AMERICA’S METROPOLITAN AREAS:
HUBS OF TRANSPORTATION INNOVATION & ECONOMIC GROWTH

Steve Heminger – January 13, 2014
Metropolitan Transportation Commission
TRANSPORTATION RESEARCH BOARD ANNUAL MEETING
“The members of the other party in this House are the opposition. The Senate is the enemy.”

- Legendary advice to House freshmen
1. Rebuilding America’s Economy: Growth in Metropolitan Areas

2. Transforming Urban Transportation: Diversity in Investment Strategies

3. Understanding Interactions between Economic Growth & Transportation
20 Largest U.S. Metropolitan Areas

- 36% of Total U.S. Population
- 45% of Gross National Product
- 62% of U.S. Goods Movement Activity
- 76% of Total U.S. Transit Boardings
The largest U.S. metropolitan areas generate substantially greater levels of per-capita economic output when compared to the nation as a whole.

15 of the 20 largest metropolitan areas have above-average per-capita gross regional product.

<table>
<thead>
<tr>
<th>Top-Performing Metros</th>
<th>% of GDP/capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco Bay Area</td>
<td>158%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>144%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>137%</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>137%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>136%</td>
</tr>
</tbody>
</table>
Metropolitan Areas are Accelerating the National Economic Recovery

- Large U.S. metropolitan areas are also recovering from the Great Recession at a faster rate than smaller cities and rural areas.
  

- In addition, the housing market is recovering at a slightly faster pace (10% greater than the national average) in these 20 largest metropolitan areas.
  
  Data Source: RealtyTrac Metro Foreclosure Report (2013)

- Cities such as Boston, Houston, New York, and San Francisco/San Jose have foreclosure rates up to 50% less than the national average.
  
  Data Source: RealtyTrac Metro Foreclosure Report (2013)
JUST FOUR METRO AREAS ACCOUNT FOR 29% OF U.S. GOODS MOVEMENT ACTIVITY as measured in dollars of freight flows

Los Angeles: 9%
New York: 9%
Houston: 6%
Chicago: 5%

Data Source: FHWA Freight Analysis Framework (2013)
JUST FOUR METRO AREAS ACCOUNT FOR 54% OF TOTAL U.S. TRANSIT BOARDINGS

NEW YORK 35%
LOS ANGELES 8%
CHICAGO 8%
SAN FRANCISCO 6%

Data Source: APTA Transit Ridership Report (2013)
Image Source: http://farm8.staticflickr.com/7138/8167628292_8df3f30322_b.jpg
JUST FOUR STATES’ SENATORS ACCOUNT FOR 33% OF TOTAL U.S. POPULATION

California

New York

Texas

Florida
TRANSPORTATION INVESTMENTS SUPPORT ECONOMIC GROWTH ACROSS THE UNITED STATES.

But different metro areas are pursuing vastly different strategies to accelerate growth and to cope with aging infrastructure.
## Examining Funding Allocations for the 20 Largest MPOs

<table>
<thead>
<tr>
<th>O&amp;M</th>
<th>Public Transit</th>
<th>Roads &amp; Bridges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations &amp; maintenance for existing transit systems</td>
<td>Operations &amp; maintenance for existing roads/bridges</td>
</tr>
<tr>
<td></td>
<td>Transit enhancements</td>
<td>Road enhancements (e.g. non-motorized facilities)</td>
</tr>
<tr>
<td></td>
<td>Operational improvements (e.g. BRT upgrade) to existing transit lines</td>
<td>Non-capacity-increasing operational improvements</td>
</tr>
<tr>
<td>Expansion</td>
<td>New transit lines</td>
<td>New highways or arterials</td>
</tr>
<tr>
<td></td>
<td>Extensions or infill stations for existing transit lines</td>
<td>Widening of existing highways or arterials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capacity-increasing highway interchanges</td>
</tr>
</tbody>
</table>
**Top Metros for Transit Expansion**

<table>
<thead>
<tr>
<th>Metros</th>
<th>Transit O&amp;M</th>
<th>Road and Bridge O&amp;M</th>
<th>Transit Expansion</th>
<th>Road and Bridge Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANDAG</td>
<td>28%</td>
<td>27%</td>
<td>25%</td>
<td>21%</td>
</tr>
<tr>
<td>SCAG</td>
<td>29%</td>
<td>31%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>MWCOG</td>
<td>47%</td>
<td>23%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>PSRC</td>
<td>41%</td>
<td>17%</td>
<td>15%</td>
<td>28%</td>
</tr>
</tbody>
</table>

0%  25%  50%  75%  100%

- Transit O&M
- Road and Bridge O&M
- Transit Expansion
- Road and Bridge Expansion

Image Source: [Link to Image](http://farm9.staticflickr.com/8403/8645032727_00370ac7b2_b.jpg)
Top Metros for “Fix It First” (Transit)

- **BMPO, Boston**: 79% Transit O&M, 15% Road and Bridge O&M, 15% Transit Expansion
- **NYMTC, New York**: 76% Transit O&M, 21% Road and Bridge O&M, 13% Road and Bridge Expansion
- **MTC, San Francisco**: 55% Transit O&M, 32% Road and Bridge O&M, 13% Road and Bridge Expansion
- **EWGCOG, St. Louis**: 53% Transit O&M, 36% Road and Bridge O&M, 12% Road and Bridge Expansion
- **MWCOG, Washington**: 47% Transit O&M, 23% Road and Bridge O&M, 17% Road and Bridge Expansion

Image Source: [http://farm5.staticflickr.com/4123/4769294947_e377a79b3e_o.jpg](http://farm5.staticflickr.com/4123/4769294947_e377a79b3e_o.jpg)
## Top Metros for “Fix It First” (Overall)

<table>
<thead>
<tr>
<th>Metro</th>
<th>O&amp;M Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMAP</td>
<td>98%</td>
</tr>
<tr>
<td>NYMTC</td>
<td>97%</td>
</tr>
<tr>
<td>SPC</td>
<td>97%</td>
</tr>
<tr>
<td>BMPO</td>
<td>94%</td>
</tr>
<tr>
<td>DVRPC</td>
<td>92%</td>
</tr>
</tbody>
</table>

**Legend:**
- **O&M:** Operations and Maintenance
- **Expansion:** Expansion Projects

**Source:** [Image](http://farm4.staticflickr.com/3272/2634336315_f982326348_o.jpg)
CONCLUSION 1: “Go (South)West, Young Man”

• Metropolitan areas in the South and West were fastest to recover from the Great Recession, both in terms of job growth and the regional housing market; these include prosperous metropolitan areas like San Francisco/San Jose, Houston, and Dallas.

• Because of their continued rapid growth, transportation investments in these regions feature a greater emphasis on highway and transit expansion to accommodate expected population growth.

• Equally prosperous peers in the Northeast (such as Boston and New York) have stabilized their housing markets but have not experienced as robust economic/employment growth as Southern and Western metro areas.
Conclusion 2: “Fix It First” Dominates in Aging Cities

- Many older, slow-growth metropolitan areas continue to struggle with limited job growth and a weak housing market - in particular, cities such as Philadelphia, Chicago, Baltimore, and St. Louis.

- Transportation policymakers in many of these aging metropolitan areas have focused – by choice or by necessity – on system preservation rather than continued expansion.
CONCLUSION 3: THE “INVISIBLE HAND” CAN BE BLIND TOO

- While transit-oriented cities like San Francisco and Seattle have experienced strong recoveries, economic growth remains strongest in auto-dominated locations in the South and Southwest.

- Regions such as Dallas, Houston, and Phoenix quickly recovered from the recession; many of these locations are continuing to invest heavily in highway expansion, limiting the potential for significant modal shifts to public transit in the coming years.
For more top 20 metropolitan area data:

www.mtc.ca.gov/metro

The next round’s on FHWA...