

Transportation and Economic Development

Creating Strong Local Economies through Targeted Investments

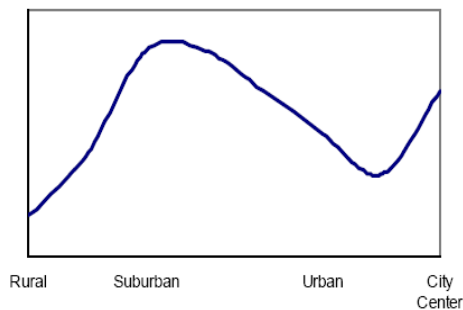
Livability and economic development are intertwined: livability draws businesses and businesses contribute to community quality of life through investments in the built environment, culture, and philanthropy.¹ Businesses are choosing to locate in more accessible locations that combine transportation and housing choices, good schools, gathering places, and natural amenities. Targeted transportation investments can improve access to jobs, education, shopping, and goods movement, while providing construction and operations jobs. Benefits include:

Attract more businesses and residents to your community. The desire for businesses to locate in downtowns, surrounding communities, and high-density employment centers continues to grow. Employers such as knowledge-based companies that require highly skilled workers are increasingly locating in walkable areas with access to transit. By investing in transit, communities can better position themselves to attract new businesses to their downtowns.² Communities that encourage mixed use development are better able to compete for jobs and businesses than those that do not.³ The number of potential job applicants is greater, as centrally-located employment centers are more accessible, with more commute options, for a larger portion of the population.⁴

Cost savings for businesses. An Urban Land Institute study found that mixed use development can help businesses save construction and operating costs, because it reduces parking needs, and often results in lower energy and maintenance costs.⁵ Businesses located near each other in urban areas can take advantage of specialized labor, share local suppliers, and benefit from interactions that promote new ideas and entrepreneurship.⁶

Infrastructure and services cost savings. Compact development requires less money to build and maintain road, water, and sewer infrastructure, and for general public services. It is expensive for communities to support continued expansion of development away from their economic centers (see graph at right). If between now and 2025, just 15 percent of anticipated new U.S. growth is concentrated within a planned, existing developed area, the Country could save \$109 billion in road infrastructure costs, \$4.8 billion in water infrastructure costs, \$7.8 billion in sewer infrastructure costs, and \$4 billion in reduced public services costs.⁷

Linking lower costs of public infrastructure to high density areas



Public infrastructure and service costs tend to be low in rural areas, where most residents provide their own water and sewage, and service standards are relatively low. They increase in suburban areas as more services are publicly supplied to dispersed destinations, decline with density due to efficiencies, then increase at very high densities due to increased congestion.

SOURCE: Litman, Todd. "Understanding Smart Growth Savings: What We Know About Public Infrastructure and Service Cost Savings, And How They are Misrepresented By Critics." Victoria Transport Policy Institute. June 2011.

¹ Economist Intelligence Unit, "Liveable Cities: Challenges and Opportunities for Policymakers." January 2011. <http://www.businessresearch.eiu.com/liveanomics.html>

² Center for Transit-Oriented Development. "Transit and Regional Economic Development." May 2011.

www.reconnectingamerica.org/resource-center/browse-research/2011/transit-and-regional-economic-development/.

³ C. Kooshian and S. Winkelman. "Growing Wealthier: Smart Growth, Climate Change and Prosperity." Prepared for the Center for Clean Air Policy. January 2011.

⁴ Center for Transit-Oriented Development. May 2011.

⁵ Kooshian, et.al.

⁶ Puga, Diego. *Journal of Regional Science*, February 2010, Vol. 50 Issue 1, pp. 203-219.

Creating more livable communities through transportation choices



Success Stories

Invest in compact development to attract investors. The City of Decatur, GA recently acquired a new business from Reykjavik, Iceland: CCP Games, an online video game developer. The company decided to relocate its North American headquarters to Decatur due to transit accessibility, public safety, and the close-knit feel of the community.⁸

Relocation decisions: moving from the suburbs to downtown. Quicken Loans recently moved its headquarters from Farmington Hills, a suburb of Detroit, to the city's downtown area. Quicken Loans moved 1,700 employees, purchased four significant downtown buildings, and is planning to facilitate downtown housing for its employees. Dan Gilbert, founder and Chairman, envisions the move as a first step in making the area around their buildings attractive for retail and high-tech entrepreneurs.⁹

Stimulate investment by increasing connectivity. The Portland Streetcar in Portland, OR was constructed in 2001 to connect two major downtown redevelopment areas in different parts of the city. As a result of the project, 55 percent of all Central Business District development from 1997 to 2008 occurred within a one-block area of the line. Developers also were able to reduce parking ratios in residential buildings; as of April 2008, \$3.5 billion had been invested within two blocks of the streetcar line.

Use regional visions to guide growth. The Bear Lake Valley Blueprint in rural Utah and Idaho used scenario planning and cost/benefit analyses to clarify priorities and guide local decisionmaking. With a regional economy based on agriculture and tourism, the vision focuses future growth on towns and villages to preserve working lands and open space. The plan would have 37,000 fewer acres developed, more walkable mixed-use neighborhoods, reduced water demand, lower road construction costs, and \$83 million lower local infrastructure costs. Regional leaders recognized that integrating regional infrastructure can better align resources and promote the region's competitive advantages.¹⁰



Decatur's downtown MARTA commuter rail station also serves as a town square and gathering place. (City of Decatur, GA).



Portland's Streetcar and Mixed-Use Development. (Photo Galleries, www.portlandstreetcar.org/node/41)

Directing development towards existing communities makes the most efficient use of infrastructure and supports local economies.

Growing Wealthier: Smart Growth, Climate Change and Prosperity.

⁷ Kooshian, et.al.

⁸ Williams, Trevor. "Icelandic Gaming Company Expanding in Georgia." *Global Atlanta*, February 28, 2011. www.globalatlanta.com/article/24590/.

⁹ Gallagher, John. "Quicken Loans Chairman Dan Gilbert picks up baton for downtown Detroit development." *The Detroit Free Press*, June 30, 2011. www.freep.com/article/20110630/BUSINESS04/106300478/Quicken-Loans-Chairman-Dan-Gilbert-picks-up-baton-downtown-Detroit-development.

¹⁰ NADO Research Foundation, "Regional Approaches to Sustainable Development." September 2011. www.nado.org/wp-content/uploads/2011/09/NADO-Sustainable-Devt-2011.pdf

Federal Highway Administration: www.fhwa.dot.gov/livability
Partnership for Sustainable Communities: www.sustainablecommunities.gov/

