

INFRASTRUCTURE INVESTMENTS COULD MAKE ECONOMIC STIMULUS LAST



By Doug Linkhart, CML president and Denver councilmember at-large

AS THE NEW PRESIDENT AND CONGRESS consider what kind of economic stimulus package to enact let's hope that the new shot

in the arm is more than just a sedative. By helping cities and counties invest in people and infrastructure, the stimulus package could make a long-term difference in the health of our nation's economy.

Remember those rebate checks that we received this summer as a result of the president's last economic stimulus package? At a cost of \$168 billion, those rebates may have temporarily increased consumer spending, but they certainly didn't keep the country from going into a recession.

We can make a much better investment. Studies show that when the federal government invests in infrastructure there is a greater return for the economy than what is generated by individual tax rebates or reductions. Mark Zandi, chief economist at Moody's *Economy.com*, estimates that a dollar invested in infrastructure generates \$1.59 in economic activity — more than twice the 67-cents generated by a dollar given for tax rebates or reductions.

The recession is global in scale and I've read with interest how our chief economic rival is approaching the situation. China has announced a \$586 billion stimulus package aimed primarily at roads, rail and airports. This comes on top of more than 20 years of China increasing its infrastructure investment an average of 20 percent a year. They know something we once knew — the key to a strong economy is an infrastructure that works. It is roads that move goods and people. It is transit that gets workers to the job. It is clean water which protects our health. If you don't have the basics working smoothly, you can't move your economy forward.

The U.S. certainly has a need for spending on infrastructure, including both physical and human investments. In Colorado, the state has documented transportation needs in the billions. The needed replacement of the I-70 viaduct in Denver alone carries a price tag of \$800 million. With more people becoming unemployed, the need for increased funding for job training, Medicaid and other services are also rising. Investments in schools and higher education would pay off doubly, helping to prepare our workforce for the increasingly competitive global economy.

Municipalities large and small have projects designed and ready to go when dollars become available. These projects are the basic building blocks of our economy — water and wastewater treatment plants, water and sewer mains, street expansion and resurfacing, affordable housing and community development.

The National League of Cities is asking Congress and the administration to partner with local governments on a "hometown

economic stimulus package" to create jobs and restore economic stability to America's hometowns and the nation. In announcing the plan, incoming NLC President Kathleen Novak, Northglenn mayor, said "As city leaders, we also know that we've got individuals ready to go to work. With additional funding in a stimulus package, we can make much needed investments in our aging infrastructure, and we can help put our residents back to work."

Let's invest in programs that will create local jobs and lasting benefits. Why borrow money from China to hand out to American citizens so they can turn around and buy flat-screen televisions from China? Why not use the money to increase the skills of American workers and create the infrastructure projects badly needed here at home?

Please contact your own member of Congress and Sen. Ken Salazar and Sen.-elect Mark Udall and with your list of those projects that might be ready to go.



These projects are the basic building blocks of our economy — water and wastewater treatment plants (Alamosa's shown above), water and sewer mains, street expansion and resurfacing, affordable housing and community development. Photo by Richard P. Arber Associates.