

Infrastructure Investment & Retail Real Estate

Our Position

The retail real estate industry is an essential part of every community across the country. As policymakers turn their attention to the need to restore and modernize America's infrastructure, the retail real estate industry has an important role to play.

Safe and efficient infrastructure is critical to our marketplaces and the communities they serve. Shopping centers rely on roads and transit to get consumers and workers to our properties, and we need reliable routes to get products to our stores.

Retail real estate is a catalyst for road, transit and utility upgrades in our communities, contributing \$390.6 billion annually in property and sales taxes and billions in impact fees associated with commercial real estate development. ICSC members work closely with municipalities to update water, electrical and other types of infrastructure to increase community connectivity and best serve the needs of consumers and neighbors. Furthermore, access to retail is a key component of successful transit-oriented development (TOD).

Policy Priority: Modernize Federal Infrastructure Funding and Permitting

- Ensure sufficient dedicated revenue to maintain the solvency of the Federal Highway Trust Fund, including but not limited to, creation of a vehicle-miles-traveled fee.
- Strengthen the effectiveness of public-private partnerships by restoring the Federal tax exemption of certain state and local grants (IRC Section 118). Promote private sector investment through expansion of Private Activity Bonds for infrastructure projects.
- Enhance existing federal development financing programs such as TIFIA and RRIF, allowing for greater flexibility in infrastructure development.
- Integrate and rationalize permitting to decrease costs and shorten timeline for project delivery, including incentives for state, regional and local efforts to decrease decision time and reduce redundancies.

Transit Oriented Development (TOD)

TOD maximizes the amount of residential, business and leisure space within walking distance of public transport. A TOD typically includes a central transit stop (such as a train station, light rail or bus stop) surrounded by a high-density mixed-use area, with lower-density areas spreading out from this center.

By incorporating economic development into a transit plan a project can maximize the success of all components and take advantage of existing construction and development expertise.

Retail Real Estate and Infrastructure by the Numbers:

\$516

Annual average cost to a motorist driving on bad roads. Money that could be spent supporting the local economy.

\$1.7 Trillion

Funding gap needed to get U.S. infrastructure to a B grade. Public-Private Partnerships could help close that gap.

\$3.7 Trillion

The estimated cost of delays associated with permit delays.

\$390.6 Billion

Amount shopping centers contribute annually to property and sales taxes to help states and municipalities pay for infrastructure.

Sources: American Society of Civil Engineers 2017 Infrastructure Report Card; Common Good Updates the Cost of US Infrastructure Delays.

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