



## Support infrastructure investment in New York State

October 16, 2012 - Design / Build

Investing in infrastructure, from building roads and tunnels to skyscrapers and bridges, is an effective way to turn around a down economy and to bolster a recovering one. Investing in our transportation, environmental and business infrastructure will create jobs, increase tax revenues, modernize New York's aging infrastructure and improve overall quality of life in the region. There are many different ways to support investment, and public policy makers should seriously consider all options. While the government must invest its own funds, there are other revenue sources that can offset initial costs. Congestion pricing strategies, tolls and public-private partnerships, can generate billions of dollars in funding for infrastructure. These funding options need to be on the table; while the benefits of investment are enormous and self-evident, the consequences of not investing could be catastrophic.

New York State has a growing backlog of unmet public infrastructure needs and limited funds to pay for them. Public-private partnerships (P3s) have the potential to provide new sources of financial support for the construction and maintenance of public infrastructure by combining the resources of the public and private sectors. P3s can provide needed funding for many different kinds of infrastructure projects, from water, transit and roads to bridges, ports and airports. While they are not appropriate for every project, given the fiscal constraints facing New York State and its local governments, P3s should be viewed as an alternative means of constructing and maintaining facilities and providing services.

Market-driven mechanisms, such as congestion pricing and equitable tolling schemes, also offer the means to fund and improve transportation systems and decrease congestion. Innovative programs such as these could yield over \$1 billion to fund transportation and transit projects for New York City. The economic benefits to the region would be broad and extremely positive. Rehabilitated and expanded transit services would facilitate commuting as well as trips to Manhattan for recreation and shopping. In addition, approximately 35,000 annual recurring jobs would stimulate all sectors of the state's economy.

Investing in New York's highways, such as the Thruway, is also vital to ensuring a strong economy. This investment will not only keep the highway safe and usable, but will promote economic activity and create jobs. The Thruway is the main artery through which goods and services travel in New York. Over 90 percent of the nearly \$300 billion worth of commodities delivered from sites in New York are transported on New York's roads, bridges and highways. Spin-off economies and related services and material suppliers will benefit as well. If jobs are to be created, employers need access to employees and to markets. The efficient movement of goods and services is a critical component to attracting these new and expanding companies.

Funding infrastructure is essential and solutions may not be easy to achieve. Congestion pricing, tolls and public-private partnerships, all of which are in use in other areas of the country, can

generate billions of dollars for infrastructure investment for New York State. Proper examination and thorough testing of these creative funding methods, along with collaboration between local, state and federal governments, can offer solutions to provide safe infrastructure, support growth, maintain the region's economic competitiveness and improve the quality of life.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540