

Transportation and Infrastructure

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South Carolina At a Crossroad: Decisions on Infrastructure and Transportation Will Determine What Kind of State We Wish to Live In

South Carolina is home to impressive examples of infrastructure. Our highways, roads, bridges, dams, rail, ports, air and bandwidth connections link the four corners of the state, keep our residents safe from natural disasters, and transport our products and services to markets beyond our borders.

Infrastructure's Impact on our Economy

When wise decisions are made to maintain, improve or add to our infrastructure, to revitalize potholed roads, disheveled railways and creaking bridges, the state is rewarded with more investment. Business surveys show that infrastructure is always at the top of the priorities when companies look to expand or choose a state to locate in.

But as any homeowner knows, the bigger the house, the more time and money is needed to maintain it.

Without proper maintenance and investment, infrastructure deteriorates. This means higher business costs for a multitude of reasons.

These include goods being more expensive to produce and transport and business-related travel being more costly and unreliable. Once businesses become more inefficient, costs will rise, productivity will fall and GDP will drop," according to an analysis by *Forbes*.

Most Americans would agree that infrastructure is vital to economic growth. But public debate on infrastructure is usually couched, wrongly, in a simplistic notion that infrastructure is just one single-issue thing.

Key Facts About South Carolina's Infrastructure

- ✓ 76,250 miles of public roads, with 16% in poor condition.
- ✓ \$502 per motorist per year in costs from driving on roads in need of repair.
- ✓ 964 bridges (10.3%) are structurally deficient.
- ✓ There are 178 dams considered to be high hazard potential.
- ✓ \$1.8 billion in drinking water infrastructure needs over next 20 years.
- ✓ 2311 miles of rail across the state, ranking #31 by mileage nationally.
- ✓ 53 public-use airports.

Source: 2017 Infrastructure Report Card, ASCE American Society of Civil Engineers.

It is more accurate, rather, to think of infrastructure as “made up of interrelated sectors as diverse as a water treatment plant is from an airport, a wind farm, a gas line or a broadband network. The focus on infrastructure in the abstract led to unrealistic silver-bullet policy solutions that fail to capture the unique and economically critical attributes of each,” according to an op-ed article by Robert Puentes of the Brookings Institute.

Usually when people think of infrastructure, the roads and highways they must drive to get their kids to school, and to get themselves to work are their first thought and number one concern.

In South Carolina, poor road conditions result in higher costs to drivers in the form of increased auto repair and maintenance costs. As any SC driver knows, when you spend too much time on rough roads your tires wear down, you burn more fuel, you need more routine maintenance like alignments and brakes. And worst of all, your car doesn't last as long, so its value depreciates.

LAC Audit



The South Carolina Legislative Audit Council (LAC), which conducts independent audits of state agencies and programs, did a major review of the South Carolina Department of Transportation (SCDOT) in 2016. In that report the LAC found poor road conditions cost each SC motorist an average of \$502 more each year. South Carolina was found at-fault for many of these vehicle repair bills, and had to pay out \$40 million to claimants who filed damage and injury claims against the SCDOT between 2005 and 2015.

The LAC audit exposed the source of many frustrations residents have with the highway department.

For example, today on your “to do” list, you are placing your third call to the SCDOT to please fill in the pot hole that rattles your spine each time you hit it. According to LAC, however, you shouldn't get your hopes up.

The LAC audit found the “SCDOT is not currently meeting its established goal of completing 85 percent of public work requests within 60 days, a goal that was already reduced from a previous goal of completing 95 percent of requests within 60 days.”

Got that? SCDOT can't complete requests as fast as they should, so SCDOT simply reduced the performance

standard. The LAC rightly called them out for “settling for substandard performance” in a way that should alarm all taxpayers.

The LAC audit is full of many other insights and surprises. Here are some:

- SC keeps adding miles of roads, to be exact 760 more miles of road since 2004, while existing roads are allowed to deteriorate.
- Compounding this problem, the audit found that SC “does not monitor roads in a manner

that allows for the prediction and identification of roads in need of specific preservation treatments.” What this means is the state “misses opportunities to preserve roads and prevent the need for costlier maintenance treatments in the future.”

Again, the LAC is saying exactly what any homeowner knows. If you don't do preventative maintenance, you will likely pay more when the house starts to come down around your head.

- So instead of doing timely preventative maintenance to prevent roads from deteriorating into poor conditions (and saving the state gobs of money in the process), SCDOT has had a long-standing policy of fixing the worst roads first.

- According to the LAC “Worst First is a practice in which roadways are constructed and left unattended until they begin to show major signs of distress and then reactive maintenance is performed to keep them in service. However, this practice can lead to neglecting preservation needs that would prevent deteriorating roads in the future and preserve South Carolina's assets.”

SCDOT says they are transitioning away from the “worst first” mentality, and will implement a road preservation program. The department hopes that every dollar spent on preservation will save six to ten dollars that would have to be spent on rehabilitation or reconstruction down the road.

Time will tell if SCDOT finally gets this right.

Unsafe At Any Speed

South Carolina's roadway fatality rate is the highest in the country and is about 50 percent higher than the national rate. Along with poor road maintenance, other factors contribute to the state's highway death toll. Long rural roads, most with no paved shoulders, guardrails or lighting, characterize much of the countryside. As one resident put it, “Too many of our roads have little room for error. One bad move, one mistake, one moment of inattention can be deadly.”



Dams and Bridges

Along with highways and roads, South Carolina's bridges and dams also have been neglected and are in rough shape.

Nearly 20 percent (one out of five) bridges in the state are functionally obsolete, or worse, structurally deficient showing significant deterioration.

Dams are another piece of our infrastructure fabric that we don't think about until they fail. In 2015, around Columbia, at least 20 dams collapsed during catastrophic floods. Several of the dams breached were more than 100 years old. South Carolina is home to 178 dams considered to be “high hazard potential .” This means that their collapse could cost human life.

So, who is minding the store to insure dam safety? According to data published in 2015, South Carolina's dam safety program oversees 2,499 dams at a yearly cost of \$260,000.

That comes to 380 dams per dam safety employee.

Unfortunately, this situation may get worse before it gets better. According to NFS Edge, a private flood insurance company, as global warming heats up the upper atmosphere “storm systems are moving more slowly and dropping more rain. Dams that were once bulletproof aren’t anymore.” More development and more roads also mean less room for water to be absorbed by soil, placing those living downstream at greater risk.

What’s the Bottom Line?

LAC Recommendations

The Legislative Audit Council’s report on the SC Department of Transportation (SCDOT) produced 172 specific recommendations. Areas covered included the agency’s governance and management; funding sources and expenditures; performance in maintaining state roads, bridges and dams; the processes the agency uses to determine priorities; and SCDOT responsiveness and accountability to the public. SCDOT says it is well on its way toward improving its operations, and the conditions of our roads, by implementing the LAC recommendations and other management initiatives. The SC Legislature should provide needed oversight to insure the SCDOT implements the LAC recommendations as quickly as possible.

Who’s in Charge?

Left untouched, however, is the LAC recommendation that the top management structure of the SCDOT should change. Currently, the department is headed by a Secretary of Transportation (appointed by the Governor), and by a nine-member commission (largely appointed by the Legislature).



SCDOT’s management structure “creates confusion, is cumbersome, hinders accountability and undermines the authority of both the Secretary and Commission.”

This two-headed governing structure for the SCDOT is unique among the states. LAC’s conclusion? SCDOT’s management structure “creates confusion, is cumbersome, hinders accountability and undermines the authority of both the Secretary and Commission.” So far, the legislature has not addressed LAC’s recommendation that state law be amended to designate either the Secretary or the Commission as the governing authority of the SCDOT.

Stewardship Needed Over New Revenues

Putting one agent in charge, either the Secretary or the Commission, is more critical now than ever as the Department will see increasing revenues and opportunities to address the state’s transportation needs, courtesy of the state’s new gas tax.

South Carolina has the fourth largest state-owned transportation system in the nation.

Yet, in recent years has spent the lowest amount of money per mile on road upkeep than any other state. This low amount of investment has occurred despite SCDOT tripling its spending over the past decade.

SC Transportation Secretary Christy Hall says that “Much of the reason citizens see decay on South Carolina’s primary road system has been because lawmakers have funneled much of DOT’s money to interstates and certain types of secondary routes. The lack of spending has caught up with the state,” Hall says, “leaving a majority of roads in such bad condition they must be rebuilt, at a cost of \$8 billion.”

In 2017, the SC Legislature raised the state’s 16.75-cent-a-gallon gas tax by two cents a year for six years, a total of 12 cents. The new law also raised other driving fees to fix the state’s roads. These added taxes are expected to bring in nearly \$150 million in 2018, and once fully phased-in, the new law is expected to bring in about \$630 million a year for road repairs.

Hall says that as these new funds are ramped up, “They’ll be a time when you really, probably, will not be able to leave your house to go to work without seeing some sort of road work underway.”

Impact Fees

The Horry County Council is also looking at impact fees as a way to pay for infrastructure needs. Impact fees are used by many localities across the country. The fees usually are passed down to the person buying a home in a new development.

According to the Horry County planning and zoning department, right now there are more than 53,000 single-family and multifamily residential units already zoned in unincorporated Horry County that have not been constructed. Overall, Horry County is expected to add 100,000 new residents in the next 20 years. With new growth comes more traffic on roads, more infrastructure and more people who need services.

Before the Council is a resolution to put the question on the November 2018 ballot asking the public if they support impact fees for new development to offset the cost of infrastructure and other needs.

Under current law, according to the county planning and zoning department and reporting by the Sun News, “money from impact fees can only be used in the development where the fees were assessed, and must be proportionate to the cost associated with the development. That means the fees can’t be used to expand roads leading into a development to handle the traffic increase, or to repair storm water pipes affected by a new neighborhood upstream.” The Horry County Council is looking at how current law can be amended to expand how the county can use impact fees and better serve the county’s needs.

It’s Up to Us to Determine South Carolina’s Future

An estimated 157 people a day are moving to South Carolina, with many choosing Horry County as their new home. With Horry County’s population expected to increase by 40 percent between now and 2040, where will the County put them?

The Horry County planning and zoning department is spearheading Imagine 2040 to answer that question. Imagine 2040 is a strategic planning effort to solicit the public’s input on how the county should address unprecedented growth and guide future development. It’s intended to produce a blueprint for what the County will look like in the future.