



One Region Northwest Indiana Benchmark Report

In Partnership with

Center for Workforce Innovations

Indiana University Northwest

Purdue University Northwest

Valparaiso University

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Preface and Letter from the President

One Region, Inc. partnered with Purdue University Northwest, Valparaiso University, Indiana University Northwest, and Center for Workforce Innovations to benchmark Northwest Indiana (Lake, Porter, and LaPorte counties) to other regions in the country. The initiative will culminate in tours to a few select regions. The first tour will be to New Jersey followed by either Denver or Pittsburgh.

The initiative began with two goals:

1. Learn from other regions
2. Build relationships internally on our inter-region visit

The purpose of this initiative is to identify other metropolitan regions in the United States similar in various ways to Northwest Indiana and assess how these regions have leveraged and built assets to its benefit economically and qualitatively. In understanding what other regions have done successfully, we can look to replicate the economic and qualitative successes.

In effort to ensure that this initiative is applicable and relevant to business leaders and community leaders, we solicited feedback to understand challenges in attracting and retaining talent. Overall, we found the primary reasons were perception issues and lifestyle. Thus, the assessment began to look at other regions that have experienced similar challenges and how those regions overcame those challenges.

We recognize that there is no one identical place to our three-county region, yet we found commonalities among a variety of regions. We selected regions that were either similar to Northwest Indiana historically and places that we strive to be in relation to population growth and attraction and retention of talent. We collected data from the following regions: Salt Lake City, UT; Austin, TX; Albany, NY; Hoboken/Hudson County, NJ; Seattle, WA; Pittsburgh, PA; Denver, CO; and Minneapolis, MN.

Places there are similar: Albany, Hudson County, Pittsburgh, and Minneapolis. Places where we want to be: Denver, Salt Lake City, Austin, and Seattle. Based on our findings we narrowed in on researching New Jersey, Pittsburgh, and Denver. New Jersey serves as One Region's Inaugural Benchmark Tour.

We hope you will find the report insightful as our region works to make investments in infrastructure and leverage our assets in effort to attract and retain talent.

Sincerely,



Leah Konrady
President & CEO

Amenities & Infrastructure

| Northwest Indiana | Hudson Co., NJ (Hoboken) | Pittsburgh, PA | Denver, CO (Aurora) |
|---|---|---|--|
| 1. Proximity to major U.S. city/urban center | | | |
| 30-60 miles to Chicago (3 rd largest U.S. city) | 0-10 miles to New York (largest U.S. city) | 63 rd largest city | 10-20 miles to Denver (19 th largest U.S. city) |
| 2. Major Interstates | | | |
| Four: • I65, I80, I90, I94 | Four: • I78, I80, I87, I95 | Two: • I79, I76 | Three: • I25, I70, I76 |
| 3. Major Airports | | | |
| Three: • O'Hare (ORD) • Midway (MDW) • Gary (GYY) | Four: • Newark (EWR) • LaGuardia (LGA) • Teterboro (TEB) • JFK (JFK) | Two: • Pittsburgh (PIT) • Allegheny Co. (AGC) | Two: • Denver (DEN) • Centennial (APA) |
| 4. Public Transportation | | | |
| <ul style="list-style-type: none"> • South Shore Commuter Line (90mi, 19 stations), <i>connects to CTA/Metra</i> • Gary Public Transportation Corporation (Bus) • Limited Amtrak | <ul style="list-style-type: none"> • Hudson-Bergen Light Rail (17 mi., 24 stations) • NJ TRANSIT Commuter Rail (11 lines, 164 stations), <i>connects to MTA</i> | Port Authority of Allegheny County includes: <ul style="list-style-type: none"> • Airport bus • Light rail (26.2mi, 53 stations) • Extensive bus system • Two inclines Major Amtrak station | Denver RTD includes: <ul style="list-style-type: none"> • Airport Rail • Light rail (34.8 mi, 36 stations) • Extensive bus system • MallRide (free busses & hybrid bicycle taxis) Major Amtrak station |

| Northwest Indiana | Hudson Co., NJ (Hoboken) | Pittsburgh, PA | Denver, CO (Aurora) |
|--|---|---|---|
| 5. Class 1 Railroads | | | |
| Three: <ul style="list-style-type: none"> • Canadian National • CSX • Norfolk Southern • (BNSF, Canadian Pacific & Union Pacific in Chicago) | Two: <ul style="list-style-type: none"> • CSX • Norfolk Southern | Three: <ul style="list-style-type: none"> • Canadian National • CSX • Norfolk Southern | Two: <ul style="list-style-type: none"> • BNSF • Union Pacific |
| 6. Major Waterways | | | |
| <ul style="list-style-type: none"> • Lake Michigan | <ul style="list-style-type: none"> • Hudson River • Hackensack River • Passaic River • New York Bay • Atlantic Ocean | <ul style="list-style-type: none"> • Ohio River • Allegheny River | N/A |
| 7. Ports | | | |
| Burns Harbor (43 rd largest U.S. port) | Port of New York and New Jersey & Port Newark (3 rd largest U.S. port) | Port of Pittsburgh (20 th largest U.S. port) | N/A |
| 8. National & Major Parks | | | |
| <ul style="list-style-type: none"> • Indiana Dunes National Lakeshore | N/A | N/A | <ul style="list-style-type: none"> • Rocky Mountain National Park • Arapaho National Forest |
| 9. Establishment Concentrations per 100,000 people (based on 2015 Census CBP & 2015 QCEW) | | | |
| Full-Service Restaurants (NAICS 722511) | | | |
| 62.1 | 66.7 | 77.6 | 81.4 |
| Snack & Nonalcoholic Beverage Bars (NAICS 722515) | | | |
| 14.4 | 19.3 | 20.5 | 21.2 |
| Breweries, Wineries & Distilleries (NAICS 31212, 31213 & 31214) | | | |
| 19.6 | 3.0 | 14.9 | 35.5 |

| Northwest Indiana | Hudson Co., NJ (Hoboken) | Pittsburgh, PA | Denver, CO (Aurora) |
|--|-------------------------------------|-----------------------|--------------------------------|
| Specialty Food Stores (NAICS 4452) <i>Includes meat, fish, fruit, bakery, confectionary and other specialty stores.</i> | | | |
| 4.83 | 11.85 | 6.46 | 6.08 |
| Food (Health) & Supplement Stores (NAICS 446191) | | | |
| 2.74 | 2.22 | 3.78 | 3.38 |
| Museums, historical sites, zoos and parks (NAICS 712) | | | |
| 0.78 | 0.74 | 2.12 | 1.31 |

New Jersey

Introduction

New Jersey is in close proximity to and feeds from the economies of both New York City and Philadelphia. Northwest Indiana is similarly linked to Chicago by location and the economic co-dependency. Secondly, there has been tremendous growth in the millennial and young family demographics in both Hoboken and Jersey City, which was not the case about 20 years ago. Hoboken’s concentration of young adults ages 22-34 is 45.4% of its population (higher than Boston and Cambridge) and in Jersey City young adults ages 22-34 comprise nearly 28% of its population (higher than Denver, Seattle, and Austin).¹

However, the rest of the state faces similar issues with population growth that Northwest Indiana faces. New Jersey’s outmigration is to places like Pennsylvania, New York, Florida, and North Carolina. Outmigration to Florida and North Carolina are driven by climate. Similar to Indiana, the state of New Jersey has a fairly moderate climate with cold winters and warm, humid summers. The state’s temperature ranges from a July average of 74 degrees Fahrenheit to a January average of 30 degrees Fahrenheit.

Several cities in New Jersey have experienced a transformation in quality of place, which has helped in attracting residents and businesses to those specific areas. We choose to focus on the following cities and locations for the following reasons:

- Hoboken and Jersey City – redevelopment of residential and waterfront areas to attract residents especially young professionals and young families;
- Newark – attraction and retention of businesses (Prudential, Panasonic, and Audible) as well as community partnerships created to invest in Newark’s quality of place;
- Asbury Park – renaissance of downtown through the arts and music as well as revitalization of its shoreline; and

¹ <http://www.njfuture.org/wp-content/uploads/2017/09/New-Jersey-Future-Demographic-Trends-by-Age-September-2017.pdf>

- Trenton – grassroots leadership working to invest in the city and overcome perception issues.

To put the state in context: New Jersey (9 million people) is about the geographic size of combined Northwest and Northeast Indiana Regions (1.6 million people). New Jersey has about 7,787 square miles of land mass with a population of approximately 9 million people, making it the most densely populated state in the country.

New Jersey’s Proximity to major U.S. cities – Leveraging regional growth

| City to City | Miles | Drive Time | Rail Time |
|--|----------|-------------------|-------------------|
| Hoboken to NYC Penn Station | 5 miles | 33 minutes | 23 minutes |
| Jersey City Journal Square to NYC World Trade Center | 4 miles | 19 minutes | 24 minutes |
| Newark Airport Station to NYC Penn Station | 16 miles | 35 minutes | 28 minutes |
| Rahway to NYC Penn Station | 23 miles | 44 minutes | 42 minutes |
| Asbury Park to NYC Penn Station | 57 miles | 1 hour 12 minutes | 1 hour 46 minutes |
| Trenton to NYC Penn Station | 68 miles | 1 hour 18 minutes | 52 minutes |
| Trenton to PHL 30 th Street Station | 34 miles | 42 minutes | 27 minutes |

*source: Googlemaps

New Jersey leverages its proximity to New York City and Philadelphia. For example, New Jersey’s millennials are concentrated along the state’s waterfront in locations such as Hoboken, Jersey City, and Newark offering downtown communities and plentiful transit connections to New York City. In Trenton, developers built the Roebing Lofts, a redevelopment of a wire rope factory converted into lofts, to attract millennials to live in the City of Trenton with accessibility to New York City and Philadelphia.

New Jersey Critical Infrastructure

The Port Authority of New York & New Jersey was established on April 30, 1921. It was the first bi-state agency ever created under a clause of the constitution permitting compacts between states with congressional consent. The Port Authority of New Jersey New York (PANYNJ) has

the third largest container port in the U.S. The New York New Jersey Port Authority manages the following:

- *Airports:* John F Kennedy Airport, LaGuardia Airport, Newark International Airport, Stewart Airport, and Teterboro Airport
- *Tunnels & Bridges:* Bayonne Bridge, Goethals Bridge, George Washington Bridge, Holland Tunnel, Lincoln Tunnel, Outerbridge Crossing
- *Bus Terminals:* Port Authority Bus Terminal, George Washington Bridge Bus Station, Journal Square Transportation Center
- *Port of New York & New Jersey Marine Terminals:* Port Jersey-Port Authority, Brooklyn-Port Authority, Elizabeth-Port Authority, Howland Hook, and Port Newark.
- *Port Authority Trans-Hudson (PATH):* Journal Square Transportation Station and PATH Rail Transit
- *Real Estate and Development:* Bathgate Industrial Park, Ferry Transportation, Industrial Park at Elizabeth, The Teleport, Waterfront Development, Queens West Waterfront Development, and the South Waterfront at Hoboken.

Commuter Rail: The state has over 530 miles of passenger rail. Amtrak operates 110 trains each day with nine intercity services. New Jersey has six Amtrak stations. NJ TRANSIT operates 12 commuter lines. NJ TRANSIT is the nation's third largest regional rail service provider. Its commuter rail network consists of 11 lines and 162 stations primarily concentrated in northern New Jersey, with one line running between Atlantic City and Philadelphia.² In FY2011, its total ridership was 79.6 million. It is interesting to note that Hudson County is the only county in New Jersey where more residents (127,708) used public transportation than drove (124,772).³ New Jersey also has over 1,000 miles of freight rail.

Financial Assistance to support distressed cities

New Jersey provides financial assistance or "Transitional Aid" to municipalities that struggle to balance their budgets.⁴ In FY 2016 Asbury Park received \$1 million in transitional aid, which is down from \$10 million in FY 2011.⁵ Other municipalities receive transitional aid including: Trenton, Camden, and Newark. Receipt of aid is conditioned on a municipality meeting the following requirements:

- Submitting to broad State controls over hiring, procurement, and other matters;
- Enacting or strengthening comprehensive pay-to-play ordinances;
- Performing reasonable revaluations or reassessments of property as required by law; and
- Submitting to additional fiscal control measures as may be directed by the Division.
- Only municipalities demonstrating substantial actions to become self-sufficient by increasing revenues or reducing costs will be awarded funds. Labor cost reductions and changes in service delivery are general preconditions for receipt of aid.⁶

²"NJ Transit Facts at a Glance Fiscal Year 2012" (PDF).NJ Transit. March 2013. Retrieved March 23, 2014.

³"Amtrak Fact Sheet, FY2015, State of New Jersey" (PDF). Amtrak. November 2015. Retrieved 21 March 2016.

Aerial map of Trenton Transit Center.

⁴ <http://www.njslom.org/presentations/budgeting-caruso010717.pdf>

⁵ http://www.state.nj.us/dca/divisions/dlgs/resources/muni_stateaid.html

⁶ http://www.state.nj.us/dca/divisions/dlgs/resources/muni_st_docs/cy_model_mou.pdf and

<http://www.areadevelopment.com/newsItems/1-18-2016/grow-new-jersey-assistance-program-600-jobs892332.shtml>

Garden State Growth Zones

Under the Economic Opportunity Act of 2013, five New Jersey municipalities are designated as Garden State Growth Zones. These cities are: Atlantic City, Camden, Trenton, Passaic, and Paterson. Overall, this creates incentives for businesses to relocate to these areas and to spur residential development. This law created two economic development incentive categories: Grow New Jersey (job creation incentive program) and the Economic Redevelopment and Grow Program (a developer incentive program).⁷

New Jersey Amenities, Recreation & Lifestyle:

- *Sport Teams:* New Jersey is the home of several major sports leagues including: the New York Giants (Football, East Rutherford), and the New York Jets (Football, East Rutherford), the New York Red Bulls (Soccer, Harrison), the New York Riveters (Women's Hockey, Newark), Blue Sky FC (Women's Soccer, Piscataway) and the New Jersey Devils (Hockey, Newark).
- *Jersey Shore:* New Jersey is well known for its Jersey Shore, which has beautiful sandy beaches and boardwalks with restaurants and amusements rides. The state has 130 miles of shoreline on the Atlantic Ocean. The state also has 12 national parks.
- *Education:* While U.S. News and World Reports ranks the State of New Jersey #2 for Pre-K through 12th grade education in the nation, and 28th for higher education.

The state took over Jersey City's school district in 1989 after education officials said the city's schools were failing. It was the first school system taken over by New Jersey's state government, which later took control of Newark, Paterson and Camden schools for similar troubles. In July 2017, state control of the Jersey City schools was released as well. Newark lost management of schools to the state in 1995, and is also beginning the process of being released.

New Jersey Affordability & Taxes:

In the way that Indiana is affordable by comparison New Jersey is not. New Jersey has one of the highest income, corporate, property and sales taxes in the nation. The state is also one of two states that have estate and inheritance taxes.

- *Cost of Housing:* New Jersey in general has higher costs of living compared to Northwest Indiana. For example the median housing value in Trenton is \$107,200 and in Hoboken it is \$591,400.⁸ The median price house in Northwest Indiana is \$142,400 according to Trulia.
- *Property Tax:* The New Jersey Business and Industry Association (NJBIA) has launched a campaign to make New Jersey more affordable. As such, NJBIA believes reining in the state's property tax is the right place to start. "According the state Treasury, the average property tax bill in NJ is \$8,100 or about 11% of the average household income. That

http://www.njeda.com/getattachment/Press-Room/resources/Garden-State-Growth-Zones-Trenton/GSGZ_Trenton.pdf.aspx and http://www.njeda.com/financing_incentives/small_midsize_business/Garden-State-Growth-Zone-Business-Improvement-Ince

⁸ US Census Bureau Quick Facts

represents 2.37% of the average home value;” whereas, the national average at 1.2%.⁹ NJBIA’s research indicates property taxes are high due to the state’s spending on public health, public safety, and education.

- *Sales tax rate* is 6.8% as of January 2017, and the rate will decrease to 6.6% in 2018.
- *Income Tax*: New Jersey has a progressive personal income tax system. Meaning that as personal income rises above threshold levels, the tax rate rises as well. Example: at \$60,000 the state income tax rate is 3.2%, at \$100,000 it is 4.6%, at \$250,000 it is 6%.¹⁰

New Jersey’s Economy:

New Jersey has taken advantage of its proximity to New York City and Philadelphia by leveraging the financial services industry, participating in international trade and logistic services, and retaining the pharmaceuticals industry. Since the end of the recession, New Jersey has experienced three years of economic growth. Despite these conditions, the state exhibits the potential for dynamic economic growth. New Jersey is among the top states in median household income, and it is a favored location for major corporations with 19 Fortune 500 companies headquartered in the state.¹¹

Dominant industries include: financial, technology, and advanced manufacturing sectors. For example Trenton, while heavily dominated by the government sector since it is the state capitol, has vibrant manufacturing, trade, and services sectors. Monmouth County (Asbury Park) has leveraged its proximity to New York City by marketing its 50 miles of beaches to city residents for a quick get-away bringing tourism dollars into the region. Finally, Hudson County markets itself as a lower cost alternative to New York City.

Purdue University Northwest calculated the Gross Regional Products as the following:

- Trenton - \$35.1 billion
- Hoboken - \$40.5 billion
- Asbury Park - \$35.5 billion
- Northwest Indiana - \$34.2 billion

Tourism also plays a significant role in the Garden State’s economic development. A 2015 study conducted by Tourism Economics, an Oxford Economics Company, found the following:

- Despite casino closures and the impact of hurricane Sandy, tourism spending and demand has been rising for 6 straight years.
- Tourism contributed \$10.2 billion in government revenues in direct, indirect, and induced effects.¹²

Institutions of Higher Learning: New Jersey has more than 63 colleges and universities with three medical schools and 11 schools with STEM doctorates.¹³ The most popular schools in NJ

⁹ <https://www.njbja.org/three-reasons-njs-property-taxes-higher-everyone-elses/>

¹⁰ <https://smartasset.com/taxes/new-jersey-paycheck-calculator#fp0I7RzH6r>

¹¹ “Reseeding the Garden State’s economic growth: A vision for New Jersey”, July, 2017, McKinsey & Company (PDF)

¹² <http://www.state.nj.us/state/pdf/2015-nj-economic-impact.pdf>

¹³ https://njbmagazine.com/monthly_articles/takes-market-state/

are Princeton University, Stevens Institute of Technology, Rutgers University, the College of New Jersey, and Rutgers Newark and Camden. New Jersey is a well-educated state where 34% of the population has bachelor's degrees and 30% of its workforce has graduate degrees or professional degrees compared to the national average of 10%.

However, New Jersey has one of the highest levels of outmigration. The state lost more than 2 million residents from 2005 to 2014 equating to a loss of more than \$18 billion in net adjusted income from 2004 to 2013. Due to population loss, the state lost \$8.4 billion in household spending, \$11.4 billion in economic output, and 75,000 jobs. Additionally, in 2010, the state's congressional districts decreased by the loss of one seat.¹⁴ Those leaving the state are retirees and millennials. Over two thirds of NJ residents said in a survey that they do not plan to retire in NJ.

The state has one of the highest outmigration of millennials. "In 2014, the number of millennials moving to the state fell short of those leaving, making for a net loss of 57,566 residents."¹⁵ This has an impact on real estate and availability of skilled and educated workforce. NJBIA contributes the outmigration of millennials to the high cost of living: housing, taxes, car insurance premiums – making New Jersey a difficult place to start a career.

New Jersey Future contributes the loss of millennials to quality of place. New Jersey Future Executive Director Pete Kasabach says "that millennials are essential to the economic growth of New Jersey, so keeping them in the state should be a major concern for our government and business leaders. This generation wants to live near transit, near restaurants and bars, to be able to walk or bike to work. They are leaders living in a less car-centric lifestyle. We as a state need to think about how to attract and retain this generation."¹⁶

Perception of New Jersey:

New Jersey faces similar challenges that our region faces as it relates to attracting people to live in New Jersey or Northwest Indiana. In many conversations with those in New Jersey there were similar themes related to investments in quality of place and overcoming perception issues related to public safety, corruption, quality of schools, environmental concerns, etc. New Jersey continues to work toward overcoming these issues in a variety of ways from marketing their state, working with their universities to reverse the brain drain, and making investments in quality of place to attract and retain people/talent and businesses.

Many organizations and leaders are working to overcome perception issues. Examples include:

- Have you met Newark? This is a company that has given tours of Newark to over 2,000 visitors showing institutions made famous by the HBO series "the Sopranos" and the movie "War of the Worlds." Also, the Greater Newark Convention and Visitors Bureau has been showcasing attractions like the Newark Museum and up and coming neighborhoods like Ironbound. Lauren Craig, who fell in love with Newark while attending law school at Rutgers, is publishing a Newark Guidebook called "100 Things to Do Before You Die." She calls herself a "glambassador" and is quoted saying "The

¹⁴ <https://www.njbja.org/wp-content/uploads/2016/05/njbjaoutmigrationreport.pdf>

¹⁵ <http://www.njfuture.org/wp-content/uploads/2017/09/New-Jersey-Future-Demographic-Trends-by-Age-September-2017.pdf>

¹⁶ <https://njbmagazine.com/njb-news-now/census-data-shows-new-jersey-losing-millennials/>

perception of Newark being unfriendly, dangerous, dirty is something that has been ingrained in people for many, many years. I fight against that every day.”¹⁷

- Hidden Trenton - There is no Starbucks in Trenton. I/we are often asked, “Why would *you* want to live in Trenton?” The emphasis is on “you” because the questioners know we have a choice. This website is, in part, our answer. This is a grassroots effort led by people who were tired of reading reviews of restaurants that said “Did you dodge the bullets?” or “Hope you made it out alive.” The website is a review site to talk about all the fun and interesting places in and surrounding Trenton.¹⁸
- Jersey City’s “Make It *Yours*” Campaign: Jersey City was once described as “an unfashionable town named after an unfashionable state” has transformed into a gentrifying bedroom community. The City of Jersey City and the Jersey City Economic Development Corporation created a campaign to continue capturing this positive momentum and to encourage people to consider Jersey City a place to live, visit, and locate business.¹⁹ The campaign had a budget of \$1.2 million when it started and includes print, digital, streaming and traditional radio, and outdoor and transit ads. Target markets are New York City, Brooklyn and Manhattan, along with Bergen County N.J. Jersey City has also found that the campaign has also attracted Midwesterners.

New Jersey’s Regional Coordination:

Organizations collaborating to grow population, strengthen its economy, and leverage proximity to NYC and Philadelphia include:

- **New Jersey Business and Industry Association** exists to advance the competitive excellence and financial success of its members. Its vision is to reclaim New Jersey’s stature as the innovative state, the home of economic vitality, business prosperity, workforce skill excellence and a great quality of life so that NJBIA members can grow and sustain.²⁰
- **Choose New Jersey:** Founded in 2010, Choose New Jersey is an economic development organization with a mission to encourage and nurture economic growth throughout New Jersey, with a focus on our urban centers.²¹
- **New Jersey Future:** New Jersey Future is a nonprofit, nonpartisan organization that promotes sensible growth, redevelopment and infrastructure investments to foster vibrant cities and towns, protect natural lands and waterways, enhance transportation choices, provide access to safe, affordable and aging-friendly neighborhoods and fuel a strong economy. The organization does this through original research, innovative policy development, coalition-building, advocacy, and hands-on technical assistance.²²

¹⁷<https://www.usnews.com/news/best-states/new-york/articles/2017-07-05/tourism-in-newark-50-years-after-riots-city-says-its-time>

¹⁸ <http://hiddentrenton.com/about/>

¹⁹ <https://www.nytimes.com/2014/10/06/business/media/a-new-effort-from-a-new-jersey-city-urges-make-it-yours.html?mcubz=2>

²⁰ <https://www.njbia.org/>

²¹ <http://www.choosenj.com/>

²² <http://www.njfuture.org/>

- **PlanSmart New Jersey:** This is an independent, non-profit planning and research organization committed to improving the quality of community life through the advancement of sound land use planning and regional cooperation. PlanSmart NJ believes that thoughtful land use planning can strengthen its economy and environment to make New Jersey a better place to live, work and play.²³
- **Regional Plan Association (RPA)** works to improve the prosperity, infrastructure, sustainability, and quality of life on New York-New Jersey-Connecticut metropolitan region. RPA's ideas include the location of the George Washington Bridge to the revitalization of downtown Brooklyn, Stamford and Newark to the preservation of open space and development of parks. The organization was created over 90 years ago.²⁴
- There are also local and regional chambers of commerce working to attract business and people such as the Hudson County Economic Development Corporation, the Newark Regional Business Partnership, the Asbury Park Chamber of Commerce, and Greater Trenton.

Conclusions:

NJBIA, NJFuture, PlanSmartNJ, and others have been working diligently to identify the root cause of issues and develop strategies to tackle these issues. Their advocacy regarding employer-employee relations, legislative reforms, and competitive business environment has gone a long way toward achieving those goals.

New Jersey has experienced success in the revitalization of cities like: Hoboken, Jersey City, Newark, Asbury Park, and Camden. The success is also evinced by the urban school districts reestablishing autonomy, reforms in the political landscape, and continued efforts to rebuild its infrastructure.

A report "Reseeding the Garden State's economic growth: A vision for New Jersey" published by McKinsey & Company concluded New Jersey has room for improvement in the following areas:²⁵

- Developing, attracting, and growing young businesses, which are seen as a high productivity job engine in contrast to the older industries.
- Streamlining regulatory processes, because the complexity is rather daunting for young companies. New Jersey has over 500 municipalities, each with its own rules for zoning and business regulation as well as county and state regulations, creating several layers of complexity.
- Addressing workforce imbalances as the skills of the labor force are well aligned with demand. The state needs to pay attention to developing middle skills.
- Introducing more transit-oriented development (TOD) as a way to cut congestion and improve neighborhoods. TOD typically raises real estate values in surrounding areas.

²³ <http://www.plansmartnj.org/about-us/>

²⁴ <http://www.rpa.org/about>

²⁵ "Reseeding the Garden State's economic growth: A vision for New Jersey," July 2017, McKinsey & Company (PDF)

- Creating policies to stem the tide of the 18 – 35 year olds leaving New Jersey

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Pittsburgh

Introduction

Efforts to reinvent and revitalize the northwest Indiana economy require a systematic comparison with U.S. regions that have a similar history, culture, and political environment. Southwestern Pennsylvania is one region that has undergone a major transformation from an industrial region based on steel production to a service-based region based on financial services, information technology, and healthcare. The recent success of the Pittsburgh MSA is reflected in a real per capita income that has risen above the U.S. real per capita income and a real GDP growth rate that has exceeded the national rate in recent years. Growth-promoting factors include a relatively low cost of living and low home prices, a relatively low poverty rate in the region, an abundance of attractions for residents and tourists, and a variety of tax incentives for businesses. Obstacles to future economic growth in the region include recent net population losses in the region's counties, relatively high tax rates, a high number of retirements, a relatively high unemployment rate, and a concentration of employment growth in specific sectors with employment stagnation in others. Economic development is being guided by the region's MPO, the North Regional Chamber, and Pittsburgh's resilience strategy and welcoming efforts.

Why Pittsburgh

- If we exclude Pittsburgh and the rest of Allegheny County, the remainder of Southwestern Pennsylvania (i.e., Beaver, Butler, Armstrong, Westmoreland, Washington, and Fayette Counties) is similar in terms of population size (with between 800,000 and 1.2 million) and economic history to northwest Indiana. Both regions share the same rust-belt meltdown story and have a close historical connection to a county with a major U.S. city (i.e., Cook County and Chicago in the case of northwest Indiana and Allegheny County and Pittsburgh in the case of southwestern Pennsylvania).
- Given the similar histories, we have designated southwestern Pennsylvania as a region that is comparable to northwest Indiana and one whose recent history might reveal both possibilities to embrace and pitfalls to avoid as local governments and business leaders in northwest Indiana develop strategies for economic revival.

Proximity of major US city – story of leveraging a nearby city

- Southwestern Pennsylvania has a rich industrial history that is closely linked to the growth of the steel industry in Allegheny County, and especially in Pittsburgh, during the late nineteenth and early twentieth centuries. The connections to Pittsburgh heavily influenced all the surrounding counties that are a part of the Pittsburgh, PA Metropolitan Statistical Area (MSA), through the growth of steel production or the growth of related industries that serve the steel industry in some way. Many industries that grew in the surrounding counties consumed steel or provided inputs for the steel industry. For example, Armstrong County has a history of oil, iron, plate glass, and natural gas production; Beaver County has a history of steel production; Butler County has a history of oil and automobile production; Fayette County has a history of coal mining, coke and steel production; Washington County has a history of oil and natural gas production; and Westmoreland County has a history of coal mining. As the steel industry went into decline in the 1970s and 1980s, however, these industries also experienced declines.
- Northwest Indiana also has a rich industrial history that is closely linked to the growth of the steel industry in Lake County (Gary and East Chicago) and Porter County (Burns Harbor and Portage). Oil refining and manufacturing have been important as well. This expansion was closely linked to the growth of manufacturing, heavy industry, shipping, and the railroad industry in Cook County and particularly in Chicago. The industrial decline with the transition to a service-based economy closely resembles the changes experienced in southwestern Pennsylvania. Pittsburgh and the surrounding areas chose to carefully plan and reinvent in ways that might serve as a useful guide for Northwest Indiana.
- In addition, Pittsburgh is located where the Allegheny and Monongahela Rivers merge to create the Ohio River.²⁶ Similarly, Chicago is located on the shoreline of Lake Michigan, and the Chicago River and the Calumet River run through the city.

Infrastructure

- Pittsburgh has two major airports, which include Pittsburgh International Airport (PIT) and Allegheny County (AGC) Airport, and two major interstate highways, which include I-79 and I-76. It also has three Class 1 Railroads, which include the Canadian National Railroad, CSX, and Norfolk Southern Railroad, and is a major port city. In fact, the Port of Pittsburgh is the 20th largest port in the country. In terms of public transportation, Pittsburgh has an airport bus, a light rail system with 26.2 miles of track and 53 stations, an extensive bus system, two inclines, and a major Amtrak station.²⁷
- In terms of transportation, commutes to work are often long due to the large numbers of people (over 2 million) driving their own cars as their primary form of transportation.²⁸

²⁶ “Pittsburgh” 2011

²⁷ Pollak 2017

²⁸ U.S. News and World Report, 2017

Pittsburgh also has a network of buses serving the downtown area and its light rail system (The Light Rail or T) extends from southern Pittsburgh into the downtown area.²⁹

- light rail system (The Light Rail or T) extends from southern Pittsburgh into the downtown area (U.S. News & World Report 2017).

Amenities, Recreation, and Lifestyle

- Pittsburgh is home to professional sports teams (e.g., the Steelers, the Penguins, and the Pirates), and attendance at home games is high.³⁰
- Cultural festivals are also popular with Pittsburgh residents, including the Three River Arts Festival, Three Rivers Regatta, and the St. Patrick's Day Parade. The Cultural District also has dance performances and live music.
- Pittsburgh has museums as well, including the Carnegie Museums of Pittsburgh and the Andy Warhol Museum.³¹
- Tourist attractions also include PNC Park (where the Pirates play), Bicycle Heaven (the World's largest bicycle museum and bike shop), and the Carnegie Museum of Natural History. The city and community organizations have focused on promoting and widely publicizing events that will attract tourists.
- Pittsburgh has several dozen parks, including some national parks. The best-known parks include:
 - Schenley Park, which borders the University of Pittsburgh and Carnegie Mellon University
 - Frick Park, which is named after Henry Clay Frick and which contains the Frick Art and Historical Center at the north side of the park
 - Riverview Park, which contains the Allegheny Conservatory
 - Evergreen Community Park, which includes a baseball field and basketball courts
 - Highland Park, which includes an Olympic size swimming pool and a half-mile oval loop bike trail.³²
- Riverlife, a nonprofit organization created in 1999, has transformed Pittsburgh's downtown riverfronts with the development of a riverfront park system called Three Rivers Park.³³ The organization has organized the investment of \$129 million over a fifteen-year period, which has helped encourage "nearly \$4.1 billion in total riverfront

²⁹ ibid.

³⁰ ibid.

³¹ ibid.

³² CBS Pittsburgh 1

³³Riverlife 2017

and adjacent development in downtown Pittsburgh.”³⁴ The project has created trails and green space for a thirteen mile stretch along the riverfront and established broad public access to the rivers for the first time.³⁵ Recent parts of the project have included a ramp from the Smithfield Street Bridge to the Monongahela Wharf and a public plaza at South Side Works.³⁶

- Pittsburgh was one of six cities selected for the PeopleForBikes Green Lane Project, which will provide the necessary financial and technical assistance to build protected bike lanes and create low-stress streets. Such efforts are likely to attract and retain millennials.³⁷ The goal is to become a bike-friendly city. It also has bicycle shops in Lawrenceville, South Side, and Shadyside as well as a public bike sharing system, designated downtown bike lanes, and the start of the Great Allegheny Passage.³⁸
- Pittsburgh experiences all four seasons with cold and snowy winters and hot and humid summers.

Affordability and Taxes – State Level

- The median home price is about \$142,000 and the average annual salary is about \$46,000 with a cost of living that is regarded as lower than in other U.S. metropolitan areas.³⁹ Although home prices have been rising over the past five years, the *U.S. News & World Report* data indicate that they have remained consistently below the national average of home prices. Housing is regarded as very cheap relative to other metropolitan areas.⁴⁰ House flipping is fairly common and gentrification has pushed some low income residents out of certain neighborhoods.⁴¹ The affluent tend to live in the suburbs, and the city has both middle class neighborhoods and low-income neighborhoods.⁴²
- Pennsylvania has a sales tax rate of 6.0%, which is higher than the average sales tax of 5.09% for all 50 U.S. states. According to the Pennsylvania Department of Revenue (2017), the local sales tax for Allegheny County is 1%. Combined with the state sales tax, the total is 7%.
- The city of Pittsburgh has a proportional (flat) income tax rate of 3% for residents and 1% for nonresidents who work in Pittsburgh. A \$52 surtax per year is also collected. The local taxes are collected on earned income, rather than on capital gains or other non-

³⁴ *ibid.*

³⁵ Bauder 2016

³⁶ *ibid.*

³⁷ PeopleForBikes 2014

³⁸ Deer 2017

³⁹ U.S. News & World Report 2017

⁴⁰ *ibid.*

⁴¹ *ibid.*

⁴² *ibid.*

earned income (e.g., interest and dividends).⁴³ The Pennsylvania income tax is also a flat tax rate of 3.07%, which has been unchanged since 2004.

- The estimated property tax rates in Allegheny County and the surrounding counties are not easy to determine due to the complicated formula used for this purpose. Nevertheless, by dividing the median property tax by the median home value in each county, we can obtain an estimated county property tax rate. The estimated property tax rates for 2017 are as follows: Allegheny (2.22%), Beaver (1.70%), Butler (1.28%), Armstrong (1.87%), Westmoreland (1.49%), Washington (1.18%), and Fayette (1.30%).⁴⁴ For the state of Pennsylvania, the median property tax as a percentage of the median home value is 1.35%, which gives it a rank as the 13th highest property tax state out of all 50 states plus the District of Columbia with the highest at 1.89% and the lowest at 0.18%.⁴⁵
- Pennsylvania has a very high state corporate income tax rate. Specifically, it has a flat corporate income tax rate of 9.99% of gross income. Only Iowa has a higher maximum marginal income tax rate at 12%.⁴⁶
- Allegheny County offers tax incentives to businesses to encourage investment, including tax abatements, tax increment financing, and tax exempt financing. The tax abatements involve tax exemptions to encourage the redevelopment of a deteriorated area or for new development projects. Tax increment financing involves borrowing against future real property tax revenues associated with projects to finance the cost of those new development projects and “the redevelopment of blighted and underutilized property.” Tax exempt financing assists borrowers in the funding of large-scale projects by means of longer repayment terms and lower interest rates than are typically available.⁴⁷ In one case, an Ohio-based construction company built four new upscale townhouses in the West End Overlook in Elliott’s Pittsburgh section after being granted a property tax abatement for ten years.⁴⁸

The Economy

- According to the St. Louis Federal Reserve Bank (FRED), in 2015 the real GDP for the Pittsburgh MSA amounted to \$130.205 billion in chained 2009 dollars. According to U.S. Bureau of Economic Analysis data, Pittsburgh’s per capita real GDP has grown more quickly than U.S. per capita real GDP since 2009 as shown in Figure 1. The growth rate of real GDP has also exceeded the national growth rate of real GDP in 2014 and 2015 although Pittsburgh’s post-recession recovery was much slower initially as shown in Figure 2. All calculations use chained 2009 dollars.

⁴³ tax-rates.org/pennsylvania/pittsburgh-income-tax

⁴⁴ tax-rates.org/pennsylvania/

⁴⁵ tax-rates.org/taxtables/property-tax-by-state

⁴⁶ tax-rates.org/Pennsylvania/corporate-income-tax

⁴⁷ Allegheny County 2017

⁴⁸ Waters 2012

- Pittsburgh has a population around 300,000 people and is located in a larger metropolitan area of over 2.3 million. The population is rather diverse with a growing number of people from Asia and the Caribbean. Pittsburgh also has a large African American community, which has influenced the culture of the city.⁴⁹
- From 1950 to 2000, the population of Pittsburgh fell by a little more than 50%.⁵⁰ It fell an additional 8.6% from 2000 to 2010 and another 0.40% from 2010 to 2015.⁵¹ This decline was less steep in comparison with the situations in Detroit, Cleveland, and Gary. The city of Detroit lost over 40% of its population from 1970 to 2006 and continues to lose population on top of a whopping 25% population decline from 2000 to 2010.⁵² Similarly, Cleveland lost more than half its population between 1950 and 2000. It has continued to lose population with a 17% drop between 2000 and 2010 and continuing, although smaller, losses since that time.⁵³ Gary, Indiana also lost over 40% of its population from 1960 to 2000 with another 21.9% population loss between 2000 and 2010 and smaller losses since that time.⁵⁴
- Although Pittsburgh lost 40% of its population from 1970 to 2006, an increase in the number of millennials and recent college graduates who call Pittsburgh their home has increased by 8% in the last 10 years.⁵⁵ As a result, after losing young people due to poor job prospects two decades ago, the younger population is returning due to the affordable housing and new job opportunities.⁵⁶ Some organizations have contributed to the recent growth of the millennial population. For example, Innovation Works (IW) is a nonprofit organization that has worked to promote entrepreneurship in Pittsburgh, arguably with some success as the city's population of 20-34 year-olds has grown by 7% from 2009-2014.⁵⁷ IW's AlphaLab accelerator programs offer startup firms \$25,000 and 20 weeks of intense mentoring in exchange for the firms' commitments to stay and grow in Pittsburgh.⁵⁸
- Although some population gains in the Pittsburgh region have recently occurred, a short-term reversal seems to be underway. See Figure 3, which shows the recent gains and short-term reversal. The gains led *Forbes* to include Pittsburgh among its ten American comeback cities in 2012.⁵⁹ For seven straight years, more people moved into the Pittsburgh MSA than moved out, but between 2014 and 2015, the pattern reversed itself.

⁴⁹ U.S. News & World Report 2017

⁵⁰ World Population Review 5, 2017

⁵¹ *ibid.*

⁵² World Population Review 2017

⁵³ World Population Review 2, 2017

⁵⁴ World Population Review 3, 2017

⁵⁵ ONEPGH 10

⁵⁶ U.S. News & World Report 2017

⁵⁷ Chilcote 2014

⁵⁸ *ibid.*

⁵⁹ Bruner 2012

More people left than entered. Pittsburgh is the only MSA among the nation's top 30 to lose population from 2010 to 2015.⁶⁰ Westmoreland County was the biggest loser. Some of the population loss can be attributed to the reduction in Marcellus Shale gas production.⁶¹

- One factor that may be contributing to the recent dip in population is the 5.6% unemployment rate in Pittsburgh, which is above the national average.⁶² However, the unemployment rate in the Pittsburgh MSA has been more stable than the national unemployment rate as indicated in Figure 4.
- Net migration levels in Allegheny, Armstrong, Beaver, Fayette, and Westmoreland were negative in 2014, 2015, and 2016. Butler and Washington Counties were the only counties in the Pittsburgh MSA to show positive levels of net migration in 2014, 2015, and 2016.⁶³
 - Part of the problem appears to stem from a high number of retirements and a lack of young, talented workers in the Pittsburgh region.
 - In the Pittsburgh region 22% of workers are over 55 years of age compared to 19% nationally.⁶⁴
 - Another possible problem relates to the uneven distribution of economic opportunity. The region has skilled occupations in Information Technology and Engineering that pay high wages and experience low unemployment. At the same time, it has 32,000 long-term unemployed workers in Production or Administrative Support Occupations.⁶⁵
- Even with the recent population decline, a study conducted by Pew Charitable Trusts for the period 2000-2014 concluded that Pittsburgh is third on a list of 20 large cities undergoing a millennial boom. The study concluded that the number of young college graduates under age 35 rose by 53% or nearly 15,000.⁶⁶ The reasons given include the close collaboration between the private sector and higher education institutions, a thriving tech-based economy, a relatively low cost of living, a rich cultural environment, a “nationally-recognized food and drink scene,” and the overall quality of life.⁶⁷
- With the decline of the steel industry in Pittsburgh, the shift to light industries occurred and other industries continued to be important such as metalworking, chemicals, plastics, computer software, industrial automation (robotics), and biomedical and environmental

⁶⁰Rotstein 2016; Although Chicago lost nearly 7% of its population between 2000 and 2010, it experienced a small rise in population of just under 1% between 2010 and 2015 (World Population Review 4, 2017).

⁶¹Rotstein 2016

⁶²U.S. News & World Report 2017

⁶³U.S. Census Bureau

⁶⁴Inflection Point 2016

⁶⁵ibid.

⁶⁶Waltz 2016

⁶⁷ibid.

technologies. Industrial research laboratories and the service sector also grew in importance.⁶⁸

- This structural change in the region's economy is reflected in the growth of key industries in 2014-2016, which include computer systems design services and services for the elderly and persons with disabilities. Similarly, growing occupations in 2014-2016 include personal care aides and software developers and applications.⁶⁹
- The top industries for employment now include technology, health systems, banking, pharmaceuticals, and manufacturing. Google, IBM, Bayer, Alcoa, and others have headquarters in Pittsburgh.⁷⁰
- Among the city's 16 colleges or universities, two major institutions of higher learning are Carnegie Mellon University (CMU) and the University of Pittsburgh (Pitt) and so the city has a large student population.⁷¹ Pittsburgh also has 125 public schools and 250 private schools with 15 of Pittsburgh's high schools ranked highly by U.S. News & World Report.⁷² The student-teacher ratio is 20:1.⁷³ Pittsburgh is mostly Catholic, but many Catholics have moved or passed away in recent years. The city also has a thriving Jewish community with synagogues and day schools.⁷⁴
- Southwestern Pennsylvania has over 740,000 people living in poverty or near poverty. The city of Pittsburgh had almost 23% of its residents living in poverty and 43% in near poverty in 2016. These levels are much higher than in the Pittsburgh region.⁷⁵
- Poverty rates did rise though in the Pittsburgh region, Allegheny County, and all the surrounding counties from 2000 to 2012. Still, all were below the U.S. poverty rate, except in Fayette County where the poverty rate was 19% in 2012 (versus 15% in the U.S. in 2012). In Allegheny County in 2012, it was 12.8%.⁷⁶
- Casino gaming has also had an impact on the economy. The western Pennsylvania/West Virginia region is home to five major casinos. The Rivers Casino is the newest and is in Pittsburgh. The Meadows Racetrack and Casino is in Washington, PA.⁷⁷ The other casinos are outside the Pittsburgh MSA.

⁶⁸ "Pittsburgh," 2011

⁶⁹ Sindone 2017

⁷⁰ U.S. News & World Report 2017

⁷¹ *ibid.*

⁷² *ibid.*

⁷³ *ibid.*

⁷⁴ *ibid.*

⁷⁵ Lauer 2016

⁷⁶ De Vita and Farrell 2014

⁷⁷ CBS Pittsburgh 2

Perception

- In recent years, Pittsburgh has been increasingly regarded as “reinvention city” and a “Buzz city” due to its efforts during the last fifteen years to rebuild its infrastructure, to create new amenities suitable for the lifestyle of millennials, and to attract new sources of corporate investment.⁷⁸ Due to the changes, it has become a more attractive place to live for families and graduates.⁷⁹
- Pittsburgh is perceived to be relatively safe, according to residents. Its violent crime rate and its property crime rate are both lower than the crime rates in the Philadelphia and Cleveland metropolitan areas.⁸⁰ Pittsburgh also ranks relatively highly, based on livability indices that *The Economist* and AARP have constructed and maintained.
- The people of Pittsburgh also tend to be relatively charitable. A 2017 metro market study conducted by Charity Navigator regards Pittsburgh as the 17th most charitable metropolitan market in the country.⁸¹

Regional Coordination

Nonprofit organizations have worked closely with the federal, state, and local governments to coordinate economic development efforts in southwestern Pennsylvania. Some of the major contributions to these regional planning efforts include the following:

- The Southwestern Pennsylvania Commission (SPC) is the regional planning agency serving the Pittsburgh 10-county area (Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland). The City of Pittsburgh is served too. SPC is the Metropolitan Planning Organization (MPO) for the region. It directs all federal transportation and economic development funds allocated to the region (about \$33 billion through 2030).⁸²
- The Southwestern Pennsylvania Corporation is a non-profit organization and the administrative arm of the Southwestern Pennsylvania Commission. It is responsible for implementing the directives of the SPC in three key areas: Transportation, Planning and Development, and Information Systems. Federal and state planning grants fund the operations of the Corporation. It also receives SPC member contributions and grants from private foundations.⁸³
- The SPC prioritizes long range transportation planning (maintenance and preservation of existing transportation assets), short range transportation planning (emphasizing public transit, roads and bridges, interstates and railways), transportation alternatives (pedestrian and bicycle facilities, improving non-driver access to public transportation, safe routes to

⁷⁸ U.S. News & World Report 2017

⁷⁹ *ibid.*

⁸⁰ *ibid.*

⁸¹ Charity Navigator 2017

⁸² Southwestern Pennsylvania Commission 2017

⁸³ *ibid.*

school projects, pedestrian and bicycle trails), and environmental justice (ensuring that low income and minority populations do not suffer a disproportionate share of the negative effects of transportation infrastructure projects). Congestion management, air quality, and safety planning are also given attention.⁸⁴

- SPC also prioritizes planning and development with emphasis on community assistance (e.g., free online courses through a broadband outreach and aggregation program, an energy saving program), financial assistance (e.g., working with private financial institutions to reduce the riskiness of loans and secure low interest loans for entrepreneurs), export development (e.g., providing consultative services to small and medium-sized businesses aiming to expand their export sales), government procurement assistance (e.g., training for small business owners so they can more effectively market and contract with government agencies), and special enterprise development activities. It also writes a Comprehensive Economic Development Strategy (CEDS) for southwestern PA.⁸⁵
- In addition, it offers programs and services to help small and medium-sized businesses and local governments. In 2015, the SPC hosted an event for minority and women business owners.⁸⁶
- The Pittsburgh North Regional Chamber is the Chamber of Commerce. It has 1100 member businesses and covers Allegheny, Beaver, and Butler Counties. It provides support to local businesses through a variety of programs, training opportunities, and networking activities.⁸⁷
- The local government has developed a resilience strategy to address Pittsburgh’s most difficult challenges, which include “social, racial, and economic inequities that have persisted for decades.”⁸⁸ Unequal access to a variety of areas, including housing, transportation, employment, and services have also been problems.⁸⁹ Aging infrastructure, poor air and water quality, and climate change shocks are other issues that are raised in the report.⁹⁰ A number of service organizations also help immigrants from Latin America, Asia, and Eastern Europe settle there.⁹¹
- One strategy involves efforts to enhance civic education and engagement using processes like the Deliberative Democracy model.⁹² To help support “job and life skills for Pittsburgh’s youth of color,” the city is participating in the My Brother’s Keeper

⁸⁴ *ibid.*

⁸⁵ *ibid.*

⁸⁶ *ibid.*

⁸⁷ Pittsburgh North Regional Chamber 2017

⁸⁸ ONEPGH 11

⁸⁹ *ibid.*

⁹⁰ *ibid.*

⁹¹ U.S. News & World Report 2017

⁹² ONEPGH 104

program.⁹³ Another major concern is the opioid epidemic, particularly in Western Pennsylvania and the city is trying to integrate public health and public safety to reduce the number of overdoses.⁹⁴ Other interesting strategies, include providing pre-K schooling for all of the city's children, support for homeless veterans, workshops and training programs to overcome racism, the creation of neighborhood coalitions to empower residents to address their own problems, partnerships with community-based organizations to help maintain an affordable housing stock, and the development of a smart transportation system (e.g., autonomous vehicles).⁹⁵

- Pittsburgh Mayor William Peduto launched an immigrant and Latino integration strategy in 2014. It has created Welcoming Hubs, which offer citizenship training and ESL classes, publicity for naturalization ceremonies, and an expansion of immigrant youth activities, among other activities.⁹⁶

Conclusions

- The Pittsburgh region has undergone a major transformation in recent decades with the decline of the steel industry and the growth of firms in the technology, healthcare, and finance sectors. Its population decline reversed itself, showing growth in the last decade but with another reversal that raises questions about its future potential. Factors that are supportive of future population and economic growth in the region are the relatively stable unemployment rate, the relatively high and growing per capita income, the relatively low cost of living and home prices, and the relatively low poverty rate in the region overall. The strong transportation infrastructure, the great abundance of attractions for residents and tourists (e.g., parks and sporting events), and the tax incentives for local businesses also serve as potential population and economic growth factors.
- Factors that serve as possible obstacles to future growth include the negative net migration rates in most of the counties in the region in the last 2-3 years, an unemployment rate that is higher than the national rate, the high number of retirements and relative lack of young talent, the concentration of employment growth in highly skilled areas like the IT sector, and the relatively high combined state and local income tax rate, state corporate income tax rate, and property taxes. Other potential obstacles include the concentration of poverty in the city of Pittsburgh and in some of the more rural surrounding areas such as in Fayette County, as well as the difficulties of ensuring that people are not excluded from the benefits of economic growth.
- Economic development in the Pittsburgh region is being guided by the Southwestern Pennsylvania Commission, which is prioritizing transportation infrastructure, environmental justice, community assistance, and assistance to small businesses. The city of Pittsburgh has also devoted considerable effort to addressing the unequal access to

⁹³ ONEPGH 106

⁹⁴ ONEPGH 108

⁹⁵ ONEPGH 97-109

⁹⁶ The Welcoming Pittsburgh Plan 2016

economic opportunity that has its roots in racial and ethnic divisions. The city’s resilience strategy and its Welcoming Pittsburgh Plan aim to move the city in a direction that will be welcoming and inclusive to a diverse, young population that wishes to contribute positively to economic development in the city and the region.

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Figure 1: Per Capita Real GDP, U.S. and Pittsburgh MSA, 2001-2015
 (chained 2009 dollars; source: U.S. Bureau of Economic Analysis)

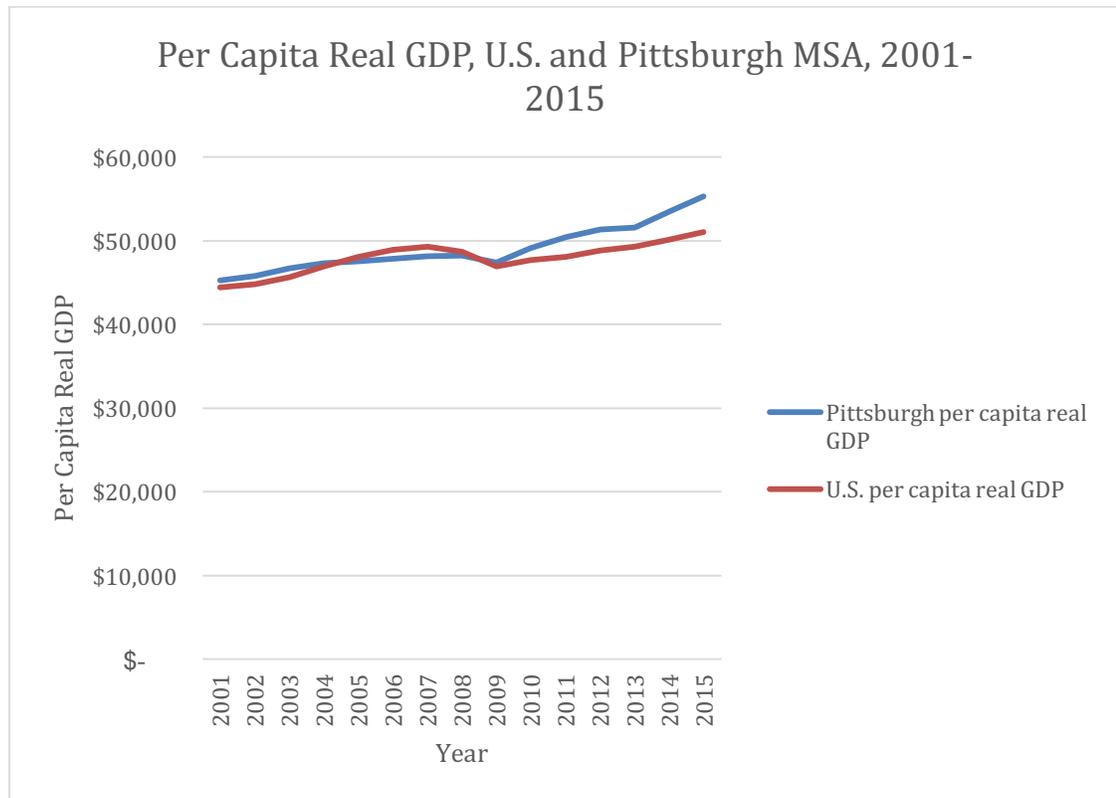


Figure 2: Real GDP Growth Rates, U.S. and Pittsburgh MSA, 2011-2015
 (chained 2009 dollars; source: U.S. Bureau of Economic Analysis)

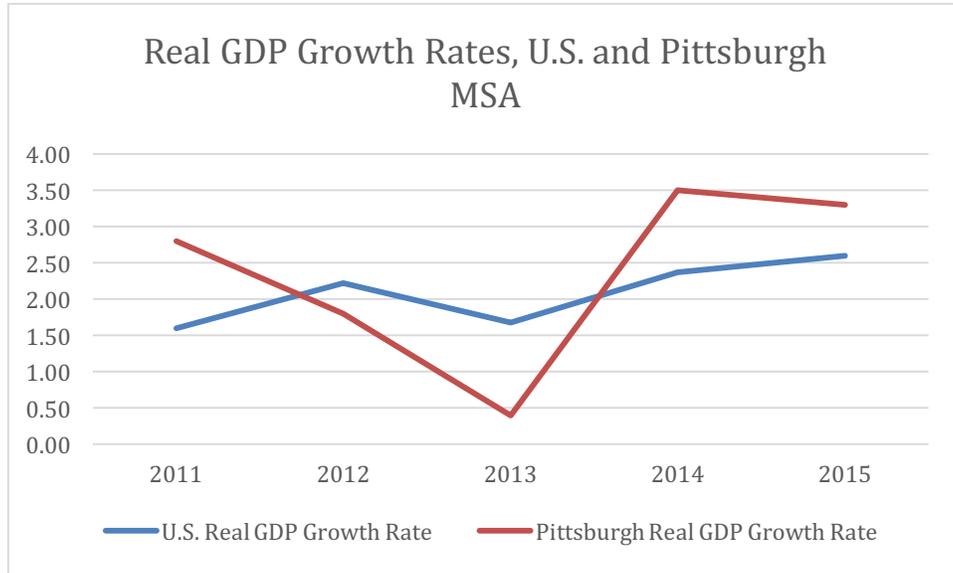


Figure 3: Total Population in the Pittsburgh MSA, 2010-2016
(source: U.S. Bureau of the Census)

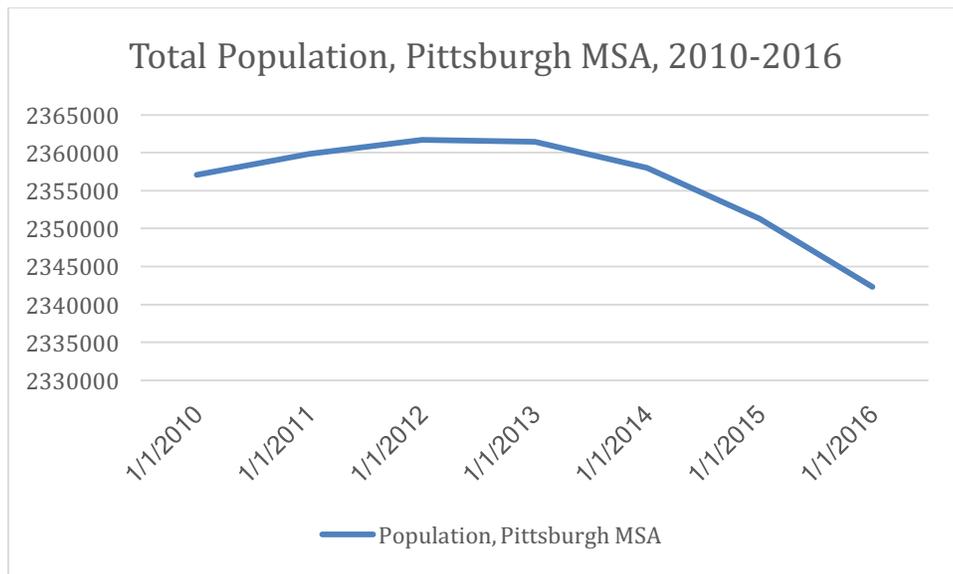
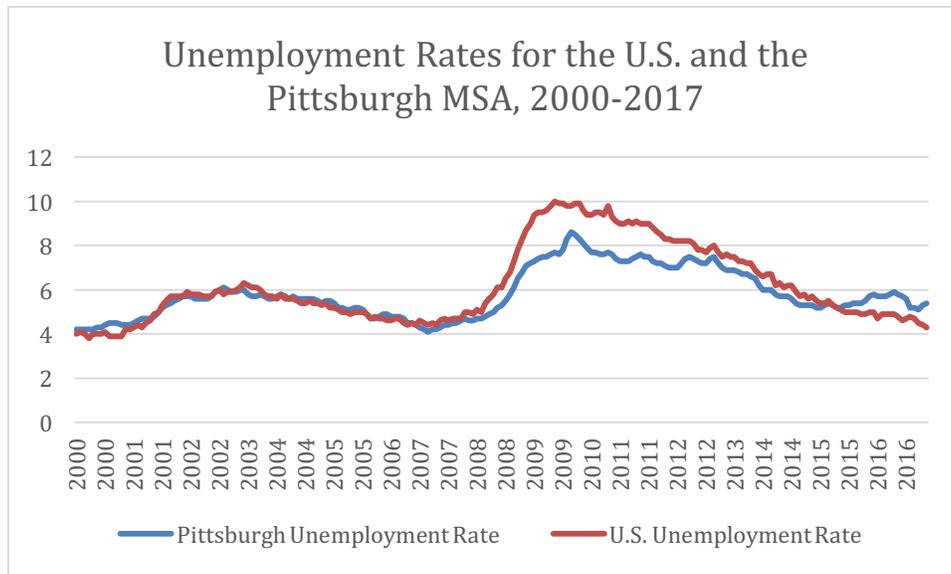


Figure 4: Unemployment Rates for the U.S. and the Pittsburgh MSA, 2000-2017
(seasonally adjusted figures; source: U.S. Bureau of Labor Statistics)



Denver

Denver – Aurora – Lakewood, Colorado

Why Denver

Denver is a city that has invested tremendously in infrastructure and quality of place, as a result, the city’s population boomed. It was once a city people drove through on I-70 or I-25 to get to the mountains. It was not a destination city, and today it is.

While nicknamed “The Mile High City” and its elevation is a mile high, the city is not in the mountains. Denver was founded in the mid-1800’s from mining, the Gold Rush, and it evolved into a Wild West town dependent on the rail lines passing through.

What is most interesting about Denver is the amount of millennials it attracts each year. “According to a Brookings Institution analysis of population movement from 2009-14, the city had a net annual migration gain of 12,682 people ages 25 to 34, the highest of any metropolitan area in the United States. That means an average of 12,682 more millennials per year moved here than left, for each of the five years measured.”⁹⁷ Today, millennials make up more than 20 percent of Denver’s population.⁹⁸

Proximity to major US City

The Denver-Aurora-Lakewood MSA lies in the heart of Colorado, with the city of Boulder less than 30 miles to the northwest of Denver proper while Fort Collins is 70 miles north and Colorado Springs 70 miles to the south. Within the Denver MSA there are several prominent inter-city relationships. There are four metropolitan statistical areas near Denver: Denver, Boulder, Fort Collins, and Colorado Springs.

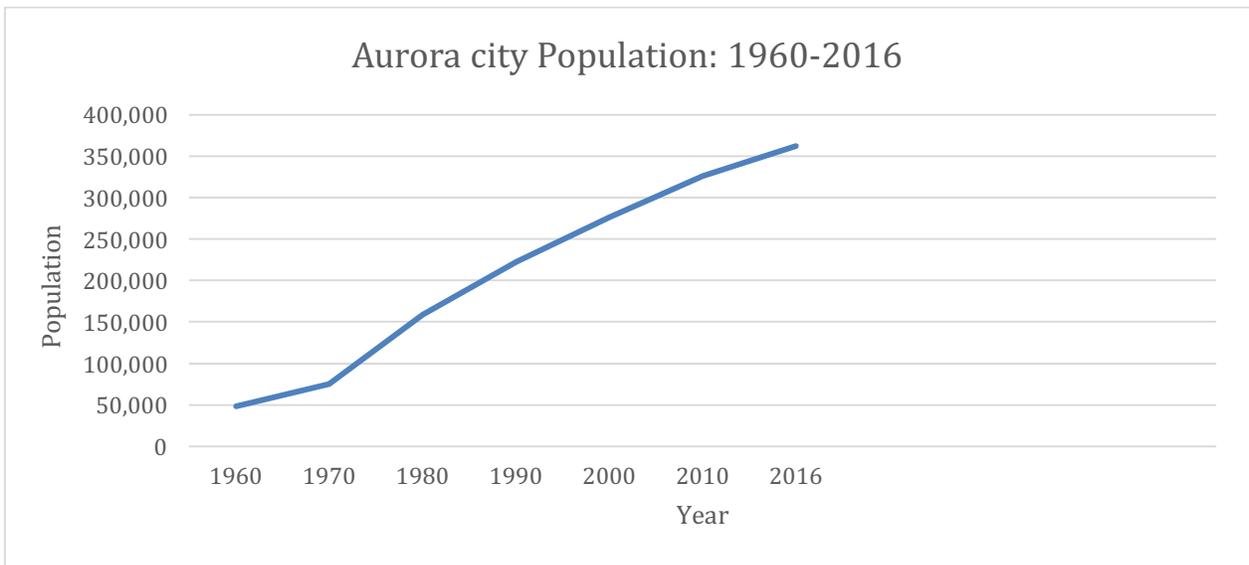
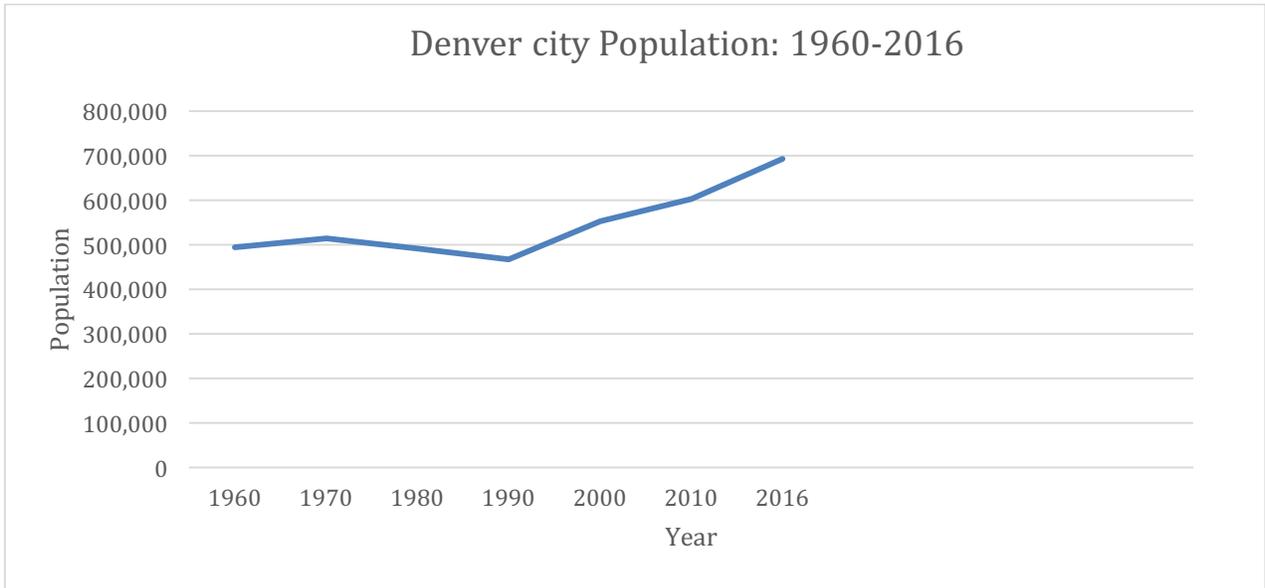
The next largest cities outside of Denver and Colorado are:

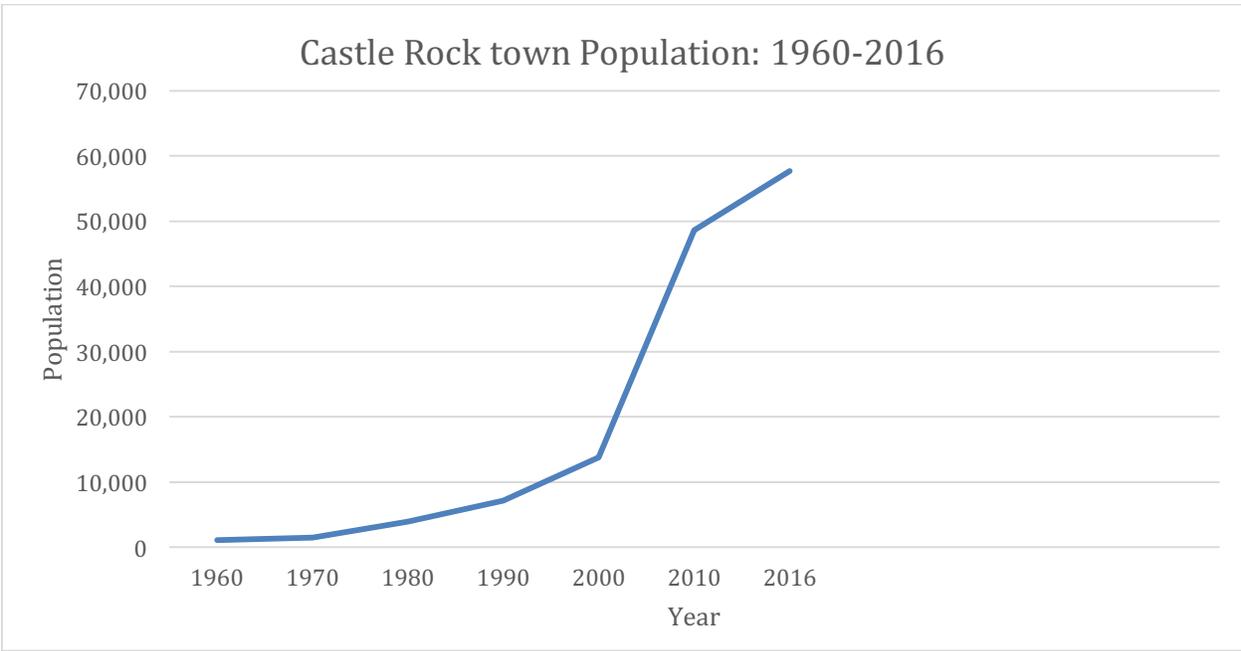
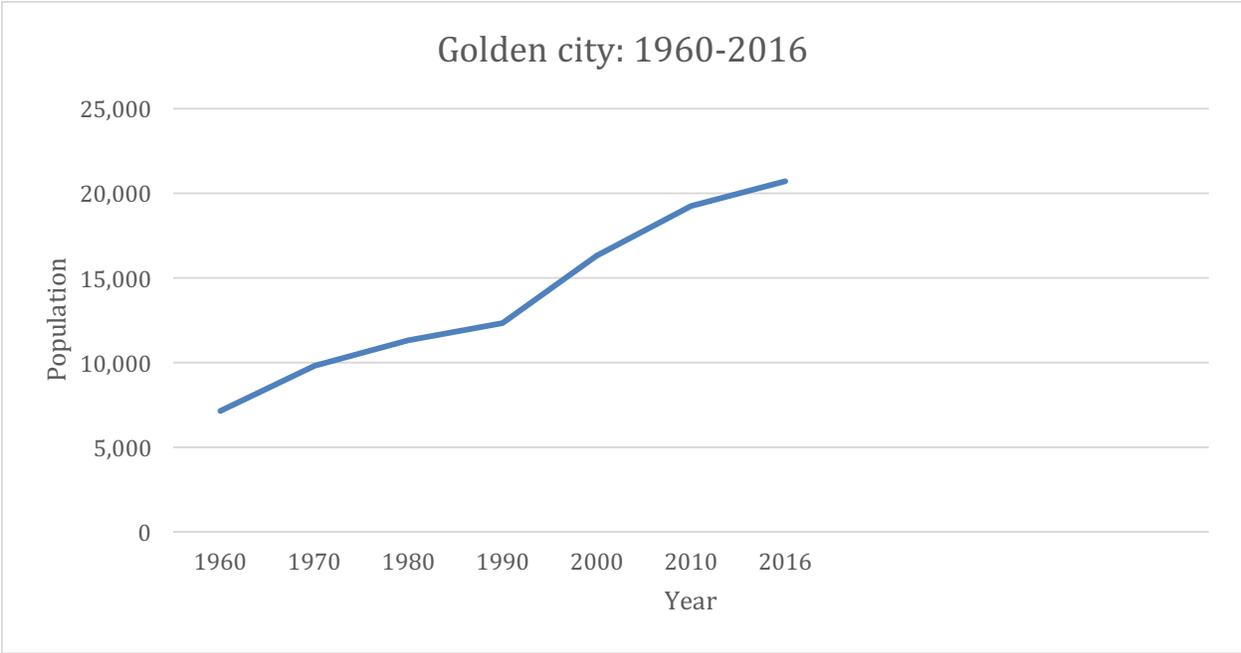
⁹⁷https://www.nytimes.com/2016/07/21/us/denvers-appeal-to-millennials-jobs-mountains-and-yes-weed.html?_r=0

⁹⁸ <https://realestate.usnews.com/places/colorado/denver>

- Salt Lake City, UT – 520 miles with population 193,744 (2016 Census)
- Omaha, NE – 536 miles with population 446,970 (2016 Census)

Examples of Population Growth





| City Population Data by Decade: 1960-2010 and 2016 | | | | | | | |
|--|---------|----------|---------|--------|-------------|--------------|---------|
| Year | Denver | Lakewood | Aurora | Golden | Castle Rock | Fort Collins | Boulder |
| 1960 | 493,887 | - | 48,548 | 7,118 | 1,152 | 25,027 | 37,718 |
| 1970 | 514,678 | 92,743 | 74,974 | 9,817 | 1,531 | 43,337 | 66,870 |
| 1980 | 492,365 | 112,860 | 158,588 | 11,314 | 3,921 | 65,092 | 76,677 |
| 1990 | 467,610 | 126,475 | 222,103 | 12,312 | 7,138 | 87,664 | 83,292 |
| 2000 | 553,693 | 144,126 | 275,921 | 16,312 | 13,765 | 116,538 | 94,337 |
| 2010 | 603,329 | 143,193 | 326,079 | 19,251 | 48,594 | 145,091 | 98,808 |
| 2016 | 693,060 | 154,393 | 361,710 | 20,696 | 57,666 | 164,207 | 108,090 |

Infrastructure

Denver’s transportation infrastructure is impressive and has played an important role in attracting millennials to the region.

- The Denver-Aurora area is a major transportation hub for Colorado and has three major interstates: (I-25, I-70, I-76), two international airports (DEN-Denver and APA-Centennial) and two class-1 rail lines (BNSF and Union Pacific). Denver is also home to a major Amtrak station on the California Zephyr line.
- Denver has an impressive public transportation network that includes a light rail system extending 34.8 miles with 36 stations connecting the airport to the downtown and the suburbs. In addition to the rail system, Denver has an extensive bus system that includes free buses and hybrid bicycle taxis.

The Regional Transportation District (RTD) first established Denver’s light rail system in 1994 with several extensions since that time.

Denver’s light rail system is widely recognized as a major success. It has added new rail lines recently to what was already the eighth largest light rail system in the nation with 77,000 people riding it each day (Woodward 2016). The benefits of the latest expansion have been nothing short of amazing. It has helped reduce traffic congestion, combated a problem the city has had with brown smog, revitalized neighborhoods in decline, and created entirely new communities in areas that previously showed few signs of development (Woodward 2016).

The latest expansion of the rail system has been part of the FasTracks project, which was approved in 2004 and parts of it are still in progress. According to Colorado Governor John Hickenlooper, FasTracks has helped transform Denver into a top destination for millennials (Woodward 2016). The \$7.6 billion FasTracks project has been funded by a combination of federal grants, local taxes, and private investment dollars (Woodward 2016). It involves the creation of 122 miles of new light rail and commuter rail as well as 18 miles of bus rapid transit (Whaley 2015). Part of the project includes rail extensions to Denver International Airport and rail from Union Station through Adams County. The project has encountered problems with costs exceeding projections, lower ridership than predicted, and the cancelation of some rail

extensions much to the disappointment of potential riders (Whaley 2015). With the creation of 13,000 full-time jobs, however, the project has given the economy a major boost (Whaley 2015).

One of the great benefits of the light rail system is its ability to transport passengers to major Denver tourist attractions. “According to the Regional Transportation District (RTD), more than 100 million passengers traveled on the light rail and bus system in 2013. Light rail ridership grew by 15% alone in 2013” (Snyder 2017).

Despite the benefits of the light rail system, Denver still has many transit problems. The core of the city struggles with significant transit gaps stemming from a bus network that is incomplete (Murray, 2016). Frustrated riders point to a lack of direct access to Cherry Creek, which is a major employment center, the need for more frequent service, lower fares, the need for more routes designed on a grid, and better connections between common destinations in neighborhoods (Murray 2016).

Another transportation project of interest is the Transportation Expansion (T-REX) Project, which involves sections of I-25 and I-225, which are the most heavily traveled roads in Colorado. The highways connect downtown Denver and the Southeast Business District, which are the two largest employment centers in the region (U.S. Department of Transportation 2017).

The \$1.67 billion T-REX Project began in June 2001 and ended during the summer of 2006. The project involved the addition of 19 miles of double-track light rail extending along the west side of I-25 and in the median of I-225 along sections of those highways as well as the construction of 13 new light rail stations (Chartock 2006). The project also added new lanes with three lanes in each direction and five lanes in each direction throughout certain sections of the roadway (Chartock 2006). Some parts even have as many as seven lanes in each direction.

The project was motivated by a study of the Denver Regional Council of Governments (DRCOG) about traffic congestion in the 1990s (U.S. Department of Transportation 2017). The main goal of the project was to improve travel time and increase safety for travelers on I-25 and I-225 (U.S. Department of Transportation 2017).

Another major change to Denver’s transportation infrastructure occurred in 1995 when the Stapleton International Airport was replaced by the Denver International Airport. The Stapleton International Airport was unable “to keep up with the ever-increasing demand for international air traffic, the size of jet aircraft, [and] the land necessary to support continuous expansion” (Colorado Encyclopedia 2017). The Denver International Airport is better equipped to handle the massive demand for air travel. At twice the size of Manhattan, it is the largest airport in the United States based on its land area and one of the largest airports in the world (Schilling 2013). The project cost \$5.2 billion and at its high point, it required 11,000 workers for its construction (Schilling 2013).

Although the city of Denver continues to face challenges with respect to its mass transit system, these improvements have played an important role in reducing traffic congestion, creating

greater access to public transportation, and facilitating the movement of people throughout the nation, all of which have encouraged the relocation of millennials to Denver.

Amenities, Recreation and Lifestyle –Downtown Denver’s Revitalization

A common misconception of Denver is that it is in the mountains when in fact the mountains are at least an hour drive. For example, skiing in Summit County one of the nearest places with ski resorts takes about an hour and half.

That being said, one of the primary attractions to the Denver region is the Rocky Mountains with plentiful opportunities for skiing, hiking, rock climbing, mountain biking, kayaking, white water river rafting, camping – overall outdoor activities.

Lower Downtown (LoDo): Denver began to turnaround through investments in Lower Downtown (referred to as LoDo). In 1860 the population of Denver was roughly 4,700 people and by 1880 the population rose to approximately 35,600 people (LoDo 2006). Denver became a bustling city and took off even more once the railroad connection was built to meet the Transcontinental Railroad in Cheyenne, Wyoming. When people arrived in Denver at Union Station the first place they would see and visit was LoDo. Denver boomed and declined and finally hitting a stride during World War II but not enough to revitalize LoDo. In the 1960’s and 70’s about 20% of LoDo’s buildings were destroyed, and LoDo continued as Skid Row (LoDo 2006). The city of Denver recognized that protection for the remaining 127 original buildings was much needed, and in 1988 the city established the Lower Downtown Historic District.

Wynkoop Brewery in LoDo: This brewery is located in the J.S. Brown Mercantile Building built in 1899. This establishment helped make a former geologist into a person known today as Governor John Hickenlooper. Hickenlooper states in an interview that once Coors Field opened in 1995, “The Wynkoop’s sales went up 50%. I went from being successful to affluent in the space of six months” (Kim 2005). But another astonishing fact is that even when the baseball season ended the sales continuously stayed high, showing a new steady interest in LoDo. The revitalization took what were once factories and skid row and transformed them into art galleries, brewpubs, restaurants, office space and lofts.

Coors Field: August 16, 1990, voters from six surrounding counties of Denver approved a 0.1% sales tax increase that would be used to build a baseball stadium at a cost of \$215 million dollars. Coors Field opened on April 26, 1995. The building of Coors Field just next to LoDo, with the hopes of reviving this part of town, was based off the construction of Camden Yards in Inner Harbor Baltimore. Both of these cities were looking to revamp certain parts of downtown and decided that a baseball stadium would help spark the revival. The construction of Coors Field in fact did more than what many had expected. According to Governor [then Mayor] John Hickenlooper, “What happened was that Coors Field became the gasoline poured on the fire -- it became a huge accelerant (Kim 2005).” The games played at Coors Field during 1995 sold out every game 50,000 seats. With over 4,000,000 people coming into the city just for baseball games, LoDo’s establishments that saw the most growth were brewery pubs.

Breweries: The craft brewery culture has taken off. Colorado has the second most breweries in the nation with 348 breweries, behind California with 687 breweries. Boulder has more

breweries per capita than any of other city in the US with 13.3 breweries for everyone 100,000 people, Fort Collins is No. 3 per capita and Denver is No. 8.⁹⁹

Brewing has been a significant part of the culture of the greater Denver region with Coors brewery in Golden, CO and with Wynkoop Brewery playing such a significant role in shaping Denver's downtown. The brewing culture is also attractive to millennials and Gen X'ers as it fosters a culture of authenticity, community and sustainability.¹⁰⁰ Not surprisingly, breweries have served as a gathering place for communities, but the impacts today lead to creating a sense of place and spurring economic development.

Wynkoop Brewery is a nationally recognized example of revitalizing an area. Other examples include Great Lakes Brewing Company in Cleveland, and in Jacksonville, FL there is a string of breweries on King Street, which the city helped facilitate through an infrastructure program to bring new life to a formerly abandoned commercial corridor.¹⁰¹

Union Station: The transformation of Union Station is a real success story. In 2004 when Denver voters approved FasTracks for light rail the goal was for Union Station to become the center for light rail, commuter and intercity rail, regional and local buses, downtown shuttle buses, and taxis. In 2012 a collaborative development alliance (RTD leased to Sage Hospitality, Larimer Associates and others) came together to make the renovations possible and in 2014 the new Union Station opened.¹⁰² Dana Crawford a developer was the visionary behind the project. The station now holds the Crawford Hotel, several shops, restaurants and bars including the Terminal Bar, which is a restored ticket station that serves Colorado spirits and craft beers. Union Station has become the hub, a gathering place, and a landmark giving a positive sense of place.¹⁰³

Arts and Culture: Denver has a strong arts and culture presence. "The Denver Performing Arts Complex is the second-largest arts campus of its kind in the nation, and it's home to the Colorado Symphony Orchestra, Opera Colorado, Denver Center Theater Company, and the Colorado Ballet.¹⁰⁴ The public art in Denver is spectacular and has become iconic for the city; such as "Dancers" six-story white figures dancing outside the Denver Center for the Performing Arts and "I See What You Mean" a 40-foot tall blue bear looking into the Denver Convention Center.¹⁰⁵

Education: Colorado ranks as one of the lowest education funded states. According to Education Week Quality Counts Report, in 2017, Colorado spent \$2,685 less than the US average, ranking 41st of 51. In the same report, Colorado's Report Card was a C- for K-12 achievement and B for Chance for Success; whereas, Indiana was slightly better with C for K-12 achievement and C+ for Chance for Success. While Colorado's economy is booming and growing with population,

⁹⁹ <https://www.bizjournals.com/denver/news/2017/05/12/how-many-craft-breweries-colorados-near-the-top.html>

¹⁰⁰ <https://www.brewersassociation.org/communicating-craft/understanding-todays-craft-beer-lovers-millennials-women-hispanics/>

¹⁰¹ <https://www.curbed.com/2017/6/13/15788960/brewing-economic-development-craft-beer>

¹⁰² <http://www.denverpost.com/2014/06/19/union-station-gets-a-major-makeover-133-years-after-trains-first-ran/>

¹⁰³ <http://www.colorado.com/articles/union-station-things-see-do>

¹⁰⁴ <http://www.colorado.com/arts-culture>

¹⁰⁵ <http://denver.cbslocal.com/top-lists/top-bizarre-statues-or-public-art-in-denver/>

the schools are suffering due to the financing structure of education.¹⁰⁶ See the tax section below related to TABOR and Property Tax.

Colorado has several excellent institutions of the higher education including: University of Colorado, Colorado State University, University of Denver, and Colorado College.

Affordability and Taxes - The Gallagher Amendment and TABOR

The Gallagher Amendment became part of Colorado's state constitution in 1982. The amendment restricts residential property taxes to 45% of all property taxes that the state collects. In fact, the property taxes are collected at the county level and then distributed to local, county, and state entities.¹⁰⁷ The 55% remainder of state property tax revenues are derived from nonresidential and commercial property taxes.¹⁰⁸

The measure has been forcing cuts in the residential assessment rate as home values increase at a faster pace than the values of commercial and other nonresidential properties.¹⁰⁹ Specifically, the residential property assessment rate has fallen by about 2/3 since 1982 due to increases in residential home values and population growth.¹¹⁰ The reductions are continuing. The residential assessment rate has already fallen from 7.96% to 7.2% in 2017 and is projected to fall again to 6.11% in 2019.¹¹¹

TABOR: The Taxpayer Bill of Rights in Colorado, known as TABOR, also prevents the residential property tax rate from increasing without a vote of the public.¹¹² Therefore, while cuts to residential property tax rates are automatic under the Gallagher Amendment, increases are much more difficult to implement. Furthermore, if revenue is collected that exceeds TABOR's limits, then the amount must be refunded to the taxpayers, which has an impact on all levels of government including school districts.¹¹³ "Under TABOR, the state has returned \$2 billion to taxpayers rather than using these funds to pay for K-12 education, higher education, transportation, public health services, public safety and other services."¹¹⁴

The problem for local governments in Colorado is that home values change very unevenly throughout the state. In rural areas where home values rise very slowly or are stagnant, homeowners will enjoy a cut in their residential property taxes, which will have a negative impact on the budgets of local governments.¹¹⁵

The *Colorado Springs Business Journal* declares that the Gallagher Amendment is harmful to economic development in Colorado because the state is constitutionally required to make up for cuts to school funding by taking from other areas that then go unfunded.¹¹⁶ The burden of school

¹⁰⁶ <https://www.edweek.org/ew/qc/2016/2016-state-report-cards-map.html?intc=EW-QC16-LFTNAV>

¹⁰⁷ Wyrick 2017

¹⁰⁸ CSBJ Editorial 2017

¹⁰⁹ Eason 2017

¹¹⁰ Greater Education Colorado 2017

¹¹¹ Eason 2017

¹¹² *ibid.*

¹¹³ Greater Education Colorado 2017

¹¹⁴ <https://www.colorado.gov/pacific/treasury/constitutional-provisions-0>

¹¹⁵ Eason 2017

¹¹⁶ CSBJ Editorial 2017

funding has thus shifted from local residential property taxes to the State General Fund.¹¹⁷ For example, “[in] the early 1980s, local property taxes paid 54 percent of the state education budget; the state paid 46 percent. By 2015, the state was providing 66 percent of the state’s education budget, while property taxes paid 34%.”¹¹⁸

In addition to school districts and the state, fire districts, library districts, and counties all experience the negative impact of falling residential property tax rates.¹¹⁹

Income Tax: The Colorado state income tax is 4.63%¹²⁰

Property Tax: Colorado has one of the lowest property tax rates in the country. In 2017 single-family homes averaged 0.52 percent compared to the national average of 1.15 percent. Only Hawaii and Alabama have lower rates; whereas, New Jersey and Illinois are four times higher. The reason the state is so low is due to the 1982 Gallagher Amendment and TABOR. The Gallagher Amendment limits the share of property tax base attributable to residential to 45 percent of the total.¹²¹ Colorado property taxes vary per county due to mill levies (see below).

- **Mill Levy Override:** is a ballot measure for additional “mills” on property tax. A mill levy is the tax rate applied to the assessed value of a property. One mill is one dollar per \$1,000 dollars of assessed value. In Colorado this is a common practice to fund a school district for operation.¹²² Out of 178 school districts in Colorado, 119 receive additional funding through a mill levy override.¹²³

Sales Tax: Colorado’s sales tax is 2.9%. Counties and cities have special tax districts.

- **Scientific and Cultural Facilities District (SCFD):** Created in 1989 the funds support cultural facilities across seven counties (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties). The funds are from a 1/10 of 1 percent sales tax. The seven county area has about \$50 million budget annually. SCFD is governed by a board of directors and staff works closely with County Cultural Councils to implement operations and distribution of funds.¹²⁴

Marijuana and Taxes: From 2014 through mid-2017, cannabis related taxed totaled over half a billion. This is substantially more than experts predicted in 2012 when Colorado voters approved Amendment 64 where predictions were between \$5 million and \$22 million per year in taxes.¹²⁵ Amendment 64 required the first \$40 million in tax revenue to go toward school construction and the remaining funding has gone toward financing health care, health education, law enforcement and substance abuse programs.

¹¹⁷ Greater Education Colorado 2017

¹¹⁸ Wyrick 2017

¹¹⁹ CSBJ Editorial 2017

¹²⁰ <http://www.bankrate.com/finance/taxes/state-taxes-colorado.aspx>

¹²¹ <http://www.denverpost.com/2017/04/06/colorado-property-tax-rates/>

¹²² <http://www.bucoks.com/DocumentCenter/View/46>

¹²³ <https://www.greeleyschools.org/Page/21492>

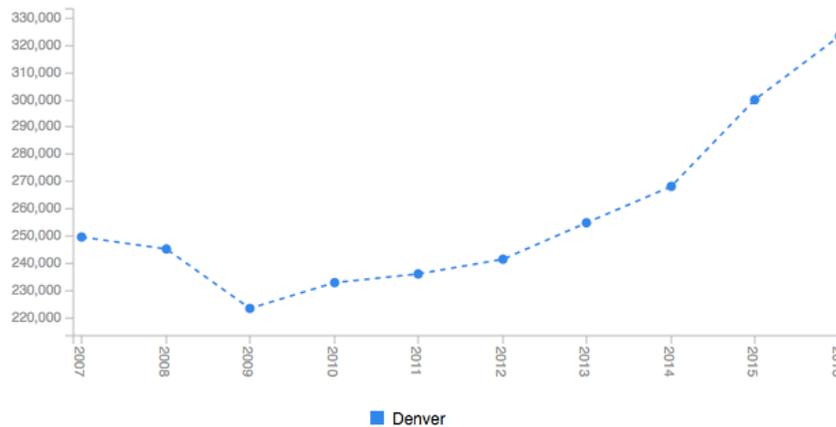
¹²⁴ <http://scfd.org/p/about-scfd.html>

¹²⁵ https://www.huffingtonpost.com/entry/colorado-marijuana-pot-tax-revenue_us_596f7911e4b01696c6a1fb06

From January-August 2017 Colorado exceeded over \$1 billion in both medical and recreational sales. Previous year sales totals: 2014: \$699,198,805; 2015: \$996,184,788; 2016: \$1,313,156,545.¹²⁶

Cost of Living: As May 2017, “the average price of a single family home sold in metro Denver reached a new high of \$487,974, up 4.2 percent from March and 10.3 percent from a year ago.”¹²⁷ As of 2017, home prices in Colorado are up 76 percent over the past five years and median price increased 56 percent.¹²⁸ The median price house in Northwest Indiana is \$142,400 according to Trulia.

Housing Costs Over Time



Data sourced from Zillow median home sale price data series. Additional data provided by the Austin Board of Realtors, Houston Association of Realtors, Intermountain MLS, Omaha Area Board of Realtors, San Antonio Board of Realtors, and the Salt Lake Board of Realtors.

Source: *US News 2017 Best Cities*

Economy

- According to the U.S. Bureau of Economic Analysis, in 2015 the Denver-Aurora-Lakewood MSA generated \$193.2 billion in GDP, making it the 18th largest MSA in the United States.
- Between 2001 and 2015, GDP per capita for the Denver MSA has been 20-25% higher on average than the average for all metropolitan areas in the United States (see figure 1). Over this same period, real GDP for the Denver MSA grew on average by 2.2% per year compared to 1.7% nationally (see figure 2).
- Since 2006, the unemployment rate for the Denver MSA has been significantly lower than the national average. In June of 2017, the unemployment rate for the Denver MSA was just 2.2% or half the national average of 4.4% (see figure 3).
- The Denver-Aurora-Lakewood MSA has a population of 2.85 million people, accounts for more than half the population of the state of Colorado and is the 19th most populated MSA in the United States.
- Since 2010, the population of the Denver MSA has grown on average by 1.86% per year, more than double the national growth rate of 0.87% per year (see figure 4).

¹²⁶ <http://www.thecannabist.co/2017/10/11/colorado-marijuana-sales-august-2017-tax-data/89751/>

¹²⁷ <http://www.denverpost.com/2017/05/04/metro-denvers-average-home-sale-price-april-2017/>

¹²⁸ <http://www.denverpost.com/2017/04/06/colorado-property-tax-rates/>

Perception

A *New York Times* article “Denver’s Appeal to Millennials? Jobs, Mountains and, Yes, Weed” found that Denver attracts millennials because of the transit connectivity across the city, walkability, entrepreneurialism, recreational factor, and a sense of openness and forward thinking. Through the legalization of marijuana, millennials view Denver and Colorado, in general, as a place that is open to change and new ideas.

In 2017, Denver was ranked #2 in US News Best Places to Live, which was the same year Austin, TX was ranked #1. Denver scored highly on the US News Rankings in the following categories: Desirability, Value (comparing housing costs to median household income), Job Market, Quality of Life, and Net Migration. Denver has one of the highest net migration in the country, in 2015 it was ranked #4 in the country with a net 103,785 domestic migrants from 2010-2014.¹²⁹

Regional Coordination

The Denver Regional Council of Governments (DRCOG) has served as the Metropolitan Planning Organization (MPO) for the Denver region since 1977, and is one of the nation’s three oldest councils of governments. The council is guided by the Metro Vision for regional growth and development plan. More than 50 local governments participate in a cooperative to establish guidelines and allocate funding for: transportation and personal mobility, growth development, and aging and disability resources. (<https://www.drcog.org/about-drcog/about-drcog>)

Metro Denver Economic Development Corporation is the nation’s first regional economic development entity. It brings together over 70 cities, counties, and economic development agencies from the nine-county Metro Denver and Colorado area. The Metro Denver EDC is an affiliate of the Denver Metro Chamber of Commerce.

Its mission is to enhance the regional economy through the retention and expansion of primary jobs and capital investment. The Metro Denver EDC focuses on six key areas: traffic and congestion issues, tax and regulatory reform to encourage business development, promoting new and existing businesses, national marketing of Metro Denver’s business assets and top industries, the development of international flights to advance global business, and capitalizing on opportunities as they arise to promote the region’s business interests (metrodenver.org).

Aurora Economic Development Council (EDC) is a public/private partnership that aims to recruit new primary employers, retain existing primary employers, and assist with the expansion of current primary employers. The Aurora EDC focuses on the leading growth industries in the city, which aerospace and defense (Raytheon Company, Northrop Grumman, Lockheed Martin, and the Boeing Company), bioscience (the Anschutz Medical Campus and Fitzsimons Life Science District), transportation logistics (the airport, interstate highways, major rail lines, mass transit), and renewable energy (auroraedc.com).

¹²⁹ <https://www.forbes.com/sites/joelkotkin/2015/10/06/the-cities-americans-are-thronging-to-and-fleeing/#47d579a35fd3>

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Figure 1: Per Capita Real GDP, U.S. and Denver-Aurora-Lakewood MSA, 2001-2015 (chained 2009 dollars; source: U.S. Bureau of Economic Analysis)

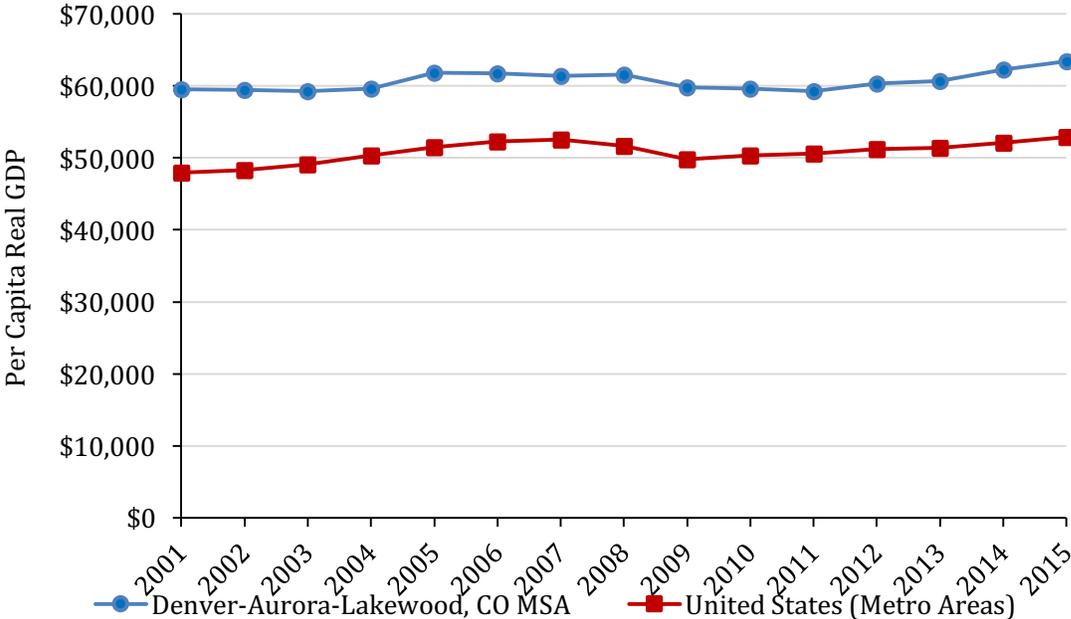


Figure 2: Real GDP Growth Rates, U.S. and Denver-Aurora-Lakewood MSA, 2001-2015
 (chained 2009 dollars; source: U.S. Bureau of Economic Analysis)

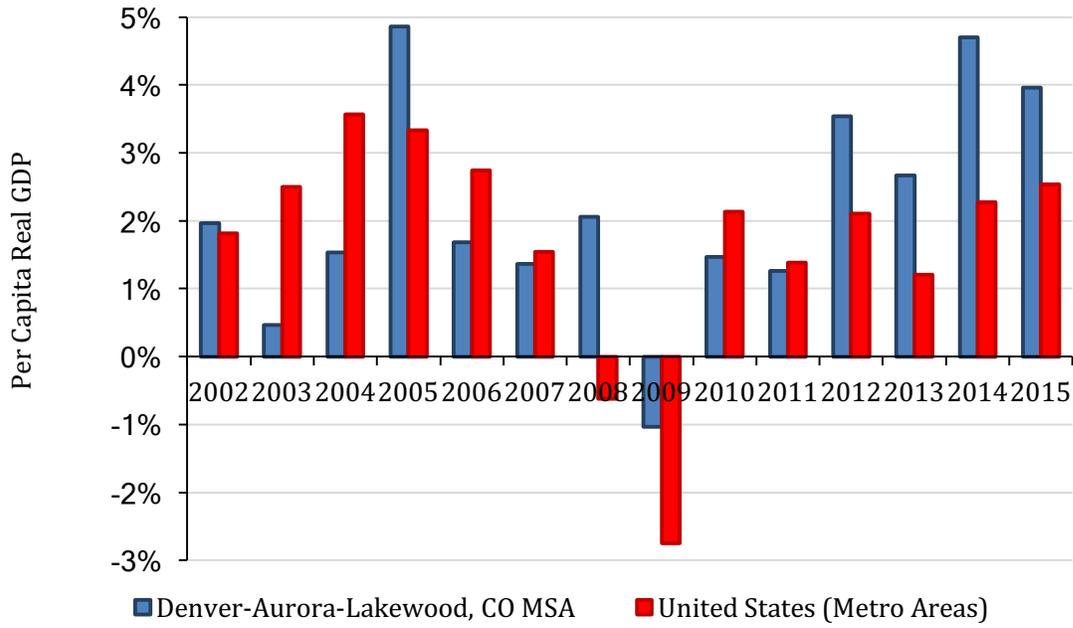


Figure 3: Unemployment Rates for the U.S. and the Denver-Aurora-Lakewood MSA, 2000-2017
(seasonally adjusted figures; source: U.S. Bureau of Labor Statistics)

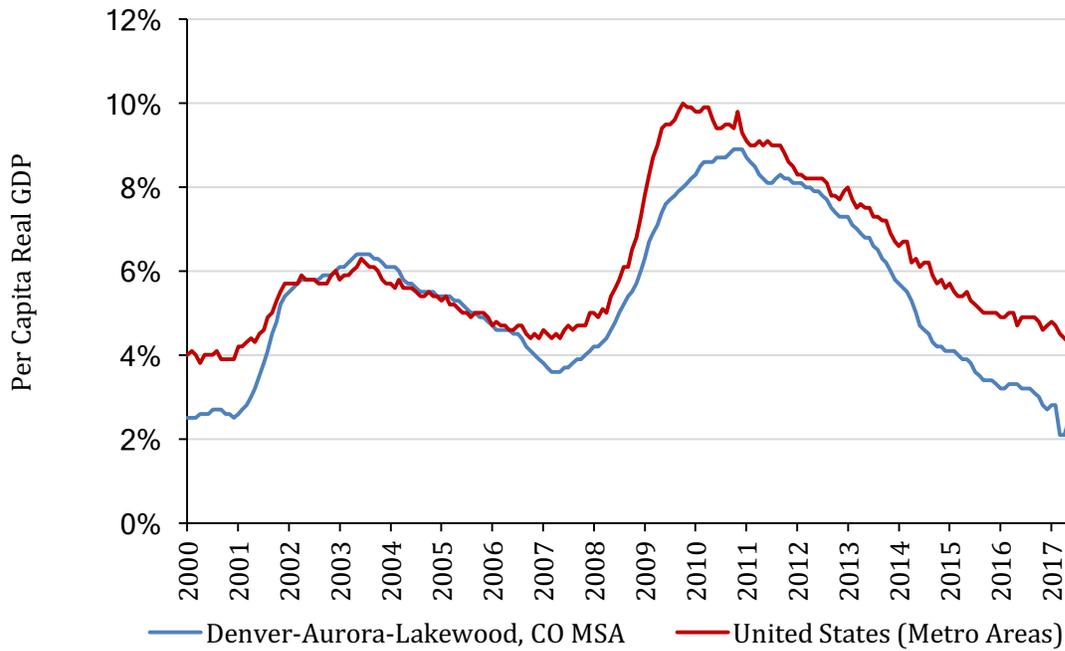
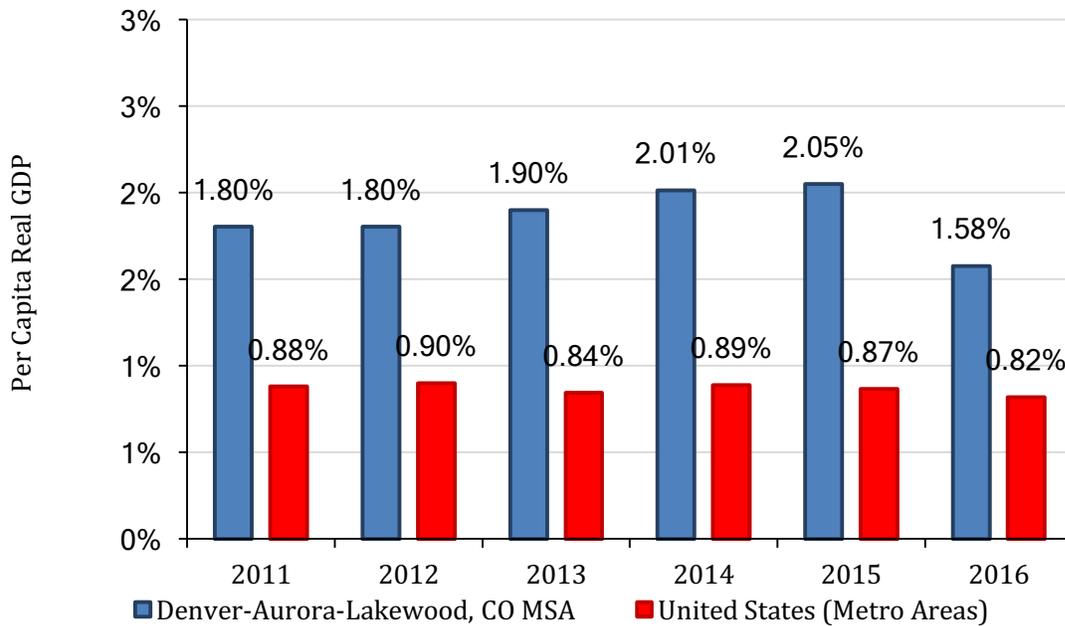


Figure 4: Annual Population Growth Rates, U.S. and Denver-Aurora-Lakewood MSA, 2011-2016
(source: U.S. Census Bureau)



Appendix
Data of Nine Regions *Baseline 2015

| | Albany County, NY | Hudson County, NJ | Pittsburgh /Alleghen y County, PA | Hennepin County/Mi neapolis, MN | Denver County, CO | Salt Lake County, UT | Austin/ Travis County, TX | Seattle/Ki ng County, WA | NWI Lake and Porter Counties |
|---------------------------------------|----------------------------------|----------------------------------|--|--|----------------------------------|---|--|---|---|
| Less Than 9th Grade | 3.5% | 10.4% | 2.4% | 4.3% | 8.7% | 4.8% | 8.6% | 4.7% | 4.2% |
| 9th Grade to 12th Grade | 4.4% | 8.0% | 4.5% | 3.7% | 6.2% | 5.9% | 4.2% | 3.8% | 7.8% |
| High School Diploma | 27.3% | 26.2% | 30.7% | 18.6% | 18.6% | 23.4% | 17.6% | 16.6% | 35.5% |
| Some College | 16.5% | 14.7% | 16.4% | 19.8% | 18.1% | 26.3% | 19.4% | 19.9% | 22.5% |
| Associate's Degree | 10.0% | 4.2% | 8.9% | 8.2% | 5.1% | 8.6% | 5.2% | 8.1% | 8.3% |
| Bachelor's Degree | 19.9% | 23.2% | 21.8% | 29.7% | 26.6% | 20.0% | 28.7% | 29.4% | 14.4% |
| Graduate Degree and Higher | 18.4% | 13.3% | 15.3% | 15.7% | 16.7% | 11.0% | 16.2% | 17.5% | 7.4% |
| Cost of Living (Living Wage, 1 adult) | \$23,941 | \$28,496 | \$20,613 | \$23,691 | \$25,459 | \$23,067 | \$23,754 | \$27,664 | \$21,570 |
| Net Migration | 270 | -2039 | -2342 | 4539 | 7731 | 5802 | 13787 | 24011 | -2563 |
| Old Age Dependency (over 65) | 14.90% | 10.90% | 17.70% | 12.80% | 11% | 9.90% | 8.70% | 12.40% | 15% |
| Population 20-64 | 190,241 | 454,967 | 745,571 | 768,933 | 459,695 | 663,998 | 787,500 | 1,382,402 | 383,315 |
| Millennial (25-34) | 40,443 | 142,223 | 189,063 | 210,233 | 155,113 | 182,170 | 236,247 | 373,100 | 80,227 |
| Total Jobs | 442,510 | 1,158,030 | 1,133,760 | 1,910,250 | 1,415,570 | 679,430 | 965,100 | 1,588,590 | 266,180 |
| Knowledge Jobs | 16.6% | 16.1% | 16.2% | 16.0% | 16.8% | 14.1% | 13.9% | 15.4% | 13.2% |
| Creative Jobs | 8.7% | 7.6% | 7.3% | 8.9% | 10.0% | 8.5% | 11.3% | 13.9% | 3.7% |
| Unemployment | 4.30% | 5.40% | 5.00% | 3.30% | 3.70% | 3.40% | 3.30% | 4.30% | 6.40% |
| Metropolitan GDP | \$30B | \$40.5B | \$89B | \$125.5B | \$68B | \$75.5B | \$103.5B | \$215B | \$30B |
| Average Temperature (degrees F) | 48.2 | 54.9 | 37.8 | 46.15 | 50.7 | 54.8 | 69.4 | 52.65 | 49.7 |
| Poverty Level | 12.60% | 17.70% | 12.20% | 10.90% | 15.70% | 10.80% | 13.20% | 9.80% | 14.6%' |
| Annual Weekly Wage | \$1,048 | \$1,355 | \$1,098 | \$1,277 | \$1,248 | \$993 | \$1,174 | \$1,582 | \$877 |
| Annual Average Wage | \$54,496 | \$70,460 | \$57,096 | \$66,404 | \$64,896 | \$51,636 | \$61,048 | \$82,264 | \$45,604 |
| Median Household Income | \$57,312 | \$60,053 | \$54,412 | \$68,902 | \$57,886 | \$65,549 | \$65,244 | \$81,816 | \$54,695 |



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