Addressing the Income Gap Through Job Creation

Concurrent Breakout Session:
State and Local Policy Issues

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Metropolitan Council:

- Investments in infrastructure and amenities
- Strategic, long-term public and private decisions building upon the region’s strengths
- Understanding and providing locations for businesses to succeed
Council core **operational** activities are:

- Metro Transit: about 90% of the transit in metro area
- Treat 260 million gallons of wastewater (~ 90% of the region)
- Administer Federal Section 8 funds to provide housing opportunities for approximately 6,700 families in the region.

Core **planning** activities are:

- Planning for and coordinating regional systems – transportation, water resources, and regional parks
- Working with local governments to coordinate development in local comprehensive plans
Employers expect:

• **Viable location options** — whether defined by accessibility to transportation or talent.

• **Location**: Land and real estate

• **Transportation**: Access to suppliers and markets

• **Proximity to workers**— particularly via attractive commute modes—increases employers’ desirability as places to work and minimizes the negative impact of travel time delays.
What employers expect from a region and what roles the Metropolitan Council and our local government partners play

What the Council doesn’t do:

• Provide incentives to employers

• Fund or plan for education, job training, or workforce development
What employers expect from a region and what roles the Metropolitan Council and our local government partners play

**What the Council does do:**

Provides cost-effective efficient centralized wastewater treatment - wholesale rates as much as 40% lower today than peer regions

Plan for the long-term water supply of the region

Funds Clean up Grants: Administers the Tax Base Revitalization Account (TBRA) for contaminated land redevelopment sites.
What employers expect from a region and what roles the Metropolitan Council and our local government partners play

What the Council does do:

Plans for future investment in region’s transportation system within available resources.

Supports freight transport to better connect region w/state, national, & international markets.

Works with local governments to ensure adequate supply of commercial and industrial land.
What employers expect from a region and what roles the Metropolitan Council and our local government partners play

What the Council does do:

Fosters connected land use options providing businesses and industries with access to materials, markets, and talent. Studies freight networks, including river, rail, air, and road,

Encourages workforce housing that is affordable to a variety of income levels across the region.

Provides technical assistance, research, and analysis on economic competitiveness.
What employers need now from state policy: An efficient multimodal transportation system

A comprehensive, integrated, & efficient system is an important driver of economic development and, therefore, job growth because it:

• **Connects employers** to their workforce and enables employees to access employment; connects **businesses to customers**; maintains **timely movement** of goods

• **Attracts and retains residents** by providing greater diversity of **travel options**, including more free-flowing roads and affordable transit options

• **Enables strategic, efficient investment** in long-term infrastructure, e.g., energy grid, water system, housing, commercial and industrial buildings
What employers need now from state policy: An efficient multimodal transportation system

Transit Connects us:

Nearly 40% of people who work in downtown Minneapolis and Saint Paul use transit to get to their jobs

80% of rides are to work and school

2/3 of all transit riders live in households with at least one automobile
Transit Connects Us

Young professionals are highly sought after by employers. These workers contribute to the region’s competitiveness.

• Rockefeller Foundation Survey of young professionals
  ➢ 66% consider high-quality transit when considering a move
  ➢ 54% would move to another city with better transit options
What employers need now from state policy: An efficient multimodal transportation system

Transit eases congestion:

Itasca Foundation research: build-out of region’s transit system has a positive return on investment of $6-10 billion. This primarily results from:

- **Travel time savings**: transit uses has shorter, more direct trips with built-out system, and by drivers, who face less congestion on roads due to transit users, and by businesses, who can ship goods and services more efficiently.

- **Vehicle operation savings**: Avoided by both transit users and drivers, whose fuel use decreases with less congestion.

- **Reliability savings**: Opportunity cost of the “time buffer” travelers build in during congested peaks to arrive on time, & cost to businesses of missing on-time deliveries.
What employers need now from state policy: An efficient multimodal transportation system

HR professionals told the Itasca Project:

- “Our younger workers show a higher level of interest in transit.”
- “Transit comes up in every HR conversation with new employees.”
- “Transit is important to attracting workers. Without it, working downtown would be very difficult.”
Changes and challenges ahead

Growing population and demand

• Metro population increases 800,000+ by 2040

• 14% increase in bus ridership since 2005

Twin Cities Population
(in millions)
Governor’s Budget Proposal:

*Increases transit funding*

1/2 cent transit sales tax raises **$2.8 billion** for metro area transit over 10 years
What does $2.8 B buy?

Enhanced bus service/Transitway expansion

- Expands regional bus system by almost 30% by 2025
- Up to 20 more transitways, including bus rapid transit
- More routes, more frequent service, more coverage
- Efficiency, productivity, economic competitiveness

Investing in the regional transit system would give employers access to an additional 500,000 more potential employees within a 30 minute commute
Transit-dedicated sales tax is ongoing and stable

- 1.8 cents: Seattle
- 1 cent: Cleveland, Dallas, Denver, Houston
- .9 cents: San Jose
- .75 cents: St. Louis
- .50 cents: San Diego, Salt Lake City
- .375 cents: Kansas City
- .25 cents: Mpls/St. Paul
Thank you

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