Economic Development and Transportation Improvements

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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

STRATEGIC DIRECTION

2015

MISSION

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

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.

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.

MDOT Mission, Vision, Values

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

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.
State DOT policy goals feature wider benefits

Guiding Principles for State Long Range Plans (SLRPs)

- Safety/security
- Mobility/accessibility
- Environmental stewardship
- Economic development
- Preservation
- Financial stewardship
- Effectiveness/efficiency
- Integrated/multimodal systems
- Cooperation and coordination
- Quality of life
- Coordinate land use and transportation

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.

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

The role of transit in support of high growth business clusters in the U.S., American Public Transportation Association.
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

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
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
Regional: intermodal center


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/
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

www.tpics.us/
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
Roles of private sector and economic development organizations
Alliance of freight & air/sea port industries: Vancouver, BC
Partnership of regional and state business organizations with government: Oregon

2014

ECONOMIC IMPACTS OF CONGESTION
on the Portland-metro and Oregon economy
Business-civic alliance in Chicago

**The Metropolis Freight Plan**

Delivering the Goods

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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.
Employer-led civic association: Minneapolis-St. Paul

Regional Transit System: Return on Investment Assessment

May 2014

Itasca Project

Itasca Project priorities

- Generating high-quality job growth
- Advancing a comprehensive and aligned transportation system
- Improving our region's education system

Itasca project goals
- Raise economic competitiveness and quality of life
- Reduce and eliminate disparities
Business – civic alliance in Boston

Moving Forward: Transportation and the Massachusetts Economy

A White Paper for Our Transportation Future
Moving Forward
Widespread implications of ICT

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

- Baby Boomers aging
- Millennial generation: values
- Densification
Investments to maintain existing industries

This track is in good enough shape.
Explain why transportation matters

- **Commute**
  - Labor Market Access Effects:
    - Match to specialized skills
    - Reliability of workers
    - Transportation cost

- **Production**
  - Process / Organization Effects:
    - Economies of scale
    - Economies of Specialization
    - Economies of timing (JIT prod)

- **Product to Customer**
  - Customer Access to Store/Service:
    - Market Access
    - Transportation cost

- **Labor** (Workers)

- **Capital Goods** (Materials & Equipment)

- **Production** (of Goods & Services)

- **Wholesale & Distribution**

- **Sellers** (of Goods & Services)

- **Final Demand** (households)

- **Freight Delivery**
  - Supplier Market Access Effects:
    - Match to specialized supplies
    - Reliability of deliveries
    - Transportation cost

- **Supply Chain**
  - Inventory / Stocking Effects:
    - Safety stocks
    - Reliability, Connectivity
    - Centralization of dispatch
    - Transportation cost

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Invoke the current buzzwords that transportation planners have heard: Reliability, Market Access, Connectivity, Productivity, Competitiveness
Use case studies of built projects

Transportation Project Impact Case Studies / EconWorks

https://planningtools.transportation.org/13/econworks.html
Use predictive economic development impact tools
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

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