Four Themes

1. Reactive: Transportation Impacts
2. Proactive: Transportation Opportunities
3. National & International Forces
4. Regional Opportunities
1. REACTIVE MODE: TRANSPORTATION IMPACTS

Hwy Strip Development

Planned Strip                  Unplanned Strip
Highway Bypass Impact

Local Effect on Former Highway 66 Strip

Industrial Park Locations

Siting near interchanges to optimize truck (& worker) access
Shopping Mall Development

Locate at Highway Crossroads. Interchanges

Where is the Development?

• Business attraction is NOT automatic.

• Thousands of miles of interstate highway without ANY business activity at all.
Why No Impact?

Location Relative to Markets…

Role of Business Location Factors

Basic Requirements
- Land
- Infrastructure
- Labor Force
- Materials
- Markets

Other Considerations
- Industry Clusters/Links
- Quality of Life
- Business Climate
- Regulations
- Taxes/Incentives

Premises

Access
2. PROACTIVE MODE: TRANSPORTATION-INDUCED OPPORTUNITIES

Regional Growth Processes

- Decision Criteria on Most Appropriate Growth Path(s) to Pursue
- Given Local Conditions – Resources, Constraints and Opportunities
  - Trade Center Strategy
  - Agglomeration Strategy
  - Learning-based Strategy
  - Asset-based Strategy
  - Supply Chain Strategy
- Performance Evaluation – gauging progress on a growth path
- Goal – Improved Economic Development
**Activity Agglomeration (Cluster)**

- Assembler
- Supplier
- Design
- Education

- to Domestic Market - \(i\)
- to Domestic Market - \(j\)
- to Domestic Market - \(k\)
- to Foreign Market - \(A\)

**Dispersed Supply Chain Activity**

- Distance between locations that allows for competitive operations for each aspect of the supply chain
- Manufacturer
- Supplier
- Distribution - Logistics
- Market
3. NATIONAL AND INTERNATIONAL FACTORS
Freight Growth Faster than Population

International Share is Expanding

Who Cares?

Reliance on highway differs by industry...

How We Do Statewide Planning

Engineering Perspective – Urban Model

- Demand patterns (O-D flows) are given;
- Invest to functionally meet demand;
- Benefit is primarily in minimizing VMT and VHT (delay due to congestion).
Relevance of the Engineering View

Not Applicable for All Situations!

- Was the cross-continental railroad built just because of congestion on the wagon trails?
- Was the entire interstate hwy system justified by nation-wide highway congestion?

Traditional Approach: Rural Areas

Traditional (Economic Development) Perspective
- Basic accessibility requirements are given;
- Invest to provide connectivity (linkages);
- Benefit is primarily in maximizing accessibility to resources & markets.
Relevance of the Econ Devel View

Access Needs Remain!

- Areas left out of the interstate highway system (e.g., Appalachian east-west links)
- New connections justified by changing trade routes and emerging global economy (air and seaport connections)
- Old connections degrading

Example: Appalachian Corridor T

NY-17, Now I-86, Southern Tier Expressway
Mountain Region of Southwest NY State, Near Pennsylvania Line
Area had been economically distressed and losing jobs
I-86 designation brought new freight distribution, manufacturing, and traffic-serving businesses.

FHWA Study compared it to a similar area with no new highway connections
FHWA Study: Employment Growth

4. REGIONAL FACTORS
Central or Peripheral?

Spin the globe, to see any area at the “heart” of the Global Economy …or a “minor corner” of it.

Rural Freight Limitations

- **Higher Trucking Cost** – due to “deadheading”
- **Lower Availability When Needed** – reliability reduced by vehicle shortages, delays
- **Higher Rail Cost** – full line cost for rail service to/from intermediate locations

Reduced Opportunity for Attracting and Growing Business …

- **Smaller Market Area** can be served within requirements for cost and service quality
- **Lower Value Added** of existing products
Freight Cost Disadvantage

- “Double freight penalty” at the end of the line
- Threat to area’s traditional industries
  - Paper and agriculture need low transport costs to be competitive (Midwest is main market)
- Cheaper to ship potatoes from Idaho to New Jersey (2500 miles) than from Maine (500 miles)

Rural NE Left Out?

Map showing the geographical isolation of the Northeastern United States from major transport routes.
Corridor Opportunities

Region is between 2 Powerful Economic centers:
- Boston - Washington corridor to the South and
- Chicago - Quebec corridor to the West

Two corridors account for 40% of GDP of US & CA
Region needs access to Midwest & Canada to grow

Trade Connections

“Trade Route” can be highways, railroads, or air/sea connections

Potential to intersect with six North-South interstate corridors within 500 miles to catalyze development
International Trade Aspects

- Container traffic forecast to double by 2020; existing ports cannot absorb this growth
- Ports in Gulf of Maine (Maine, Nova Scotia) have advantages
  - Deep water, Low land cost, Near transatlantic shipping routes, Rail connections
- Northeast Atlantic closer to serve N. Europe than NY or Mid-Atlantic ports (Norfolk, etc.)
- Existing Roadways in NJ and CT cannot absorb projected growth in traffic to NY Ports
Global Trade Growth

The Future for NE Rural Areas

- Fade into the sunset?
- Vacation getaways?
- Create Viable jobs?
- All three?