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Stimulus funds slowing for some in region

By Bill Frogameni

As the tap for federal stimulus dollars begins to run dry, the **Florida Department of Transportation** is projecting that road construction contracts in fiscal year 2011 will fall 18 percent to \$1.86 billion from \$2.27 billion last year.

But, with a portion of South Florida expecting a spike in 2011 spending and another portion expecting a sharp drop, the immediate economic impact for the region is mixed. The issue also is complicated by a number of long-term mega-projects – such as the \$1.2 billion Interstate 595 improvements in Broward County – that will take years to finish.

FDOT's District 6, which includes Miami-Dade County, is projected to see a 44 percent decline in spending – to \$367.1 million from \$654.3 million. However, in FDOT's District 4, which includes Broward and Palm Beach counties, spending is expected to increase 150 percent, to \$574.8 million from \$229.5 million, FDOT officials said.

The recession has put the crimp on road builders, said Dan Weekley, president of Pembroke Pines-based Weekley Asphalt Paving and a director of the Florida Transportation Builders' Association. The company has been able to hang onto its about 250 employees due to a handful of jobs – including a \$16 million subcontract on the I-595 project – but things are still tight, he said.

“Everyone needs work,” he said. “Everyone is trying to make it through this economy.”

Ripples from District 6's spending decline will be cushioned by large, ongoing projects like the \$610 million Port of Miami tunnel construction and the \$559 million State Road 826/State Road 836 improvements, District 6 Secretary Gus Pego said.

“Those big projects are maintaining jobs that would have been created had our revenues not gone down,” he said.

The port tunnel, slated for completion in 2014, is expected to employ up to 500 people during peak construction, he said. The tunnel will connect the port to Interstate 395, helping to alleviate traffic jams inside the port and through downtown streets, where an estimated 5,500 trucks pass on their way in and out of the port every day.

Currently, about 40 people are working full time until digging gets fully under way during the second and third years of the project, Pego said. The project began in October 2009.

Begun in November 2009, the 826/836 project is expected to be completed in 2015. The project was on hold for years, but FDOT jump started construction with a federal stimulus infusion of about \$80 million, Pego said.

The project currently employs 400 to 500 people and is expected to employ about 800 at its peak, which will take a year to reach, FDOT spokesman Oscar Gonzalez said.

FDOT's District 4 is working on some large bridge projects, Secretary James Wolfe said. One of those is the \$107 million replacement of the Flagler Memorial Bridge that connects West Palm Beach to the town of Palm Beach over the Intracoastal Waterway.

Large projects like that take time and the economic impact is spread out for a few years, Wolfe noted.

"If you [contract] a project this year, the payout will probably run two-and-a-half to three years. There's a lag effect," he said. "The stimulus projects are still employing people and they probably will for a few years."

The I-595 improvement project in Broward, which is not funded by the stimulus, will be a significant employer for a few years, he said.

With the project a little over a year into its anticipated five-year lifespan, I-595 employed 764 full-time and 530 part-time employees as of July 31, FDOT spokeswoman Laila Haddad said. And, the number is expected to grow substantially as the project ramps up.

"I would expect we'd have 4,000 employed a year from now on I-595 alone," Wolfe said.

While there are some bright spots, over the long term, the road construction sector is clouded by the leveling off in gas taxes the state collects – an important piece of FDOT's budget, said Bob Burleson, president of the Florida Transportation Builders' Association. "The thing that's killing us is people driving more fuel-efficient vehicles."

Long term, the state will need to replace fuel taxes with another source of income as people transition to hybrid and electric vehicles, he said.