Northern Beltline Construction Impact: $7 Billion, 70,000 Jobs, $155 Million Tax Revenues

Annual Post-construction Impact: $2.1 Billion, 20,000 Jobs, $54 Million Tax Revenues

IMMEDIATE RELEASE

BIRMINGHAM, Ala. (June 28, 2010) – A report commissioned by the Coalition for Regional Transportation (CRT) and authored by the University of Alabama Center for Business and Economic Research (CBER) documents a statewide economic impact of more than $7 billion during the 21-year construction phase of the Northern Beltline. The Beltline, which will be designated I-422, will generate more than $2 billion annually each year after construction is completed.

Nearly 70,000 construction and other new jobs will be created during the construction phase, with 20,000 new jobs created per year as a direct result of economic growth from the Beltline after construction is completed.

“The CBER’s study demonstrates that the Northern Beltline is critical to growth and job creation for the state and the Birmingham region. The $7+ Billion return from the construction phase alone doubles the investment to build I-422, and does so with no new taxes or debt obligations for taxpayers,” said Renee Carter, CRT executive director.

Birmingham metropolitan area municipal and county governments will also benefit from new tax revenue generated by the Beltline. Statewide, about $155 million in new tax revenue will be
created during the construction phase with an additional $54 million in new tax revenue going to local governments each year after construction is completed.

“The project creates 70,000 construction-related jobs in the short term and the foundation for a much greater number of jobs in the future. A child born the year I-422 is completed will graduate high school in an economy offering 370,000 more jobs – better jobs – than today,” said Carter.

One significant benefit of the Beltline is the expected creation of over 370 new businesses – a 4.0 percent increase in the expected number of businesses in the six-mile corridor adjacent the Beltline.

The CBER report points out that the construction and completion of I-422 will also mean improvements in quality of life for residents of the Birmingham region. According to the report, the Beltline will “…improve travel safety, travel times, air quality, and traffic flow and provide new economic development opportunities.”

The study further notes that the Beltline will provide particular benefits for minority and lower income populations as well as other residents in the project area. The report states that the highway will “…improve access to essential services and activities and job opportunities for minority and lower income populations as well as for other residents of the project area.” In fact, the report states that “…the new highway will lower poverty levels in the area.”

The cost of the 52.5-mile interstate highway is estimated to be $3.044 billion consisting of 80 percent federal funding with 20 percent of the funds coming from the state of Alabama. The report says that the state matching dollars will be repaid to the state only nine years after completion of the project.
The Northern Beltline was first conceived in the 1960s and added to the Birmingham Metropolitan Area’s long range transportation plan in 1981, but construction of the project has yet to begin over 40 years later. Available federal funding for construction of the Northern Beltline has been and will continue to be primarily through the Appalachian Development Highway System (ADHS), as authorized by the U.S. Congress. The associated federal transportation funding must be used for this project or it will be lost to other states to complete ADHS projects outside of Alabama.

The Coalition for Regional Transportation is an organization formed to promote the development of the transportation system in and around the Birmingham and Jefferson County metropolitan area.

**Key Facts Concerning the Northern Beltline (I-422)**

- 52.5-mile interstate highway beginning at I-20/59 in southwest Jefferson County and extending through northeast Jefferson County connecting to I-59.
- The project’s total economic impact during construction phase is over $7 billion to Alabama’s economy.
- Construction cost for I-422 is $3.044 billion, 80 percent federally funded through Appalachian Regional Commission designated funds and 20 percent to be provided by the state of Alabama.
- During the 21-year construction phase almost 70,000 direct and indirect jobs will be created in Alabama as a direct result of the Beltline.
- Of the 70,000 new jobs created, 33,525 will be Birmingham/Jefferson County metro area construction jobs.
• Post-construction economic impact will be over $2 billion annually to the state’s economy.

• 20,000 new post-construction jobs per year created in Alabama and the Birmingham metropolitan area as a direct result of the Beltline.

• State and local governments will receive $155 million in new tax revenues during the construction phase with $54 million annually in new tax revenue to local governments after construction is completed.

• Most of the economic impacts will be in the Birmingham metro area.

• 372 new businesses will be created in the six-mile corridor adjacent to the Beltline in the years after construction.

• The Beltline will improve travel safety, travel time, air quality and traffic flow.

• Minority and low income populations in the metropolitan area will benefit from the Beltline due to improvements and access to essential services and job opportunities.

For More Information:

• View the complete economic impact report:

• View the Executive Summary:
  [http://www.cityofgardendale.com/NorthernBeltline_Executive_Summary.pdf](http://www.cityofgardendale.com/NorthernBeltline_Executive_Summary.pdf)

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