



Urban life is the most sustainable form of living and good transportation is what keeps it healthy

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I can't recall the last time a presidential candidate had a well thought-out transportation platform position prior to candidate Barack Obama. Now, as President-elect, he has the opportunity to follow through - and this could be terrific for New York if we act now.

The cornerstone of President-elect Obama's transportation policy is the National Infrastructure Bank funded by the federal government to the tune of \$60 billion over 10 years. The intent is to leverage the investment through bonds and private sector participation to about a quarter trillion dollars. He also proposes using some of the revenue associated with winding down the war in Iraq.

The bank has broad bipartisan support and has been introduced by Senator Chuck Hagel and Senator Chris Dodd. It is also consistent with the call by many economists for a large public works program to stimulate the economy, much as the Works Progress Administration did during Franklin Delano Roosevelt's presidency. A recent Moody's economy study showed that infrastructure spending has five times the economic benefit of a tax cut.

A formula Obama is likely to follow is that put forward by Felix Rohatyn, so that any project seeking over \$75 million in federal support would be required to submit a proposal to the bank. The submission would include the contribution to be made by the state and local governments, user fees and a plan for maintenance. The bank would then decide to fund the project outright, or through credit guarantees for state bonds or loans against future revenues from user fees and other sound financial strategies.

Our mayor and governor should anticipate the structure to be followed by the bank. This means getting projects already designed in the queue. Start designing much-needed transportation facilities so that we are poised for early submission—a formula successfully followed by Robert Moses.

I am worried that the opposite is happening. The city's capital budget has been stretched from a four-year program to five years. There's been little or no activity on new transportation design from the state.

Governor David Paterson's Commission to Study Public-Private Partnerships (P-3s) should get cracking and get a report to the governor and Legislature by Jan. 1, if not sooner. We have some catching up to do: Illinois, Indiana and, just this week, Florida have issued multi-billion dollar contracts to private firms to design, build, finance, operate and maintain transportation facilities. While P-3s are no panacea and need scrutiny and monitoring, they do offer money up front (sorely needed now) and a much faster track for implementation. They are also likely to be well-received by the bank.

Obama is a supporter of Amtrak and has called for high-speed rail between urban centers as well as strengthening our domestic rail freight capacity. This is an opportunity for the state to propose an

upgrade of our inter-city rail system between New York, Albany and Buffalo with stops in key cities. Californians just approved a \$10 billion bond to build high-speed rail between San Francisco and San Diego; you can be sure they will try to be at the head of the line at the bank. Senate (soon-to-be) Majority Leader Malcolm Smith told me this is a cornerstone of his agenda; we must get this to the drawing boards ASAP.

President-elect Obama is in favor of federal support for urban transit; our transit projects should be more fundable than ever. Again, get them ready to go!

Obama has called for reforming the tax code to give transit riders equal benefits to drivers. This is a real plus for New York City; New York's two senators and 29 Congress members should ensure passage.

Obama would require energy conservation considerations as a condition of receiving federal dollars. Again, this is a formula that favors cities, and is consistent with Mayor Bloomberg's PlaNYC. It is time to resurrect road pricing. But this time it should be a state-of-the-art plan that provides a defined "value" spelling out the benefits to transit riders and the public at large. I've written before that to make this more palatable to the boroughs outside Manhattan there should be immediate benefits to the public such as lowering tolls that have nothing to do with Manhattan's congestion. For more on this plan go to www.samschwartzcompany.com.

In short, this is a rare moment for New York City. We will have a President who gets it: urban life is the most sustainable form of living—and good transportation is what keeps it healthy.

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