

Transit Corridor Development

Its Impact On
Community Economic Development



Where are We Going?

J.S. Rashid
President & CEO



Public transportation is foremost important because it

- *Provides mobility*
- *Promotes job creation*
- *Shape land use and development patterns*
- *Enable's economic growth*
- *Supports public policies regarding energy use, air quality and carbon emissions.*

All of these characteristics are important when considering the benefits, costs and optimal investment levels for public transportation.

This discussion will focus on the direction of transit corridor development policy formulation and possible desired impacts on community economic development, business sustainability, employment, wages and housing affordability.

It specifically addresses the issue of how various aspects of the economy are affected by decisions made regarding investment and structuring public transportation.

COMMUNITY ECONOMIC DEVELOPMENT (CED)

A process by which a community uses resources to attract capital and increase physical, commercial, and business development and job opportunities for its residents.

Critical Considerations

Public Transportation and the Nation's Economy:

A Quantitative Analysis of Public Transportation's Economic Impact, prepared by Cambridge Systematics, Inc. and Economic Group, for the American Public Transportation Association, 1999.

1. The effect of spending money on public transportation, which creates immediate jobs and income by supporting manufacturing, construction and public transportation operational activities.
2. Longer-term effects of investment in public transportation, which enables a variety of economic efficiency and productivity impacts, changes in travel times, costs and access factors.
3. Conclusions regarding the interpretation and policy consideration of economic impacts associated with public transportation investment.

Economic Development Potential

- The expansion or creation of new transit corridors has great potential to influence urban growth and revitalize economically depressed areas in the metropolitan region or to mitigate the loss of spending power of low-wage earners.
- It strengthens existing neighborhoods, rejuvenates declining areas and attract new clusters of development around station sites: (Transit Oriented Development /TOD)
 - However, its strongest development potential is in connecting Miami-Dade County's Targeted Urban Areas (TUA), Neighborhood Strategic Revitalization Areas (NSRA) and other designated economic development areas.

Economic Development Potential

- In the implementation of corridor development, great consideration should be given to the creation of new housing, businesses and public services. Furthermore transit corridor development can have an immediate influence in directing where, how and what kind of growth can take place.
- We all know that based on how we implement our transit corridor(s) that we can also assist with increasing population and employment densities adjacent to the transit lines. (TODs)

Economic Development Potential

- In order to reap these economic development benefits, appropriate land use and political policies must be in place to optimize the return on investment.
- Adding or expanding transit corridors is not just about a new and bigger transit system, but rather creating a synergy between all City departments including Planning and Economic Development and Public Works.

Evaluating Transportation Economic Development Impacts

Affordability refers to the degree that households can afford basic goods and services.

Transportation Affordability refers to lower income households ability to afford basic mobility and accessibility such as:

- ✓ Access to health care services
- ✓ Basic shopping
- ✓ School and work
- ✓ Social and recreational activities.

Transportation Affordability tends to increase with improvements to affordable modes (walking, cycling, ridesharing, public transit) along with more affordable housing in accessible locations such as lower priced housing in attractive multi-modal urban neighborhoods.

Evaluating Transportation Economic Development Impacts

Transportation and housing affordability can and does effect economic development!

Cost savings are equivalent to increased income, and lower wage jobs are an important economic input representing 20-50% of total employment.

We must consider high wage industries, all which require numerous lower wage support employees. For example, physicians, lawyers and business executives all require lower wage employees.

Wage Impacts of High Transportation & Housing Costs

This table indicates how unaffordable transportation and housing tends to raise wages.

Monthly	Affordable	Unaffordable Transport	Unaffordable Housing	Unaffordable Transport & Housing
Monthly transport costs	\$200	\$500	\$200	\$500
Monthly housing costs	\$600	\$600	\$1,000	\$1,000
Total monthly costs	\$800	\$1,100	\$1,200	\$1,500
Monthly wage premium	\$0	\$300	\$400	\$700
Hourly wage premium	\$0	\$1.88	\$2.50	\$4.38

Lower Wage Industries

- ☐ Hospitality/Dining
- ☐ Medical/Dental
- ☐ Construction

- ☐ Utility Industry
- ☐ Landscaping
- ☐ Education

- ☐ Arts
- ☐ Retail
- ☐ Building

Wage Impacts of High Transportation & Housing Costs

The table above illustrates how transportation and housing costs increase living expenses, thus increasing the wages necessary to attract quality employees.

If basic transportation and housing costs are \$300 per month higher than other communities, local employers must pay an *extra \$1.88* per hour.

If these costs are \$700 per month higher, employers must pay an *extra \$4.38* per hour.

Unaffordable Transportation And Housing Constrains Economic Development

1. Businesses will have difficulty filling positions.
2. Be forced to pay higher wages,
3. Higher turnover
4. More employees working multiple jobs, reducing their availability and work quality.
3. Workers forced to commute long distances in old cars.
4. Experience stress and unreliability = poor performance.
5. Colleges will experience difficulty recruiting students.
6. Fewer seniors will retire in the area,
7. While artists and innovators may move away due to unaffordability.

We Should Be Going Towards

**The Implementation Of Integrating And Aligning
Programs Such As:**

- ☐ Targeted Urban Areas (TUA)
- ☐ Neighborhood Revitalization Strategy Areas (NRSA)
- ☐ Empowerment Zones
- ☐ Community Revitalization Areas (CRA) etc.

INTO

the Transit Corridor Development Policy & Strategy.

***There will be no valid criteria or sustainable outcomes
if the objectives governing and addressing community
economic development are not a part of the overall transit
corridor development strategy.***

**The transit corridor development initiatives must include
and re-state the objectives of Miami-Dade County's
community comprehensive economic development plan.**

Transit Corridor Development Strategy Must Specifically Include Targeted Community Economic Development Objectives

Aligned With High Priority Needs identified in Miami-Dade Consolidated Plan

- A. Promote economic opportunity** for low-and-moderate income residents through the promotion of small business and a micro-enterprise development program which will produce creation and retention of jobs.
- B. Enhance emerging commercial centers** within established community economic targeted areas.
- C. Leverage federal and local funds** with private investment and social capital:
 - 1. Building consensus and cooperation among many groups and individuals who have a role in the commerce, employment and housing.
 - 2. Marketed and linked "as a destination" to targeted area commercial district's assets to new customers, potential investors, new businesses, local citizens and visitors.

Economic restructuring strengthening the targeted area's existing economic base by promoting critical mass.

Without a strategic alignment of transit corridor development with community economic development...

we are on another ride to nowhere!