

Regional Plan Association

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To: Joan McDonald, Commissioner, Department of Economic and Community Development
From: David Kooris, Vice President, Regional Plan Association
Date: January 25, 2010
Re: Economic Strategic Plan

Commissioner McDonald,

Regional Plan Association would like to express our thanks for being able to comment on this seminal plan for economic development in our state and commend you and your staff for compiling a comprehensive document that combines innovative strategies with proven techniques to maintain and enhance the competitiveness of our state.

Overall, we applaud the non-industry based approach that focuses on infrastructure, quality of life, business climate, and educating and retaining our workforce as the foundations of the state's prosperity rather than picking a sector winner. Additionally, we are enthusiastic about the prominence of responsible growth in the plan as both a filter through which future investment is passed but also as an overall coordinating principle. The plan takes a significant step towards aligning policies for economic development, environmental protection, and transportation that is so essential and in parallel with recent actions by the federal government to assist in the creation of livable and sustainable communities.

The following pages begin with comments on the structure of the plan and then proceed with comments to section III, specifically addressing the vision, strategies in each of the three topic areas, and finally metrics.

Structure of Plan

The plan goes quickly from overall vision to very targeted initiatives within three broad categories of goals (talent & technology, cultivate competitiveness, and responsible growth). We recommend a middle level of objectives, in between the goals and initiatives, to both provide structure to the strategies and also to provide more detailed policy objectives to other departments for alignment. Success will require multiple state agencies to work together towards the same end. More concrete objectives will enable state agencies all state agencies to create or modify programs over the coming 5 years that align closely with the plan's overall goals and specific objectives. For example, an objective under the "cultivate competitiveness" heading could be to encourage homeownership in urban areas. As agency programs are developed, they can be evaluated against this and other objectives, and their effectiveness measured with associated metrics. We hope that agencies will identify and

Regional Plan Association

develop additional programs over the next five years that contribute to this and other objectives.

Strategies and Initiatives

The last sentence in the third paragraph of the opening section on strategies and initiatives misses an opportunity to critique current decision-making based on short-term cost-benefit analyses. The metrics developed for this plan's strategies as they are adopted must assess their long-term economic impacts, social, and environmental impacts. Just as the federal government recently amended its review process of transit projects to lower cost-benefit to the level of other economic, social, and environmental concerns, this plan represents a unique chance to institute sustainable metrics into the review process of policy implementation (pg. 530).

Talent and Technology

Missing from the talent section is any mention of green jobs housing ladders or other programs specifically designed to create the skilled workforce necessary to capitalize on these emerging employment opportunities. The City of Bridgeport and the Workplace have recently received a grant from the Department of Labor to implement such a plan and this model can be expanded throughout the state.

We support the initiative to work with the state of Massachusetts to incentivize biomedical device development along the Knowledge Corridor but want to ensure that any incentives and credits are aligned with transit-oriented development goals to ensure the success of the rail and supporting transit systems (pg. 534, pt. 6).

We are supportive of more robust utilization of the state's job creation tax credit but want to ensure that it is not only targeted to specific industries but also to specific centers-oriented and transit-oriented geographies and to companies that hire locally and enter into community benefit agreements with the communities they will locate in. New Jersey has recently enacted an employment tax credit for companies creating jobs in a handful of major transit centers that has been successful since its implementation (pg. 534 pt. 8).

Cultivate Competitiveness

A Blue Ribbon Panel to evaluate our tax structure is necessary but we want to ensure that it doesn't merely look at economic impacts but also at environmental and social concerns to ensure that the state's tax structure is working towards the goals of all departments and

Regional Plan Association

preparing our state for long-term sustainability. The panel should be charged with exploring innovative tax shifting policies that would disincentivize behavior that works against the states goals while incentivizing positive behavior like job creation, energy efficiency, and the linkages between economic development and benefit to local communities (pg. 535 pt. 1).

The state's budget process does needs reform and recommend that the zero-based and performance-based budgeting be seriously explored (pg. 535 pt. 2).

Parallel to the budgeting process, the plan should address the need to more broadly explore how we conduct state government and deliver services, taking a new look at operational and management efficiencies.

The plan should more strongly emphasize the need to address the structural problems in our property tax system. Municipalities with a high share of tax-exempt properties struggle to meet their community's needs. Property tax reform is addressed here and later within the context of the ability to raise new types of revenue, but this overarching objective of property tax reform needs to be stronger and more up front (pg. 535 pt. 3).

Regionalism should be encouraged as laid out in this plan and stronger incentives are necessary. However, the formation of regional partnerships is very vague and should be clarified and paired with the need for stronger regional planning. Partnerships across municipal lines are a necessary step and should be incentivized by the state, but regions can be more effective if they have developed plans for coordination, and these plans should be a prerequisite for state funding. (pg. 535 pt. 5).

The homestead exemption for urban areas could be used to incentivize existing homeowners to purchase primary homes in urban areas in addition to supporting purchases by first-time buyers. An income tax exemption for urban homebuyers could be one of many mechanisms to alleviate the property tax burden on low-income homeowners in our cities (pg. 535 pt. 6).

Location Efficient Mortgages are another innovative solution to encouraging home ownership in transit-oriented locations. DECD should work with HUD and other partners around the country working on this issue to ensure that mortgage qualifications are properly calibrated to location efficiency and that increased lending does not inflate home prices (pg. 535 pt. 7).

We strongly support the strategies to support the fuel cell industry in our state by installing them in all state buildings and by supporting research on fuel cell-powered rail cars and

Regional Plan Association

buses. The national shift back towards public transit is unfortunately currently disconnected from our declining industrial sector, but just as Cleveland Transit invested R&D resources in new bus designs to be exported around the country, and Portland has begun building streetcars locally to exported across the country, Connecticut can design and construct fuel cell buses and rail cars for use in the U.S. and throughout the world (pg. 536 pt. 15, 16, 17).

Connecticut should adopt a statewide green building code, but not because California has one. Energy-efficiency is becoming increasingly important to Connecticut's long-term health. Green buildings are a defensible policy objective because of their impact on human health, local environments, regional energy demand, state utility costs, and national security. Connecticut's larger cities and some towns have adopted or are exploring the adoption of green building standards, but the state must simultaneously ensure that the playing field is level in all municipalities and that the standards demand energy efficiency (pg. 536 pt. 19).

Responsible Growth

The first sentences of this section can give the false impression that we are only doing responsible growth because it is currently a trendy concept. Responsible growth will only be successful—especially within the context of economic development—if it is framed as being integral to the long-term economic prosperity of our state in the face of emerging trends and challenges to which our economy must be responsive.

A Responsible Growth Cabinet is the necessary next step to rationalize programs across state departments to achieve sustainable prosperity in our state. The funds dispersed by this Cabinet should be used for implementation of plans approved as responsible and for planning in those communities that don't already have good blueprints for growth. Model zoning regulations can be a useful tool in eliminating the most egregious offenses to responsible growth in local codes, but they alone cannot go very far in truly achieving local regulatory reform in our state. Each place is unique in both its physical and built geography and, more importantly, in its civic institutional structure. What will be necessary is a comprehensive approach for technical assistance that provides municipalities with the tools they need to engage stakeholders in a robust and fact-based dialogue on the future of their community and to craft the tools necessary to achieve that vision. In our experience working with communities throughout the tri-state region, there is no ordinance that is either uniformly applicable or accepted by local stakeholders that have not been involved in its development (pg. 537 pt. 1).

In addition to reforming membership on the State Traffic Commission to include DECD, the commission should work with researchers within the state to ensure that the standards being

Regional Plan Association

used for evaluation are those which are widely accepted as most in-line with responsible growth goals (pg. 537 pt. 3).

Given the recent adoption of a payroll tax throughout the territory served by the Metropolitan Transit Authority (MTA), all the implications of full voting membership on the MTA Board of Directors must be explored in detail before deciding a course of action (pg. 537 pt. 5).

We strongly support the development of a Responsible Growth for the 21st Century Fund to direct discretionary municipal grants towards a common goal. A diverse stakeholder group representing government and civic interests should be created to develop and vet the scorecard that will be used to assess projects and locations (pg. 537 pt. 6).

In addition to utilizing Bradley airport to alleviate congestion at Logan and NYC airports, the state should continue to explore opportunities at smaller airports like Tweed and to study and work with partners (such as RPA's America 2050 and Business Alliance for Northeast Mobility) to integrate the planning for high speed rail and commuter rail into this process to increase inter-regional mobility and linkages throughout greater New York and Southern New England (pg. 538 pt. 10).

In parallel with federal transportation authorization, it will not be enough to broadly support a Transportation Financing Fund. Connecticut will need to develop a capital planning process for transportation and support that plan with a stable and significant funding plan for sustainable implementation (pg. 538 pt. 11).

In addition to the New Haven Springfield rail line, DECD should explicitly support the upgrades to our branch lines, extension of Shore Line East to New London, and efforts to study ways to create high quality transit throughout the state at levels of service in line with regional transit supportive development policies (pg. 538 pt. 12).

In addition to a New Haven Springfield rail line spur to Bradley, DECD should make explicit the broader objective of connecting the state's population and job centers to global gateways. For example, a direct bus line could be implemented today between Stamford and Greenwich downtowns and Westchester County Airport (pg. 538 pt. 13).

We strongly support a corridor wide pricing and management strategy for rail parking but want to ensure that planning for parking supply is done in conjunction with planning for transit-oriented development. We must ensure that short-term ridership through park-and-

Regional Plan Association

rides does not prevent long-term success at creating origins and destinations and long-term ridership within walking distance of our rail and express bus system (pg. 538 pt. 14).

A smartcard that is accepted by all bus providers would go a long way to incentivizing ridership. Additional strategies, such as coordinated route planning, will also be essential to ensure that our state's multiple transit agencies are each creating pieces of a comprehensive and connected system that meets the inter-regional travel demands of our population (pg. 539 pt. 21).

The potential for transit-oriented districts to raise additional revenue beyond property tax is worth pursuing. It is unclear, however, how and by whom these "state-approved responsible growth/ TOD project" will be defined (pg. 540 pt. 23).

We do not support the use of referenda on zoning changes. While the goal of giving people an equal voice in land use decisions is laudable, of greater value is ensuring that land use regulations have been developed with community involvement at the outset. This will be achieved through technical assistance to localities to conduct truly participatory planning processes and through state incentives that are contingent on plans resulting from these processes (pg. 540 pt. 24).

As demographic and social trends point toward increasing infill and transit-oriented development in the coming decades, now is the time to ensure that the racial and social segregation that occurred with white flight is not echoed through the creation of enclaves of wealthy and homogenous communities in transit areas. Centers-oriented and transit-oriented development receiving state support must be inclusionary and DECD should work to ensure the long-term preservation of existing affordable units in these locations so that they can evolve into mixed-income communities and revitalize and redevelop without gentrification.

Overall, these strategies provide a broad range of programs and policy amendments to achieve responsible growth at the local level. What is missing, however, is the regional scale. At the foundation of DECD's Responsible Growth agenda should be a technical and financial assistance program to enable and incentivize the regions to create coordinated housing, transportation, economic development, environmental protection, and energy efficiency plans. While the 15 regions are the logical starting point, joint planning should be incentivized or mandated when their geographic scale is not aligned with the challenges we face. The approval of these plans by multiple state agencies would then provide the framework for future investment and then direct on-the-ground deployment of programs and incentives. These plans would simultaneously ensure that local decisions support regional/state investments and vice-versa. All levels of government must be working toward

Regional Plan Association

common goals. For example, in anticipation of the New Haven Springfield rail investment, now is the time to incentivize and support planning at the scale of the corridor that determines an economic development and housing strategy that will support this investment, meet local community goals, and meet state efficiency and environmental objectives. With this blueprint for the corridor, the state will have a blueprint for directing assistance, financial support, and programs to those places that can be most significantly leveraged to maximize the impact of your efforts.

In order to do this planning, much better spatial information is necessary. DECD, working towards its development database, should work with other departments to create a robust Geographic Information Systems database that is parcel-based and includes information such as land use. The CLEAR “land use” information is woefully inadequate for all but some environmental land planning activities and does not have the level of detail of supportive information necessary to achieve the type of planning necessary to advance the economic development goals of our state in coordination with social and environmental planning.

Metrics

An overall comment on the metrics section is that it could more clearly define the outcomes that are desired as a result of this strategic economic plan. Some of the currently listed measurements are not necessarily desired outcomes in and of themselves but are rather indicators or proxies for other outcomes. For example, greater housing density seems less like a desired outcome and more like a spatially distributed metric that leads to higher or lower vehicle emissions and energy demand which are costs to living and working in our state. We recommend that the outcomes be clearly linked with goals and objectives and that they be monitored to track the state’s progress.