

# The Northern Beltline in Birmingham: Will They Come?

## Myth vs Fact

The speculative economic benefits of the Northern Beltline have been presented to the community as hard facts. But the fact is they are myths articulated in the Alabama Department of Transportation's 2012 reevaluation of the project, in presentations by the Coalition for Regional Transportation, and in the Birmingham Business Alliance's legislative agenda. Much of this information is misleading or false, as detailed by the Ochs Center for Metropolitan Studies in "If You Build It, Will They Come?"

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**Myth:** *The Northern Beltline will be one of the greatest economic development engines ever seen in the Birmingham area.*

**Fact:** Past and projected population growth numbers suggest otherwise, as does the Center for Business and Economic Research (CBER). According to the CBER's 2010 study, only 372 businesses and 6,527 residents would locate along the beltline corridor compared to the no-build scenario. The Ochs Center report also predicts that long-term growth will not occur along most of the corridor. This conclusion is consistent with projections from the 2012 ALDOT Reevaluation that predicts construction of the beltline would attract only 2,208 new residents and 2,842 new jobs by 2030 along its corridor.<sup>1</sup>

The CBER's study admits that any growth and development that might be associated with the Northern Beltline is highly dependent upon other infrastructure investments, especially sewer. Project supporters have not identified any funding sources for all the secondary investment that is needed. The economic costs to Jefferson County residents, sewer ratepayers, and property owners in the small cities and unincorporated areas along the Northern Beltline corridor are likely to be substantial.

**Myth:** *Constructing the Northern Beltline will create tens of thousands of jobs.*

**Fact:** The CBER's study concluded that over a 17-year construction period (which is the most optimistic possible timeframe for this project to be built), no more than 4,014 jobs will be created by the Northern Beltline in any one year. However, the Ochs Center analysis shows that the construction phase will actually create, at best, only 2,805 jobs in any one year. The difference is due to the fact that CBER used outdated 2002 data that did not take into account substantial increases in materials and other non-labor construction costs for projects like the Northern Beltline.

**Myth:** *The Northern Beltline will provide accessibility to the northern and western parts of the Birmingham region that will attract businesses and people.*

**Fact:** The beltline itself is not projected to attract many businesses or residents. Birmingham already has more road miles and interstate miles than many southeastern cities. Moreover, the relationship between the presence or absence of a beltline and the extent of economic development is not strong—especially in the absence of other necessary infrastructure such as sewer. Bessemer, for example, has ample access to two interstates already, yet has not experienced robust growth in recent years. In addition, the CBER study failed to analyze numerous important variables such as school quality, crime data and developable land in its forecasting models. Businesses and residents alike would consider these factors prior to making relocation decisions. Furthermore, because of the overall low projected population growth rates for Jefferson County, any business or person that locate in the Northern Beltline corridor would likely be coming from elsewhere in the Birmingham area; this is thus not "new" growth for the region.

**Myth:** *Birmingham is the only city of its size in the southeast that does not have a complete, connected interstate route around its metropolitan area.*

**Fact:** Many large southern metros such as Orlando, Knoxville, Tampa, and Chattanooga do not have completed interstate routes around their cities. The Ochs Center examined cities around the region and found that the presence of a complete beltline does not automatically translate into economic growth or low unemployment. In many cities, the construction of a beltline corresponded with strong growth pressures that are not present in Jefferson County.

**Myth:** *The Northern Beltline will produce increased traffic flow and reduce traffic congestion caused by limited interstate route options through our area.*

**Fact:** The Regional Planning Commission of Greater Birmingham projected that only 1% to 3% of the traffic through downtown Birmingham on I-20/59 would be diverted if the Northern Beltline were built.<sup>ii</sup> Traffic analyses in ALDOT's Reevaluation also do not support the claim that the beltline will reduce traffic. The anemic traffic volumes projected for the beltline do not justify the construction of a 6-lane highway (much less ALDOT's plans for an ultimate expansion to 8 lanes). The assumption that some trucks will take a 53-mile detour around the north side of Birmingham to avoid peak hour congestion is baseless, particularly given that the existing and much shorter I-459 already provides such a detour. Not only does the beltline have limited congestion reduction potential, the planning commission has ranked 35 other transportation projects ahead of the Northern Beltline in importance using a methodology that gives weight to congestion mitigation benefits.

**Myth:** *Appalachian Highway funds are available for the Northern Beltline. These funds represent years of contributions by Alabama taxpayers and should not be allowed to go to other states.*

**Fact:** Alabama, like all other states, is a net recipient—not donor—of federal highway money. Every state receives more from the federal highway trust fund than it pays in federal taxes on gasoline and diesel fuel.<sup>iii</sup> In fact, Alabama already receives more return per dollar and a higher relative share than Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. Current federal budget conditions create tremendous uncertainty about the long-term potential for sustaining the different road funds and thus being able to guarantee money for the Northern Beltline's construction, which ALDOT says would likely take upwards of 30-35 years. Alabama should explore other ways to obtain federal support for sustainable transportation investments that could yield more positive economic growth at a lesser cost. This support could come through the Appalachian Highway funds for projects such as extending Corridor X, or through other federal channels.

**Myth:** *If we don't use the money, we lose the money.*

**Fact:** The cost of the Northern Beltline is \$4.7 billion, or \$90 million per mile. Federal Appalachian Development Highway System funds would cover only \$3.24 billion. These same funds could be made available for work on other designated Appalachian corridors, such as the connection of Corridor X with I-20/59. Putting the federal contribution aside, Alabamians will still be on the hook for roughly \$1 billion to \$1.46 billion of the beltline's cost, along with the cost of providing sewer, secondary road upgrades, and other necessary investments to bring any economic development to the area. This money represents all of ALDOT's annual construction budget and will not be available for spending on other necessary transportation projects in the Birmingham area and around the state.

**the Ochs Center**  
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June 2012

<sup>i</sup> Revised March 2012 FEIS; CBER, page 22.

<sup>ii</sup> Regional Planning Commission of Greater Birmingham. 2010. *Public Involvement Meeting Documentation, April 2010*. Birmingham 2035 Regional Transportation Plan, Rebalanced FY2008-2011 Transportation Improvement Program and Air Quality Conformity Determination, P. 4-17.

<sup>iii</sup> <http://www.gao.gov/assets/520/511454.pdf>