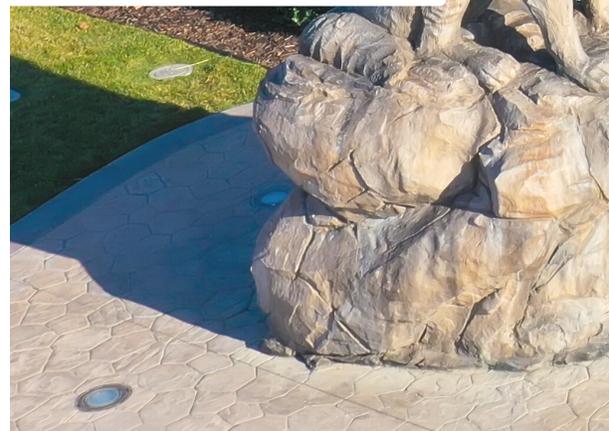
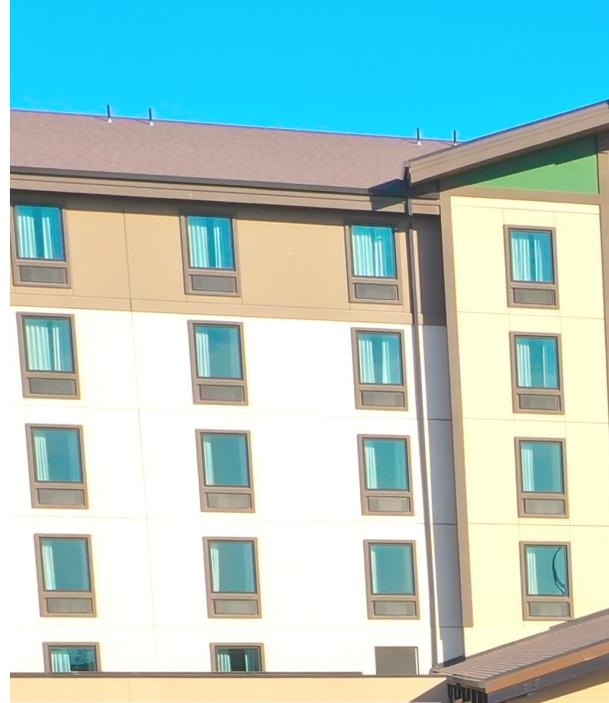


CHAPTER 6

Economic Vitality



SIX

The economic vitality of a region is dependent on the quality of its transportation system. A high-quality transportation system contributes to a region's economic competitiveness. The San Joaquin County region has an extensive transportation system that includes roadways, public transportation, railways, airports and a nationally-important port. These play an essential role in transporting goods within and outside the region, enabling commuters to reach their places of employment, and encouraging customers to patronize the region's businesses.



The Role of Transportation in Economic Vitality

The story of the San Joaquin region is one told through a mighty connection with transportation – from the forty-niners rushing to the gold fields, to financial titans rushing to build the transcontinental railroad, to the Greatest Generation rushing to build the Interstate Highway System, to fulfillment centers rushing goods and services around the world by highways, rail, sea and air. Logistics – the strategic movement of goods and services from one place to another – continues to be key to economic growth in the region. The future challenge is building successfully on the region’s geographic advantage as a logistics bridge connecting the San Francisco Bay Area, the Central Valley and the rest of the world to expand opportunities for businesses and people in the Northern San Joaquin Valley. As the transportation system in the region continues to mature, the area is poised to embrace new technologies and offer creative, innovative solutions for the movement of goods and people. In working with our partners across the Northern California Megaregion, goods movement and economic development opportunities must be a coordinated and collective effort.

The future challenge for the region is to build successfully upon its geographic advantage in goods movement and to expand opportunities for businesses and people.

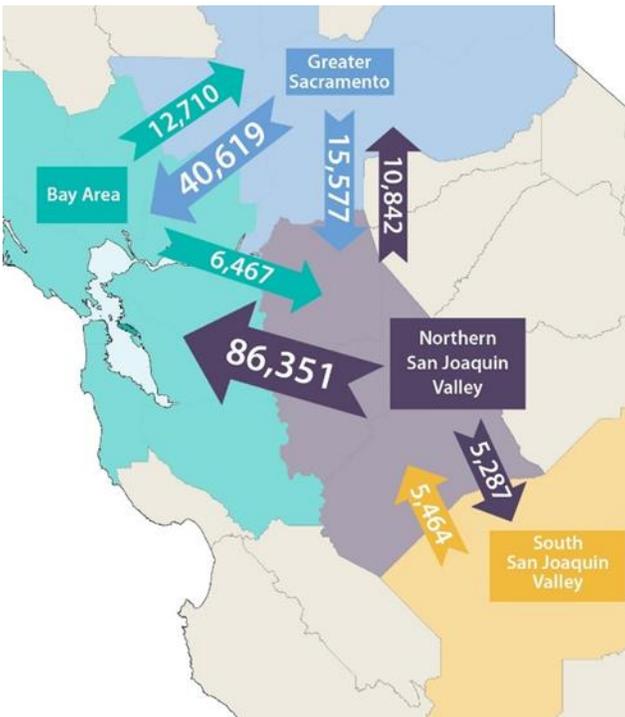
Commute Patterns

Moving people safely and efficiently continues to be highly important in San Joaquin County. Over the past four decades, San Joaquin County has been exporting a commuter workforce on our freeways, along with agricultural and manufactured goods. These residents bring back to the region higher wages and increased spending power. They also bring with them varied skills and capabilities that can attract new employment opportunities to the region.

San Joaquin County has the largest number of employed residents and jobs in the North San Joaquin Valley. Due to the lower housing costs in the region, many county residents commute to neighboring counties. Many of these commuters are highly educated and are in white-collar sectors, such as business, finance, computers or engineering. The southern portion of San Joaquin County has seen an increase in resident’s commuting into the Bay Area for several decades. In 2019, the Bay Area was the place of work for 65,400, or 21 percent, of the county’s employed residents. Most of these Bay Area commuters worked in Alameda County, followed by Santa Clara and Contra Costa counties. Large growth in commuters to San Francisco is also significant. Considering all the commuting destinations, a total of 28 percent of the San Joaquin County workers were employed outside the county as of 2019. Between 2012 and 2019, commuters from San Joaquin County increased by 23,600, or 57 percent, compared to an increase in commuters from Stanislaus and Merced counties by 8,400, or 60 percent, and 4,400, or 77 percent, respectively.

Figure 6.1 shows the number of commuters traveling in and out of the North San Joaquin Valley.

Figure 6.1 - Commute Patterns: North San Joaquin Valley



Source: Center for Business and Policy Research, 2020

These commuters strain the capacity of the transportation network, leading to increased congestion, greenhouse gas emissions, and roadway maintenance costs. Commuters to the Bay Area traversing the constrained Altamont Pass along the I-205/I-580 corridor have caused backups and delays on this route to be the norm, even as pre-pandemic ridership on the Altamont Corridor Express (ACE train) hit all-time highs.

In fact, the annual ridership on the ACE commuter rail service between Stockton and Santa Clara had more than doubled from 676,000 in 2010 to 1,506,000 in 2019 before the onset of the COVID-19 pandemic.

Changes to the Commuting Dynamic

A variety of forces may be exerting change on commuting. San Joaquin County employment opportunities have improved dramatically over the years since the Great Recession and year-over-year job growth has been robust since 2014. In fact, 2019 marked eight-consecutive year of payroll job growth in the county. San Joaquin County's economic recovery substantially lagged compared to other parts of California, but it fully recovered earlier than anticipated by 2015. Continuing this trend, San Joaquin County's unemployment rate dropped from 18 percent in 2010 to 9 percent in 2021.

The University of the Pacific Center for Business and Policy Research (CBPR) found that employment growth has been dominated by an expansion in the transportation and warehousing sector where employment grew by 22,500 jobs between 2009 and 2019. The county's poverty rate since 2013 declined in four of the five subsequent years. Since the recession, domestic migration to San Joaquin County from the Bay Area has not reached prerecession levels. This means fewer workers are opting to accept long commutes in exchange for lower housing prices.





Photo Credit: Captivating Photos

San Joaquin County residents traveled 219 more annual vehicle miles per capita in 2018 than other California residents, but this is down from the 521 more miles they drove in 2012. Those migrating to the county also appear to have lower participation in the labor force, which may indicate retirees or self-employment. (The data referenced does not track self-employed people.) Observed data may also indicate that after a few years of commuting, more employees are switching to local jobs or telecommuting.

We know the Bay Area and Sacramento still struggle with providing enough housing as labor force participation and employment continue to increase faster than population growth might suggest. These two regions are also prioritizing affordable housing as a regional issue, not just a local one. SJCOG will continue to closely coordinate and collaborate with megaregion partners on demographics and commuting.

COVID-19 Impacts on Commuting Patterns

At the onset of the COVID-19 pandemic in early 2020, the state of California issued stay-at-home orders for all businesses that were deemed nonessential. Those workers who could shift to telecommuting started to work at home on a full-time basis. This resulted in major reductions in commuting, by road, bus and rail. ACE train reduced its service from four trains daily in each direction to two trains. Two trains were added back since then. However, as stay-at-home orders were eased and more people became vaccinated, commuter traffic on roadways started to increase toward normal volumes. It is yet to be seen whether the COVID-19 pandemic will permanently reduce commuting traffic – particularly out-of-county commuting – due to increased telecommuting.

Opportunities for Economic Development

San Joaquin County has shown it can take its economic destiny into its own hands through thoughtful transportation investments. Measure K, the half-cent sales tax for transportation projects in San Joaquin County, invested more than \$700 million in transportation improvements in its first 20 years. Many of those investments were made with the purpose of expanding economic opportunity to the region. A combination of highway improvements, rail grade separation projects, local bus improvements, and the creation of a regional passenger rail program such as ACE all have had tangible effects on the county's economic vitality.

Where Most of the Jobs Are

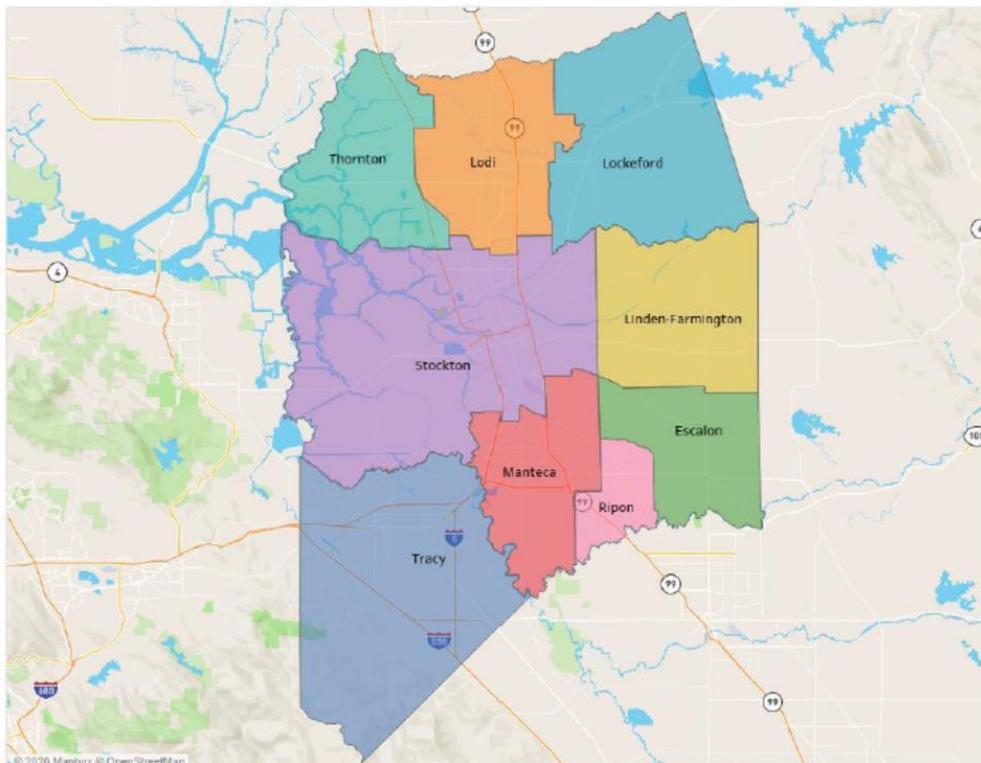
To forecast the number of jobs in different areas of San Joaquin County, the CBPR used Census County Subdivisions (CCDs) as the geographic units for the forecasts (Figure 6.2). Using CCDs captured jobs located in a city and nearby unincorporated areas. CBPR used 2015 estimates as the base year to forecast for 2020 and found four of the nine CCDs

accounted for 92 percent of jobs: Stockton with 173,695 jobs, Tracy with 49,302 jobs, Lodi with 43,548 jobs, and Manteca with 36,907 jobs.

Residential growth in the past several decades has occurred in south county cities, driven by their proximity to the Bay Area. There has also been recent rapid growth of e-commerce fulfillment centers in these cities to take advantage of nearby consumer markets in the Bay Area. According to CBPR job estimates, the Tracy CCD led percent job growth in the county at 32.6 percent during 2010-2017 as Amazon and others opened large fulfillment centers in the area. The Manteca CCD also had a large percent growth in jobs at 25.5 percent.

While CCD employment data only goes to 2017 as of the writing of this plan, the University of the Pacific's Center for Business and Policy Research (CBPR) forecasts continuing job growth centered in the south county. The CBPR found that of the 28 commercial development projects in San Joaquin Valley valued at \$5 million or more from January 2019 to June 2020, 17 were in Tracy and another five projects were in Manteca.

Figure 6.2 - Census County Subdivisions





Tracy: Silicon Valley East

The city of Tracy has been characterized by some as “Silicon Valley East.” Many Tracy residents commute via Interstates 205 and 580 and Altamont Corridor Express trains to white-collar jobs in the San Francisco Bay Area. Here white-collar jobs are management, business, science, and arts jobs as defined by the U.S. Census Bureau’s American Community Survey.

The number of Tracy white-collar jobs dipped significantly during the recession but returned to 2006 levels in 2012 and returned to prerecession levels in 2015. The unemployment rate has stabilized since 2019 and decreased to 6.4 percent in April 2021 due to structural changes in the workforce caused in part by the COVID-19 pandemic. Overall, Tracy’s employment grew by 10 percent compared to Manteca at 5.7 percent and Ripon at 5.6 percent. Tracy alone has accounted for most of the large commercial and industrial permits to accommodate this growth. An employment comparison among Tracy, San Joaquin County and Santa Clara County (Silicon Valley) is in Figure 6.3.

Highlights of Economic Development in Other San Joaquin Cities

City of Lathrop

Lathrop is one of Northern California’s fastest growing and most comprehensive master planned communities. Its current population is more than 20,000 people. Like many of the cities in San Joaquin

County, Lathrop’s geographic placement plays a role in the city’s ability to attract businesses and residents. The city had the highest percentage of population growth of all cities in San Joaquin County with a 38 percent increase from 2010 to 2019. By 2050, it is projected to grow by 184 percent as new communities within Lathrop are developed. Several development projects offer significant economic potential for the city. River Islands includes a 325-acre employment center and is projected to create 17,000 new jobs. Mossdale Village is a 2,500-unit master planned community that will include nearly one million square feet of retail and office space. The Central Lathrop Specific Plan includes five million square feet of office and retail uses.

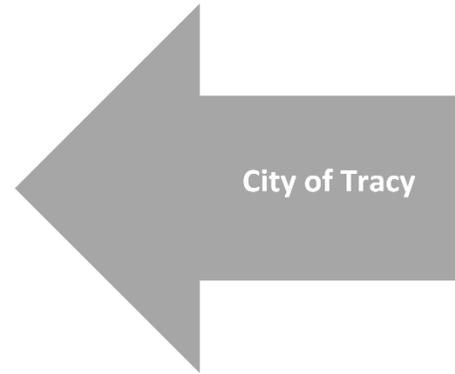
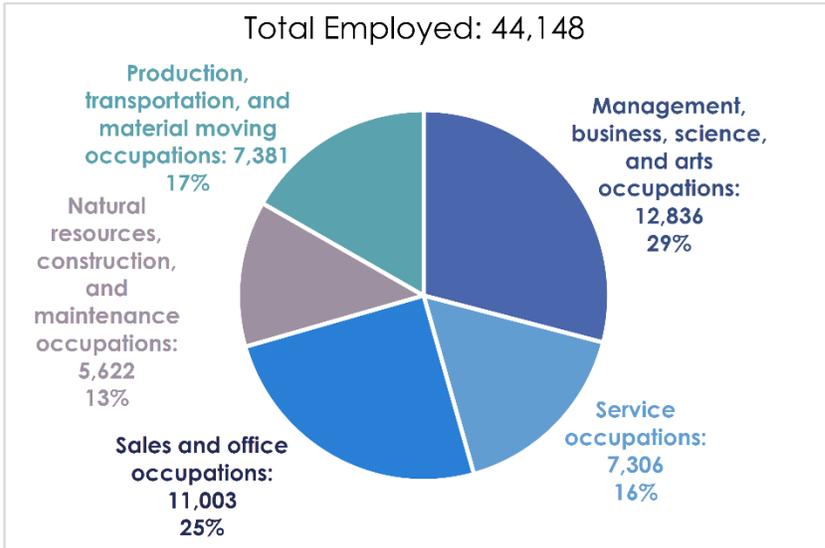


Photo Credit: Mary Hinkle

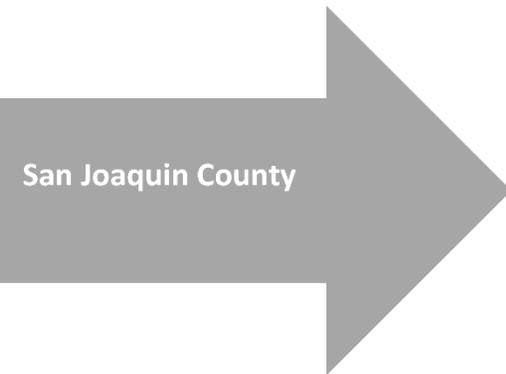
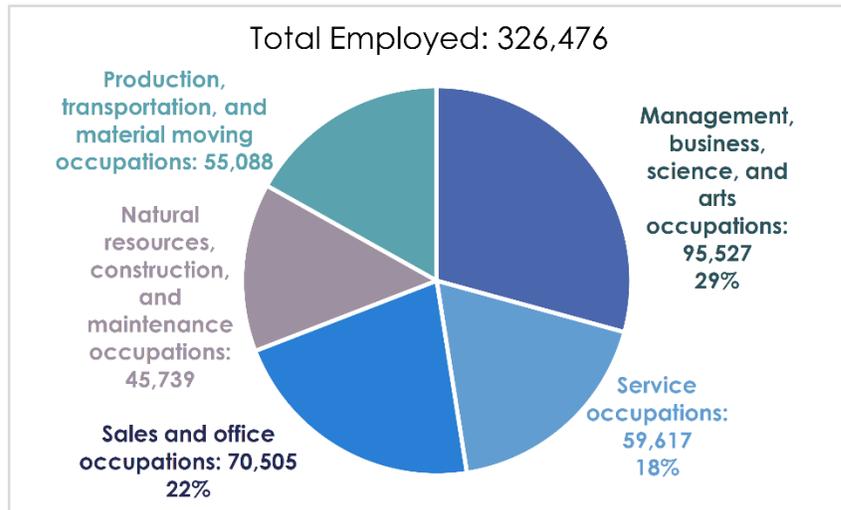
City of Lodi

Lodi’s economy is anchored in the manufacturing, retail, health care and hospitality industries. Agriculture also contributes greatly to the Lodi area economy with wine grapes being the largest crop. The 90,000 acres of vineyards produce a crop valued at more than \$350 million annually. Nearly 40 percent of California’s premium wine grapes are grown in the Lodi Appellation, according to the city. The Lodi-Woodbridge area has been a respected part of California’s wine industry for more than 100 years. Today, some of the California’s most important wineries rely on grapes grown in the Lodi-Woodbridge region. More than 60 wineries grace the area.

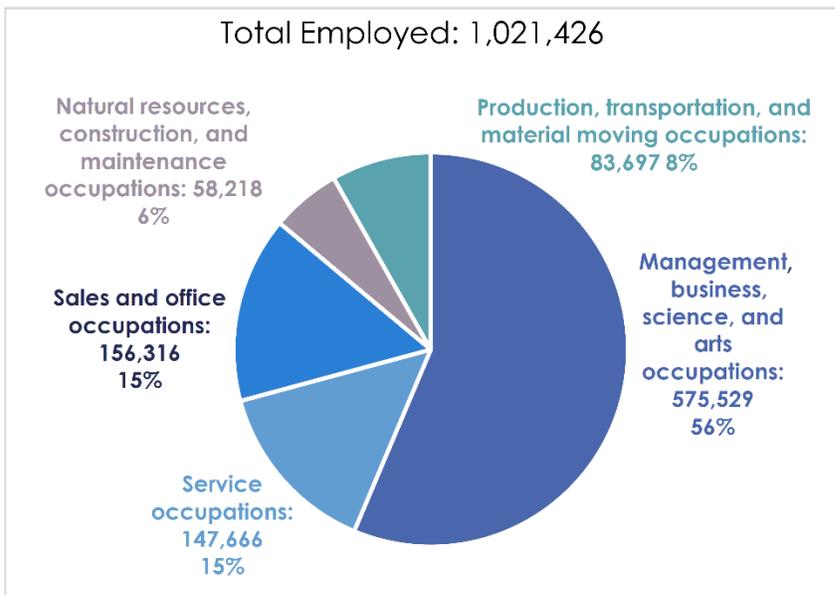
Figure 6.3: Employment Composition



City of Tracy



San Joaquin County



Santa Clara County

City of Manteca

With its relatively low cost of living and proximity to the San Francisco Bay and Sacramento areas, Manteca has attracted many commercial and industrial businesses and is a popular place to live for commuters to the San Francisco Bay Area. It is one of the fastest growing cities in the region and its population is expected to grow by 50 percent by 2050. The current population of Manteca is more than 84,500. Tracy and Manteca account for all six of the extremely large new commercial/industrial permits for projects in San Joaquin County valued at more than \$50 million. For Fiscal Year 2019-2020, there were 522 permits for single-family residences – second only to Tracy – and 1,088 permits for multifamily residences, the highest number in the county.

This strong residential growth is accompanied by a

similar increase in shopping, dining and recreational opportunities throughout the community. Significant new tourist attractions such as the Great Wolf Lodge in Manteca suggests that prospects for economic recovery following the COVID-19 pandemic are good. The new Great Wolf Lodge provides a significant boost to the hospitality sector after it opened the largest hotel and entertainment complex in the county in 2021. It includes 500 guest rooms, a 95,000-square-foot water park, and a variety of other family entertainment activities adjacent to the Big League Dreams complex that already drew many visitors before the opening of the lodge. The resort is expected to create 500 new jobs and attract new visitors to the county. The pace of residential and commercial growth makes Manteca one of the most successful in terms of economic revitalization in the region.

Photo Credit: Captivating Photos





City of Stockton

With a population of more than 300,000 residents, Stockton is the largest of the county's seven incorporated cities. Its relative size, economy, population and land area makes its development trends of regional interest. The city has 14 fully improved industrial and business parks, nine of which contain rail access. All industrial parks offer easy freeway access and are located within approximately five to 15 minutes of either the Stockton Metropolitan Airport or Port of Stockton. The past 20 years saw a significant northward migration and expansion of commercial activity in the Stockton area. Stockton has evolved into a multifaceted city with several pockets of intense office or retail development, each serving as traditional central business districts. Stockton's economy has diversified from historically agriculture-based to include all market sectors.

Economic Competitiveness

Rail, highways, air freight and waterways are the main ways to move goods from one place to another and San Joaquin County has been blessed with all four.

Whether it involves moving wine to overseas, fertilizer from abroad to the San Joaquin Valley, building materials from Turkey to Fresno, or milk from Merced to the East Bay, it moves through San Joaquin County. This will become increasingly true over time as the region's transportation system continues to mature and improve. Recognizing the need to maintain, enhance and sometimes overhaul our transportation options in the region will be key to the county's future economic vitality. The following are ways the San Joaquin region will continue to build upon that legacy.

Improving Port Access and Investing in Projects that Increase Port Economic Viability

Port of Stockton

The Port of Stockton was founded in 1932 as an independent governmental district. Today, the Port of Stockton is the second largest inland seaport after Port of Portland in Oregon and has traded off with Port of San Diego as the fourth or fifth largest port in California. The Port of Stockton's greatest growth has happened in the past ten years and the potential

seems limitless with new docks, the deepening of the channel, and the development of the Rough and Ready Island complex. In fact, the Port of Stockton is the fourth busiest port in California and 4 million tons of cargo moved through the port in 2020. The port works with 55 or so different countries with goods flowing in both directions.

The port has continued to add new tenants and customers. It also continues to hold its ground when it comes to cargo volume since its record year in 2014 when the economic recovery from the recession was in full swing. The port supports 10,077 jobs and is a major employer in the region.

The Port of Stockton moved 4 million metric tons of cargo in 2020, making it the fourth busiest port in the state. The port provides over 10,000 jobs to the region.

Access to the Port of Stockton has improved with the Port of Stockton Expressway off State Route 4 and the completion in early 2017 of the Crosstown Freeway extension, providing direct freeway access to the Port of Stockton complex. This \$140 million project not only improved access and goods movement but eliminated most truck traffic in the

Boggs Tract neighborhood. Before its construction 6,500 vehicles and 4,400 long-haul trucks – with their accompanying emissions – traveled through the neighborhood daily.

Prioritizing Highway Improvements that Bolster Economic Centers

Truck traffic in San Joaquin County is among the highest in California because of excellent highway access. Interstate 5 and State Route 99 provide outstanding north-south connections. Interstate 205 and State Route 120 provide the southern half of the region great east-west connections. I-580 is primarily a route through the region but also provides economic opportunity in the Tracy area. State Route 12 provides an east-west connection to the Bay Area in the north serving largely a farm-to-market purpose.

Efforts to improve safety and traffic flow in Manteca culminated in California's first diverging diamond interchange. This project constructed new on- and off-ramps, widened Union Road to four lanes between Daniels Street and Lifestyle Street, and provided a Class I shared-use path and Class II bike lanes. The new interchange reduces conflict points between vehicles and moves traffic more efficiently through the interchange. Upgrading to this unique configuration provides significant cost savings and safety benefits for both vehicles and pedestrians.

Similarly, the SR 99/120 interchange connector will improve safety, reliability for the traveling public, and timely, reliable movement of commercial goods. This





will be accomplished through modification and expansion of the existing State Route 99/120 interchange. State Route 120 provides a critical connection for the movement of people and goods into and out of the San Joaquin Valley. However, there is significant congestion, delays and high accident rates at this interchange. The connector project will improve this interchange using a combination of roadway and interchange improvements, including new auxiliary lanes, upgrading existing bridges, constructing additional lanes, ramp upgrades, and new signals and lighting at ramps. While there is a significant benefit to reduced congestion and improved safety in the region with these projects, the main value is the capacity to move trucks to benefit the economic vitality of the region.

Technology is a tool that can help jurisdictions in San Joaquin County and their partner agencies confront mobility challenges, supply new accessibility, improve the safety and equity of the transportation system, and support resilient communities. SJCOG's Transportation Innovation Planning Study for San Joaquin County prepares the county for a future with various advancements in technology.

The study supplies background information, including funding opportunities and potential innovation-inspired strategies for the 2022 Regional Transportation Plan/Sustainable Communities Strategy and beyond. Some of the technologies considered in this study are connected and automated vehicles, ride hailing, e-bikes and e-

scooters, electric and alternative fuel vehicles, mobile phone apps, 5G communication, hyperloop, and Intelligent Transportation Systems (ITS). These technologies positively affect safety, mobility, travel demand, infrastructure management, funding and revenue streams. San Joaquin County will be even more attractive as a center for economic growth as the investments in the plan unfold and these improvements are realized.

Strengthening Connectivity of Key Regional Arterials

SJCOG continues to invest in regional arterial improvements that provide access to job growth sites. The construction of the Miner Avenue Complete Streets Project in Stockton improves Miner Avenue between Center Street and Aurora Street to include bicycle and pedestrian amenities, a round-about and landscaped medians to provide safe and convenient access for all. This project is an example of improved access that will encourage development and investment along the corridor for potential job growth in the area.

Additional improvements to support existing and future job growth are planned for McKinley Avenue in Manteca, International Parkway in Tracy, Eight Mile Road in Stockton, and River Road in Ripon. These are just a few of the other locations receiving the same kind of investment as Miner Avenue and have been master planned as future job growth corridors in San Joaquin County.

Stockton Metropolitan Airport for Air Passenger Service and Increased Commercial Service

Stockton Metropolitan Airport offers service to Las Vegas and Phoenix Sky Harbor Airport through Allegiant Airlines, which has been a fixture at the airport since 2006. During the COVID-19 pandemic, Stockton Metropolitan Airport and other airports across the United States struggled to retain and attract new air service. The airport's management continues to work with mainline and low-cost airline carrier airlines to add additional services for the residents of the region.

To facilitate air cargo operations, the airport leased Amazon a 56,000-square-foot cargo facility. The facility opened in June 2021 and services Amazon's three daily cargo flights. A fourth flight may be added. These flights support Amazon fulfillment operations in the area, two near Tracy, and a new Amazon warehouse near the airport. To further enhance the airport's attractiveness to other air cargo providers, the airport is planning to double the available air cargo aircraft parking spaces from four to eight at an estimated cost of \$10.9 million.

The airport continues to play a vital role in attracting

new businesses to the region as shown by its designation as an Opportunity Zone under the Tax Cuts and Jobs Act of 2017. This act offers a new solution to encourage economic growth and job creation with incentives for private capital to reinvest in communities such as Stockton.

The newest project to attract business to the region is Airpark 599, which is adjacent to the airport and within an Opportunity Zone. It presents an opportunity to develop a master planned business park with offices, industrial, airport-related businesses and retail, and hospitality to spur development in South Stockton. The vision for Airpark 599 could leverage the large surrounding population, the presence of a large workforce and access to transport cargo via air carrier or nearby highways.

Finally, the airport continues to revise its Airport Capital Improvement Plan with the Federal Aviation Administration, to ensure that projects are included for funding in support of the airport's mission. These projects include doubling the size of the cargo apron, extending taxiway D to the full length of the main runway and future construction of a new terminal building. These projects will enhance development of the northeast side of the airport.



Photo Credit: Stockton Metropolitan Airport

Integrating Railroads into the Economic Strategy

While railroads are not large employers in the region, the interaction with trucks, warehousing, and supply is vital to the movement of people and goods. Rail is a critical link to the full-service transportation network that is prominent in San Joaquin County (Figure 6.4). The importance of the county's railroad network continues to grow with commodities inbound to the San Joaquin Valley accounting for about 29 percent of the non-through flows, coming from San Francisco Bay Area, Southern California, the Central Coast region, and outside of California. Outbound freight comprises about 22 percent of all non-through moves. Agricultural commodities and food products dominate with more than one-third of the inbound and outbound tonnage for both truck and rail.

The network includes approximately 200 miles of railroads owned by Union Pacific Railroad (UPRR) and Burlington Northern Santa Fe (BNSF) in San Joaquin County. Significant rail expansion projects are further distinguishing the county as a premier location for logistics operations. Senate Bill 1 funding through the State Rail Assistance (SRA) Program was secured to construct a new track in the northwest quadrant intersection of the UPRR Fresno Subdivision and BNSF Railway Stockton Subdivision. The Stockton Wye Project will create a new connection between the BNSF Railroad Stockton and UPRR Fresno subdivisions. The new track connection will provide a vital freight and passenger rail link in the northwest quadrant of the Stockton Diamond grade crossing.

The Stockton Diamond is an at-grade crossing and is currently the most congested freight at grade crossing in the state. Heavy congestion effects both freight and passenger operational performance. Trains pass through it heading up and down the West Coast and from the Port of Oakland to all points east. It is a major pass-through for much of the San Joaquin Valley's rich agricultural harvest and is also an important junction for passenger rail as both the ACE and Amtrak San Joaquins pass through on the



Photo Credit: Captivating Photos

way to the Bay Area and Sacramento.

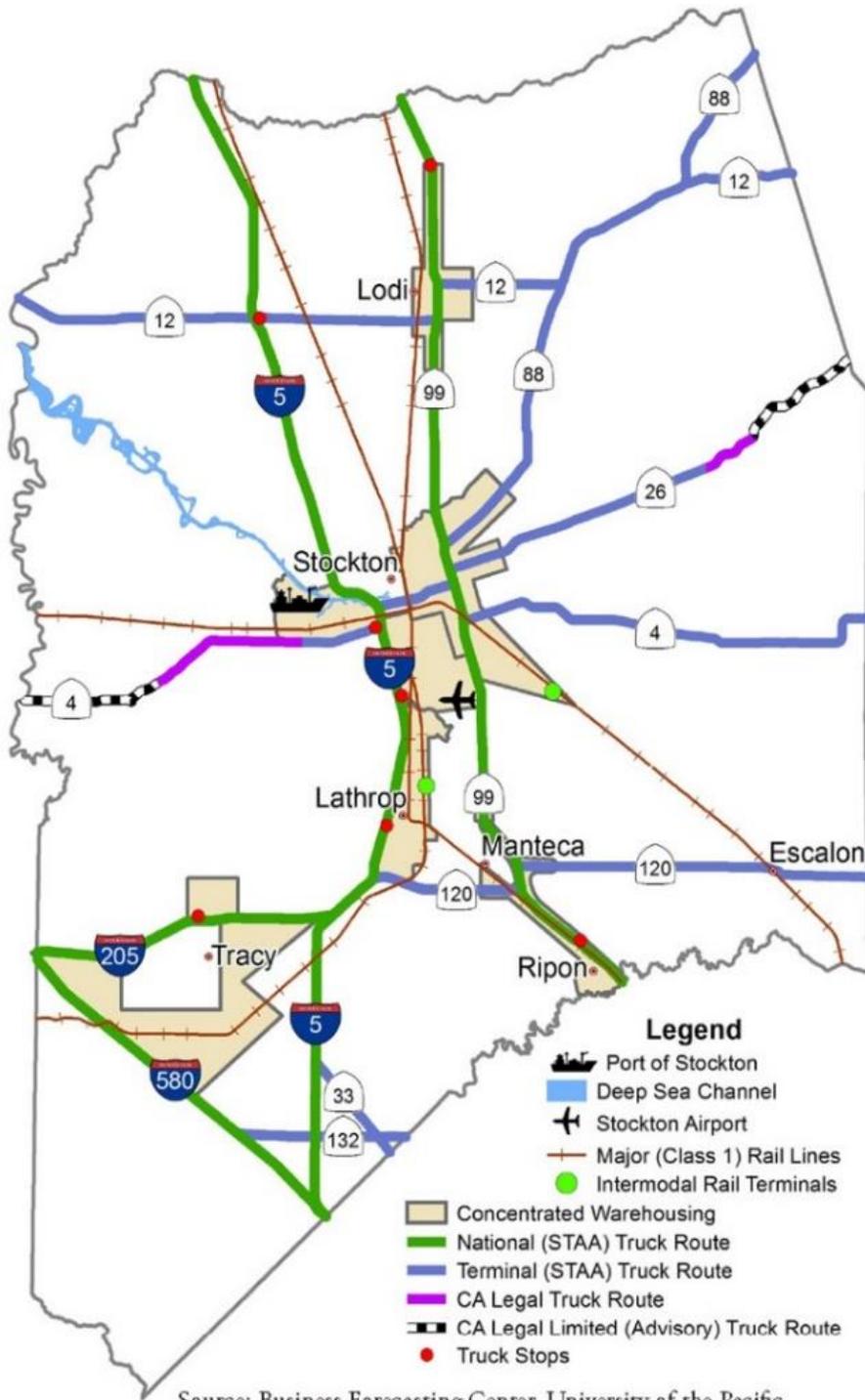
Freight and passenger service were limited through this corridor due to the existing congestion. The Stockton Diamond project will build a grade crossing so that the north-south tracks would pass over the east-west tracks. Grade separated double tracking will also improve the efficiency of the ACE and San Joaquins services and will enable future increases in these services to Sacramento and the Bay Area. The project includes bike, pedestrian and roadway improvements and safety enhancements at several at-grade local road crossings in the City of Stockton.

This new grade separation will provide an uninterrupted flow of rail through the crossing, which will improve the freight movements and lead to lower costs for freight shipping, reduce delays, and less fuel consumption by idling locomotives. This increase in throughput translates to cost savings for Port of Stockton customers and the freight railroads. In addition, the project would allow for more freight and passenger trains to pass through the Stockton Diamond at faster speeds.

San Joaquin County also features approximately 50 miles of short-line railroads. The Stockton Terminal and Eastern Railroad provide rail service to a variety of industries in the Stockton area, including steel, chemical and bulk goods. It offers more than 800,000 square feet of integral warehouse facilities and

interchange services with the major railroads and the Central California Traction Company (CCT).

Figure 6.4 - San Joaquin County Goods Movement Network



Strategies for Catalyzing Economic Development

If an aspect of smart growth is reducing the length of work trips, San Joaquin County needs more job growth to reduce the average work trip length. Average commute times range from 19 to 54.5 minutes. The area in and around Tracy, Lathrop and Manteca have the longest commute times in the county. The future of this county is not in exporting workers to the Bay Area or Sacramento, but in building a better jobs and housing balance and jobs-housing fit in the county's communities. Increased investments in active transportation, compact and mixed-use development, high quality transit, and community investments will work to create an environment that attracts businesses and jobs to the region.

Making transportation investments that achieve this are among the goals of this plan and the investment strategies encompassed in this RTP/SCS. Examples of using transportation to catalyze these goals include the annual combined call for projects for the Measure K Bicycle, Pedestrian and Safe Routes to School and Smart Growth Incentive programs.

Keeping graduates in the Region

Attracting and retaining college graduates to the region is vital to catalyze a shift from a local economy based on goods movement to a balanced, innovative economy. The San Joaquin region is home to the University of the Pacific, the Stockton campus of California State University-Stanislaus, Humphreys University and San Joaquin Delta College. Much has been done to retain graduates to work in the region where they live. The role of youth, education and business in furthering economic development in the county and the wider San Joaquin Valley may include strategies such as offering incubator space for students to work as interns or even for new graduates to work for a business, nonprofit or governmental agency. These workspaces and opportunities may help students gain direct experience in the field and position graduates for future job openings with the business or agency. Other strategies involve conducting job recruitment more actively directed at the graduates of these higher education institutions for job openings in the region.

Photo Credit: Visit Stockton



Workforce Development

SJCOG has been developing a training and apprenticeship program in collaboration with its partners in the Stockton Mobility Collective that will deliver an integrated curriculum and training program in the Stockton workforce ecosystem. The program will specifically focus on the pipeline for jobs in shared mobility operations, such as electric vehicle service equipment installation (EVSE) and electric vehicle (EV) maintenance. Training also will be provided in equipment repair, management and operations of EVs and e-bikesharing fleet networks.



This program is funded by a \$7.4 million Sustainable Transportation Equity Project (STEP) grant from the California Air Resource Board (CARB). SJCOG's Stockton Mobility Collective is a bundle of projects, including electric bike share, electric car share, mobile ticketing options, and workforce development.

Direct Economic Impact of the RTP/SCS

University of the Pacific's Center for Business and Policy Research conducted an economic impact analysis of the future transportation investments presented to the public and policymakers as the possible foundation for the 2022 plan. This economic analysis is presented in a full report in the Technical Appendices (Appendix R).

The final list of projects and strategic financial investments total more than 300 discrete

expenditures and \$12 billion respectively. A model of the economy called impact analysis for planning, or IMPLAN, was used to analyze the economic impacts of these investments. This model is a general accounting system of transactions between industries, businesses and consumers that estimates the range of economic impacts.

Using the IMPLAN modeling software, extremely detailed social accounting matrices and multiplier models of the San Joaquin County economy enables an in-depth examination of the impacts of the projects. This model enables an examination of the impact structure of each investment. For example, for a construction project, the model can trace the project expenditures through the supply chain and the direct impacts for the construction contractor and its employees to its suppliers and their employees and to indirect impacts further down the supply chain for other suppliers, employees and their suppliers. It also examines the effects from all the associated income to employees and their household purchases, which are induced impacts. The model can generate an estimate of how the original investment is multiplied through added activity in the economy.

The economic impact on the San Joaquin County economy from the plan's \$12.67 billion in project investments are shown in the Figure 6.5. These project investments are estimated through the IMPLAN model to directly generate \$9.2 billion in economic output, which will generate another \$5.1 billion in indirect and induced impacts for a total of \$14.3 billion.

Other Impacts

This analysis shows that for the next 20 years, the plan will generate significant employment in San Joaquin County (Figure 6.6). The plan will directly generate 94,050 jobs that will result in the direct and induced creation of an additional 31,490 jobs for a total of 125,540 jobs. This is equivalent to the creation of 6,277 jobs annually. The main beneficiaries will be construction workers — putting a solid employment floor under this volatile sector

Figure 6.5 – Economic Impacts of Plan Investments

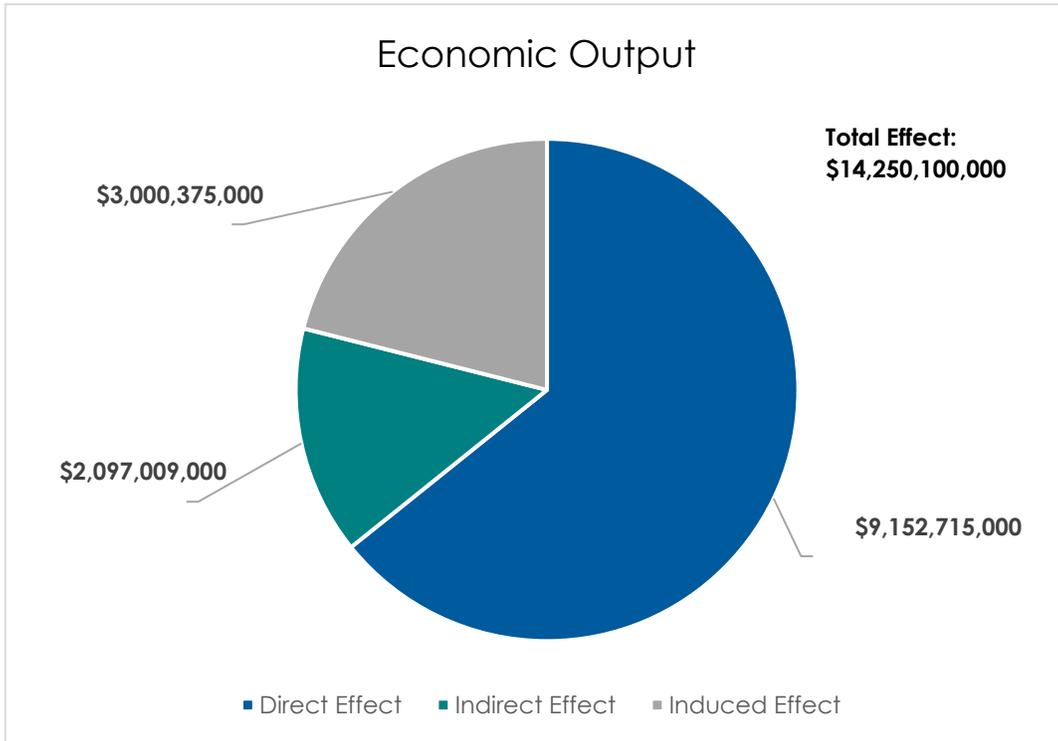
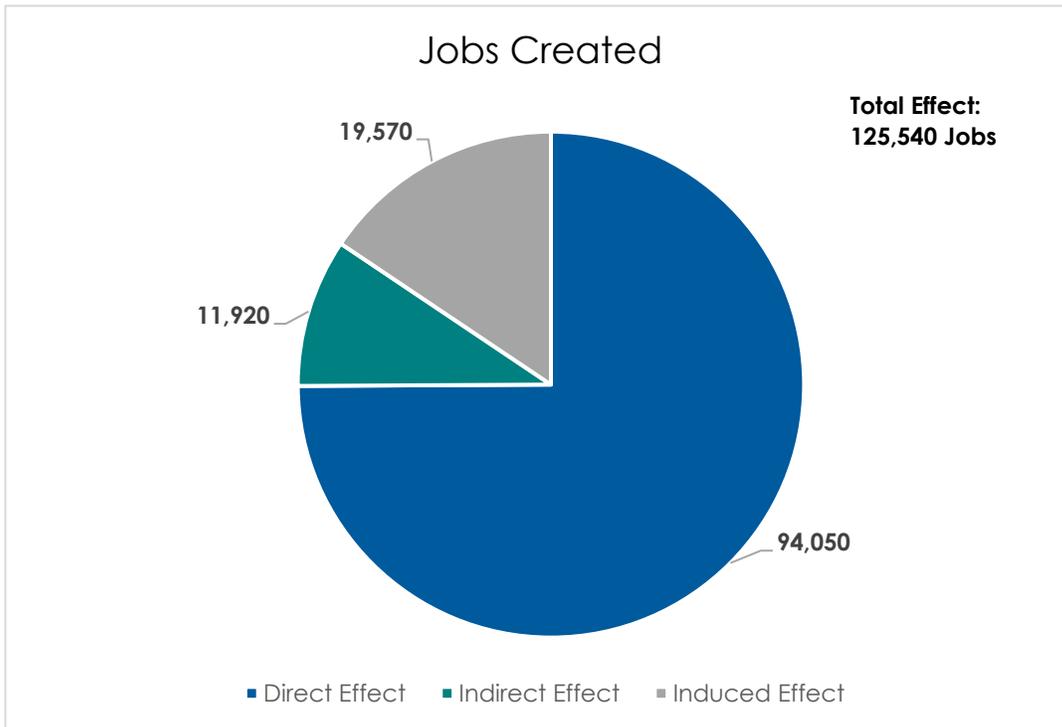


Figure 6.6 – Employment Impacts of Plan Investments



Source: UOP Center for Business and Policy Research

– and local transit workers. Workers throughout the economy will feel the impact as construction- and transit-related workers and firms increase their spending in sectors such as retail and consumer services.

These infrastructure investments are more significant than just their project associated impacts because they will also enhance the county’s economic competitiveness. These are long-term benefits that will endure beyond the project’s life. Among the many long-term benefits from this sort of investment are reduced travel times because of the reduced congestion, increased labor markets that allow workers to move more efficiently through a variety of transit modes across the county, and a more efficient goods movement system. All of these will position San Joaquin County to enhance its competitive advantage.

The immediate effects of the projects have significant value and importance, but so do elevating the county’s attractiveness as a business or corporate headquarters location. It opens vast opportunities for high-wage jobs due to increased connectivity. The investments also will likely help the economy by benefiting the county’s travel and tourism industry. And the overall quality of life for county residents will be elevated as these investments help to enhance accessibility.

SJCOG works continuously to upgrade its economic modeling capabilities to quantify these additional economic benefits to the region. Recent studies of similar long-term impacts in Southern California suggest that the competitive impacts could be more than double the project construction and operation impacts alone.

Photo Credit: Captivating Photos





Photo Credit: Visit Stockton

Conclusion

This analysis demonstrates how the San Joaquin region has strong economic advantages and untapped potential with its existing transportation network and facilities. San Joaquin County has growing economic centers, an educated job force, and a housing market that attracts residents. Transportation is the critical piece to tie all those concepts together in a unified strategy toward

economic development. As a result, the plan moves the region in the direction of economic competitiveness through its investment strategies — directly with added jobs and through making the region more viable for attracting and keeping businesses with quality-of-life amenities for working residents.