The Connection Between Public Transportation & Economic Development in Chicago

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1. Changing Economy & Transport Needs
2. Economic Growth Connections
3. Roles of Bus, Rapid Transit & Regional Rail
4. Role of High Speed Rail
5. Moving Forward
1. CHANGING ECONOMY

- Need for transportation infrastructure is dynamic.
  - changing economy: stakes are competitiveness, jobs & income
  - different infrastructure needs

- Internet & deregulation enabling global markets, integrated logistics and overnight delivery
  - longer freight distances, more delivery vehicles
  - business relocation and dispersion to improve delivery reliability

- Specialized products & services, reach into wider labor markets for worker skills
  - longer commutes, more dispersion, more car travel

- Business, tourism and mixed use cluster development
  - more traffic congestion, environmental impact & challenges for transit
2. ECONOMIC GROWTH CONNECTIONS

The Chicago Metropolis 2020 Report: Building Our Economy: Transportation for a New Illinois

- Job Access & Workforce
- Mobility & Income
- Congestion Effects
- Visitor Access & Business Clusters
- Spending & Investment
Where South Side Residents Work

Jobs Paying < $1250/month  

Jobs Paying > $1250/month

Maps developed by Dr. Henry Poliakowski using Census LEHD for household and job locations (Fig 3-4)
(b) Mobility & Income Connection

The Challenge of Providing Job Access

Rating of Access to Lower Paying Jobs

Via Transit

Via Automobile

Index of access to jobs paying under $1200/month, derived by Dr. Henry Pollakowski using Census LEHD for household and job locations, and CMAP for peak period travel times (Fig 1-2)
Traffic Congestion...

- Raises labor cost, reduces reliability (esp. workers traveling longer distances) 
  ...shrinks labor markets for specialized skills

- Raises cost for incoming and outgoing deliveries (since trucks are a “prisoner of congestion”)
  ...leads to rescheduling (late PM deliveries with overtime, or shift to earlier AM deliveries with earlier work shifts) 
  ...which create new challenges for transit availability

- Leads businesses to relocate
(d) Visitor Access & Business Clusters

Linking Tech/Innovation Centers

R&D + High Tech Centers

Alternative Rail Links to Chicago

Chicago Metropolis 2020 -- Building Our Economy: Transportation for a New Illinois, 2010
(e) **Transit Spending & Investment Effects**  
*Short-Term Spending Impact*

<table>
<thead>
<tr>
<th>Economic Activity Generated by US Transit Spending *</th>
<th>Per $100 m of Avg. Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs (Employment, 1000’s)</td>
<td>3.61</td>
</tr>
<tr>
<td>Output (Sales, $ millions)</td>
<td>$ 360</td>
</tr>
<tr>
<td>GDP (Value Added, $ millions)</td>
<td>$ 180</td>
</tr>
<tr>
<td>Labor Income ($ millions)</td>
<td>$ 160</td>
</tr>
<tr>
<td>Tax Revenue ($ millions)</td>
<td>$ 49</td>
</tr>
</tbody>
</table>

* Metro impact is typically around 1/2 - 2/3 of national impact
Long-Term Investment Impacts: 
*Productivity Effects*

- Household cost savings
- Business delivery savings from reduced congestion
- Worker productivity due to more reliable arrivals
- Market access enlarged:
  - Broader labor market for business
  - Broader job options for workers
- Business cluster or agglomeration economies:
  - clustering of complementary activities, enabled by public transportation services and terminal facilities
3. COMMUTER RAIL, RAPID TRANSIT & BUS

Economic Value of Connectivity for Workers, Visitors & Businesses Serving Them

• To Reduce Traffic Congestion
• Improve Labor Market & Job Access
• Enable Visitor Trips for Tourism & Business

→ Require seamless user experience for schedule info, payment, parking, transfers, etc.
Scenarios Affect Transit Use

RTA (2007) -- *Time is Money: The Economic Benefits of Transit Investment*

Four Scenarios:

- **Deterioration** (rising fares, 5 mph slower, 30 sec longer waits)
- **Maintain** Funding (after inflation)
- **Expand & enhance** system via 50% more spending by 2020
- Above plus Regional **Land Use** Plan
## Summary of Economic and Societal Benefits in 2020

(prepared by Chicago Metropolis 2020 based on EDRG analysis)

<table>
<thead>
<tr>
<th>Relative to Deteriorate</th>
<th>GRP (Mil $)</th>
<th>Personal time saved (mil $ equiv)</th>
<th>Emission Benefit (mil $ equiv)</th>
<th>Total Benefits</th>
<th>Cost</th>
<th>B/C Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain</td>
<td>$1,420</td>
<td>$583</td>
<td>$35</td>
<td>$2.04</td>
<td>$1.68</td>
<td>1.2</td>
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<tr>
<td>Enhance &amp; Expand</td>
<td>$2,105</td>
<td>$1,047</td>
<td>$67</td>
<td>$3.22</td>
<td>$2.40</td>
<td>1.3</td>
</tr>
<tr>
<td>Enhance &amp; Expand plus Land Use Reg</td>
<td>$2,795</td>
<td>$954</td>
<td>$115</td>
<td>$3.86</td>
<td>$2.40</td>
<td>1.6</td>
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</tbody>
</table>
4. HIGH SPEED INTER-CITY SERVICE

The Challenge of Linking Economic Mega Regions

Mega Region Map by Regional Plan Association
Shrinking Time/Space
*moving a 6-hr area to a 2 hr area*

Travel Time from Chicago via Rail

Amtrak Current Schedule

With 220 mph peak (145 mph avg)
Local & Regional Connectivity

High Speed Rail Depends on Local Feeder Transport

Illustrative Example of possible Metra, Amtrak, freight rail and HSR routes
6. MOVING FORWARD

*Make decisions with an understanding that...*

1. There are multi-faceted economic consequences of public transportation decisions.
   - *Public transportation plans also affect freight, trucks and car commuting and all dependent forms of economic activity.*

2. Coordinated, multi-modal strategic plans are needed to address complex inter-relationships of public transit, road and economic conditions.
   - *With changing industry markets, labor & travel requirements, the “do nothing” alternative will have negative consequences.*
   - *Ultimately, the Chicago region’s business productivity, economic competitiveness and job/income generation are at stake.*