Corridors of Opportunity

MN District Council
September 16, 2010
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Federal Update

- Transportation Reform
- Infrastructure Bank status
- Stimulus funds
- Labor Day announcement
- Going from here
Transportation Reform

• Reauthorization is stalled
• Using continuing resolutions to fund HTF
• HTF authorization expires 12/31/’10
• Likely to pass another 6-8 month extension
• FY’10 balance $31 billion
• Solvent through FY’12
Reauthorization

• Size of bill very uncertain

• Oberstar: $500 billion/6 yr, very unlikely

• Administration: 4 yr/$60 billion/yr total:$240 billion

• How to pay for?
  • Gas tax on decline
  • General revenue appropriation
+’s and –’s –’s

On the plus side

• Rising interest in infrastructure
• EPA/HUD/DOT effort to coordinate and breakdown silos
• Businesses look internationally to competition

On the minus side

• Unclear priorities
• Rising deficit concerns
• Ultra-partisanship
• Competition is not asleep
Infrastructure Bank

- Suggested for over 20 yrs
- Current bill introduced in House by Rosa DeLauro (CT), Keith Ellison (MN), 43 co-sponsors
- Senate Banking Hearing on 9/21
- Obama boosts in Labor Day speech, no details
- Republicans immediately reacted
- Slim prospects, short term
Key Issues

- A true bank with serious underwriting criteria
  - Broad policy directives, then let the bank run!
  - 40-50 year paybacks
  - Multi-jurisdictional projects
  - Large scale projects (airports, HSR, ports, roads etc.)
  - Array of borrowers eligible
  - 50-60% of total project costs
- Broad and flexible authority

- Level of capitalization
  - Multiple year funding
Stimulus Funds

- Jury is still out on total infrastructure dollars
- Large $$$ still in pipeline
- Obama sees jobs more than national agenda/strategic plan
- Republicans, and some Dems see deficits
- Public sees road construction everywhere
Labor Day Announcement

• $50 billion

• Roads, rails, ports, airports

• Infrastructure bank

• Few details

• Republicans immediately object

• Prospects uncertain
Going From Here

- Gridlock for next several years
- Slow economy
- Very strong international competition
- Creativity/leadership moves to State, Local and Private business sectors

- NO TIME TO WASTE
Things to Watch

Regional infrastructure Banks
• California, South Carolina

Maximizing existing tools
• Port Authorities
• Redevelopment Authorities
• Industrial Revenue Bonds
• SIBs
• Get planning/approvals done

• Move to the FUTURE
Things to Watch

- Birth rate slowing
- Immigration down
- Regulation up
- Business friendly?
- Eds and meds future?
• Transit here
• Transit ready
• Related land uses
• Complete streets
Benefits

• Housing + transportation = livability

• Financial benefits
  • Tax base
  • Sustainability
  • Value, both residential and commercial

• Life cycle of residents
Who Pays?

• **Users**
  • *Tolls*

• **Value Capture**
  • *Residential*
  • *Commercial*

• **Transfer payments**
  • *Increased license fees*

• **General obligation**
  • *Sales tax transfer*
  • *General revenues*

• **Public/private partnerships**

• **Revenue Bonds**

• **State Funding**

• **Local capital improvements**

• **Special taxing districts**

• **Infrastructure bank**
For ULI....

It’s all about land use:

• Connectivity
• Appropriate density
• Diversity
  • In housing
  • In travel modes
  • In jobs

Land Use Links Infrastructure, Housing, and Sustainability
In real life

It’s all about

• People

• Livability

• Community

• Partnerships

• Quality
2010 ULI Fall Meeting and Urban Land Expo

Washington, D.C.
Walter E. Washington Convention Center
October 12-15, 2010

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