

## TREASURE COAST REGIONAL PLANNING COUNCIL

### MEMORANDUM

To: Council Members AGENDA ITEM 13

From: Staff

Date: December 12, 2008 Council Meeting

Subject: Federal Economic Stimulus Package: Growth Management and Economic Recovery for the Treasure Coast

#### Introduction

Over the last several weeks U.S. congressional leaders have met with various state governors to discuss the size and shape of an economic stimulus package. Estimated to be valued at 500 billion dollars, the legislation is likely to include a middle-class tax cut, billions of dollars for road, bridge, and mass transit construction, expanded aid to states, and investments in renewable energy designed to create jobs, achieve energy independence, and wean the nation from fuels that are the main contributor to climate change.

Governors and state legislatures are asking Congress to act quickly on an aid and job-creation bill, noting they face severe budget shortfalls in 2009 and 2010. U.S. House of Representatives Speaker Nancy Pelosi has said she hopes the bill will be ready for President-elect Obama to sign when he takes office on January 20, 2009.

#### Overview

Public infrastructure investments are an important driver in where, how and when municipalities and counties will grow and develop, and the form and pattern of growth that will occur. For example, building new highways across the state and in the countryside will likely result in low density forms of development in scattered inefficient patterns along these new transportation corridors. Alternatively, capital investments in rebuilding and increasing the quality of public infrastructure within existing towns, cities and established urban areas will likely result in the redevelopment of a more compact, mixed-use form of development in a highly efficient, transit compatible pattern.

#### Analysis

On December 1, 2008 the National Bureau of Economic Research concluded the U.S. economy entered a recession in December 2007. U.S. unemployment is expected to continue

to rise. The financial and housing industry is on life support. Retailer bankruptcies are increasing. Congress is in the middle of deciding whether to financially rescue domestic automakers. Several states face severe budget shortfalls in 2009 and 2010. Many would agree that some sort of federal economic stimulus package is needed to address the current national economic situation. At the same time, any federal aid to the states, especially for public infrastructure, should be directed towards projects that: 1) contribute to a “new economy” and jobs; 2) rebuild and improve existing public infrastructure (e.g., roads, schools, bridges, railroads, transit systems, etc.); 3) trigger redevelopment of existing towns, cities, and urban areas; 4) support sustainable, transit-compatible growth and development; and 5) move the nation towards energy independence and away from fuels contributing to climate change and sea level rise.

### Conclusion

Council has an opportunity and responsibility to speak out on items like the proposed economic stimulus bill that could have a significant impact on the growth, economic development and standard of living in the Treasure Coast Region. At least as it relates to how public infrastructure dollars are spent, Council should communicate its position to the Governor.

### Recommendation

For discussion purposes only.