TEDZ: Building highways, building the economy

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There has been much discussion recently about shortfalls and increasing deficits in the Idaho Transportation Department’s budget for maintenance of Idaho’s highways and bridges. It is estimated that in less than 10 years 28 percent of Idaho’s highways will have deficient pavement and more than 1,000 bridges will be 50 years or older. The current maintenance deficit is estimated to be nearly $262 million. Those projections are only to maintain the roadways in existence today. ITD estimates have that number climbing to $543 million by 2021.

Functioning highway systems are fundamental to growing Idaho’s economy. Attracting and expanding business in Idaho cannot occur without adequate highway systems. While ITD dedicates its budget for maintenance – now and for the foreseeable future – necessary highway expansion and widening will take a back seat. As that happens, traffic congestion gets worse and our air quality continues to suffer.

However, there is a solution. The Legislature is considering the formation of Transportation and Economic Development Zones (TEDZ). The TEDZ proposal would relieve some of the ITD budgetary pressure by using a portion of new sales taxes generated by the growth around highway projects to finance the highway projects. It is a tool that could help highway expansion and new construction statewide.

Prior to the “Great Recession,” Idahoans were accustomed to such phrases as “we need to get infrastructure ahead of the growth,” and “growth should pay for itself.” Growth did slow and Idaho’s economy is rebounding. Now is the time to heed our own advice. TEDZ accomplishes both of those goals.

Under TEDZ, a more comprehensive plan for growth occurs. TEDZ would require ITD and the Idaho Department of Commerce to jointly identify highway projects that would lead to economic corridors and job creation. Both ITD and Commerce would be required to study local comprehensive plans and the economic impacts of highway construction. The plan would also require approval from cities, counties and highway districts within the TEDZ zone as well, providing for multiple points of approval and oversight.

A TEDZ zone could only be formed if both agencies find that creation of the zone would generate new sales tax over and above what is required to finance construction, and only after both agencies are convinced that general revenues would create a return on investment of $2 or more for every $1 of construction cost. Because highway projects would have to demonstrate the ability to create more revenue than is expended for construction, it creates a win-win scenario for the entire state.

In the Treasure Valley gridlock is already a problem on Eagle Road, Chinden and State Street, with no way to finance the hundreds of millions of dollars necessary to fix the growing problem. Without some mechanism to pay for expansion and widening of these highway systems, congestion can and will only get worse. The time to get ahead of the growth is now by supporting TEDZ – a funding mechanism that allows growth pay for growth. The Legislature should seriously consider this unique and intelligent approach to highway construction, allowing ITD to dedicate its remaining resources to maintenance.