



INFRASTRUCTURE INVESTMENT AND JOBS ACT

Accelerating Investments in the Future of Our Communities

The [Infrastructure Investment and Jobs Act \(IIJA\)](#), signed into legislation on November 15, 2021, opens the doors to investments in the future of our communities. With a longer-term view, and \$550B additive over traditional funding levels, IIJA has a more aggressive spend and multi-year approach to deliver overdue investments to support our nation's critical infrastructure—roads, bridges, railways, water, sewage, broadband, and electric grid renewal.

The legislation provides a total of \$1.2T with an emphasis on infrastructure investments that focus on sustainability, resiliency, and equity—helping to aggressively align job creation, environmental, and mobility efforts to stimulate more equitable growth and overall economic recovery. It is estimated that these investments will add approximately two million jobs per year over the course of the next decade.

Federal agencies will be overseeing the funding from the bill, including the administration of grants and the establishment of new programs. IIJA **funds will be distributed to states based on established formulas** that include key criteria, such as total lane miles per state, vehicle miles traveled on federal-aid highways, number of fatalities on federal-aid highways, a state's contribution to the highway trust fund, and population data. Once funds have been distributed to states, local administrators will allocate funding to the county or city governments for distribution to projects that have been prioritized. **Communities will need to work together to determine the highest and best use of the funds and invest in projects that will have a meaningful impact within a community.**

Key Features and New Programs

The IIJA is both historic and transformational legislation that will make certain that America remains economically competitive for years to come. The bill includes a \$550B, five-year (FY22-26) surface transportation reauthorization, which increases funding over baseline spending. **The IIJA provides the largest increase in federal highway, transit, and bridge funding, which will help modernize transportation systems within our country through replacement of infrastructure that is centuries old—advancing safety, equitable access to transportation, and helping to combat the climate crisis.** Key features include:

- » Boosts **transit funding** for communities all over the country to address maintenance backlogs, modernization, and expansion.
- » Establishes **new discretionary grant programs and increases existing grant program funding** across numerous programs through General Fund appropriations, which will allow communities to undertake transformative surface transportation projects.
- » **Strengthens supply chains** by investing \$43B in our ports and airports in addition to expanding existing programs that support freight investment across modes.
- » Includes \$66B in appropriations for **passenger rail**, including Amtrak and the Consolidated Rail Infrastructure and Safety Improvements Program (CRISI).
- » Includes \$5B for **Safe Streets and Roads for All Grants** and \$500M for **Strengthening Mobility and Revolutionizing Transportation** Grant Program.
- » Earmarks \$7.5B to **build out electric vehicle (EV) charging infrastructure nationwide** to accelerate the adoption of EVs to address the climate crisis.
- » Streamlines and improves the **National Environmental Policy Act (NEPA)** review process for surface transportation projects that receive federal funding, or require approval of the U.S. Department of Transportation.
- » Includes \$1B in funds for the **Reconnecting Communities Pilot Program** which will help communities remove portions of interstates, redesign streets, and repurpose rail lines.
- » Includes programs to deploy **intelligent transportation technologies**.
- » Replaces fossil-fuel powered transit vehicles with **cleaner electric or low emission** transit vehicles.

Investing in the Future of Our Communities

As VHB continues to follow the IIJA, we are having future-focused conversations centered around opportunities to create more sustainable, resilient, and equitable communities. We are considering synergies that could be created between public agencies and private entities that will lead to strategic investments and accelerate economic development. **Now more than ever, partnerships will be critical to achieving our nations' goals.**

Infrastructure investments serve as enabling projects that open potential for future development within communities. Key infrastructure upgrades that could serve as a catalyst for development include:

- » Roadway improvements and traffic signals to improve levels-of-service and enhance mobility in rapidly expanding geographic corridors.
- » Bridges that serve as connections to communities and sites.
- » Transit stations which enhance mobility, accessibility, and equity, as well as provide sites for denser transit-oriented housing development.
- » Electrical substations to solve district wide energy demands.
- » Resiliency solutions which elevate neighborhoods and protect them from sea level rise.

Infrastructure Investment and Jobs Act Impacts

The IIJA addresses infrastructure upgrades across a variety of markets and sectors. At VHB, we are actively tracking the funding mechanisms and the opportunities for transportation agencies, states and municipalities, energy, federal, real estate, and institutional clients.



Transportation

The IIJA includes reauthorization of the surface transportation program for the next five years. In addition, transportation infrastructure will benefit from an additional \$284B of capital above the baseline to modernize aging infrastructure. **The funding will make certain that transportation agencies can design and build resilient infrastructure that will withstand the impacts of climate change and streets that are safer for all road users, including pedestrians and cyclists.** In addition, the bill will increase funding for public transit options in urban, suburban, and rural areas to integrate technology. It will also get the U.S. on a path toward zero emissions by prioritizing decarbonization in the transportation sector.



Energy

The IIJA addresses the climate crisis with the largest investment in clean energy transmission and the electric grid in American history. The U.S. Department of Energy (DOE) will manage more than \$65B in funds to expand access to energy efficiency and clean energy for families, communities, and businesses throughout America. **Funds have been authorized to build new, higher-capacity transmission lines to facilitate the expansion of clean energy across the country. This is a critical step towards adopting and delivering energy from where it's generated to where it's needed.** The new bill creates a Grid Deployment Authority to reduce obstacles to adopting clean energy and support the development of new transmission lines. The IIJA also supports investments in research and development for advanced transmission and electricity distribution technologies, and the promotion of smart grid technologies. In addition, the funds will be used for research hubs to advance new technologies, including nuclear reactors, carbon capture, and clean hydrogen.



States and Municipalities

The funds allocated for water infrastructure will provide significant resources to make certain communities have clean, safe drinking water and modern wastewater and stormwater management systems. **Enhancements to these aging systems will improve the resilience, reliability, and quality of water systems and allow service providers to minimize a community's exposure to chemicals and lead service lines.** Investments in wastewater, water, and stormwater management systems will in turn unlock development potential within communities. Overall, investments in wastewater systems will create additional capacity within a municipality to induce new development where there is market demand.



Real Estate Development

Infrastructure investments will serve as an accelerator for private investment. If states and municipalities absorb or offset some of the costs of infrastructure, including demolition, utility infrastructure, and environmental clean-up to create more resilient communities, this could help developers manage the risks associated with bringing new developments to the market. Right now, impact fees and the rising costs of building materials are driving up construction costs. If municipalities address aging infrastructure, they can get more value from the land, and developers can focus on producing higher quality developments. **Investments in infrastructure will result in economic benefits and bring much needed jobs and tax revenue to communities.** Real estate developers are partnering with communities to meet market demand for industrial, biopharma, residential, commercial and office space.



Federal Agencies

The IIJA supports investments in key programs funded through the Department of the Interior (DOI) that support climate resiliency and the protection of our communities. The DOI will be managing investments in energy infrastructure, water and drought resilience, wildfire resilience, and ecosystem restoration.

The U.S. Environmental Protection Agency (EPA) has funds that are earmarked for clean water projects to address lead service lines in the ground, [PFAS](#) pollution and protective measures for critical water bodies that are important to communities and our economy. In addition, funds have been set aside to clean up Superfund and brownfield sites to eliminate pollution and toxic water levels.

The Bureau of Reclamation is managing a competitive grant program for small water storage and groundwater storage projects, large-scale water recycling and reuse projects, and projects designed to improve habitat and watershed health.

The Army Corps of Engineers will be focused on environmental work including stream and river restoration projects and resiliency measures aimed at protecting our communities from flooding.



Institutions

Healthcare and higher education institutions will benefit from funding associated with climate adaptation, energy and power grids, and transportation infrastructure which will enhance mobility. Institutions are at the forefront of sustainability, and many of them have made commitments to achieve net zero greenhouse gas emissions by 2050 or sooner. They are committed to making investments in renewable energy sources to power campuses, decarbonization, increasing the use of hybrid and electric vehicles, and designing buildings with a net zero impact. Investments in broadband technology across the nation will provide more equitable access to disadvantaged communities and make remote learning more feasible. Many urban institutions reside in communities which are disconnected by major transportation improvement projects, and they may benefit from the fund set aside to reconnect communities.

How VHB Can Help

The IIJA prioritizes investments in the future of our communities and focuses on sustainability, resiliency, and equity—key areas that VHB has always been focused on. We have deep relationships with transportation agencies, economic development agencies, developers, municipalities, state agencies, energy providers, institutions, and federal agencies that allow us to advance the infrastructure required to support economic growth and development goals. Partnerships between public agencies and the private sector are critical to leveraging resources necessary to build and strengthen infrastructure, which will serve as a strong foundation for the vitality of our communities.

VHB is here to help. Contact our market leaders to learn more about our future-focused infrastructure solutions to provide for a sustainable, resilient, equitable future.



Steve McElligott, PE

*Transportation Agencies
Market Leader*

smelligott@vhb.com



Kris Dramby, CWB, PWS, CE

Energy Market & Practice Leader

kdramby@vhb.com



John Classe, PE

Real Estate Market Leader

jclasse@vhb.com



Nancy Barker, PWS

Federal Market Leader

nbarker@vhb.com



Robert Smedberg, PE

Institutions Market Leader

rsmedberg@vhb.com

Fact Sheet

The [Infrastructure Investment and Jobs Act](#) of 2021 is a step forward towards helping our nation and communities remain competitive. The funds being allocated will provide our communities with the resources necessary to invest in the future, developing the critical infrastructure that will lay the foundation for economic growth. IIJA is allocating \$284B above baseline spending towards transportation modes and \$266B for other infrastructure sectors.



Roads, Bridges, and Major Infrastructure Projects \$110 billion

- » Funds highways, roads, and bridges in poor condition with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians.
- » Reauthorization of the surface transportation program for the next five years.



Airports, Ports, and Waterways \$43 billion

- » Creation of modern, resilient, and sustainable port, airport, and freight infrastructure to support U.S. competitiveness. The upgrades will help to alleviate bottlenecks and expedite commerce.
- » \$25B for airports to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies.
- » \$17.4B funds for ports and waterways to improve waterway and coastal infrastructure, inland waterway improvements, port infrastructure, and land ports of entry through the Army Corps, DOT, Coast Guard, the GSA, and DHS.



Passenger and Freight Rail \$66 billion

- » Multi-year funding stream to address deferred maintenance, enhancement of existing corridors, new lines and freight and rail safety.
- » Targeted funding for the Amtrak National Network for new service and maintenance and repair backlog.
- » Funds to modernize the Northeast Corridor and bring world-class rail service to areas outside the northeast and Mid-Atlantic.



Public Transit \$39 billion

- » Funds for repairs and replacement of the nation's transit system including aging buses, rail cars, stations, and thousands of miles of track, signals, and power systems with clean, zero emission vehicles.
- » Allocations to create new bus routes and increase accessibility to public transit for people with physical mobility challenges.



Transportation Safety and Research

\$11 billion

- » Funds for safety of people and vehicles within our transportation system involving highways, trucks, pipelines, and hazardous materials.
- » New program will provide grants to community owned utilities to replace leaky and obsolete cast iron and bare steel natural gas pipelines.
- » \$5B for the Safe Streets for All program to help reduce crashes and fatalities in communities, particularly for cyclists and pedestrians.



Electric Vehicle Infrastructure

\$7.5 billion

- » Funds to build out electric vehicle (EV) charging infrastructure nationwide to accelerate the adoption of EVs to address the climate crisis.
- » Funds for deployment of EV chargers along highway corridors to facilitate long-distance travel and within communities to provide convenient charging where people live, work, and shop with a particular focus on rural and/or disadvantaged communities.



Electric Buses and Ferries

\$7.5 billion

- » Replacement and removal of diesel buses through funding for thousands of electric school buses nationwide to help school districts buy clean, American-made, zero emission buses.
- » Supports a pilot program for low emissions ferries and rural ferry systems.



Resiliency

\$46 billion

- » Funds cybersecurity projects to address critical infrastructure needs, flood mitigation, wildfire, drought, coastal resiliency, waste management, ecosystem restoration, and weatherization.



Reconnecting Communities

\$1 billion

- » Funds for planning, design, demolition and reconstruction of street grids, parks, and other infrastructure to reconnect disproportionately minority neighborhoods that were divided by highways and other infrastructure.



Energy and Power Grid

\$65 billion

- » Funds to help address widespread power outages and improve the reliability and resiliency of the nation's power grid.
- » Supports carbon capture technologies and more environmentally friendly electricity sources like clean hydrogen and direct air capture.



Broadband

\$65 billion

- » Grants are available to states for broadband deployment to address access issues in rural areas and low-income communities.



Water Infrastructure

\$55 billion

- » Funds investments in safe drinking water, wastewater, and stormwater management services to improve the resilience and quality of water systems.
- » \$15B for lead service line replacement.
- » \$10B to address PFAS in water.



Environmental Remediation —Legacy Pollution

\$21 billion

- » Funds to clean up brownfield and Superfund sites, reclaim abandoned mine lands, and plug orphan oil and gas wells.