



NEVADA COUNTY TRANSPORTATION COMMISSION

Grass Valley • Nevada City • Nevada County • Truckee

MEMORANDUM

TO: The Nevada County Transportation Commission

FROM: Daniel B. Landon, Executive Director *Daniel B. Landon*

SUBJECT: Executive Director's Report for the December 11, 2013 Meeting

DATE: November 6, 2013

1. NORTH STATE SUPER REGION: NORTH STATE TRANSPORTATION FOR ECONOMIC DEVELOPMENT STUDY

California's rural regions have traditionally relied on regional and interregional State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP) funding to meet their transportation needs. For an area as large as the North State, with many road miles per capita and often challenging natural environments, these sources do not provide agencies with enough funding to support comprehensive transportation network maintenance and expansion. All regions rely to some degree on competitively awarded state and federal transportation grants to meet their respective mobility needs. However, in light of the recession, greater emphasis on jobs locally and nationally resulted in state and federal transportation partners placing more focus on job creation and economic growth for transportation planning agencies to compete successfully for funds.

The North State Super Region received a \$225,000 State Planning and Research grant from Caltrans to better understand and document the economic benefits of transportation investments from a North State perspective. The final *North State Transportation for Economic Development Study* (NSTEDS) prepared by the firm, System Metrics Group, in collaboration with sixteen northern California counties, was recently received by Nevada County Transportation Commission (NCTC) staff. Transportation is recognized as having the potential to enable economic activity in the North State through connecting people, goods, services and resources. This study makes the case for ongoing, strategic investment in transportation infrastructure in the North State, by proving the opportunity to link transportation improvements with regional economic development initiatives, and demonstrating quantifiable performance indicators.

The federal government reauthorized transportation funding through Moving Ahead with Progress in the 21st Century (MAP-21), which places greater emphasis on performance targets and accountability. The NSTEDS benefits the Nevada County Transportation Commission and other North State regions in several ways:

- 1) It provides a comprehensive compilation of transportation and economic development activities, projects, and data for the North State.
- 2) An economic model was utilized to translate transportation performance measures (e.g. travel time, safety, congestion, etc.) into economic effects (e.g. labor productivity, business operating costs, etc.) and then to final economic outcomes (e.g. jobs creation, gross regional product, etc.). These economic outcomes will be referenced in future transportation plans and grant applications.
- 3) Implementation strategies highlight opportunities to help shape state and federal transportation policy and improve coordination between transportation and economic planning and projects.

The NCTC may borrow from, and reference, the NSTEDS to compete for state and federal grants. Staff will now forward the study to Nevada County economic development partners such as the Nevada County Economic Resource Council and the Sierra Business Council.

Attached for Commissioner's information and review is the Executive Summary of the NSTEDS. Should any member of the Commission desire to have the complete study, staff can provide a hard copy (430 pages).

2. TAHOE TRANSPORTATION DISTRICT – TRANS SIERRA TRANSPORTATION PLAN

In an effort similar to the NSTEDS, governments and stakeholders in the areas surrounding Lake Tahoe have been provided an opportunity to improve prospects for moving all transportation projects and services forward by coming together with one unified voice. To facilitate this effort, the Tahoe Transportation District (TTD) began working with its partners throughout the region to develop a Trans-Sierra Transportation Coalition concept. The Coalition is a voluntary collaboration of parties interested in improving transportation in and adjacent to the Sierra Nevada in northern California and northern Nevada and includes:

- Local governments
- Planning and transportation agencies
- Federal and state partners
- Visitor's authorities
- Economic development groups
- Environmental groups
- Transportation Management Agencies
- Chambers of Commerce
- Other interested parties.

After formation of the Coalition, TTD contracted with CH2M HILL to:

- Articulate a broader Trans-Sierra transportation vision founded upon the individual transportation and land use plans of the Coalition participants.
- Make a "business case" as to how full implementation of these plans will positively benefit the economy and quality-of-life within individual Coalition jurisdictions, and the entire region, by documenting the costs and benefits of implementing the collective transportation vision.
- Delineate the additional financial resources that will be needed to make this vision a reality.

Phase 1 of the scope of work for the plan is to develop a compelling case for comprehensive, sustainable transportation investments across the region. Having the "compelling case" will provide Coalition members information to support individual efforts for seeking out and obtaining additional

funding to implement participant's investment plans. It is CH2M HILL's job to help the Coalition constituents show how efficient and reliable transportation infrastructure and services contribute to accomplishing what is important to them (e.g. jobs, a strong economy, good schools, environmental protection, quality-of-life, etc.).

Ultimately, the "business case" information developed will provide the basis for developing stronger public support for transportation programs, and where needed, voter support for increased transportation funding within individual Coalition jurisdictions.

The first Trans-Sierra Coalition workshop was held on October 4th and 31 representatives participated. CH2M HILL staff will now reach out to each agency and collect their data and other information to help build the "business case" that will capture the benefits that investments in transportation can deliver.

On November 5th NCTC staff met with CH2M HILL staff to discuss NCTC's participation in the Trans-Sierra Transportation Plan effort.

3. NEVADA COUNTY COORDINATED PUBLIC TRANSIT-HUMAN SERVICES TRANSPORTATION PLAN UPDATE

In August 2013, NCTC staff received notification from Caltrans that NCTC had been awarded a Federal Transit Administration (FTA) Rural Transit Planning Studies Grant in the amount of \$40,000 to update the 2008 Nevada County Coordinated Public Transit-Human Services Transportation Plan. This project will facilitate continued coordination between health and human services and transportation stakeholders, identify the existing transportation needs in Nevada County, and identify potential solutions regarding them. The plan needs to be updated in order to ensure that the potential solutions and implementation strategies developed are eligible for FTA grant funding.

The schedule for the project is shown below:

ACTIVITIES	DATE
Email Request for Proposals	October 30, 2013
Proposals Due	December 4, 2013
Staff Screening of Proposals	December 5-December 13, 2013
Oral Interview if Needed	December 16, 2013
Consultant Selection	December 20, 2013
Scope of Work Finalized	January 6, 2014
Contract Execution	January 24, 2014
Consultant Work to Begin	January 24, 2014
Project Kick-off Meeting	February, 2014
Admin. Draft Report for Review and Comment	August 1-August 8, 2014
Final Draft Report Delivered to NCTC	August 29, 2014
Present Draft Report to NCTC	September 17, 2014
Final Report Delivered to NCTC	October 31, 2014
Project Complete	November 30, 2014

4. TRUCKEE TAHOE AIRPORT LAND USE COMMISSION

Pursuant to Commission direction, NCTC provides staffing for the Truckee Tahoe Airport Land Use Commission (TTALUC). When reviewing projects for the TTALUC, the Truckee Tahoe Airport

Land Use Compatibility Plan provides the Executive Director two options related to major land-use actions:

- (a) Find that the proposed project does not contain characteristics likely to result in inconsistencies with the compatibility criteria set forth in the plan. Upon said finding, the Executive Director is authorized to approve such projects on behalf of the commission.
- (b) Find that the proposed project may be inconsistent with the compatibility plan. The Executive Director shall forward any such project to the commission for consistency determination.

The table below provides a summary of projects that have been reviewed by the Executive Director on behalf of the TTALUC during FY 2012/13 and FY 2013/14.

Date	Project Description	Review Status
January 2, 2013	Draft EIR Canyon Springs Subdivision, Town of Truckee	Outside airport influence area; no review required.
January 22, 2013	2 story office building at Northwest corner of Donner Pass Road and N. Woods Blvd. (11836 Donner Pass Rd.; APN 18-500-75), Town of Truckee.	Not a major land-use action; no review required.
April 8, 2013	Tahoe Donner Ski Hill Cell Tower, Town of Truckee.	Outside airport influence area; no review required.
May 10, 2013	Truckee Springs Summary Plan, Town of Truckee	Provided preliminary comments; formal comments to be provided on the draft EIR.
May 23, 2013	Carson Ridge Road-Monopine, Placer County Planning Department	Project is in the height review overlay area; extends into the Part 77 surface. Requested copy of FAA comments. Further review required; requested deposit of \$2,500.
June 5, 2013	Martis Valley Trail-Segment 1, Placer County Planning Department	Not a major land use action; no review required.
Sept. 12, 2013	Joerger Ranch Specific Plan (PC-3), Town of Truckee	Project requires consultant review (Mead & Hunt).
Oct. 1, 2013	Truckee Donner Recreation and Park District Aquatic Center.	Project requires consultant review (Mead & Hunt). TTALUC to consider project on 11/18/13.

5. ANNUAL UNMET TRANSIT NEEDS PUBLIC WORKSHOPS AND PUBLIC HEARING

As part of the annual public outreach to receive input on unmet transit needs in Nevada County, NCTC staff held the following public workshops and a public hearing:

A joint public workshop with Placer County Transportation Planning Agency and Tahoe Regional Planning Agency was held on November 7th at the Tahoe City Public Utilities District for the public to discuss unmet transit needs in the Tahoe City, Kings Beach, and Town of Truckee area.

A public workshop to gather additional input on unmet transit needs in the Town of Truckee/Eastern Nevada County was held at the Truckee Town Hall on November 14th.

A public hearing to receive input on unmet transit needs in western Nevada County was conducted as part of the Social Services Transportation Advisory Council (SSTAC) meeting held on November 21st at Grass Valley City Hall.

The following perceived unmet transit needs were presented at the workshops and public hearing.

EASTERN NEVADA COUNTY/TRUCKEE

- Carol Mauker, with the Kids Zone in Truckee, stated that the biggest need is to have year round fixed route service between the Town of Truckee and Kings Beach on SR 267. The Kids Zone serves approximately 22,000 children visits per year. During times of the year when service is not provided on this route, Kids Zone has to pay \$500 to charter a school bus. They are only able to afford to do this once or twice a month to bring clients to services.
- Alison Schwedner, with the Community Collaborative of Tahoe Truckee (CCTT) provided the following recommendations based on input she received at the CCTT Transportation Forum:

The need for year round transportation service on SR 267 is a critical portion of the fixed route system. Although there is transportation on SR 267 in the wintertime, during the rest of the year individuals must go through Tahoe City to access key services in Truckee and vice versa. Many essential medical services are located in Truckee, and individuals must often take a day off from work to allow adequate time to take the bus to and from Truckee with the long headways.

Support implementation of countywide transportation programs in the Tahoe/Truckee area. Several countywide transportation programs exist, including Logisticare, Gold Country Telecare, and My Rides volunteer driver programs that provide transit services to underserved community members. While these programs are serving individuals in western Nevada County and Placer County, they are not available to provide these services in Truckee/Tahoe.

Develop a regional Social Service Transportation Advisory Committee to address Resort Area Triangle social service transportation and information sharing.

Explore transportation options for youth, senior, and other community members to access hard to reach places. Specifically, transportation to and from Donner Summit is difficult in non-peak ski season. Youth who reside in the Tahoe Donner subdivision have a difficult time accessing programs at Truckee High School due to limited transportation to and from this area. It can also be difficult for community members to access classes at Sierra College.

- Pete Perata, Truckee resident, requested earlier bus service on the fixed route Truckee Public Bus that stops at the Truckee Donner Senior Apartments located on SR 267. The first bus does not come until 9:00 a.m. and there is no way to get to the Truckee Depot by 7:30 a.m. to get to Tahoe City, Alpine, and Squaw Valley.
- Phebe Bell, Placer and Nevada County Health and Human Services, mentioned that residents in the Donner Summit area do not have public fixed route service in the summertime, and have no way of getting into town unless they use their own vehicle.

- Penny Albrant, Truckee resident, requested bus service to Reno that would run at least once a month. Also, she would like to see the Dial-A-Ride service extended to run on Sundays year round.
- Denny Dickinson, Truckee resident, submitted a letter identifying the need for additional transportation options from Truckee to the Veterans Affairs Hospital in Reno. Mr. Dickinson also requested a bus shelter at the Truckee-Donner Senior Apartments.
- Bridget Garret, Truckee resident, stated that she would like to be able to bring her pets in a carrier on the Dial-A-Ride bus so she can use Dial-A-Ride to take her pets to the veterinarian.
- Robert Mescher, Truckee resident, requested that transit services be expanded to operate on Sundays to allow people access to church and run errands; particularly bus service on Alder Creek Drive near the Alder Creek Middle School and Assumption Catholic Church. Mr. Mescher also stated that it would be great to have all of the mobility options listed on a handout so that people know what options are available. In addition, he requested expanding the fixed route hours of operation to 10:00 p.m.

WESTERN NEVADA COUNTY

- A North San Juan resident requested the need for the return of Gold Country Stage Route 10 and suggested providing “lifeline” service two days a week. One trip to town and back, leaving North San Juan no later than 9:40 a.m. ensures there is no chance of missing Route 1 from the library at 10:30 a.m. This will allow for 11:00 a.m. professional appointments and grocery shopping. The bus should then leave the library for the return trip to North San Juan, after the arrival of the 3:30 p.m. Route 1 bus to allow for a transfer. A 4:00 p.m. departure from the library would be ideal in case the Route 1 bus is delayed. This suggested lifeline service would be worth \$10.00 for a day pass.
- Paul Noel, a North San Juan resident, requested public transportation for the 3,000 people residing in North San Juan. He indicated that public transportation is needed to get people to specialized medical services in the Grass Valley and Nevada City area.
- Mitchell Sayegh, North Gold Senior Mountaineers, requested public transportation in North San Juan. He indicated that many of the 3,000 residents in North San Juan are low income and/or senior citizens on fixed incomes. Regular bus service is how teens, elders, and workers can affordably get back and forth to town. It is how the community can access health care and affordable food. It is critical to provide access to specialized medical care and cheaper food. Regular bus service is a critical component that contributes to a healthy and vibrant ridge community.
- Diana Pasquini, North San Juan Family Resource Center (FRC), stated that surveys the FRC has conducted indicate that the two greatest needs for North San Juan residents are transportation and housing. There is a need for public transportation to access key resources in Grass Valley and Nevada City, and also for transportation within the North San Juan community. Public transportation is needed so that people have access to advanced medical care, senior lunches, laundry services, and shopping.

- Mina Wagner, North San Juan resident, stated that in the past bus services have been added and then taken away and it is important to make sure services can be sustained so people can count on them. There is a need for public transportation from North San Juan to Grass Valley and Nevada City to provide access to the food banks.
- David Briggs, Grass Valley resident, requested additional morning and evening runs on Route 5 to allow residents to access the Amtrak trains in Auburn. The current schedule gets you to Auburn Amtrak station a half hour after the train has left. He knows of a local resident who cannot use the public transit system to connect to the Amtrak in Auburn for travel to San Francisco for monthly work related trips.
- Pam Roberts, Nevada County Health and Human Services Agency, indicated that she has several CalWORKs clients that are taking evening classes at the Nevada County Sierra College campus and at the Ghidotti Early College High School, who find it difficult to attend because there is no public transportation after 6:30 p.m.

The Social Services Transportation Advisory Council recommended that the NCTC apply for a Caltrans Rural Transit Planning grant for a study to identify the true needs of the residents in North San Juan and other outlying community areas, the available resources, potential solutions, and associated costs.

The comments received will be provided to the appropriate transit operators in eastern and western Nevada County for consideration in transit planning activities.

attachment



North State Transportation for Economic Development Study (NSTEDS)

Full Compendium Report



October 2, 2013

System Metrics Group
Economic Development Research Group
DKS Associates
Wahlstrom & Associates
Susan Jones Moses & Associates



Executive Summary

The North State Transportation for Economic Development Study (NSTEDS) presents the case for ongoing transportation investment in the 16-county North State Super Region. Transportation has the potential to enable economic activity in the North State through connecting people, goods, services, and resources. By proving the opportunity to link transportation improvements with regional economic development initiatives and demonstrating quantifiable performance indicators, this study makes the case for ongoing, strategic investment in transportation infrastructure in the North State.

The NSTEDS highlights regional transportation improvements with the highest economic benefit to help the North State compete for state and federal transportation funding. It also shows the relationship between transportation infrastructure investment and North State economic activity. In improving the alignment between transportation spending as well as economic development planning and implementation efforts, the study provides the foundation for funding proposals, public-private partnerships, and plans to put resulting resources to work stimulating the North State's economy.

A number of recent changes in the California transportation planning and funding environment present opportunities for the North State. The Great Recession has led to a greater emphasis on jobs locally and nationally. As a result, funding agencies are requiring information on job creation and economic growth for transportation planning agencies to compete successfully for funds. In addition, the federal government has reauthorized transportation funding through Moving Ahead with Progress in the 21st Century (MAP-21), which places greater emphasis on performance targets and accountability. The NSTEDS has the potential to help the North State bring about more equitable or balanced performance measurement requirements and funding priorities.

By pursuing the study recommendations, the North State can:

- Build on its competitive advantages and opportunities for enhancing economic development to support emerging industries in the region
- Incorporate regional economic development initiatives into the transportation planning process
- Better compete for finite discretionary transportation funds.

Transportation and Economic Connections

The North State has several limitations in its transportation infrastructure with a direct or indirect impact on the type, location, and scale of economic activity in the North State. The major highway routes in the North State run north-south. There are few options for east-west travel and none have more than two lanes. The four local airports in the North State with passenger service are served by only one carrier with direct flights to few destinations. The North Coast has been without freight rail service for more than a decade. Unlike neighboring regions, the North State has no commercial hub airports or rail intermodal loading facilities.



In many ways, the North State remains an economic frontier. Some regions are isolated with very little interregional traffic. Difficult terrain, weather events, and seismic events often restrict key transportation corridors or render them out of service for extended periods of time. In the North Coast, this isolation is referred to as the “Redwood Curtain.” Other regions, including those in the northeast intermountain area, are similarly inaccessible. The passenger air service needed for business travel is restricted by small regional airports with limited services. Flexible freight options needed for wholesale trade and moving raw goods to market are likewise limited by the lack of intermodal loading facilities and adequate rail and air transport.

One of the North State’s few advantages over large, neighboring metropolitan regions is the comparative low cost of doing business and the absence of traffic congestion. It is critical that the North State maintain this advantage, while seeking to address its many economic constraints. Currently, most of North State highways operate at an adequate level of service. If further steps are not taken, transportation models predict future operating conditions may be worse, particularly along I-5.

According to commodity flow data, the largest commodity groups are agriculture and food products, wood products, and machinery manufacturing. Roughly 15 percent of commodities produced in the North State go to customers within the North State, while about 70 percent is sent to the rest of the United States and 15 percent to the rest of the world. This compares to California as a whole, where roughly 60 percent of commodities are consumed within the state. California consumes a greater proportion of the commodities it produces because it has a larger and more diversified economy than the North State. However, the fact remains that the North State economy depends on imports and exports (domestically and internationally).

Commodity exports rely on reliable and efficient truck and rail transportation. Most of the truck travel occurs on just a few routes due to the dispersed trip generators associated with agriculture, forest, and natural resource extraction. The highest truck volumes occur on I-5, but US 97, SR-32/SR-70/SR-99, US 101, SR-20, SR-299, and US 395 also carry many trucks. The Sacramento Valley is served by two Class I freight railroads – the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF). Neither railroad serves the North Coast, which has been without rail service for more than a decade.

Further research is needed to determine if current truck and rail volumes justify freight infrastructure improvements. Southern Oregon – a region with much in common with the North State – benefits from such infrastructure in the form of wholesale trade volume. Much of the North State’s commodities are exported in raw form, without processing or other value-added economic multipliers. Capturing these economic opportunities may help the North State meet the critical mass of freight needed to warrant investment in intermodal freight infrastructure.

The North State has a less diverse economy than the state as a whole. Decades of efforts to attract business and diversify the regional economy have been unsuccessful. This leaves the North State with a disproportionately high concentration of workers employed in forestry and logging, wood products manufacturing, and crop production. The North State’s economy is in transition from natural resource based industries to an uncertain future. Many regions have found success in niche industries – from breweries along the North Coast and in Butte County to geographic information services in Shasta



County. The future is likely rooted in a diversity of industries, which include natural resources, but is not dominated by such industries. Many niche industries generate high economic activity without a corresponding dependency on transportation infrastructure.

Crop production, agricultural support, and tourism are three sectors of the economy that have performed well over the last few years. Crop production is growing faster in the North State than in the nation. Agricultural support is also growing. Economic development professionals see room for growth in specialized agricultural products that, if marketed and aggregated for export, have excellent potential. Tehama, Siskiyou, and several other North State regions have initiated branding efforts to capitalize on local food production, distribution, and value-added products.

Tourism is an important industry for the North State. While there is no reliable count of tourism trips, published statistics show that visitors spend roughly \$2.4 billion per year in the North State (about 2.5 percent of the total visitor spending in California) and that spending accounts for nearly 33,000 jobs. By comparison, visitors spend roughly \$2.4 billion in the well-known Napa-Sonoma wine region where spending accounts for just over 28,000 jobs.

Many of the North State's most popular tourist destinations are also the most remote from a transportation perspective. Transportation improvements that reduce travel time (particularly from the Sacramento Region and the San Francisco Bay Area) and that increase reliability and traveler information would help grow tourism. When combined with regional branding and promotional efforts to expand tourism as part of local economic strategies, transportation investments would also improve tourism industry performance, despite the potential seasonal limitations.

In spite of numerous limitations and deficiencies, the North State has many competitive advantages. Compared with the rest of California, the North State has lower costs of doing business, including lower taxes, labor costs, and housing costs. Along with delivery market access to the San Francisco Bay Area and the Sacramento Region, the North State's southern counties, in particular, have great economic potential. Furthermore, Nevada, Humboldt, and Butte counties have relatively high percentages of skilled workers, which provide building blocks for value-added industries.

Among the four neighboring regions examined, Southern Oregon is the closest economic competitor to the North State. While the compositions of the two economies are very similar, the concentration of employment in agriculture, forestry, and fishing is considerably higher in the North State than in Southern Oregon. Southern Oregon has a noticeably larger share of employment engaged in wholesale trade and a slightly higher share engaged in retail trade. Southern Oregon also has an advantage in retail trade due to no state sales taxes and better rail freight service. However, Southern Oregon is more isolated than the North State from major markets as measured by a performance measures tested in the NSTEDS (i.e., three-hour delivery time and 40-minute labor market access).

The North State's access to the San Francisco Bay Area and the Sacramento Region makes its average same-day delivery market much bigger than the Southern Oregon market. The North State may be less competitive than Southern Oregon on cost factors, but it has much better truck delivery access. This suggests a potential opportunity for the North State to take advantage of locations along I-5 for wholesale trade.



Agricultural products, wood products, and some manufactured goods are the primary exports from the North State to its neighboring regions. The largest flows go to the San Francisco Bay Area and the Sacramento Region due to their relative proximity and population. Most of these flows move by truck. On a per worker basis, the largest flows go to the Sacramento Region and Southern Oregon. These flows reflect ties in the agriculture and timber industries, respectively. For example, the North State produces raw wood and forestry products that are finished in Southern Oregon.

The Great Recession, combined with the elimination of redevelopment agencies, has seriously damaged the capacity of local governments in the North State to promote economic development. Several economic development corporations with more than 20-year track records have lost their funding as a result of Assembly Bill X1 26. Most local governments have lost their redevelopment or economic development staff due to funding cuts, leaving city managers and county administrators to fill in as local economic development staff.

Assembly Bill X1 26 has dissolved redevelopment agencies as part of implementing the 2011-12 California State Budget. Senate Bill 1 was introduced to allow local governments to form sustainable community investment authorities to administer economic development and affordable housing programs, but this bill was vetoed by the Governor to allow time for the full dissolution of redevelopment agencies before any replacement entities are established. If reinstated, tax increment financing could support economic development activities in the North State, address some of the staffing issues, and be used to encourage more efficient land use.

Economic development stakeholders in the North State are focused on retaining and expanding existing firms rather than engaging in business attraction efforts that have met with minimal success. With the exception of Shasta County, North State counties no longer direct resources towards business attraction, in favor of an economic gardening approach that focuses on retaining and expanding existing firms. A number of counties are focusing on recreational tourism to develop the local economy. Where such industries are less transportation-intensive, opportunities exist to reduce travel demand. Industries projected for long-term growth, but limited by transportation infrastructure, may need special consideration in Regional Transportation Plans (RTPs).

Transportation and economic development stakeholders have recommended several transportation projects with the potential to improve the North State economy. Many types of projects are represented, including Surface Transportation Assistance Act (STAA) truck access, I-5 freeway improvements, state highway expansion, bridge replacements, and freeway interchange construction. While the current RTPs capture most of these projects, some projects are not yet in the plans.

For the most part, economic development and transportation professionals have suggested similar transportation projects, but in some cases, there are different priorities. For example, economic development professionals in Lake County are interested in traffic calming and improved signage that encourages traffic to stop at local businesses. The transportation community, through the Lake County RTP, emphasizes the need for travel through the county (i.e., on SR-20 or SR-29) for connecting the North Coast with the Sacramento Valley. Clearly, these goals can be reconciled through dialog between the transportation and economic development communities.



Economic Impact Modeling and Performance Measures

Few North State RTPs have performance measures specifically related to the impacts of transportation on the regional economy. The performance measures currently in North State RTPs reflect the guidance found in the *Caltrans Performance Measures for Rural Transportation Systems Guidebook* on selecting measures and collecting data. This guidebook does not provide information on measures related to economic well-being. The North State Super Region should work with Caltrans to include such measures in the guidebook using information developed in the NSTEDS. **More specifically, the North State Super Region should develop and encourage integration of performance measures that more appropriately represent the economic impacts of transportation investment in a small urban or rural setting, which is characteristic to the North State.**

The NSTEDS provides a hierarchy of performance measures and impacts that link transportation to economic development. Most North State counties already measure transportation user benefits in their RTPs and other planning documents. **Transportation professionals should consider adding measures related to intermediate transportation factors and economic growth.** Although the scope of the NSTEDS economic impact modeling was limited to project groupings, Caltrans' acquisition of the Transportation Economic Development Impact System (TREDIS) software could be utilized by regional agencies to measure intermediate transportation factors for individual projects in their respective RTPs.

The NSTEDS economic impact modeling demonstrates how different types of projects identified by transportation planners and economic development stakeholders can affect the North State's economy. It shows that transportation improvements have the potential to help the economy through several mechanisms – supporting tourism, providing access to business, increasing delivery market areas, supporting commerce, opening up business sites, widening the labor market, and providing access to intermodal facilities, such as airports, ports, and rail. While the appropriateness and practicality will vary by region, **all regions in the North State should consider these opportunity areas in their planning processes and support or coordinate with partner regions** within the North State to achieve associated objectives as appropriate.

The economic impact modeling shows all projects result in short-term benefits related to construction. The longer term benefits vary by project type. The predominant benefits of improvements on I-5 and state highways are related to changes in travel time and travel time reliability followed by some shipper and logistics benefits. STAA truck access and bridge replacement projects (that avoid catastrophic bridge closures and long detours) produce a range of benefits related to travel times, vehicle operating costs, safety, shipments and logistics, as well as market access. Tourism and economic development impacts are associated with all project types, while the STAA truck access and state highway expansion projects have the greatest change of increasing access to supplier markets.

Activities for Integrating Transportation and Economic Development

The economic modeling included in the NSTEDS is based on rough assumptions that could be refined with input from transportation planners and economic development professionals. **North State transportation agencies should consider collaborating with Caltrans to conduct more detailed economic impact studies for the projects that matter to the super region.** These studies could be



conducted as part of the typical project development process. For example, Butte County is developing an “economic transportation study” as part of the Project Study Report for SR-70. The economic impact modeling conducted for the NSTEDS can be used as a guide for the type of information that needs to be collected for these studies.

North State policy makers should consider both the transportation and economic development benefits of projects for inclusion in the regional transportation planning process. The economic impacts of transportation projects (e.g., changes in visitor spending, potential for business attraction, and business needs for specific infrastructure to increase market access) can be measured if sufficient funding is available to complete the analysis. This type of local knowledge is critical for performing more detailed analyses of the economic impacts of projects.

Transportation and economic development stakeholders identified mutually supporting projects as well as very different types of projects and opportunities. The NSTEDS lists several projects mentioned during interviews with the economic development community and workshops. **Transportation projects that support economic development plans should be added to RTPs, if these projects also have reasonable transportation justification.** The NSTEDS also provides documentation of current economic development initiatives that should be considered when developing concepts and selecting transportation projects.

Economic development stakeholders should work with transportation planners to determine what, if any, transportation improvements (e.g., road widening, operational improvements, and signage) are needed to improve tourism. This is an important component of economic development initiatives already underway in Lake, Mendocino, Humboldt, Del Norte, Trinity, Lassen, Shasta, Tehama and Butte counties. **Transportation planners should work with economic development stakeholders to consider the types of improvements (e.g., local site access, construction of intermodal freight terminals, and improved freight rail and air service) needed to attract wholesale trade to the North State.**

Transportation improvement projects that open up new land for development should be prioritized if they can help create new business areas in communities with a shortage of available land with access to infrastructure. Attracting new businesses to this land may require collateral activities, such as the provision of tax incentives, infrastructure (e.g., sewers and utilities), and workforce training.

The NSTEDS was unable to explore the impact of unanticipated closures on critical roads to the North State economy. **The North State Super Region should consider a special study of the economic implications of emergency closures given the limited roadway infrastructure in the North State.** A prospective funding source could be a Caltrans Transportation Planning Grant Program under the Partnership Planning category.

The North State Super Region should also study the market feasibility of locating a rail freight loading facility in the North State and coordinate action and investment, as appropriate. Shasta County has considered studying the potential for a rail freight loading facility. Southern Oregon has such a facility, which may help attract wholesale trade. The City of Anderson in Shasta County is currently in the process of annexing several hundred acres of heavy industrial lands with rail access. The Deschutes Road and I-5 interchange, scheduled for completion in late 2013, will greatly enhance site access for



trucks. Furthermore, the City of Redding's Stillwater Business Park and the Redding Municipal Airport are just five miles north of the site. The Shasta Economic Development Corporation has supported and been actively involved in moving this effort forward.

The Nevada County RTP notes that the Union Pacific Railroad owns and operates tracks, which follow I-80 along the southern border of Nevada County. Although the tracks run through a portion of eastern Nevada County, there are currently no freight rail loading facilities in the county. As congestion increases on I-80, freight rail loading facilities may need to be considered in eastern Nevada County.

The North State Super Region should continue to cultivate relationships with economic development stakeholders, including local and regional economic development corporations or districts (e.g., Upstate California Economic Development Council and local economic development corporations), university or college-based economic programs (e.g., Shasta College Business and Entrepreneurship Center, and the Center for Economic Development at California State University, Chico), and state level entities (e.g., the Governor's Office of Business and Economic Development and California Forward) with the goal of coordinating, collaborating, aligning, planning, and leveraging fiscal resources.

The NSTEDS made a targeted effort to include tribal needs in the study. The tribes in the North State were made aware of the study through individual letters to each tribal leader and a presentation to the Native American Advisory Committee (NAAC). The tribes were also provided access to the study, but the NSTEDS was unable to get the level of engagement necessary to include a meaningful assessment of tribal needs. **The North State Super Region should continue to inform and encourage participation from Native American tribal governments in economic development and transportation planning projects.**

Near-Term Opportunities for Policy Development

The Federal Highway Administration (FHWA) is designating a National Freight Network to assist states in "strategically directing resources" to improved freight movement. I-5 may qualify, but **the North State should consider advocating for the designation of key transportation routes as "rural freight corridors."** These must be principal arterials carrying at least 25 percent trucks, which is a high threshold compared to typical truck percentages on North State routes.

In collaboration with the Business, Transportation and Housing Agency, Caltrans established the California Freight Advisory Committee (CFAC) to serve as a forum for discussing freight related priorities, issues, projects, and funding needs. The committee is also helping to inform the new state freight plan. A draft of the plan is expected by the end of 2013 with a draft final in June 2014, so the California Freight Plan can provide input into the National Freight Plan due in October 2014. **The North State should update the CFAC on the NSTEDS and make sure that its findings are reflected in the California Freight Plan.**

The North State Super Region should use results from the NSTEDS to provide input into the selection of rural performance measures for Moving Ahead for Progress in the 21st Century (MAP-21). The latest national highway bill emphasizes projects of national significance. The freight performance measures have not yet been defined, but they are likely to focus on the producers and users of freight as System Metrics Group, Inc.



well as the jobs and income being generated. Although rules have not been published, it is likely that the Federal government will want projects with national significance. If the North State Super Region can demonstrate that certain projects (e.g., the improvement of interchanges and bridges on I-5) enable export products, the national significance argument could be made and federal freight funding justified.

The San Diego Association of Governments (SANDAG) recently led a Performance Monitoring Indicators Technical Group that proposed two “economic vitality” performance measures – transit accessibility and travel time to jobs. The initial set of proposed measures was focused on urban areas and did not consider all of the links between transportation user benefits and economic growth. However, the North State was able to provide input from the NSTEDS on potential economic measures that capture intermediate transportation factors (e.g., market access and connectivity measures) and economic growth (e.g., jobs, income, and economic output). These indicators were included for future consideration. **The North State should encourage the inclusion of market access and connectivity measures should the Performance Monitoring Indicators Technical Group reconvene to update or refine their recommendations.**

Stakeholders in the North State may wish to consider support for the east-west railroad concept between the Port of Humboldt Bay and northern Sacramento Valley. Several elected officials and North State stakeholders have provided letters of support. In addition, Upstate California has adopted the east-west railroad concept. Whereas current efforts focus on initiating a technical and engineering feasibility of the project, **the North State may want to study the potential market for the east-west railroad prior to or in tandem with the technical study.**

Caltrans has an Interregional Transportation Strategic Plan (ITSP) to guide the development of the interregional transportation system. The first plan was written in 1998. The plan was not updated for more than a decade until a draft of the latest plan was released in December 2012. The draft plan includes a number of focus routes in the North State, including US 101, SR-99 (and SR-70), US 395, SR-20, and SR-299. Since the ITSP is not updated frequently, **the North State should use the NSTEDS as an opportunity to provide input into the ITSP.**

The Caltrans Project Development Procedures Manual (PDPM) currently does not include economic development as a deficiency to be addressed by a transportation project. Benefit-cost analysis and economic impact implications are not considered during the project development stage. **The North State should work with Caltrans transportation economists to include economic considerations in the PDPM.** This would help allow the North State to justify project using economic arguments.

The North State needs to address barriers related to travel demand reduction strategies, such as access to broadband internet. In this area, the North State can take advantage of efforts, such as the California Emerging Technology Fund and the California Advanced Services Fund. These funds are providing seed money to advance broadband deployment and adoption throughout rural California. The goal is to promote economic competitiveness, access to essential services, and improve quality of life. In the North State, four broadband consortia are receiving seed money from these funds.

The North State regions should update plans and priorities related to intelligent transportation systems (ITS) in combination or coordination with infrastructure improvements. The provision of

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accurate and timely traveler information (e.g., travel times and roadway restrictions) will assist the traveling public. ITS infrastructure will also help businesses efficiently move goods and provide much-needed predictability that impacts logistics and warehousing decisions (e.g., just-in-time delivery and the appropriate size of safety stock).

Efforts to reinvent redevelopment agencies in recent years have turned from the historical focus on removing blight to realizing more efficient land-use patterns. Should reinvention occur or metropolitan planning organizations (i.e., Butte County Association of Governments and Shasta Regional Transportation Agency) gain access to new funding sources designated for implementation of Senate Bill 375, **local and regional agencies should join with the private sector to grow the economy within industries that reduce or minimize travel demand.** Such efforts would serve to reduce local trips on the North State's interregional network, thus affording more widespread benefits.

Development of a Strategic Action Plan

The analysis of transportation needs and likely economic development impacts provides a basis for developing a strategic plan to integrate future transportation and economic development initiatives. There are five components to this strategy:

1. **Classifying projects by their transportation significance and area of greatest economic importance.** This will support MAP-21 initiatives and will also help Caltrans recognize the significance of North State projects. For instance:
 - a) *National significance* – The I-5 corridor supports commerce and freight movement from California to Oregon and Washington State as well as Canada and Mexico. It is a vital component of interstate and international commerce on the West Coast. While this gives the corridor national significance, it also serves as a backbone for regional access. In addition, any disruption to I-5 bridges and structures could have dramatic negative consequences on the region's quality of life and economy, due to the necessarily circuitous nature of detour routes available through the region.
 - b) *Regional/State significance* – The region's economic base depends on activities that bring in business revenues from visitor spending and the sale of goods (e.g., timber and wood products, agricultural and food products) to customers outside the region. There are several tourism routes and truck routes that enable these activities (including US 101, US 395, US 97, US 199, SR-70/SR-99, and SR-20/SR-29), which gives them state or regional significance. Other highway routes (e.g., SR-299) could become important for regional economic growth if they are upgraded to enable large trucks and buses. Enhancement of rail and marine services for freight movement as well as highway routes that affect regional labor market access also fall into this category.
 - c) *Local or regional significance* – There are various proposals for access roads and interchanges that could help enable new commercial and industrial activities to supplement tourism and the export of raw materials and agricultural products (i.e., the current economic base). By enabling economic activity at specific locations, individual



communities, and in some cases the entire region, can benefit. However, care must be taken to ensure that funds be focused on improving access in locations with good prospects for success (e.g., attracting or retaining business) and no other limitations that prevent business siting.

2. **Identifying the confluence of necessary transportation and economic development factors that must be brought together as a “total package” to facilitate business expansion and attraction.** This normally includes: (a) access to labor markets, customer markets, and in some cases, intermodal facilities, (b) job skill development to expand the labor market’s skill base, (c) availability of other business location site requirements (e.g., water, electricity, and broadband availability), and (d) a supportive local business climate to help navigate local factors that can affect business competitiveness. The specific requirements will differ depending on the nature of the business activity - agriculture, other land resources (e.g., timber), industrial, or professional/technical services. In general, state investments to support economic development are more likely to occur if there is evidence of an ongoing concerted effort involving local actions and support.
3. **Targeting priority opportunities – situations where a transportation investment can intervene to be a “game changer” in terms of business location feasibility.** For instance, upgrading a specific route to enable large truck and bus movement could in some cases: (a) dramatically reduce the cost of operating some businesses in an area (since one large truck can substitute for several small trucks), or (b) dramatically enlarge the customer area that can be served from a given business location (for same-day customer visits and same-day truck deliveries). In a similar fashion, upgrading a specific route might enable a community to be within a reasonable travel time range of a larger city (e.g., Sacramento or San Francisco) and effectively become part of its labor market area. For a project classified by state engineers as a justified operational enhancement, there might be higher priority if there is evidence that it can also provide new forms of worker or customer access to enable further economic development.
4. **Taking proactive action to prevent economic disasters, as could occur if certain roads, bridges and other structures are allowed to degrade, leading to route delays, closures, detours, diversions, or further weight limitations.** The most dramatic example of this is the degradation of the bridges along I-5. But, on a more routine basis, there is the maintenance of bridges on State Highways (particularly in the eastern portion of the North State) and the potential for emergency closures (particularly along the North Coast). In some cases, the disruption to normal economic activities of businesses in the North State could be severe. For this reason, there should be active support for emergency rehabilitation of roads and bridges, particularly where the risk of facility failure and its repercussions are greatest. Longer term, the State needs funding to take a more cost-effective approach, such as maintaining and preserving existing infrastructure to prevent the need for emergency rehabilitation. Part of the effort to support these projects should be to make the case that the negative economic ramifications may be far greater than the mere inconvenience to drivers. In few cases are there no alternative routes to



emergency closures, but the alternative routes may be inconvenient, unsuitable for trucks, and unknown to tourists.

5. **Exploring the need for new goods movement infrastructure.** The North State is served by only one port that has historically focused on the wood products and commercial fishing industries. The proposed feasibility study of constructing an east-west railroad to connect the Port of Humboldt Bay to the Class I railroad network should include an analysis of the market demand and economic feasibility in addition to the engineering and environmental feasibility of the proposed project. A minimal market study should identify how large a potential market could be based on products that move by rail and what share the North State may expect to attract given market and spatial considerations. The proposed study should also analyze the market feasibility of locating in the North State a rail freight loading facility that could serve the railroad and port.