons

NOx emissions: -656 tons

VOC emissions: -3,935 tons

Total savings equate to \$1.785 billion

2025
Annualized
Benefits

North Carolina

- **1995 STP**
 - **First response to federal legislation**
 - **Profile of NC system -- no long term forecast of needs**
- **2000-2004 STP Update**
 - **Provided policy guidance and strategic direction**
 - **Repeatable and data driven**
- **2006 STP Mid-Cycle Update**
 - **“Data refresh” from 2004 STP**
- **2008 Project Prioritization Process**

Revenue Forecast

Federal = \$24.7 Billion

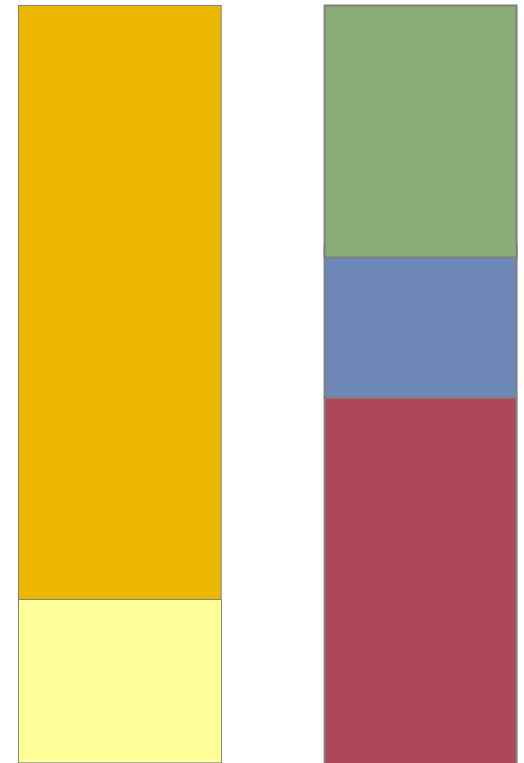
State = \$83.7 Billion

Less Expenses = - \$29.1 Billion

Lost Buying Power = - \$20.4 Billion

Net Value = \$59 Billion

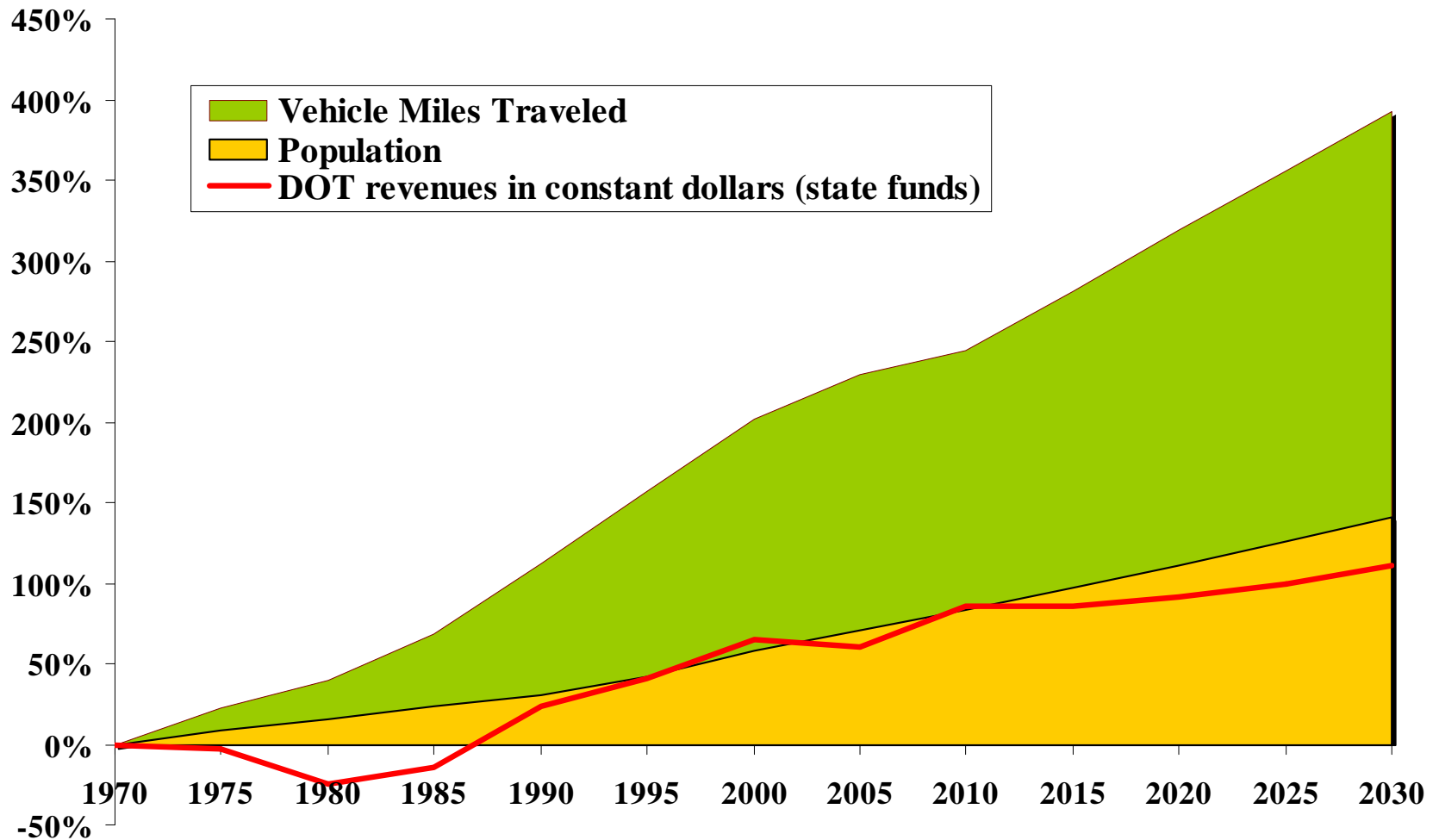
\$108.4 B



Why Did the Gap Increase?

- **Population growth**
- **VMT growth**
- **Construction cost inflation**
- **Increase in truck traffic**
- **Growing demand on system**
- **Historical revenue sources are depleting**
- **Aging infrastructure**

VMT and Population Growth



Florida SIS

- **Support Florida's economic development program**
- **Developed criteria that influence transportation's impact on economy**
- **Scoring guidelines based on quantitative measures**
- **Criteria applied to all STIP highway projects**
- **Calculation programmed in GIS tool**

SIS Goals

- **Safer and more secure transportation system**
- **Effective preservation & management of transportation facilities**
- **Increased mobility for people & freight**
- **Enhancement of economic competitiveness for Florida**
- **Enrichment of quality of life and improved environmental stewardship**

SIS Criteria

- **Safety & security (20%)**
- **System preservation (20%)**
- **Economic competitiveness (20%)**
- **Quality of life (20%)**
- **Mobility (20%)**

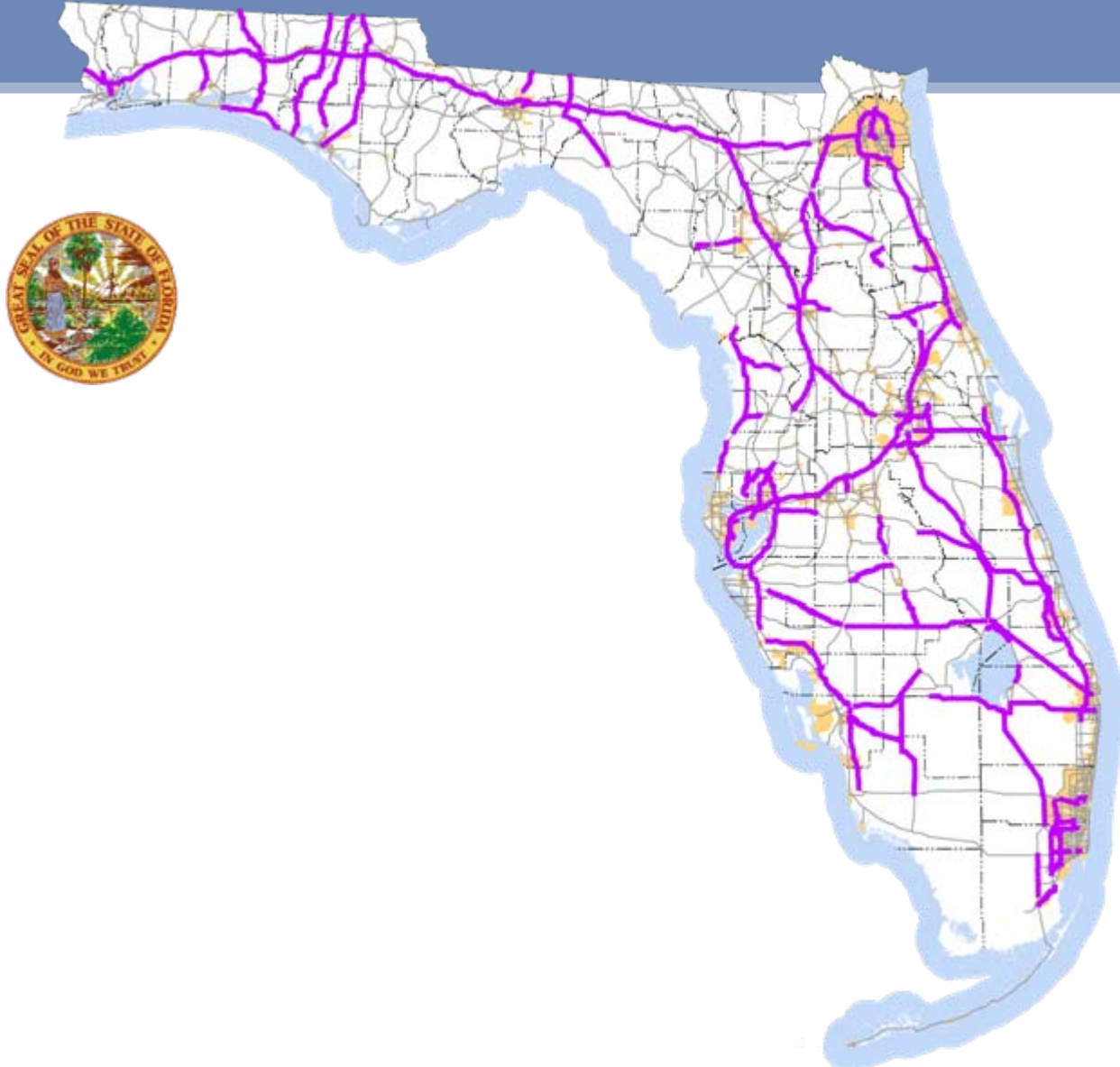
Florida SIS Economic Criteria

- **Demographic Preparedness Index**
 - **Population size and growth**
 - **Work force size and quality**
- **Primary Sector Robustness Index**
 - **Freight intensity factor**
 - **Property tax generator**
 - **Intermodal connectivity**
 - **Military base access**

Florida SIS Economic Criteria (cont)

- **Tourism Intensity Index**
 - Sales tax per capita ratio
 - Tourism asset accessibility
- **Supporting Facilities Index**
 - Higher education institutions
 - Research & development facilities
 - Government facilities
 - Medical facilities
- **Rural Areas of Economic Concern**
 - Connectivity to low growth rural areas

2030 Needs Plan



Michigan

Michigan BEST

- **Benefit Estimation System for Transportation**
- **Developed as part of 2007 long range plan**
- **Quantifies economic impact of:**
 - **investment packages**
 - **specific projects**
- **Uses travel demand modeling and REMI economic model**

Primary Features of the BEST Tool

- **User interface**
- **Data processing**
- **Parameter updates**
- **Automated calculation procedure of estimating economic impacts that includes:**
 - **Calculate direct economic impacts**
 - **Link with the economic impact model**
- **Report total economic impact and benefit cost results**

Calculation of Economic Impacts

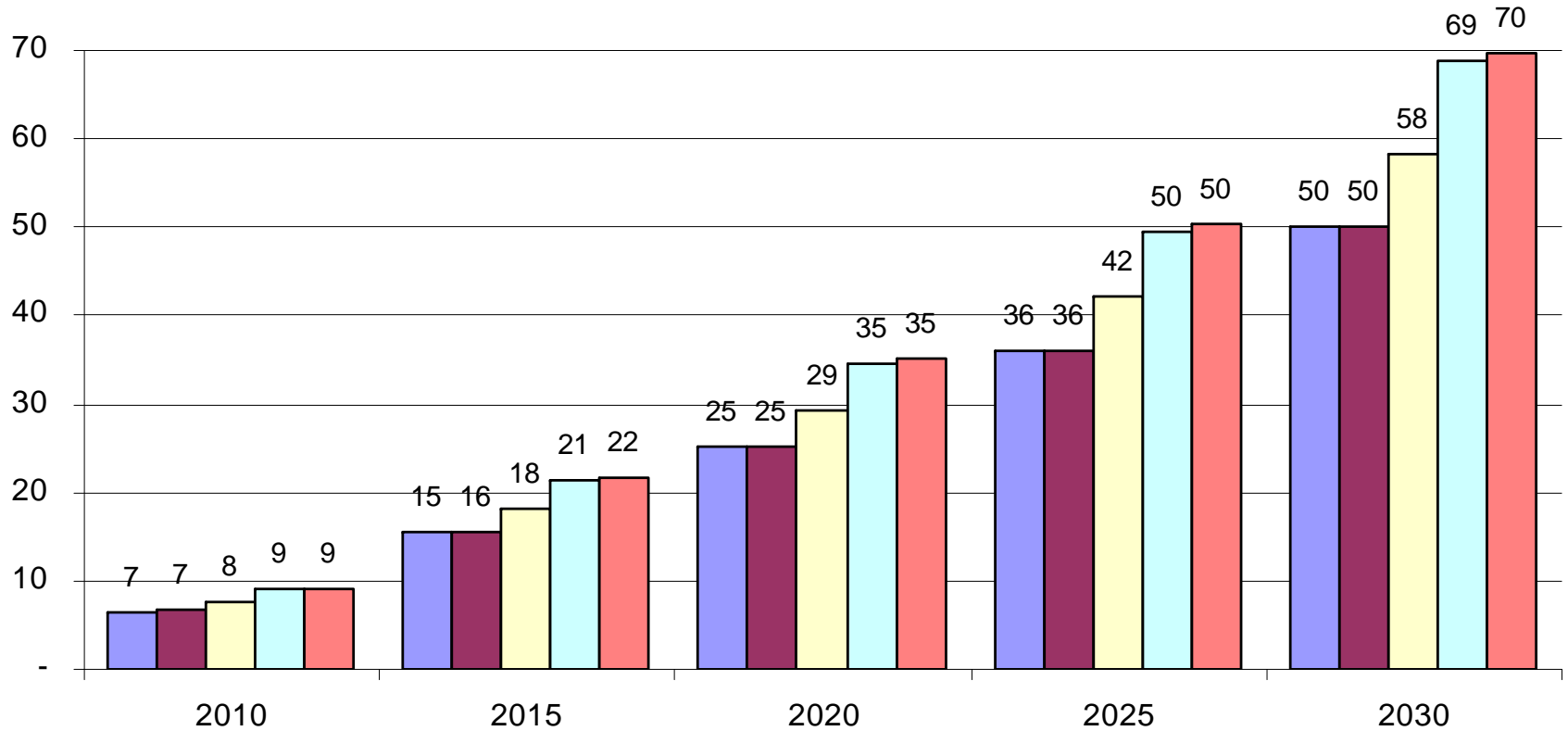
- **Direct Economic Impacts:**
 - Calculated in relation to the investment package
 - Effects from travel time savings
 - Safety cost savings
 - Vehicle operating cost savings for business travel and commercial transportation
 - Effects from investment spending and financing
- **Total Economic Impacts:**
 - Direct
 - Indirect
 - Induced economic impacts

Example Outputs

	<i>Gross Benefits</i>		
	<i>Business as Usual (BAU)</i>	<i>Investing to Achieve the Vision</i>	
		<i>Cumulative Impact</i>	<i>Change from BAU</i>
Total Employment (in thousands of Permanent full-time equivalent jobs)	30	43	13 (43.3%)
Gross State Products (in billions of \$2005)	\$50.0	\$69.6	\$19.6 (39.2%)
Personal Income (in billions of \$2005)	\$38.4	\$54.7	\$16.3 (42.4%)
Personal Travel Time Savings (in billion of \$2005)	\$22.2	\$27.1	\$4.9 (22.1%)

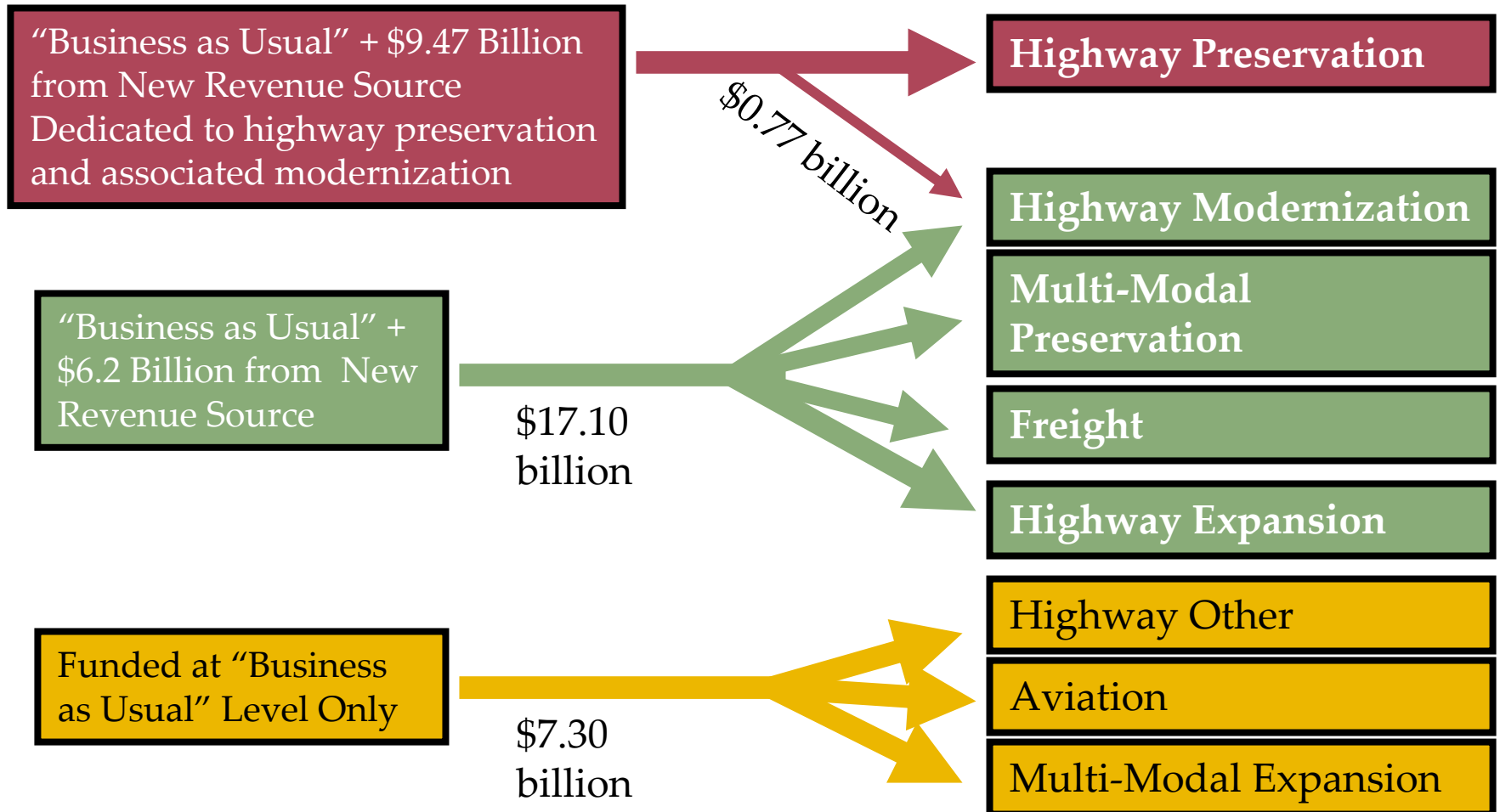
GRP Impacts of Alternative Investments

Billions \$2005



■ Business as Usual
 ■ Change Mix
 ■ Move Ahead
 ■ New Revenue
 ■ Investing to Achieve the Vision

Michigan Funding Example

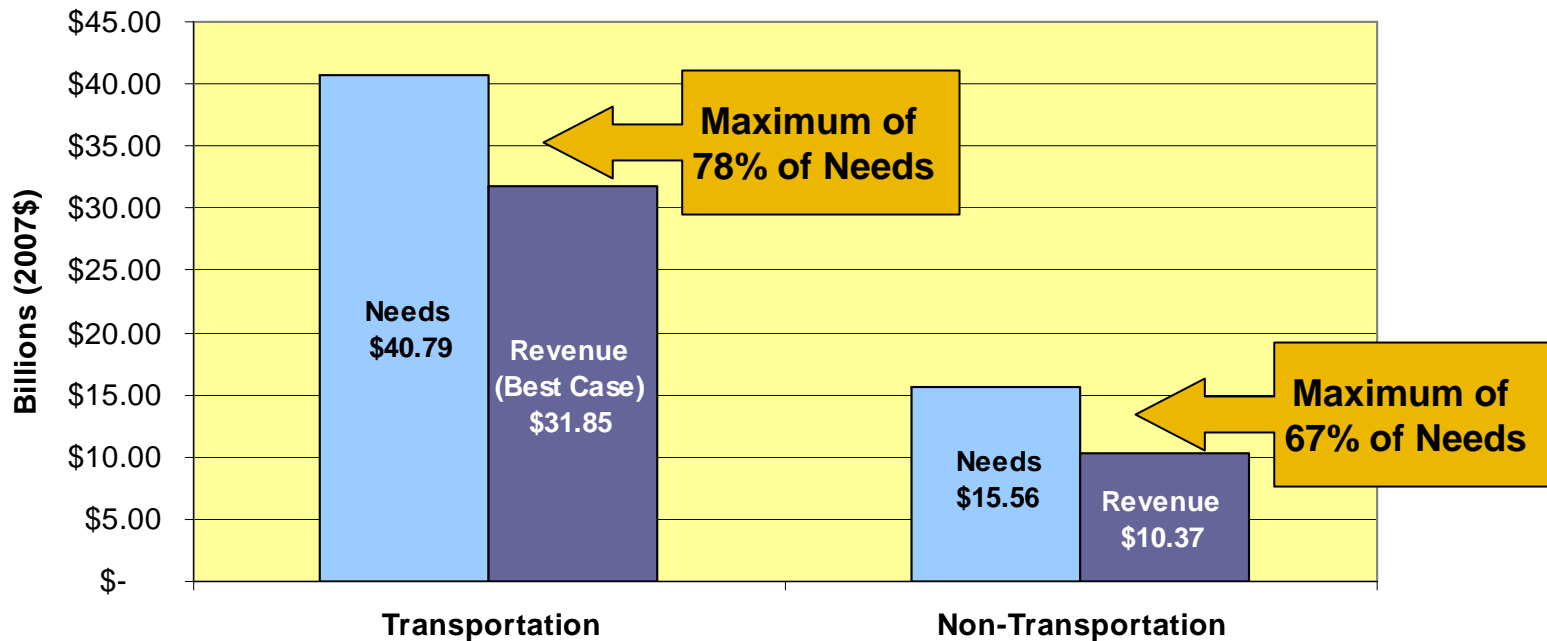


Louisiana

Financial Plan

Purpose: Compare Needs with Revenues

30-Year Forecasts (SFY09-SFY38)

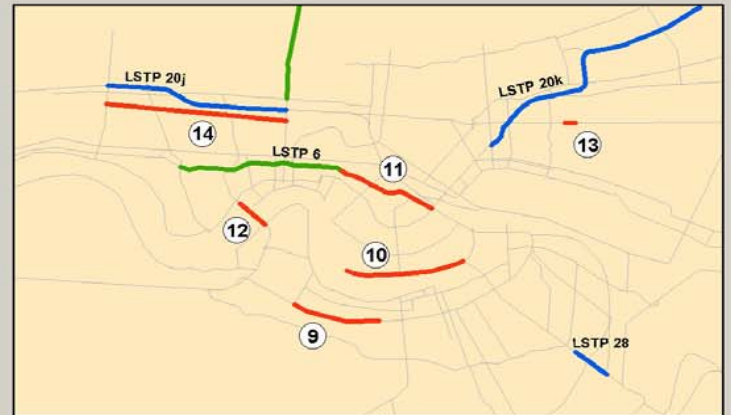
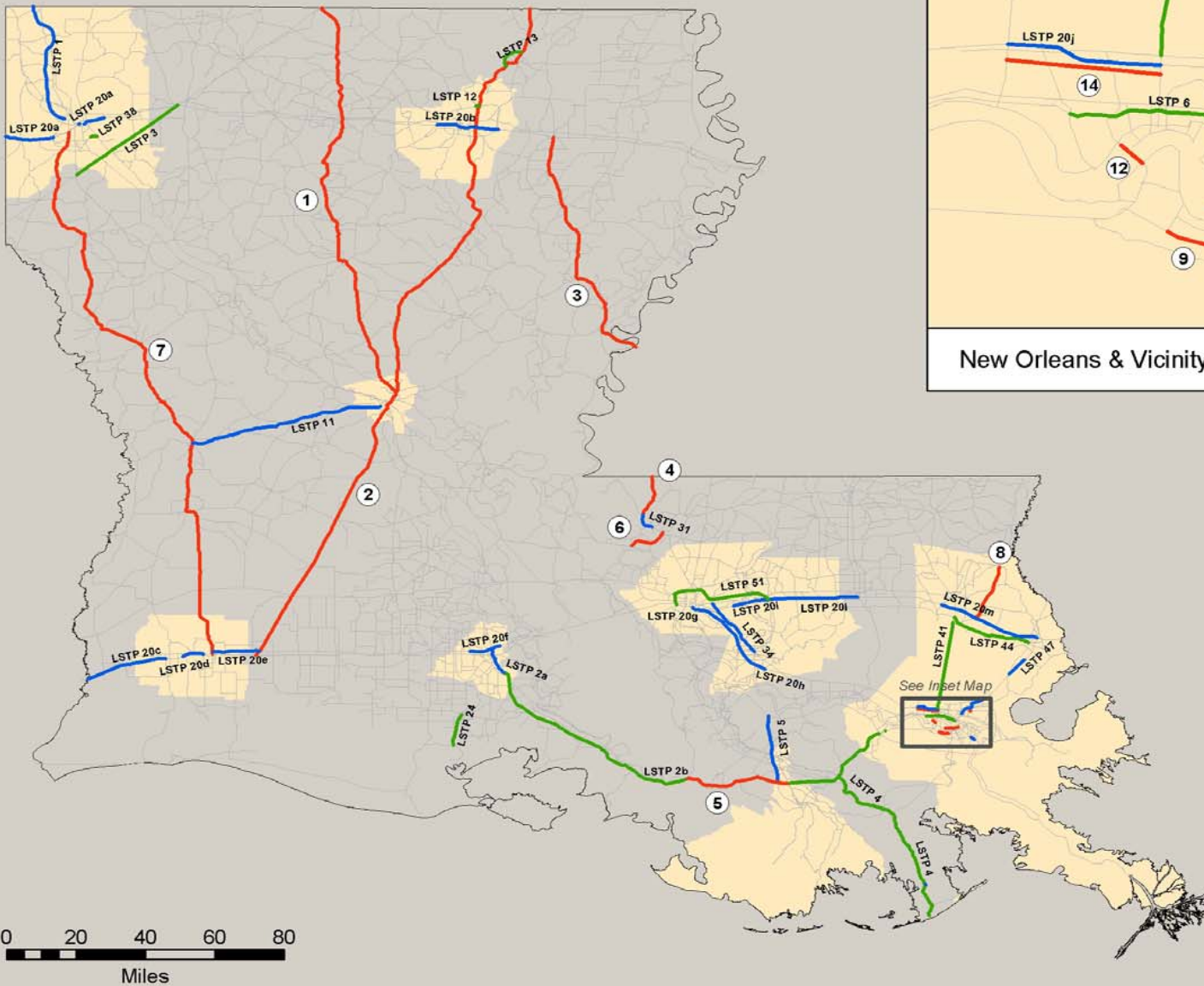


Louisiana Megaproject Criteria

- **Transportation efficiency**
- **Economic development potential**
- **Environmental impact**
- **Safety**

Economic Development Criteria

- **Attraction of new business and industry**
- **Diversification of business and industry**
- **Employment/personal income/population**
- **Generation vs. relocation of opportunities**
- **Tourism**
- **Domestic/international trade – accessibility to markets**
- **Existing state and local economic development programs**
- **Potential to serve and promote Louisiana's transportation system as strategically important to the nation's energy supply**
- **Access to educational institutions**
- **Access to existing and new industrial and commercial areas**



New Orleans & Vicinity



ID	TIMED PROJECT
1	US 167 - Alexandria to AR Line
2	US 165 - I-10 to Monroe to Bastrop
3	LA 15 - Natchez, MS to Monroe
4	US 61 - Bains to MS Line
5	US 90 - Morgan City to Houma
6	New Mississippi River Bridge at St. Francisville
7	US 171 - Lake Charles to Shreveport
8	LA 3241 - I-12 to Bush
9	Jefferson Parish West Bank Expressway (US 90 Business)
10	New Orleans Tchoupitoulas St
11	Earhart Boulevard - Orleans Parish to Loyola Ave.
12	Huey P. Long Bridge (US 90)
13	New Florida Avenue Bridge over Industrial Canal
14	W Napoleon (Jefferson Parish)

- Priority A Projects
- Priority B Projects
- TIMED Projects
- 7 TIMED Projects ID Number

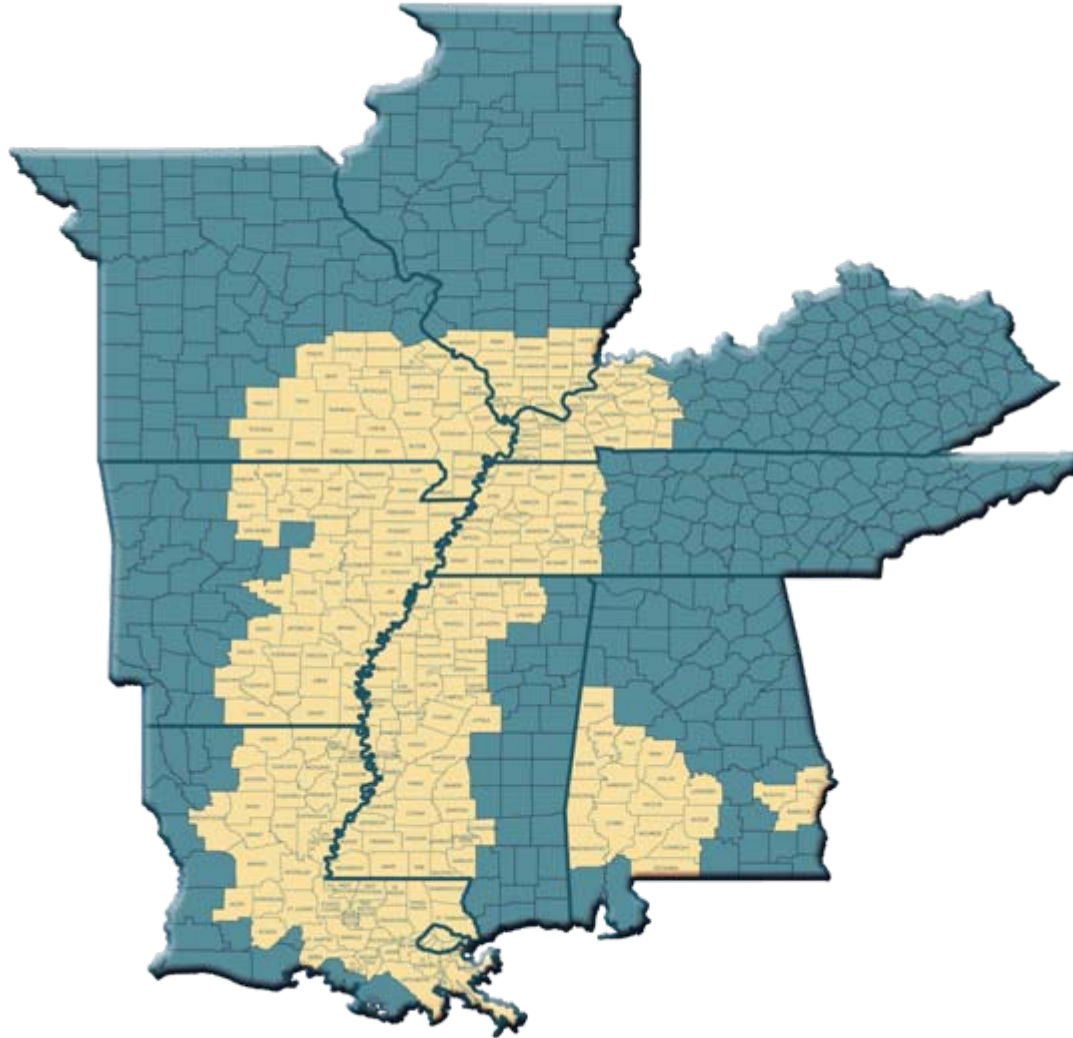


PROPOSED MEGAPROJECTS

Priority A&B Projects – Funding Scenario 3



Delta Regional Authority Region



Study Goals

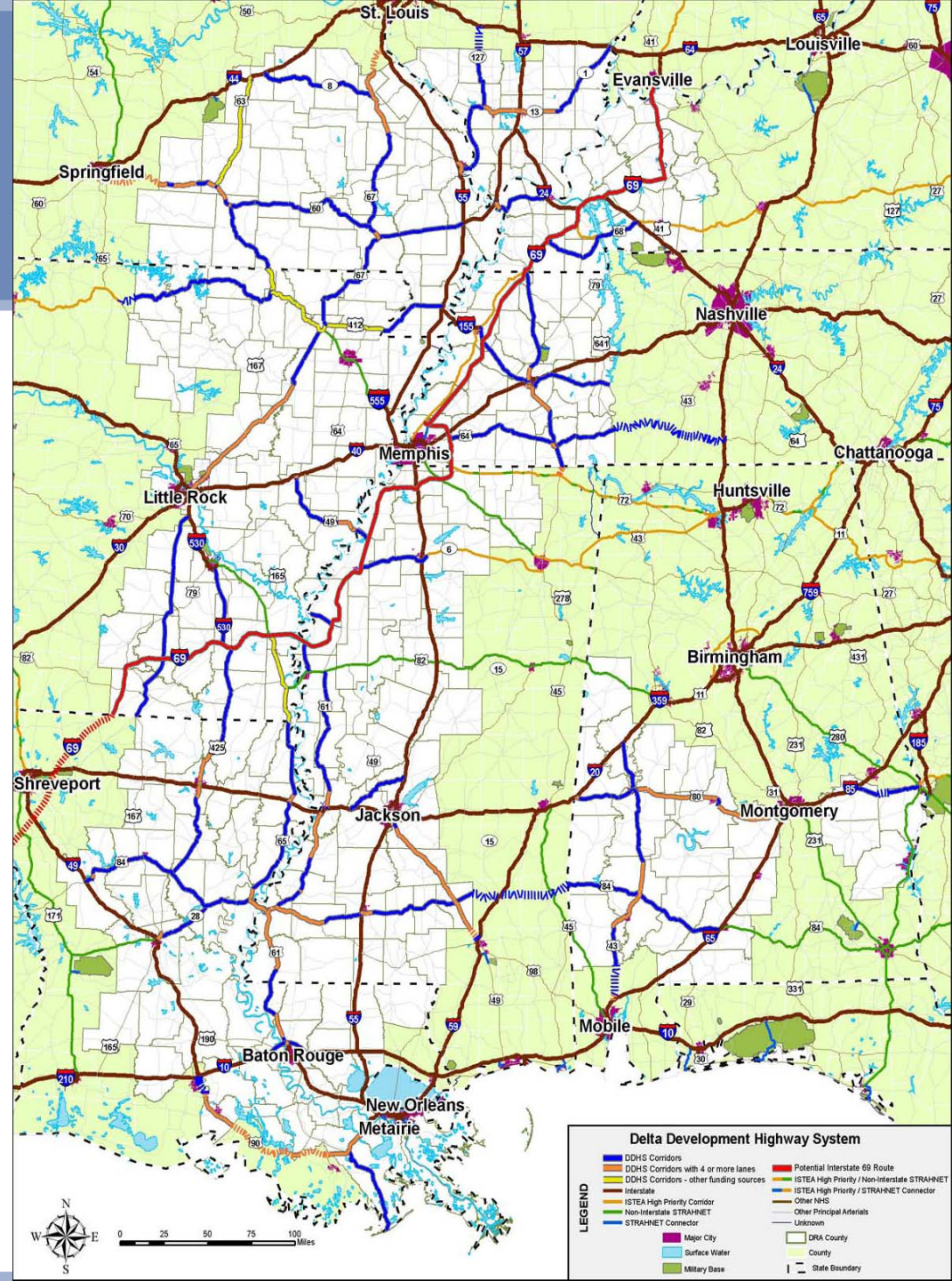
- **Designate Delta Development Highway System (DDHS)**
- **Develop design standards**
- **Develop policies and cost estimates**
- **Identify and prioritize investments**
- **Quantify economic benefits**

Economic Analysis

- **Economics of construction**
- **Corridor competitive position**
- **Local business development**
- **Travel & tourism**
- **Potential DRA region-wide economic development**

Delta Development Highway System

- Totals 3,843 miles
- Cost = \$18.5 billion
- Provides \$3.5 billion in additional income annually

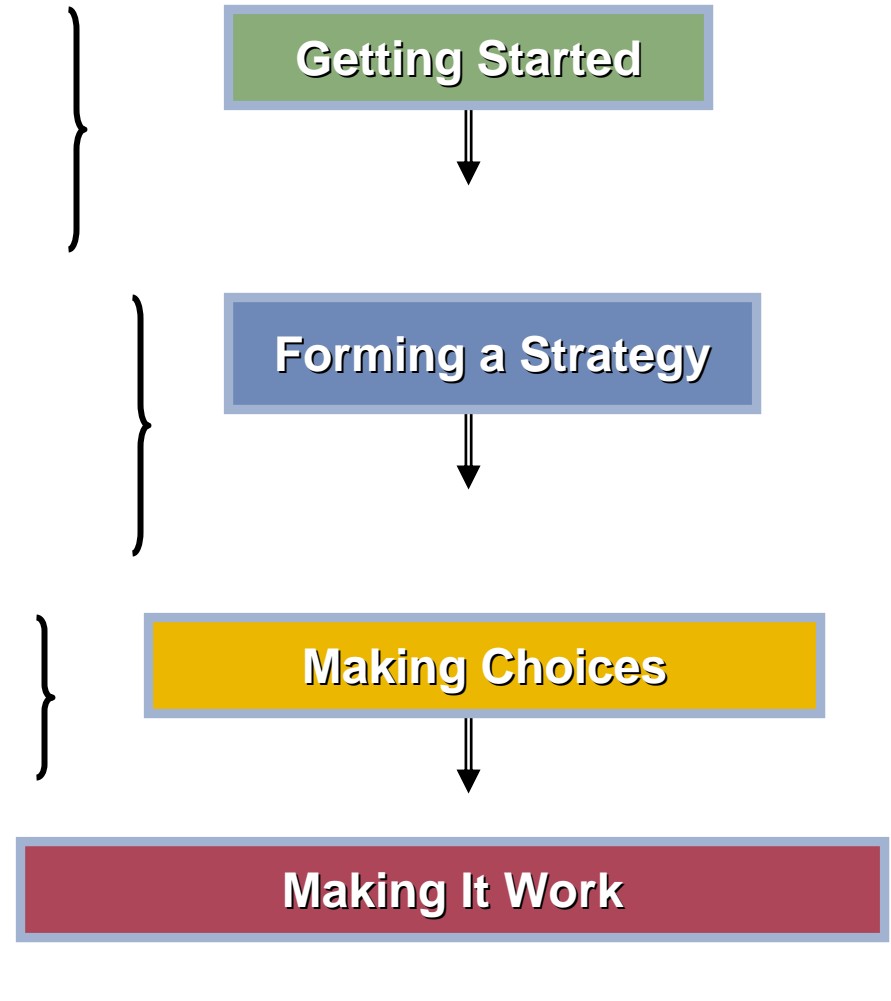


What Do We Learn From Other States?

- **Everyone is different**
- **System performance-based**
- **Targeted corridor investments**
- **Scenarios that highlight tradeoffs**
- **Environmental / equity issues**
- **“Politics and politics”**
- **Transparency**
- **State governance**
- **Link to non-transportation concerns (economic competitiveness)**

Attributes of Strategic Decision-making

- **Need for a strategy**
- **Mode of decision-making**
- **Investment in decisions**
- **Developing options**
- **Understanding possibilities**
- **Judgment calls**
- **Values and priorities**
- **Managing trade-offs**
- **Establishing buy-in**
- **Practicality**



“If you don’t know where you’re going, you’re sure to end up someplace else.”

- Yogi Berra

