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Tulsa road proposal critical to shaken contractors

by Kirby Lee Davis

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TULSA – Voting for Tulsa’s “Fix Our Streets” improvement program could add up to 1,000 contractor jobs in northeast Oklahoma, according to APAC-Oklahoma President Jerry A. Kreymer.



Contract workers perform street repair at 15th Street and Utica Avenue in Tulsa.
PHOTO BY KIRBY LEE DAVIS

Voting against it, he said, could cut that many jobs out of the economy.

“For our industry it’s critical, because we’re looking at a big-time slowdown in the private sector,” said Kreymer, whose firm handled three street contracts with the City of Tulsa last year. “It’s critical to our business, for sure.”

But since the same financial implosion slowing the construction industry also will rattle everyday consumers, University of Central Oklahoma economist Mickey Hepner said the five-year, \$451.6 million sales tax and bond proposal could face a tough road on Nov. 4.

“Oklahoma is immune somewhat from higher gas prices,” said the associate professor of economics at the UCO College of Business Administration. “We’re not immune from a financial crisis. What’s going on in Wall Street is what’s going on on my street. It does matter.

“The economy looks like it’s going to be slowing down for the next several quarters,” he said, considering the election’s outcome. “I would think it’s unlikely to succeed unless you get a lot of businesses in the area really supporting the idea. Even then it’s going to be hard in this environment right now.”

Since many Tulsa voters have decried the quality of metro roads, using often that as an excuse to vote against the Arkansas River development plan and other programs, the current proposal would seem to answer many prayers.

“People like to vote for benefits that are tangible things they can immediately see,” said Hepner, who is the director of the UCO Policy Institute. “It’s easier to get people to vote for a road tax if they really don’t like the roads.”

Paul Zachary, deputy director of the City of Tulsa Public Works Department Engineering Services division, said the Fix Our Streets program represents a hefty increase in street and bridge repair over any package passed in recent years. About \$413.7 million would fund existing street work, almost equaling the \$423.2 million allocated by the last three Third Penny programs and the last three bond packages.

“This program in the non-arterial area (neighborhood streets) is about nine times the money we had in the 2006 sales tax, and in the arterial area (main line streets) five to six times,” said Zachary.

All of that – adding up to \$70 million to \$80 million a year or more – will go to private contractors, he said.

City of Tulsa records show 47 companies certified for its road and bridge repair. If this two-pronged proposal passes, Zachary said it could lure more contractors to seek certification.

Kreymer agreed. He supports the program anyway.

"Right now it's that big a percentage of our business," he said.

Since most general contractors often subcontract work to other firms, with many of those also subcontracting work, Kreymer said passing the Fix Our Streets project could result in the hiring of 500 to 1,000 workers for the Tulsa area.

If it fails, he said APAC-Oklahoma would probably end up cutting jobs due to reduced business in other sectors. He expected other contractors would do the same.

James Barnard, the owner of bridge rehabilitator Logos Construction, feared that response could be widespread.

"We are funded from the state level and then federally funded, but there has been a problem with the federal highway trust fund," he said. "Therefore we're anticipating a slowdown with the federal funded projects."

Passing Fix Our Streets would allow his bridge rehabilitation company to not just remain active, but keep more workers at home, said Barnard. Otherwise Logos would be forced to continue seeking work outside Tulsa.

"Six months down the road we're looking at adding people," Kreymer said of the vote's passage. "If not, we're looking at laying people off."

Those responses represent the first, most direct impact of such programs, said Hepner, who estimated the dollars spent would basically double as they flowed through the economy.

"From a general perspective, we do know that money spent on road repair road construction does provide immediate employment, raises incomes, ripples through the economy," he said.

But that comes with a qualifier, he added, since the sales tax-raised dollars would most likely roll through Tulsa's markets in other ways, even if the vote doesn't pass.

The real economic value of good roads comes from improved transportation and organization, said Hepner. Quality roads makes it easier to not only move people, but supplies, while improving commerce in areas that might have discouraged traffic. Improved roads also lower automotive maintenance and repair costs for consumers and fleet operators, make emergency services more efficient, and generally lift the quality of life.

According to the U.S. Army Corps of Engineers, Tulsa's 1,339 miles of existing arterial roads average a 60 grading on the Corps' 1-100 Pavement Condition Index. Tulsa's nearly 3,000 miles of neighborhood roads graded 62.

"Quality infrastructure is essential to a thriving economy," said Hepner. "The purpose of our public roads is to help people go to where they want to go. It improves everything."

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