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For Immediate Release:

Oklahoma Economists Agree: Now is the Perfect Time to Invest in Major Infrastructure Projects

Three local economists argue that the timing of MAPS couldn't be more ideal

OKLAHOMA CITY, Dec. 3, 2009 – Three Oklahoma economists agree that while the national economy is down and cities elsewhere struggle, Oklahoma City is in a prime position to invest in major infrastructure projects. Bob Dauffenbach, director of the Center for Economic and Management Research at the University of Oklahoma; Russell Evans, director of the Center for Applied Economic Research at Oklahoma State University; and Larkin Warner, professor emeritus at Oklahoma State University, who has extensively studied the economic impact of both MAPS and MAPS for Kids, all argue that if we invest now, the return on economic activity will be maximized because of the timing.

"The timing of MAPS is perfect," said Evans. "We'll get the projects done at a lower cost, and the return on economic activity in the city will be maximized because of the timing, not in spite of the timing. If the construction industry was highly active right now and we put more activity into it, we would end up with less quantity and higher prices. At this point in time, we will get more return on our investment of economic activity per dollar spent and at better prices."

Dauffenbach agreed. "The construction industry is being impacted by the national recession, and that releases resources that can be gainfully employed here - so it's a good time to engage in construction activity. Construction dollars will stretch further in Oklahoma during this time of national recession. The timing is very good, and it really contrasts quite dramatically with a couple of years ago. I'm anticipating we would get a lot of bang for the buck out of these MAPS projects."

Research shows communities that don't choose to invest when the economy is slow are essentially locking in their losses. When the economy rebounds, they will not be in a position to benefit. And Oklahoma City economists argue that not investing is the worst move the city could make.

"We are looking for investments that will yield a positive return and continue the momentum that Oklahoma City has been able to achieve," said Dauffenbach. "If we don't invest now it would slow our rate of progress and likely damage our momentum."

Evans agreed. "It's never a bad time to invest in key infrastructure in your city. The real fear should be of stopping the momentum and never starting it again. We have a momentum built up that is really setting us apart in the region."

Research also shows that economic downturns hit regions harder that don't have existing economic development programs and community redevelopment projects. Investing in economic and community development helps communities recover faster. And Oklahoma City economists point out that Oklahoma City is in a unique position when it comes to opportunities for investment projects.

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“Oklahoma City, of all cities in the US, is the one that has a unique opportunity in terms of land usage to put together a major urban park,” said Warner. “That combined with the opportunity generated by the river development and the realignment of I-40 is truly remarkable. This is an opportunity that no other city has right now, and we don’t want to blow it. I’ve studied this long enough to know that the opportunity to capitalize on the river and to invest in a downtown park has linkages with new investments that are profound.”

As budgets inevitably are cut around the nation, research shows that cities that stay in the game have less competition and more opportunities for business attraction. And Oklahoma City has the chance to stay in the game without raising taxes or incurring debt.

“I think it is important to point out the merits of using sales tax to fund these projects,” said Warner. “We don’t have to borrow money, for one, which means we don’t have to pay interest on bonds or pay higher property taxes. And secondly, because greater Oklahoma City covers such a large area, people from other communities are helping us pay for programs and projects located in Oklahoma City. We can take advantage of the sales tax generated from residents not just of Oklahoma City, but elsewhere in Oklahoma. It all makes a good deal of sense.”

At the end of the day, it’s important to also note not only the economic benefits, but the quality of life benefits.

“The economic benefits of MAPS are significant, but in some ways the non-economic benefits are even greater,” said Warner. “We are doing this for ourselves and we shouldn’t forget that. We are doing this to make this a better place for each of us to live.”

Interview opportunities:

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