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# **Transportation Funding Stalemate Hurts New Jersey's Economic Competitiveness**

**By Peter Kasabach**

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Consider the things that make New Jersey a magnet for businesses and employers: A highly educated workforce, easy access to the financial and technology centers in New York, an outstanding education system and desirable lifestyle – and outstanding transportation infrastructure. We have the largest statewide transit system in the country, able to connect people to jobs both in New Jersey and beyond. Our road network has made the business of moving freight a major contributor to our economic growth, and allows goods shipped to our ports to reach almost half the U.S. population within a day.

Yes, economic development incentives and tax breaks are appealing to employers, and those incentives have become a part of any state's economic-development strategy. But incentives most often make the difference when the playing field is otherwise level, and when all the necessary durable assets, including transportation infrastructure, are in place. And right now in New Jersey, investments in our transportation infrastructure are at real risk. All the incentives and tax breaks in the world cannot overcome the inability of a business to rely on a durable asset that is key to its success.

Transportation infrastructure lasts a long time, and is an important economic signal. When the state makes a commitment to invest in its transportation network, it is in effect promising businesses and residents that the system will be there into the future to serve them. This commitment spurs additional investment – raise a bridge so the nearby port can welcome larger ships, and new warehouses spring up. Build a light-rail line and businesses build or expand locations near it. Build a new train station, and real estate developers build homes adjacent to it. (In fact, these additional investments sometimes get made before the transportation projects themselves are finalized.) Make transit access and travel easier, and nearby property values go up.

But right now New Jersey appears unwilling to keep its promise of sustained investment in its transportation network. Our failure to break the current impasse over

funding the Transportation Trust Fund – a financial repository established expressly to ensure that our transportation infrastructure can be kept up to date – is beginning to send a clear signal to the business community that it will no longer be able to rely on a key piece of New Jersey’s economic infrastructure. Businesses that may be evaluating their relocation or expansion options right now must be looking askance at New Jersey. Whether it’s an internet retailer that wants to site a new warehouse, a major banking and finance employer seeking a location with direct access to Wall Street, or an electronics company that wants to stop forcing its employees to drive to work, when employers make long-term expansion or relocation decisions, they give significant weight to the extent and condition of the nearby transportation network. Our inability to promise that they’ll be able to rely on our roads and rails is putting New Jersey’s continued economic growth at real risk.

The current suspension of many important road and transit projects will have immediate economic effects.

But at a more strategic level, the impasse over funding the Transportation Trust Fund presents a very real threat to New Jersey’s long-term economic-growth. Every business that decides to look elsewhere because it can’t rely on New Jersey’s transportation network represents lost opportunity. And perhaps even more important, every day this impasse continues serves to erode the trust the business community has in the state as a desirable place to locate or do business. If Governor Christie is as business-friendly as he says he is, he will take immediate steps to end this stalemate. The negative effects of not doing so will hurt us for years into the future.

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