



## Washington State Public Works Board

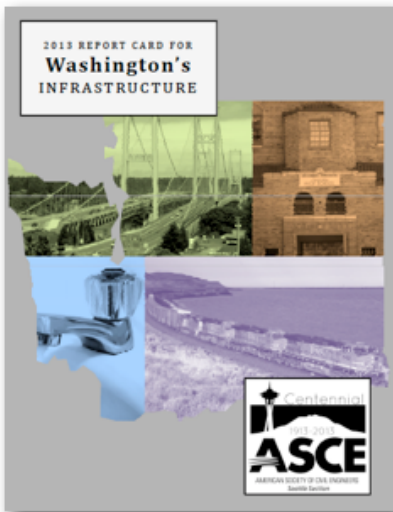
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### Infrastructure: The foundation of health and prosperity

Infrastructure is the foundation upon which a state's health, safety and economy are built. Indeed, the Washington state Constitution speaks to the state's responsibility to the health and safety of its citizens as much or more than any other topic. It may not be "paramount," but it is fundamental.

Although the state's Constitution was written in the late 1880's, it is by no means a dated manuscript. The writers had thousands of years of history to call upon when forming their thoughts and concerns into the founding document. While there are many responsibilities that fall to the individual or individual family; raising children, caring for them, seeing to their citizenship and moral development, there are some areas beyond the scope of the individual, the family or even the scope of the immediate community. Those responsibilities fall to the state to oversee, to control or even support through loans or investment.

While some of our infrastructure needs can be created and maintained locally there are several major exceptions. Some communities do not have the financial capacity to take on large infrastructure projects and are too small to attract private investment to do so. Their bonding capacity does not permit self-funding of projects. Low cost loans through state programs allow projects to move forward.



In many other cases, infrastructure projects involve multiple jurisdictions and require state leadership and management. Additionally, most infrastructure agencies aren't funding depreciation of their capital assets, for example, which would require that they set aside the resources to replace aging systems, points out Stan Finkelstein, Chair of Washington State's Public Works Board. Meanwhile, in many cases O&M budgets are inadequate to properly maintain aging and sprawling infrastructure systems.

In 1985 Washington state legislators, embracing their responsibilities for critical infrastructure creation and maintenance, created an innovative program and funding mechanism: the Public Works Board and Public Works Assistance Account. These progressive measures were a model for the country and served to give Washington today one of the highest marks in its infrastructure report card. The ASCE reported, "We know that infrastructure investment creates jobs, builds better communities, and makes our nation safer." Yet, these infrastructure systems, so critical to human life, are vulnerable to a variety of natural and human hazards, from extreme weather events and earthquakes to terrorist attack and large-scale accidents, in addition to normal aging.

## Health and Safety

Clean water and treatment of sewage are the most fundamental mechanisms needed to keep a community healthy. One has only to visit the ruins of the cities of many ancient civilizations to understand that reality. When the waste cannot be processed or removed and when clean water is not available, the place is unfit for human habitation. The conditions for epidemic-like diseases are created and people and industry move elsewhere. What was true in ancient times is still true today.

“Water is an essential life-sustaining element. Much of Washington’s drinking water comes from ground water supplies. Once ground water is contaminated it is difficult, costly, and sometimes impossible to clean up. Preventing contamination is necessary to avoid exorbitant costs, hardships, and potential physical harm to people.” *Washington State Growth Management Act*”

## Economic Development and Jobs

Economic development, community development, is built on a foundation of infrastructure: roads, bridges, domestic and industrial water treatment, storm water and wastewater treatment, port facilities, railroads, telecommunications and energy grids, and more.

A healthy infrastructure supports private and foreign investment, increases the innovation capacity of the state, driving education and workforce development. Transportation infrastructure is required for freight mobility, moving the imports and export systems of the state while transit



investments move private citizens to jobs. The state’s \$800,000 loan for RailEx’s facility in Wallula was matched by \$12m of private investment and opens the state’s Columbia River Basin agricultural region to the world, moving wine and perishable food to domestic and foreign markets. It also created an estimated 140 full-time jobs that exceeded the average county salary.

Our infrastructure investment yields immediate construction jobs, but has a more significant impact on family wage jobs long term. The study from the Transportation Construction Coalition states, “Approximately 62 percent of the jobs created from federal highway and mass transit investment are outside the construction industry—service industries such as business, education, health.”



Washington state's Natural Capital assets of wood, water and hydro-energy have served, since the state's inception, to drive investment. Today, our inexpensive hydro-electricity makes our state one of the top Carbon Competitive states as well as attracting leading edge, innovative business opportunities like Moses Lake's BMW carbon-fiber plant. In addition to the 200 jobs the facility created, a federal grant is

being used to train 135 people in advanced engineering techniques at local colleges. The products produced in Moses Lake require our rail, road and port systems to support their access to markets.

The recently produced report by the Boston Consulting Group and sponsored by the Brookings Institute and JP Morgan Chase have ranked the Seattle Region as a Global Competitive City. According to the report, a foundational driver for global competitiveness lies in our "physical infrastructure, transportation and communication infrastructure."

The Washington state Growth Management Act projections of population growth demand an infrastructure able to support our population and economic development projections. This requires maintenance of current systems and development of advanced, sustainable new ones. We must adapt to and address future challenges.

Fortunately, these challenges represent economic opportunity for our state. We're ideally equipped, **if our infrastructure keeps pace**, to participate in exciting expansion markets such as electric cars, smart homes/smart cities and Big Data. Infrastructure is **fundamental** to our health, safety and economic prosperity.

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