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Looking for Trickle-down Under the Peace Bridge: A Critique of the Public Bridge Authority's Economic Impact Claims

Abstract

The Public Bridge Authority's economic impact analysis, presented in its environmental impact statement for the Peace Bridge Expansion Project, offers a grossly exaggerated impression of the project's benefits. The Buffalo and Fort Erie Public Bridge Authority has proposed a significant expansion to the operations of the international crossing between Buffalo and Fort Erie known as the Peace Bridge. The plans presented to the public in 2007 would radically alter a five block area in Buffalo adjacent to the existing bridge plaza and further destroy the views and amenities in the historic, Olmsted-designed Front Park.

Keywords

Buffalo, Economic Development, Environment, Transit, Policy Brief, PPG, PDF

Looking for Trickle-down Under the Peace Bridge: A Critique of the Public Bridge Authority's Economic Impact Claims

April 19, 2011

This brief is based on a draft essay "Looking for Trickle-down under the Peace Bridge... Comments on the Regional Impact of an International Border Crossing" by Sam Cole, Professor, Urban and Regional Planning, University at Buffalo. To read the full draft, please visit www.ppgbuffalo.org/issues/economic-development/peace-bridge.

Summary

The Public Bridge Authority's economic impact analysis, presented in its environmental impact statement for the Peace Bridge Expansion Project, offers a grossly exaggerated impression of the project's benefits.

Introduction

The Buffalo and Fort Erie Public Bridge Authority has proposed a significant expansion to the operations of the international crossing between Buffalo and Fort Erie known as the Peace Bridge. The plans presented to the public in 2007 would radically alter a five block area in Buffalo adjacent to the existing bridge plaza and further destroy the views and amenities in the historic, Olmsted-designed Front Park. The full proposal includes building a second bridge span, expanding the plaza from 14 to 38 acres, and:

- greatly enlarging the area for truck inspections,
- relocating the Duty Free area,
- building a 400-plus-car parking garage,
- changing surrounding public streets and sidewalks,
- demolishing almost 100 privately owned residences and businesses (many of historic significance and eligible for listing on the National

Register of Historic Places),

- relocating water mains, and
- building new ramps to high-speed roadways.

Construction is estimated to take up to 12 years.

The Public Bridge Authority was named as the lead agency and supervised the environmental review process, which concluded with the Draft Environmental Impact Study (DEIS), prepared for the PBA by Ecology and Environment. The DEIS includes an economic impact analysis that greatly exaggerates the benefits of the project.

The data are generally inadequate and the methods wrongly used.

While the DEIS study appears to use very detailed data and the latest forecasting methods, the data are generally inadequate and the methods wrongly used. This is a common problem with economic impact studies. Often, as in this case, they are prepared by a consultant who has been hired by a developer. The implicit job of the consultant is to maximize all the potential benefits and minimize all the potential costs of the proposal.

That is exactly what appears to have happened in this DEIS. For example, the DEIS claims a benefit-to-cost ratio of 8.4. A more reasonable estimate is several times less, in the range 0.5-2.

Traffic Projections

The DEIS assumes exponential growth in the volume of Peace Bridge traffic between 2005 and 2040. There are many problems with this assumption.

- The DEIS projects the growth rising from 6 million in 2007 to 11 million in 2040, or an average of 1.7% per year, when the historic growth rate has been 0.8%;
- Peace Bridge traffic declined every year from 2003 (7.25 million) to 2009 (5.89 million) before rising slightly in 2010 (6.01 million);

Peace Bridge Traffic Totals

2003	7,252,322
2004	6,933,591
2005	6,904,545
2006	6,862,726
2007	6,623,693
2008	6,338,508
2009	5,894,332
2010	6,006,663

- Increases in traffic prior to 2004 may have stemmed largely from the passage of free trade agreements in the early 1990s; this source of expansion may have played itself out by now;
- The DEIS does not adequately factor in the presence of the three bridges in Niagara Falls, and the extent to which, if the Peace Bridge becomes congested, trucks and cars will use the other bridges instead – particularly if plans to

expand the Lewiston Queenstown bridge come to pass;

- Traffic is likely to be limited by
 - the recent increases in document requirements;
 - changes in key industrial sectors such as auto, chemicals, and food;
 - increased oil prices due to dwindling supplies, political turmoil, and environmental regulations and taxes.

Regional Benefits

The DEIS creates the misleading impression that the Buffalo regional economy will benefit greatly from the flow of goods across the Peace Bridge when, in reality:

- Most trucks crossing the Peace Bridge are coming from or headed to other parts of the United States; all they leave in Buffalo are their diesel fumes (and their tolls, which, of course, explains why they are so popular with the PBA);
- The DEIS assumes very large economic benefits from decreased time delays for travelers; however, even if these decreases occur, many of these travelers are not from the Buffalo region;
- There is no real proof that a faster Peace Bridge border crossing will lead to more trade, much less the huge increase in trade that the DEIS projects; it might just lead to less use of the other local bridges.

Ignoring the True Costs

The DEIS does not factor in many of the true costs associated with the proposed project, including:

- Public health costs from the asthma and other respiratory illnesses caused or worsened by the traffic; the permanent

- effect on the development of young brains caused by fine particulate matter, limiting the lifetime capability of these children;
- Lost productivity of adults and lost school time of children due to respiratory attacks and other illnesses;
 - Road and infrastructure deterioration due to increased truck traffic – paid for by local governments, diverting their resources from other vital needs;
 - Permanent loss of real estate tax base due to seizures by eminent domain; diminished property values for the homes “left behind;”
 - Social, cultural and historical losses associated with destruction of property and aesthetic assets.

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