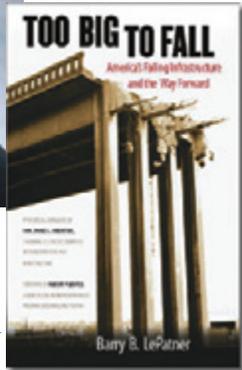


\$ Q&A: Infrastructure

ROY R. PACHECANO



For too long we have taken the nation's infrastructure system for granted. Now as the system ages and a lack of proper maintenance increasingly endangers the traveling public, it's time to act. Author Barry B. LePatner provides solutions for how we can begin to get our all-important infrastructure system on a path to recovery. But what does this mean for the builder engaged in residential construction? How does it impact the development of our communities and why should we care?

To learn more, BN columnist Roy R. Pachecano sat down with Barry B. LePatner, prominent attorney and author of the newly released title, *Too Big to Fall: America's Failing Infrastructure and the Way Forward*, (New York-based Foster Publishing, in conjunction with University Press of New England, 2010) to openly discuss and examine what is perhaps the biggest untold story of our time. The problem is larger than the looming gap in future social security expenditure, or even the US national deficit.

In his book, LePatner passionately argues that the trillion-dollar construction industry typically costs the country \$120 billion a year in cost overruns—equivalent

to a \$2,000 tax on a family of four. And while developers typically loathe to outlay capital for infrastructure, particularly when it impacts their profitability, the taxpayer is who ends up paying for long-term maintenance.

Q The essence of your new book is that our nation faces a dire threat from the perils of our countless inventory of bridges and roads that have been neglected for lack of maintenance funds and now stand as a true security matter. How do you see this circumstance affecting homebuilders around the country?

A We face a situation today where one out of four bridges are either deemed by state agencies and the federal government to be structurally deficient, or functionally obsolete. This circumstance has come around because of how we have financed transportation: by maintenance-deficit financing coupled with a short-term approach on dealing with elements of our built

environment intended to be long-lasting.

What this means is that as our nation grows—and we will grow another 100 million people by 2050—that we are going to be expanding into new, currently undeveloped, areas of our country. We are going to need not only schools, office towers, hospitals, and residential development, but we are also going to need new roads, bridges, levees, dams and water works. And homebuilders, who are essential to the growth of our nation, are going to find it difficult to address the transportation needs of both existing and new communities unless we can adequately ensure the safety of our bridges and roads. Ignoring this would be perilous for homebuilders.

Q How does the need to bring our failing infrastructure match up with the need to address our failing building stock comprised of homes, commercial and retail structures? Many argue these are separate matters, but are they sufficiently divorced to be thought of as independent problems?

A No, they are not separate. While they appear to be two separate needs, they are inextricably tied together. The American Society of Civil Engineers has provided a recent estimate totaling \$2.2 trillion that is needed in order to bring our existing infrastructure up to safe standards. Simultaneously, we must find the revenues to try to grow and meet the demand for rehabilitating an aging building stock in need of desperate repairs. This rebuilding is going to require new initiatives and new methodologies that do not leave

both areas unattended. Our nation is going to have to find the spending capacity to meet both infrastructure and existing building rehabilitation needs together. I describe solutions in the final chapter of my book and offer insight into: (i) public-private partnerships, (ii) spending smartly in strategic regions rather than solely on single municipal entities; (iii) implementing an oversight and infrastructure clearinghouse, and (iv) rethinking how we finance and implement new forms of transportation systems. It's not a question of whether we should be finding the funding for either of these major issues. Rather, it must become a national priority to find system-wide solutions for both at the same time.

Q One of the major concerns for homebuilders across this country today deals with the issue of sustainability and how they can go green while also matching the needs of a growing population of our country in an environmentally sensitive way. To continue our present land-use development patterns would only exacerbate an existing, unsustainable development pattern. How do you address these issues in *Too Big to Fall*?

A Builders will have to find ways to influence and reverse congestion. We currently have an unsustainable congestion problem on our roads that link our metropolitan centers and suburban communities. Congestion is not only unsustainable in terms of the environment, but it is a financial burden as well. A Texas Transportation Institute study in 2009 revealed that

every member of the driving public spends one full week a year stalled in traffic, equating to a cost of over \$87 billion a year, not including the untold cost of expended gasoline while remaining idle. We are talking about a problem that affects the entire cross-section of society. We will have to address the congestion problem not necessarily by building new roads. We need to do it smartly. In some cases, it may mean we go in a completely opposite direction by reusing existing rights of way and implementing light rail where cars will no longer will be allowed but given priority to electric networked vehicles (ENVs). Getting people to think less about using cars and more emphasis on public transportation will impact

builder/developers' plans for new development. We are going to have to build roads and bridges by using the new calculus of sustainability in order to meet the future needs of our country.

Q You talk about the smart transportation network. Are you suggesting that we need a paradigm shift regarding how we solve our pressing transportation problems?

A It is imperative that we look with fresh eyes at our transportation system not only on a project-by-project basis, which is how we've looked at the problem historically, but on a regional transportation basis. You can't simply plunk an airport down into a

community without analyzing the existing network of roads so that a new port facility will not contribute, nor exacerbate, existing congestion patterns. We are going to have to frame the issues in terms of state/regional collaboration effort will be one of the biggest challenges we face going forward. If we are going to start funding billions and billions of dollars into new port development, we must make sure these expenditures are going to positively affect each community and how these new developments add to the quality of life in those communities every step of the way so that there is healthy, sustainable, economic development. 



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