
STIMULUS FOR GREATER PHILADELPHIA: WHAT IT MEANS FOR TRANSPORTATION INVESTMENT IN THE REGION



KEY TAKEAWAYS

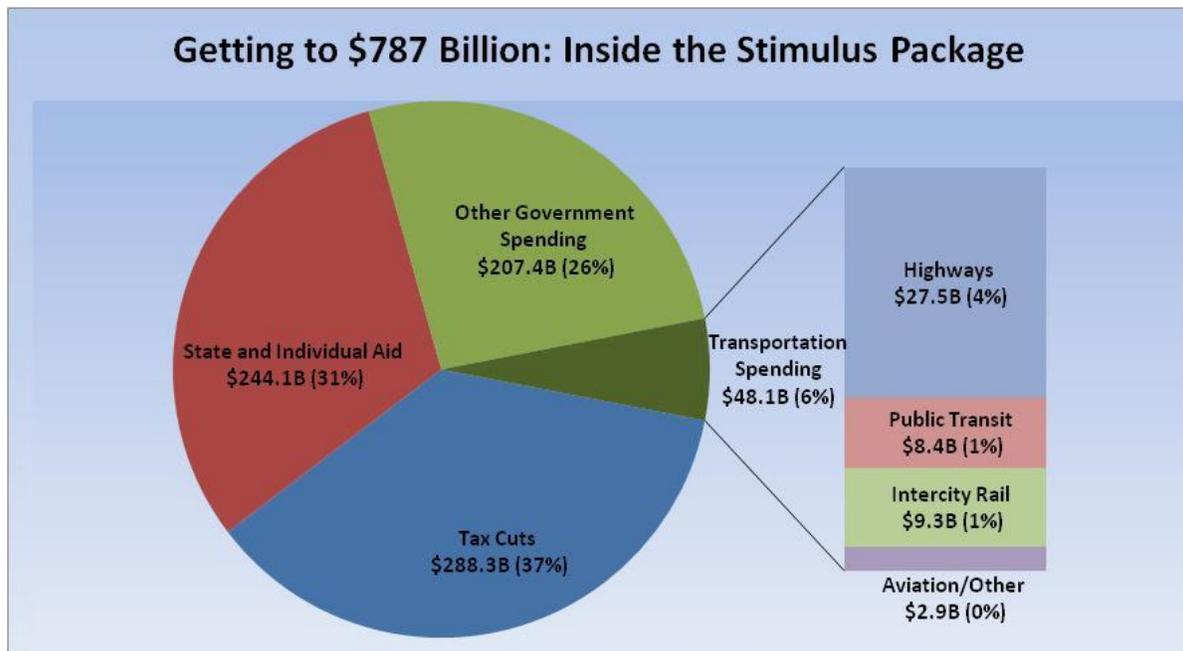
- Greater Philadelphia will likely receive more than \$600 million from the \$48.1 billion in transportation stimulus funds, including approximately \$318 for highways in southeastern Pennsylvania, \$120 million for highways in southern New Jersey, and \$193 million for SEPTA.
- The “shovel-ready” stipulation limits use of stimulus funds for vision investment. Most of the region’s candidate projects focus on clearing deferred maintenance.
- The stimulus package will not blaze any new trails, but it is an opportunity for the region to play catch up and look to the future on better footing.

THE STIMULUS BREAKDOWN

The \$787 billion “American Recovery and Reinvestment Act” signed into law by President Obama on February 17, 2009 was slightly scaled back from of the original U.S. House and Senate versions but retained most if its spending provisions. But while many have billed this most recent round of government spending as “infrastructure stimulus,” the reality is that only a small portion of the final package is dedicated to infrastructure, and an even smaller portion to transportation infrastructure.

Two-thirds of the stimulus package will be funneled to individuals, businesses, and states through direct aid or tax cuts. The remaining third will fund government projects, the majority of which will be directed to infrastructure spending.

Transportation infrastructure will receive \$48.1 billion, or just more than six percent of the total stimulus package. More than half, or \$27.5 billion, will be used for highway improvements. Another \$8.4 billion will go to public transit improvements, \$1.3 billion to Amtrak capital improvements, and \$1.3 billion to aviation improvements. The final bill also included a new provision of \$8 billion for capital investments in designated high-speed rail corridors.



GREATER PHILADELPHIA'S SHARE

Highway stimulus funds will be distributed to states by Federal Highway Administration formula. Of the total \$27.5 billion, Pennsylvania will receive \$1.026 billion and New Jersey \$652 million. If the five counties of southeastern Pennsylvania and four counties of southern New Jersey¹ receive their population-based share of highway dollars,² Greater Philadelphia will receive \$318 million from Pennsylvania and \$120 million from New Jersey, for a total of approximately \$438 million dedicated to highway capital projects in the region.

For public transit, the majority³ of stimulus funds will be distributed to states by Federal Transit Administration formula. Pennsylvania will receive \$263 million and New Jersey will receive \$447 million. While states will have general discretion, formulas allocate 80 percent of these funds to urban areas. If Greater Philadelphia receives the Southeastern Pennsylvania Transportation Authority's ridership-based share⁴ of Pennsylvania's total, Greater Philadelphia will receive approximately \$193 million⁵ dedicated to transit capital projects, plus any transit funds received for New Jersey.⁶

Combined, stimulus funds will bring an estimated \$631 million to the region for highway and transit projects.

¹ Delaware Valley Regional Planning Commission territory: Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania; and Burlington, Camden, Gloucester, and Mercer Counties in New Jersey.

² The final bill requires that states sub-allocate 30 percent by population and 3 percent to transportation enhancements. The remaining 67 percent can be allocated at state discretion. Source: Transportation Weekly, "Special Supplement: Highway Formula Funding in the Final Stimulus Conference Report," February 12, 2009.

³ Of the \$8.4 billion, \$1.5 billion is set aside for "new starts" and "fixed guideway modernization projects" and will be distributed on a project basis by the FTA.

⁴ SEPTA accounts for approximately 75 percent of all Pennsylvania transit trips.

⁵ SEPTA staff expects its actual allocation to be anywhere from \$175 to \$200 million.

⁶ The region will also likely receive funds from New Jersey for transit, but the vast majority of New Jersey Transit ridership is contained within the New York area.



WHAT THE MONEY WILL BUY

Highway and transit officials across Greater Philadelphia have been working to develop projects that satisfy the stimulus package’s “shovel-ready” criteria. Preliminary analysis indicates that the region currently has \$1.4 billion dollars of transportation projects that will be ready to break ground within 120 days. The Delaware Valley Regional Planning Commission is working with local and state agencies to expand and prioritize these lists to determine which projects will ultimately receive funding.

In Pennsylvania, big-ticket items make up the bulk of the region’s wish list. In Montgomery County, \$120 million has been requested for bridge repair and repavement on the “Blue Route” (I-476). In Philadelphia County, \$66 million has been requested for repairs to the Girard Point Bridge, which carries I-95 between the Philadelphia International Airport and downtown. PennDOT has requested another \$153 million for ramp reconstruction and information technology installation, while county transportation boards have requested \$78 million mostly for traffic signals, resurfacing, and new medians. In sum, local and state authorities have requested \$423 million for road, highway, and bridge projects in southeastern Pennsylvania.

In New Jersey, \$227 million has been requested for multiple projects along the I-295 corridor through Camden and Burlington Counties, including a "direct connection" of I-295 with Route 42 and I-76. NJDOT has requested another \$37 million more for bridge repair and resurfacing and \$13 million for better drainage along Camden County’s often-flooded Admiral Wilson Boulevard (U.S. Route 30). County transportation boards have requested another \$43.8 million mostly for traffic signals and resurfacing. In sum, local and state authorities have requested \$320 million for road, highway, and bridge projects in southern New Jersey.

For regional transit, SEPTA has requested \$478 million for system-wide renewal projects. The most expensive items are \$41 million for rehabilitating a bridge on the Route 100 Norristown Line, \$37 million for a new audio-visual public address system on the Regional Rail and suburban high-speed lines, \$36 million for rehabilitating the Spring Garden Street and Girard Avenue Stations on the Broad Street Subway, and \$34 million for a new power and signal substation on the R3-West Trenton Line. SEPTA requests were prioritized based on equitable distribution for city and suburban riders and crosses all service mode – bus, subway, trolley, and rail. DRPA also has requested \$176 million, mostly for replacing PATCO’s existing car fleet.

NOTABLE HIGHWAY PROJECTS ACROSS GREATER PHILADELPHIA

County	Roadway	Type of Work	Description	Request
Bucks	I-95	Highway safety	ITS Installation	\$36.3 million
Chester	Chester Valley Trail	Transportation enhancement	Phase I of multi-use trail	\$18.0 million
Delaware	I-95	Highway safety	ITS installation	\$37.5 million
Montgomery	I-476	Bridge rehabilitation	Pavement & structure preservation	\$120.0 million
Philadelphia	I-95/Girard Pt. Bridge	Bridge rehabilitation	Bridge paint and structural repair	\$66.0 million
Burlington	I-295	Pavement reconstruction	Rancocas-Mt. Holly Road to Rt. 130	\$120.0 million
Camden	I-295/I-76/SR42	Design & right-of-way acquisition	Direct connection with Route 42 and I-76	\$23.0 million
Mercer	Rt. 1	Repavement	Delaware and Raritan Canal to CR533	\$10.0 million
Various	I-295/I-676	Bridge rehabilitation	Corridor painting	\$6.0 million

Source: Delaware Valley Regional Planning Commission

NOTABLE TRANSIT PROJECTS ACROSS GREATER PHILADELPHIA

Agency	Project Title	Type of Work	Division	Request
SEPTA	Power substations	Overhaul	System-wide	\$61.4 million
SEPTA	Regional rail stations	Renovation & expansion	Regional rail	\$55.0 million
SEPTA	Broad Street Subway stations (Spring Garden St., Girard Avenue, and Allegheny Avenue)	Rehabilitation	City transit	\$41.4 million
SEPTA	Route 100 – Bridgeport Norristown viaduct	Rehabilitation	Suburban transit	\$40.9 million
SEPTA	Audio visual public address (AVPA) systems	Installation	Suburban transit /regional rail	\$36.7 million
SEPTA	Police radio equipment	Interoperability	City transit	\$24.5 million
SEPTA	40 hybrid buses	Purchase	Suburban/city transit	\$17.8 million
DRPA	PATCO cars	Purchase /rebuild	PATCO	\$135.0 million

Source: Delaware Valley Regional Planning Commission

WHAT IT ULTIMATELY MEANS TO THE REGION

More than a half-billion dollar influx of transportation funds will help to chip away at the region's backlog of deferred infrastructure maintenance. In southeastern Pennsylvania, state and local governments spend a total of nearly \$700 million each year to maintain 14,450 miles of roads and 2,800 bridges. A one-time influx of \$318 million would represent a nearly 50 percent increase in highway spending for the five counties.

Stimulus funds will be a particular boon for capital-starved transit agencies like SEPTA. Years of underinvestment have degraded the system's infrastructure. A one-time influx of \$193 million will represent a more than 50 percent increase over SEPTA's \$368 million capital budget for Fiscal Year 2009, helping the agency play catch up.

Still, the stimulus package's "shovel-ready" criterion limits opportunities for visionary investment. Many of the region's forward-looking projects require several more months – if not years – of planning and design, and thus would not qualify as a candidate project for stimulus funding. The risk of this approach is devoting scarce resources to expedient, short-term fixes instead of to well-planned investments. The strategy will create jobs and circulate dollars through the economy, but it will do so indiscriminately and without regard to long-run economic impact.

In short, the stimulus will not chart a new course for the future. But, with a coherent strategy to leverage this one-time shot-in-the-arm, it can serve as a catalyst for change. Its ultimate impact will depend on the extent to which stimulus funds fuel progress towards the broader objective of a world class transportation **network**. In this, Greater Philadelphia has an opportunity to anticipate and plan for future needs. And of course, developing a shared vision now will prepare the region for new opportunities that arise in the future – and, potentially, another stimulus.