

## **MINUTES FOR ITE ROUNDTABLE TOPIC “UNDERSTANDING THE CONNECTION BETWEEN TRANSPORTATION AND THE ECONOMY”**

Jim Helmer opened the meeting and provided a brief introduction of the purpose of the meeting. All attendees introduced themselves and their organizations.

### **Purpose for Roundtable Discussion**

The Purpose of the Public Agency Council sponsored session is to:

1. raise awareness of the effects that the local and national economy have on our transportation systems
2. better understand how transportation contributes to a community’s vital cycle of success
3. understand the connection between the changing workplace and the quality of commute
4. explore what we are doing as transportation professionals to improve our local economies

### **Action Minutes**

Slide 1. Low U.S. Job and Wage Growth

Jim discussed that the centerline is the zero percent mark. This line illustrates that normally within 37 months after a recession, economic recovery appears, yet in this recession we are still at negative growth. At a local or state level we can’t overcome this national effect. Orlando Sentinel Paper was discussed on the Presidential platform. Local San Jose News article on the Governor’s 600-page document that has been put together by local, private, etc of how to get California out of bankruptcy. Citizen advisory has been formed. One example of the Governor’s – relinquish 700 miles of state roads back to local governments. Terrorism alerts growing to orange. If you focus on target buildings, they are all finance – economy.

Slide 2. Federal Funding Quote from NLC

Jim discussed a quote from the Nation’s Cities Magazine. Jim asked the Roundtable how this is impacting each of their organizations.

Robert Wunderlich stated that they laid off 23 employees and eliminated another 20 positions. He stated that they are seeing record levels of economic development. They are seeing the first regional mall. Voters approved the largest bond program and debt. Values of properties have flattened out. Rising cost of health care is a problem not just in Garland, but nationally. If you look at this issue, no one is addressing this problem. Jim asked if local unemployment rate is less than nationally. Robert responded that it is similar. Karen George stated that there are no raises, increased health care and other benefit costs that aren’t offset.

Steven Gayle discussed his area of 560k base. IBM is the base of their area. He discussed they are updating their Transportation Plan. They are dealing with the loss of IBM. He stated that they are looking at site development. He stated that they used to be

very strict on access management. Binghamton now will give any access in order to get economic development.

Michael Spitz, from Seminole County, discussed that they are under tremendous growth. People are buying second homes. Economy is services to retirees and tourism. He discussed that each county has its own tax. Discussion of the effects of the reauthorization occurred.

Jim asked if others were experiencing similar issues with reauthorization of federal dollars. Gary Tsutsumi of the City of Stockton discussed that they are one of the fastest growing areas. Housing has quadrupled in the last 10 years. Stockton is redeveloping downtown. He stated that no one is looking far enough in advance to see when the money runs out. He expressed concern with this issue. Gary stated that the DOT wants the local government to take over intersections now. He is a member of the League of Cities and they are all talking about architecture issues but there is no money for these issues.

Richard Hawthorne stated that it is an issue of lack of operating funds. In Montgomery County, operating issues are satisfactory, however; implementing projects like large transit or master plan projects are not being done. Jim discussed the impact of the job creation from federal funding.

Brian and Michael Girardot from Synchronex discussed the issues of signal products' steep growth they had experienced since 2000 has flattened out.

Ed Mierzejewski provided that the type of development may not necessarily create the right types of jobs. There was a roll back of the Florida gas tax which reduced significant funding for roadways. Florida was one of the first states to put in impact fees. Most cities are not getting but about 10% of the recovery now since the impact fees have not kept up with the cost. Gary Tsutsumi discussed a similar issue in his area. Gary discussed that they are issuing 300 home building permits each month, however they are not providing jobs in the area for his people. These new homes are occupied by people who travel to Silicon Valley (80 miles away) each day to their jobs.

### Slide 3. Vital Cycle of Success

Jim discussed that in order to have a quality community, one must have a vital economy. He provided a briefing on the outline of this slide. He stated that if you have a growing economy you have more jobs, enabling prosperity to citizens and more revenue growth to the local city. This revenue growth can be used to provide better services and projects, which in turn improves the community, which stimulates the economy.

### Slide 4. The Connection between Economic Development/Transportation/Land Use

Jim asked what is the economic development connection between land use and transportation mobility. He asked if there are changes to cities' land use or other policies to enhance economic development. If an economic development project comes in they expect you to change zoning etc to obtain this development.

Robert Wunderlich discussed the issue of a toll road expansion in his community. He provided a briefing of the outer loop of the toll road outside of the inner loop of 635. It currently terminates in Garland. He has been instructed to make this a critical development. His town is 200,000 in population but you cannot buy a suit in the town. The city missed the opportunity the first time. They are spurs to get this done now. Robert discussed that the mall will not work very well next to the toll road. The city will have congestion to go along with the economic development even though they have done everything possible.

Jim discussed examples of LOS changes being made in San Jose around transit stations. They are changing their land use to allow higher density, reducing parking requirements and giving LOS exemptions, and improving other modes – bike, pedestrian and transit. City will accept congestion in the area. Michael Spitz discussed that without people there is no economic development. Robert agreed with Michael that without people you have no transportation issues. Robert discussed the difficulty of transit related development in the Dallas metroplex prior to the rail system being built. He stated that now it is operational and successful, and the cities are supporting it.

Steven Gayle discussed that they are trying to build the cycle backwards with transportation and economic development. Gateway projects were one example he discussed on main arterials. He discussed modest cost transportation projects that could help drive economic development. He discussed the issue that Medicaid budget is 40% of their budget for their county. There are little funds for transportation.

#### Slide 5. Discussion Topic: Roadway Congestion and Economy

Jim introduced this slide. Michael Spitz discussed that the goods movement “just in time” is critical for his area. If they can’t get there, they will move to another area. He also discussed that from a land use area you can develop large industrial areas that consolidate need. Richard Hawthorne discussed that the highest rent offices are in the most congested areas. They are around the transit stations. He expressed a concern that he isn’t convinced that roadway congestion has anything to do with where businesses locate. He stated that it isn’t a simple issue, and that the most important factor is where the CEO lives. The highest paid employee is where the company locates. He stated that it is a complicated issue. Jim stated that it is different in different types of services, for example in Detroit versus other areas. Gary discussed the inland port in the Stockton area and that they got 100 acres of land for port development. This has created a potential for development but they need to determine how to get goods and movement to the area. Infrastructure doesn’t change. Discussion was held regarding the difficulty to get infrastructure in place to coordinate with development. Jim discussed the Alameda Corridor. Michael Girardot provided an example of Southwest Airlines in which they pulled out of the Bay Area since they couldn’t meet their on-time performance measures. It affected their business since people can’t get to the airport. Jim stated that if you look at the National League of Cities strategic goals, they are focused on airports and ports. They support funding more improvements at Tier 2 airports vs. expansion of Tier 1. The airfares there are 2-3 times the amount of that at a Tier 1 airport. Steven stated that this is

counterintuitive. If people want to live an hour minimum from their place of employment, they want to live there. Karen George stated that there are national statistics that show that roadway conditions affect productivity. It is the number one statistic in productivity. It takes time to get to work, bad mood of employee. It is one of the reasons they are pushing TEA-21. Robert stated that there is a disconnect between the decision to pick a business location. Richard disagreed with Robert. Much discussion occurred regarding this issue between the panel members. Richard discussed that you can't control outer ring of development but it still impacts our community with through traffic. He stated that there should be public policy to control this. Gary stated that the County is suing the City over affordable housing.

Slide 6. Discussion Topic: Changing Workplace Impacts on Transportation Policies

Jim discussed that in San Jose (Silicon Valley) they have lost 200,000 jobs in the manufacturing area in the past two years. As a comparison, the entire state of Ohio lost 230,000 jobs. The San José manufacturing jobs are not coming back. Industrial parks two stories high are switching to brainpower, different work place. He asked how this is affecting our work place in these buildings for other agencies. Michael Spitz discussed that in the downtown area they are looking for development that isn't just weekend development. Gary Tsutsumi discussed that they are trying to bring their development back downtown, such as insurance agencies, restaurants, etc. City is buying structures. Stockton built a new movie theatre, new baseball park, and new 10,000-seat arena, and held the asparagus festival in downtown instead of the county area. Steven Gayle discussed that there are transportation policy changes. For example, 10 years ago we made our Main Street wider, now we are making them narrower. We still have the issue of where to park the 18-wheelers etc.

Slide 7. Discussion Topic: How are Transportation Professionals working with Business?

Jim asked how each agency is reaching out to the Chamber of Commerce. Robert Wunderlich stated that he does an annual state of the union speech to them. He discussed that there are individual businesses that you are trying to attract and you must look at microscopic issues that need to be addressed. Steven Gayle discussed that both of their Chamber of Commerce are on their MPOs. He also gives speeches to Lions Club etc. Brian Girardot asked how cities look for buying services. Discussion was held regarding low-bid requirements for products. Gary Tsutsumi discussed that they have looked at some local services that are the best.

Slide 8. San Jose Economic Vision-Transportation Vision/Outcomes

Jim Helmer stated that they have reached out to existing businesses in their community. When economy is great we tend to take advantage or ignore them. When the economy is poor we tend to pay attention to them to make sure they don't leave. The Mayor sent out a letter of appreciation to the critical businesses. Each department head adopts businesses. The department head meets with them, interviews them, and provides a key contact to the businesses. Jim briefed the panel on the 15 Strategic Initiatives of San José's Economic Development Strategy.