The Connection of Public Transportation and Economic Development in Chicago

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Changing Needs. A number of factors are changing regional and national economies, and shifting needs for transportation investment. Reorganization business markets, integrated logistics and time-sensitive supply chains are shifting industry and job locations, increasing truck volumes and freight trip lengths. Increasing specialization in products and services are causing businesses to relocate and reach into wider labor market areas to find workers with required specialized skills, lengthening commutes. Business visitor, convention and tourism markets are also expanding in breadth. Together these factors are contributing to growing traffic and congestion levels, and changing mobility needs for commuters, households and visitors.

As these trends continue to develop, there is increasing appreciation of the potential for public transportation to be a solution to problems – not just for mobility among those without cars, but also as a way to reduce growth in traffic congestion, expand labor markets, enhance tourism and facilitate business meetings. Even freight shippers are increasingly recognizing the role of public transit to help unclog roads and enable efficient truck movements.

The Transit-Economy Connection. In this context, it can be useful to systematically understand the ways in which public transportation investment and services can in the future affect the regional economy by supporting growth in jobs and disposable income. We can identify six distinct forms of transit-economic development connections:

- the job access - workforce connection,
- the visitor access - spending connection,
- the mobility - income connection,
- congestion and reliability cost effects,
- Business cluster and agglomeration effects, and
- transportation as an industry sector employing workers.

Local bus, urban rapid transit, regional commuter rail and intercity passenger rail services each play a different role in affecting these categories of economic impact, though together they provide complementarities that further affect local and regional economic development.

Specific Implications for the Chicago Region. The presentation examines key issues, needs and opportunities affecting (1) public transit, (2) commuter rail and (3) intercity rail service in the Chicago region. First, there is the potential for expanding or reconfiguring bus and urban rapid transit services to more efficiently link workers to relevant jobs. This discussion builds on RTA and CMAP studies and plans, and studies in other cities. Second, there is the potential for expanded commuter rail to support job and labor market growth and enable greater business attraction. This discussion builds on studies of METRA and the recent Chicago Metropolis 2020 report, as well as studies in other cities. Third, there is the “megacity” perspective, in which high speed rail can potentially expand the Chicago economic region if supported by feeder transit services. This discussion builds on the recent US Conference of Mayors study. Together, these findings point to the opportunity for public transportation investment to be part of an integrated strategy that can enhance job and income creation in the Chicago area.