

# TE Corner



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## Rehoboth Boardwalk "Shored Up" with Help of Recovery Act



The 2009 American Recovery and Reinvestment

Act (ARRA) made approximately \$800 million in TE funding available to states. At a time when hundreds of thousands of jobs were being lost each month, Congress created a large stimulus package with tight deadlines that favored shovel-ready projects to save endangered jobs and create new ones.

Delaware stands out as a national leader for its use of ARRA funding for TE projects. The state's minimum required set-aside of Surface Transportation Program (STP) funds for TE through ARRA was \$3.7 million. While some states fail to meet the minimum TE set-aside and are plagued by slow TE project delivery, Delaware proved its dedication to the TE program by committing 3 to 4 times the required minimum to TE-eligible projects and routinely delivering projects on rapid timelines. This is thanks in part to the exemplary management skills of TE program coordinator Jeff Niezgod.

Thus, Delaware was well positioned to implement ARRA on a one-year deadline. The largest TE ARRA award for the state went to the [Rehoboth Beach Boardwalk](#).

As a key piece of infrastructure in the state's tourism economy, the boardwalk brings almost 8 million travelers and \$1.8 billion to Delaware annually. In 2008, state transportation engineers determined that the crumbling boardwalk needed a complete reconstruction. To ensure the economic viability of the town, the city of Rehoboth Beach put up the initial \$2.4 million toward Phase I of a three phase refurbishment. A lack of funds meant that the reconstruction would stretch out over five years, leaving the businesses along the boardwalk vulnerable.

The original Rehoboth Beach Boardwalk was constructed in 1873. Ever since, it has been a vital part of the Rehoboth Beach experience and economy. In

its early days, the boardwalk became known as the "Nation's Summer Capital" because of its role as a summer resort town for Washingtonians. The boardwalk has been recognized as a top American boardwalk by both the Travel Channel and National Geographic.

By devoting \$5.5 million in ARRA funds, the reconstruction project was completed in just two years. By Memorial Day 2010, visitors were walking on a brand-new 1-mile boardwalk that included both cosmetic upgrades and structural reconstruction. The boardwalk is now fully ADA-accessible, can accommodate light emergency vehicles, and includes bicycle parking and safety fencing.

As the Rehoboth Beach Boardwalk reconstruction project was getting started, opponents of ARRA began compiling lists of "wasteful" stimulus projects. Rehoboth's boardwalk was

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## States Tackle Stimulus Despite Heavy Layoffs & Economic Uncertainty

This past May, NTEC published *Transportation Enhancements: Summary of Nationwide Spending as of FY 2009*. In addition to a thorough explanation and background of the FHWA TE program, this report explains how states spent nearly \$9.2 billion TE funds from fiscal year (FY) 1992 through the end of FY 2009. The report also covers how the additional \$800 million in TE funding, made available through the 2009 American Recovery and Reinvestment Act (ARRA), were spent.

If nothing else, the 2009 fiscal year demonstrates the maturity of the US DOT's TE program. As the TE program approaches its third decade, it is clear that many state DOTs and the communities where TE projects are being realized have embraced the TE program. Even though many state governments experienced furloughs and large scale public sector layoffs in FY 2009, state DOTs were able to select and begin implementing 1,134 additional TE projects through ARRA. However, FY 2009 also saw the largest rescission ever in the history of the TE program. Though some of the rescission was restored in FY 2010, rescissions have had a lasting impact on many states' programs.

Since the TE program was established in FY 1992, Congress has provided \$9.2 billion for nearly 25,000 projects across the United States. The [FY 2009 Spending Report](#) presents these major findings, which are summarized below.

### FY 2009 Findings

- Cumulative obligation rate increased dramatically to 89%, up from 80% at the end of FY 2008 (pg. 14).
- Obligation of yearly apportionment rose to 74%, up from 64% at the end of FY 2008. Many states have made clear progress in efficiently implementing TE projects (pg. 16).
- Obligation of available balance increased in 2009 from 22% in FY 2008 to 39%. This increase is largely an artifact of the reduction of the available balance caused by the substantial FY 2009 rescissions (pg. 13).
- The [12 TE-eligible activities](#) were funded at similar percentages as in past years with some minor adjustments. Activity 1, bicycle and pedestrian related facilities, continues to be the highest funded activities. The percentage of historic preservation projects declined slightly while the number of landscaping and scenic beautification projects increased (pg. 20).

### American Recovery and Reinvestment Act Findings

- States selected and obligated 1,134 ARRA projects, for a total of \$800 million of funding (pg. 27).
- Every state met both the 90 day and the one year obligation deadlines for ARRA, demonstrating the maturity of TE program management.

To access the full-report, visit [www.enhancements.org](http://www.enhancements.org).

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### “Rehoboth” continued from pg. 1

featured on Fox's Sean Hannity Show in a list of “101 Most Egregious Wastes of Stimulus Money.” Hannity and guests argued that the timeline of the project would do little to stimulate the local economy. These commentators failed to recognize that the project is much more than new benches and decking. It meant that a hard-pressed local contractor - already reduced to less than 50% of their pre-2009 workforce - did not lay off any more of its employees. It meant that the businesses along Rehoboth Beach could rest assured that the next storm would not wipe out access to their stores and restaurants. And finally, it meant that the economic role that the Rehoboth Beach Boardwalk has played for over 137 years will continue to be an economic engine for the city and region.

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