Economic Development
RESEARCH GROUP

Economic Development and Transportation Improvements

Glen Weisbrod
Economic Development Research Group, USA
www.edrgroup.com

IEDC Leadership Summit

New Orleans, January 25, 2016

Topics

1. **Government recognition** of needs & opportunities
2. **Types of development** supported by transportation
3. **Roles of private sector** & economic development agencies
4. **Moving forward**

Government recognition of needs & opportunities

State DOT mission statements:

...Economy & Environment

2015 STRATEGIC DIRECTION

UTAH DEPARTMENT OF TRANSPORTATION

MISSION

INNOVATING TRANSPORTATION SOLUTIONS THAT STRENGTHEN UTAH'S ECONOMY AND ENHANCE QUALITY OF LIFE

GOV. McCRORY'S year 25 Vision for North Carolina MAPPING OUR FUTURE

multi-modal solutions that will create a stronger, more reliable transportation network that connects people to places, products to markets, expands jobs and industry, and enhances the overall quality of life in North Carolina.

CALIFORNIA DEPARTMENT OF TRANSPORTATION

Sustainability, Livability and Economy
Make long-lasting, smart mobility decisions that improve the environment, support a vibrant economy, and build communities, not sprawl.

MDOT Michigan Department of Transportation

MDOT Mission, Vision, Values

Mission - Providing the highest quality integrated transportation services for economic benefit and improved quality of life.

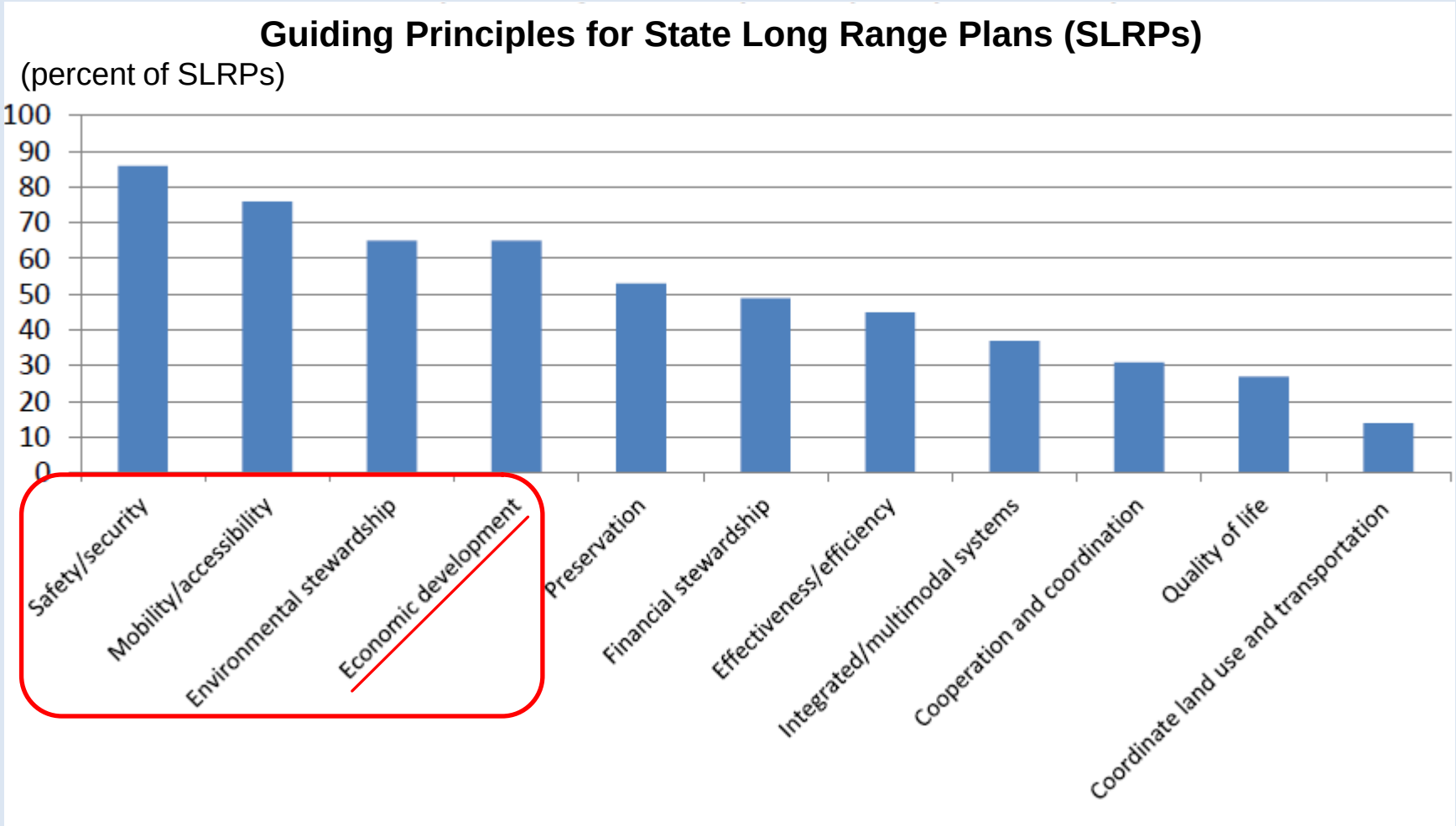
OHIO DEPARTMENT OF TRANSPORTATION

MISSION

We will provide a world-class transportation system that links Ohio to a global economy while preserving the state's unique character and enhancing its quality of life.

Economic Development RESEARCH GROUP

State DOT policy goals feature wider benefits



Source: Volpe Center, US DOT, Trends in Statewide Long-range Transportation Plans, 2015)

Economic Development RESEARCH GROUP

Transportation does NOT automatically create economic development

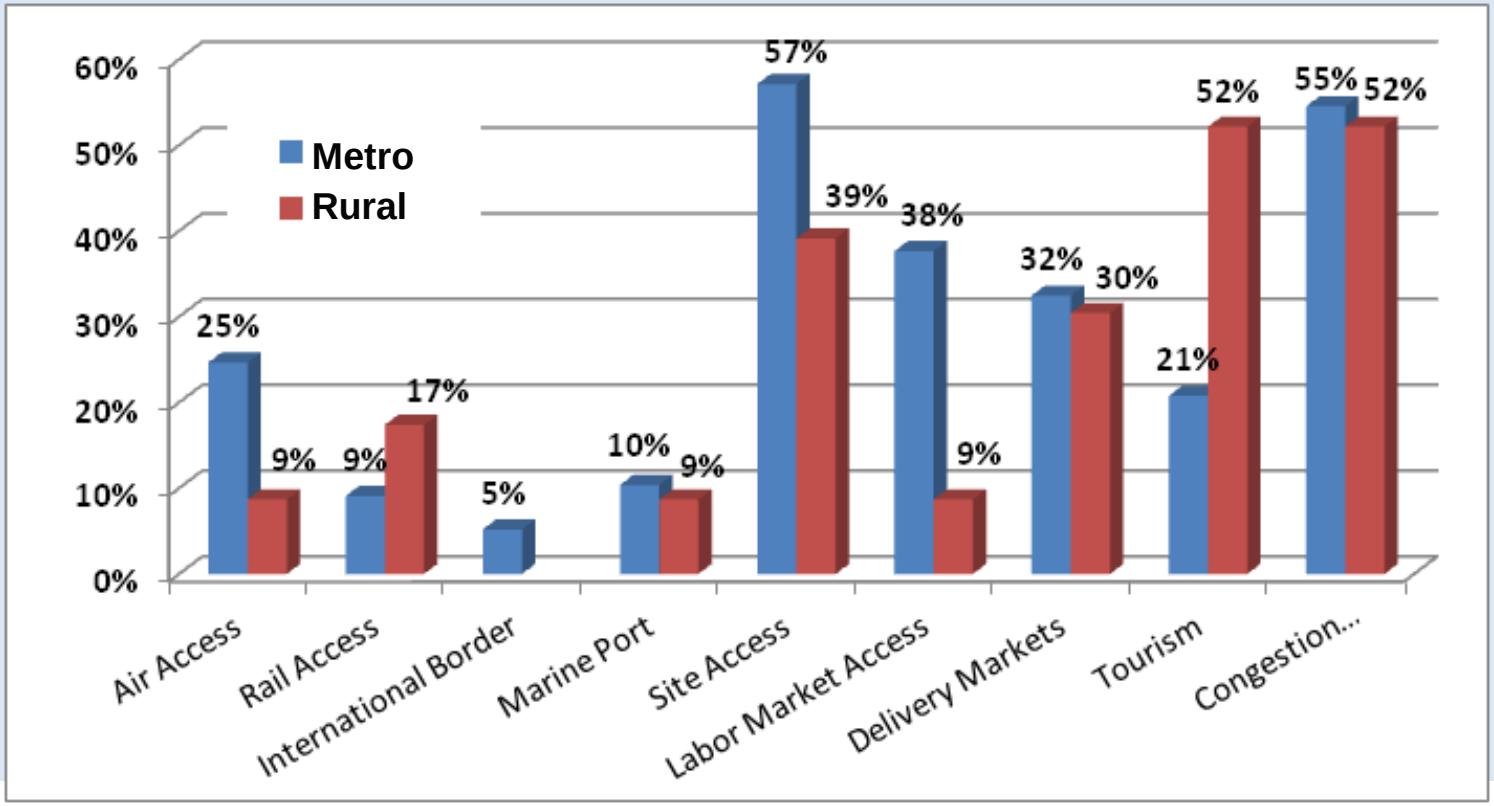
There are thousands of highway miles (and transit facilities) with no observable economic development nearby. What are the jobs?

…not necessarily nearby

Recognition that access is a critical motivation

Projects are motivated by need for access and connectivity – improving & maintaining those features. Econ impacts follow.

There is a causal story to be told!



**highway projects; source: Strategic Highway Research Program, Project C03*

Economic Development RESEARCH GROUP

Types of development supported by transportation

Suburban: high tech R&D clusters

Silicon Valley in California and Denver Tech Center represent highway oriented clusters facing growing traffic congestion. Solution has been to develop new transit services to maintain access to large, skilled labor market and connectivity to R&D centers.

Specialization: computer & biotech R&D
Cluster location: suburban
Cluster span: 16 km (10 miles)
Purpose: access to R&D and skilled labor
Productivity: worker reliability, urbanization (labor force scale economies), and localization (for knowledge sharing)

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

The Role of Transit in Support of High Growth Business Clusters in the U.S.

The role of transit in support of high growth business clusters in the U.S., American Public Transportation Association. www.apta.com/resources/reportsandpublications/Documents/TransitHighGrowthClustersUS-Final2013-1124.pdf

Economic Development RESEARCH GROUP

Urban: international business center

Central Artery/Tunnel Project (Boston): underground relocation of highways and new underground BRT connecting to intercity rail and airport, opens waterfront location for international business center

Specialization: tech industry office and convention center
Cluster location: large urban
Cluster span: 2 km (1 miles)
Distance to airport & financial center: 3 km (2 mile)
Productivity: multi-modal connectivity to wider markets via road, air, transit

BloombergView

General Electric Says Goodbye to the Suburbs

15 Jan 13, 2016 5:06 PM EST
By Justin Fox

Four decades after abandoning Manhattan for the suburban greenery of Fairfield, Connecticut, General Electric is headed back to the city. A different city -- Boston. But definitely a city.

The new HQ will be in what is variously called the Seaport District or the Innovation District, a rapidly developing stretch of the South Boston waterfront that's next to downtown and just across the water from Logan International Airport. A suburban office park this is not.

Local Development:
+ 1 million m² office & retail
+ 7,700 housing units
+ 2,600 hotel rooms

Regional impact (direct effect):
+ 50,000 jobs added

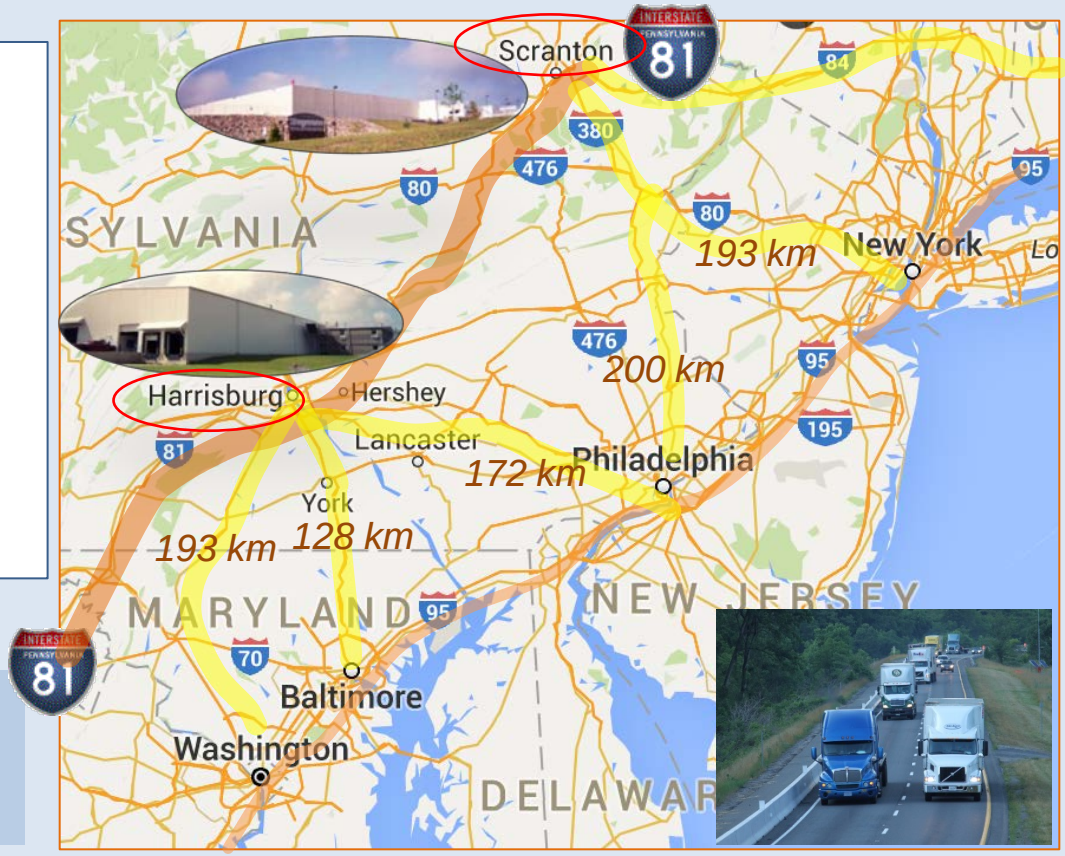
Transit cases are forthcoming in www.tpics.us

Economic Development RESEARCH GROUP

Supply Chain: logistics centers

With I-95 Corridor built up, newer I-84 enables improved logistics reliability, with centralized warehousing located in distant Pennsylvania for delivery to major eastern cities (New York, Philadelphia, Baltimore, Washington, DC

Specialization: wholesale distribution
Cluster location: outside major metro
Cluster span: 16 km (10 miles)
Distance to markets: same day delivery within 290 km (180 miles)
Purpose: regional distribution to (multiple) urban markets
Technology: centralized warehouse
Productivity: highway connectivity, scale economies



Local Development:
+ 2 million m² warehouses

www.fhwa.dot.gov/planning/economic_development/studies/i81trip2005.cfm, also www.tpics.us

Economic Development RESEARCH GROUP

11

Regional: intermodal center

New intermodal rail center with adjacent warehouse park at south edge of Chicago area. Connects manufacturers via interstate highways (I-80, I-55 and I-355 beltway). Rail service to west coast ports for Asian sea trade. Import electronics and retail, export agricultural products.

Specialization: import/export
Cluster location: rural (metro fringe)
Service area: 290 km (180 miles)
Cluster span: 3 km (2 miles)
Purpose: regional distribution/transfer
Productivity: scale economies (widens truck distribution area), efficiency of intermodal transfer

Local Impacts
- Over 220k m² (2.4m sq.ft.) warehouse
- Over 200 (now 500) new jobs
- Cost efficiency calculator available

www.tpics.us/

Economic Development RESEARCH GROUP

Local: transit oriented development

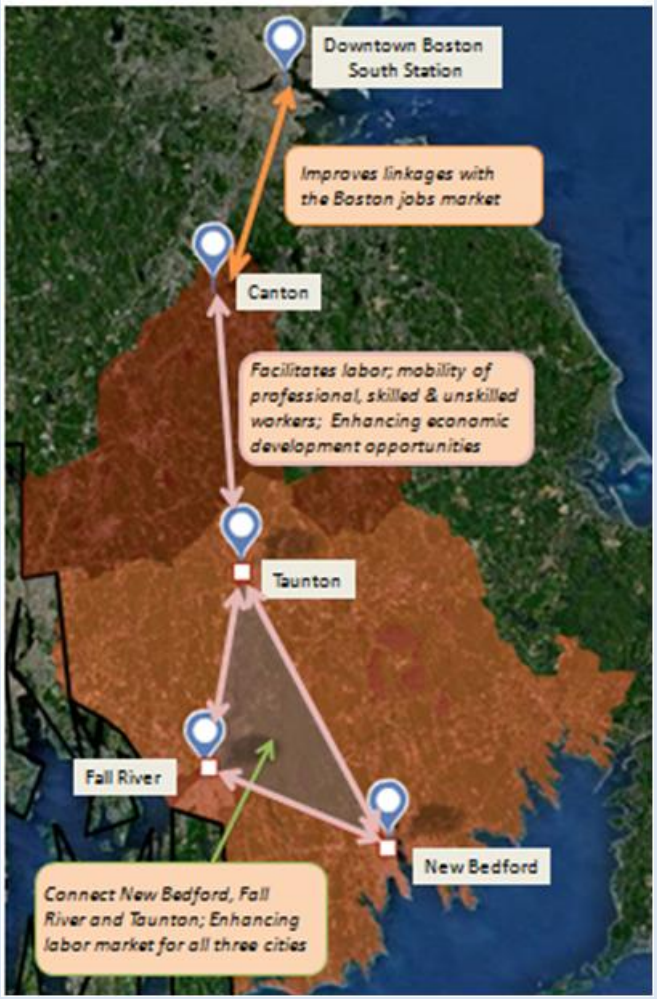
New public transport station in Atlanta enables concentrates development in the city and enables redevelopment (regeneration) of an older area of the city.

Specialization: mixed use development
Cluster location: city neighborhood
Cluster span: 2 km 1 mile)
Purpose: revitalization (regeneration)
Productivity: incremental (widens labor market access, enables headquarters for telecom industry)

Local Impacts
- 100k m² (900k sq.ft.) new office space
- 35k m² (300k sq.ft.) new retail
- 714 new housing units
- 373 net new jobs

Investments to support key market linkages

Applies to congestion reduction & asset mgmt. as much as for capacity expansion



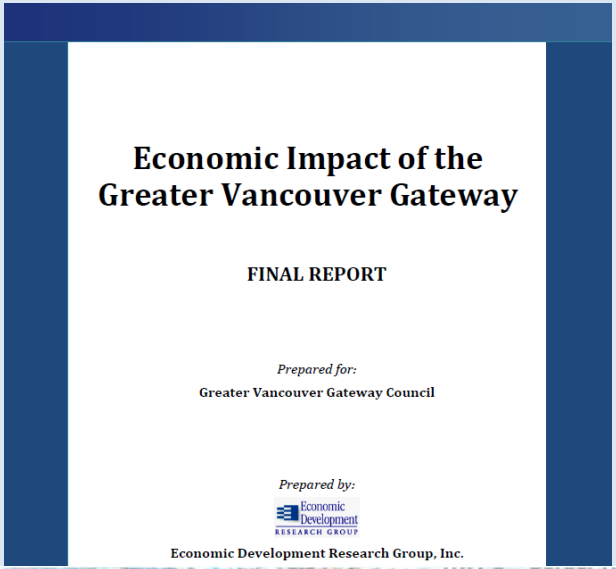
MassDOT: South Shore Rail to expand job and labor market access

Vancouver, BC: Multimodal plan to expand international trade and freight connectivity

Economic Development RESEARCH GROUP

Roles of private sector and economic development organizations

Alliance of freight & air/sea port industries: Vancouver, BC



Economic Impact of the Greater Vancouver Gateway

FINAL REPORT

Prepared for:

Greater Vancouver Gateway Council

Prepared by:

Economic Development Research Group, Inc.

Partnership of regional and state business organizations with government: Oregon

AOI
Associated Oregon Industries

GREATER PORTLAND

Metro

OREGON BUSINESS ASSOCIATION
OBA
A BALANCED VOICE

OBC
Oregon Business Council

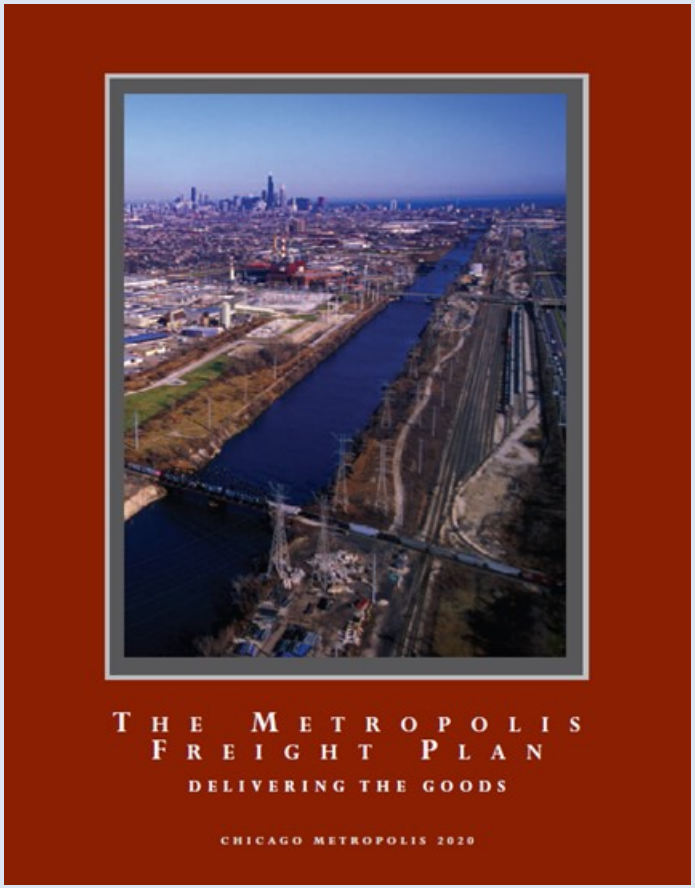
Oregon Department of Transportation

PORT OF PORTLAND
Possibility. In every direction.™

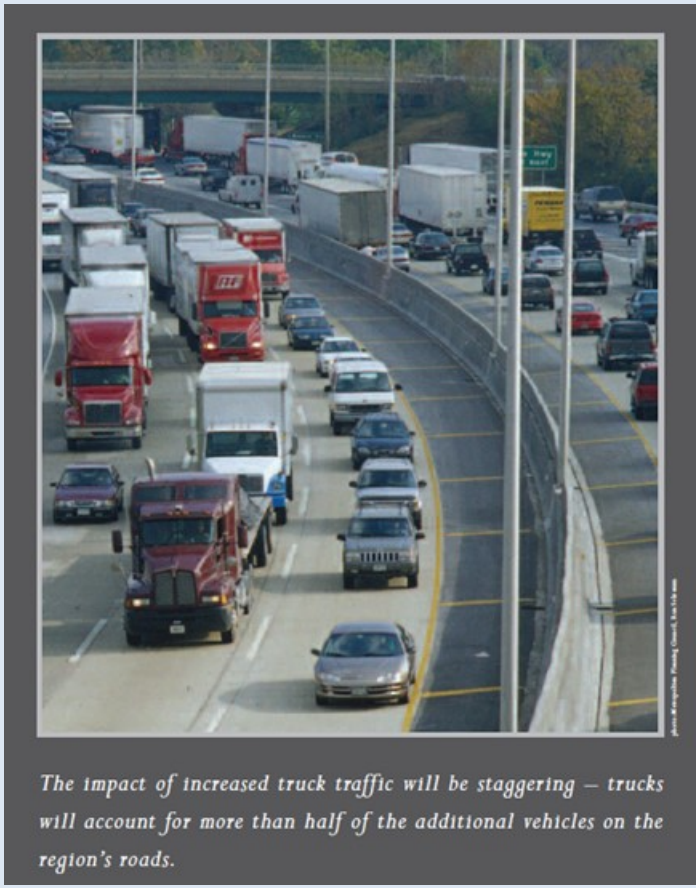
PORTLAND BUSINESS ALLIANCE
Commerce · Community · Prosperity

Economic Development RESEARCH GROUP

Business-civic alliance in Chicago



Trucks comprise up to 40% of daily traffic on the Stevenson, Bishop Ford and Dan Ryan expressways.



The impact of increased truck traffic will be staggering – trucks will account for more than half of the additional vehicles on the region's roads.

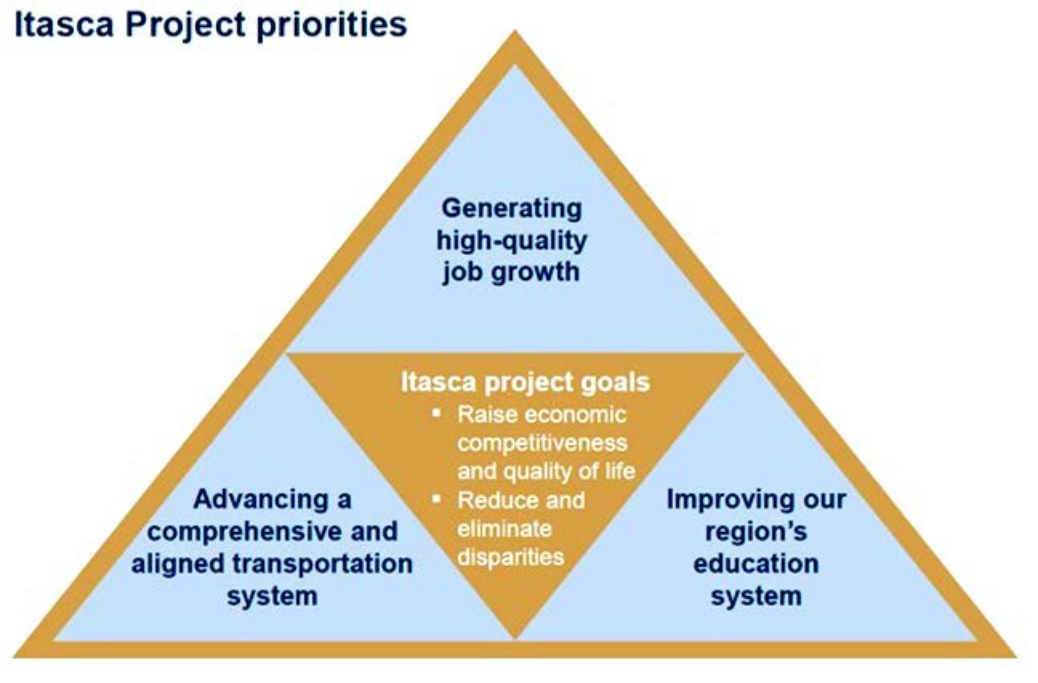
Economic Development RESEARCH GROUP

Employer-led civic association: Minneapolis-St. Paul

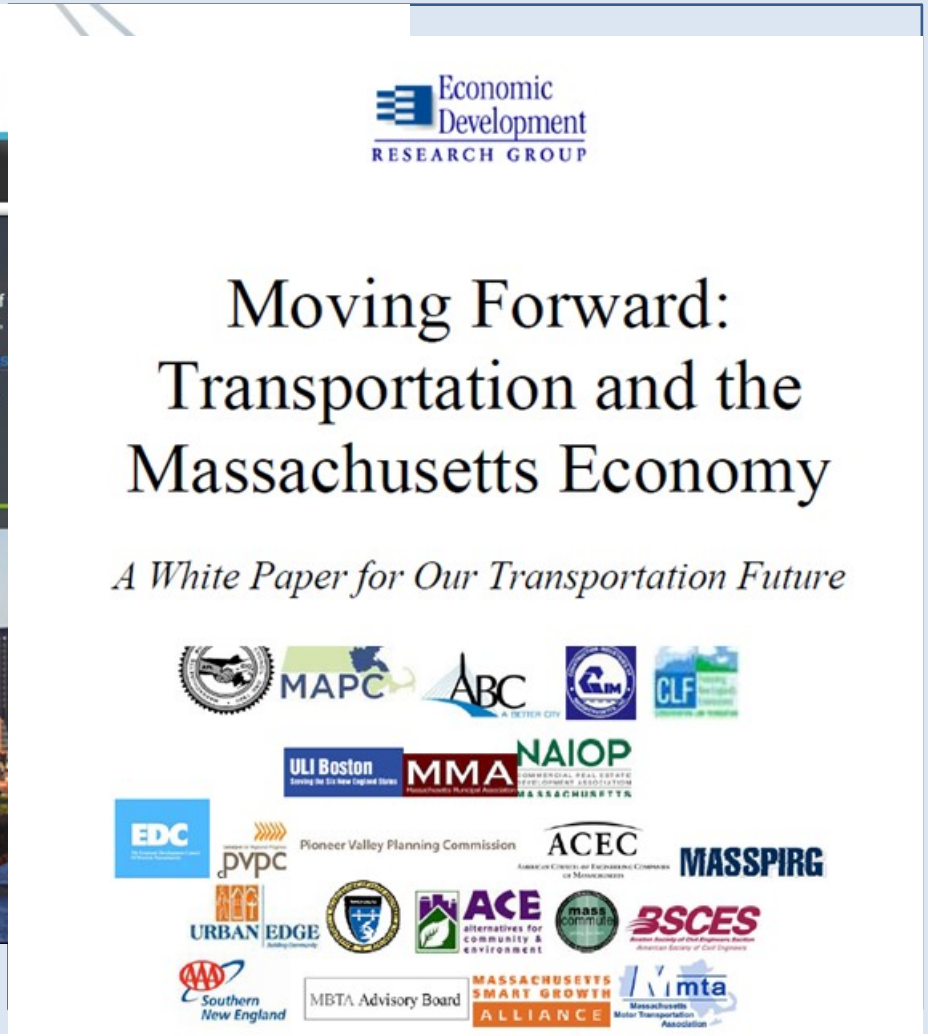
ITASCA*project*

Regional Transit System:
Return on Investment Assessment

May 2014



Business – civic alliance in Boston



Moving Forward

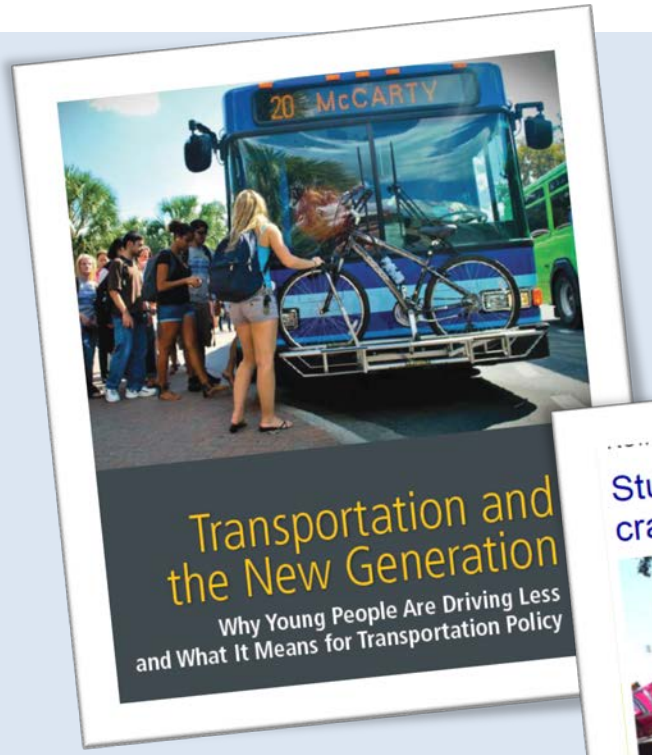
Widespead implications of ICT

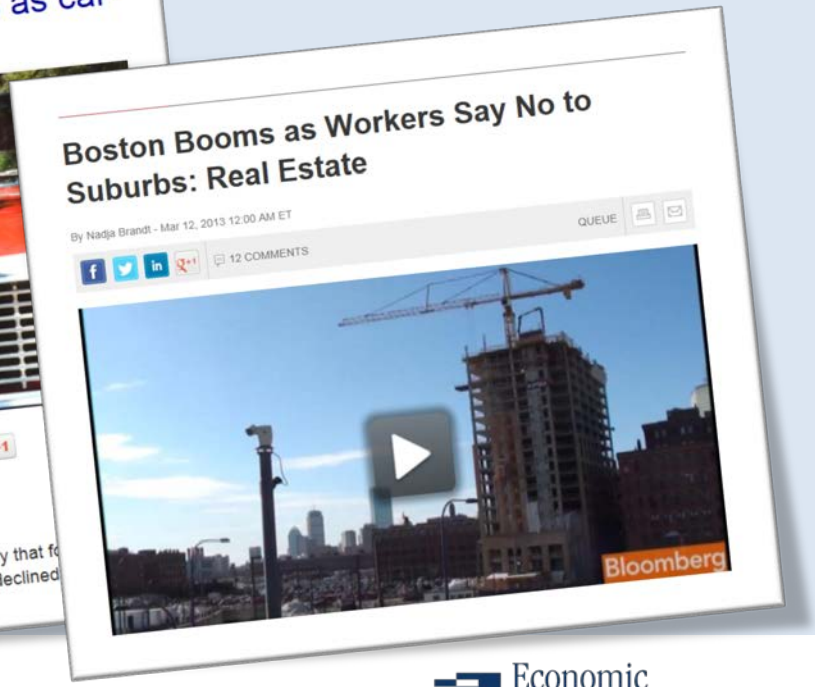
- Telecommuting
- E-Commerce
- Overnight delivery
- Integrated logistics
- Longer-distance deliveries & business relationships
- More specialized labor and training requirements
- Convention industry growth

Economic Development RESEARCH GROUP

Demographic change

- Baby Boomers aging
- Millennial generation: values
- Densification

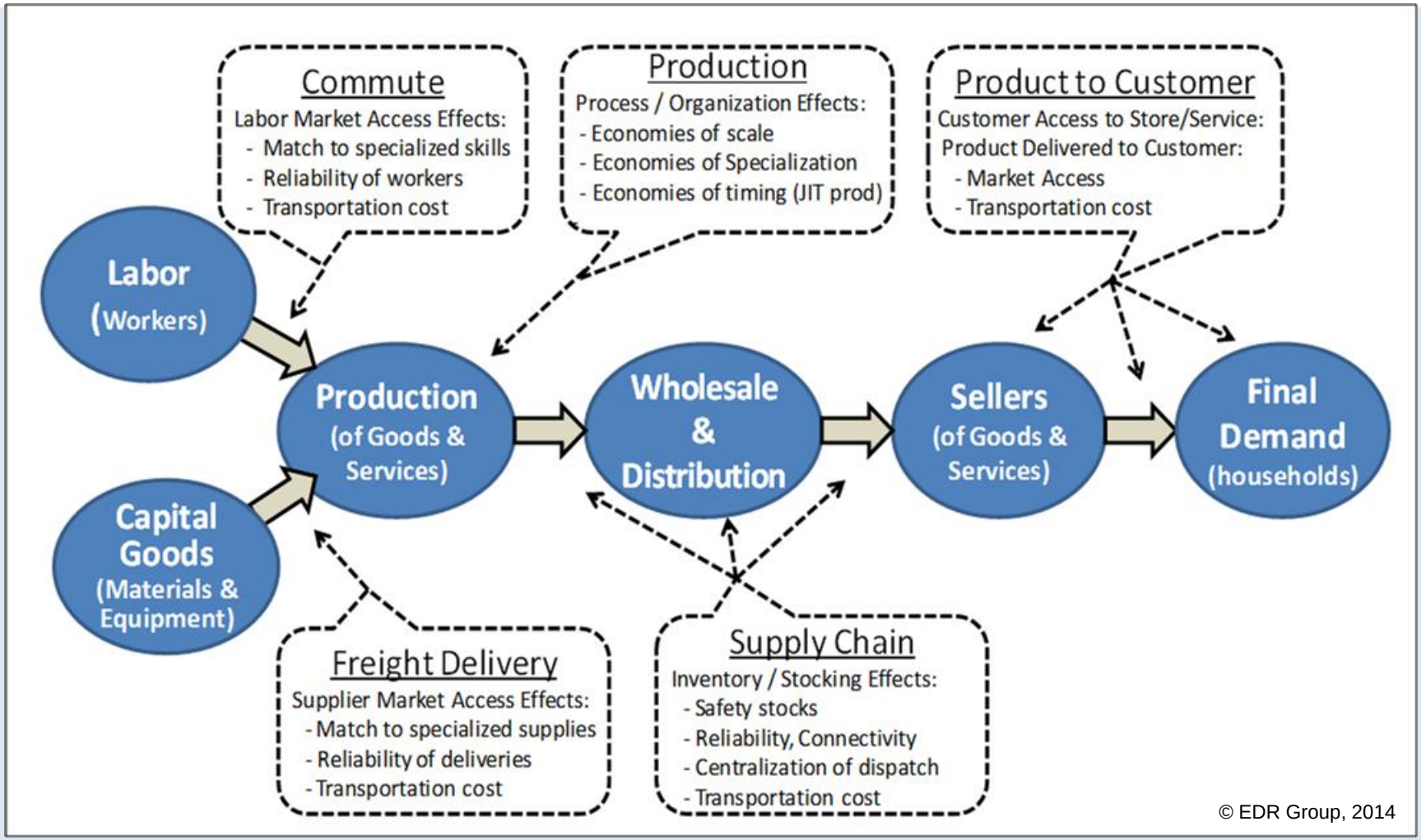




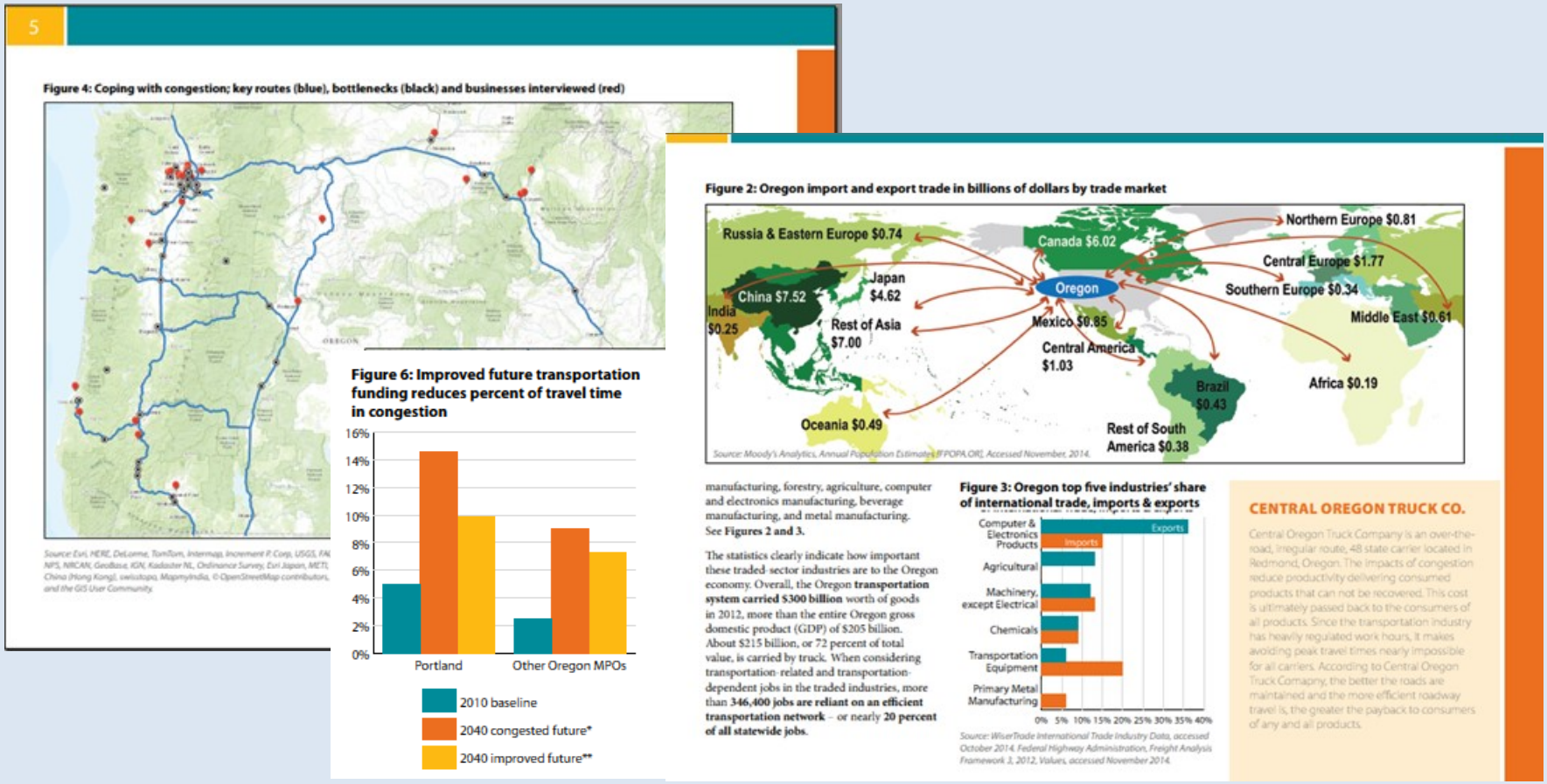
Economic Development RESEARCH GROUP

Investments to maintain existing industries

Explain why transportation matters



Identify issues and impacts



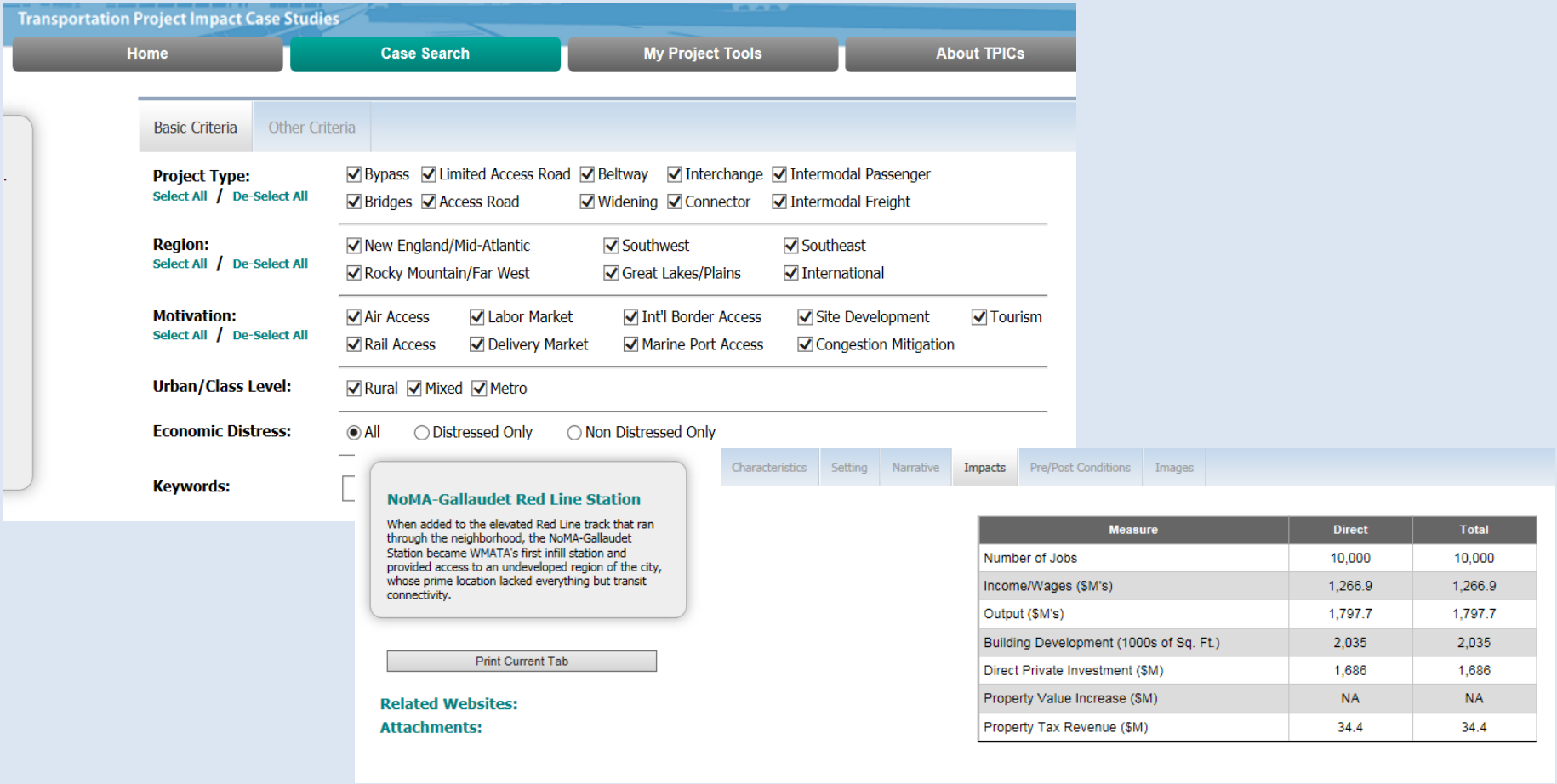
→ *Invoke the current buzzwords that transportation planners have heard:*
Reliability, Market Access, Connectivity, Productivity, Competitiveness

Economic Development RESEARCH GROUP

Resources

Use case studies of built projects

Transportation Project Impact Case Studies / EconWorks



Measure	Direct	Total
Number of Jobs	10,000	10,000
Income/Wages ($M's)	1,266.9	1,266.9
Output ($M's)	1,797.7	1,797.7
Building Development (1000s of Sq. Ft.)	2,035	2,035
Direct Private Investment ($M)	1,686	1,686
Property Value Increase ($M)	NA	NA
Property Tax Revenue ($M)	34.4	34.4

https://planningtools.transportation.org/13/econworks.html

Economic Development RESEARCH GROUP

Use predictive economic development impact tools

Economic Development RESEARCH GROUP

Proactive steps

1. **Listening sessions** between DOT and key business leaders
2. **Collaborative efforts** between MPO/DOT and regional economic development organizations
3. **Synchronization** of DOT and Commerce departments
4. **Communications** that makes for a more compelling, urgent and understandable story

Copies of reports and articles and further information

edrgroup.com/library

Glen Weisbrod
gweisbrod@edrgroup.com
+1.617.338.6775 x202

Economic Development RESEARCH GROUP