

Democratic gubernatorial candidates say Gateway Cities are vital to Massachusetts' economic development

gubernatorial forum.JPG

Broadcast journalist R.D. Sahl moderates a forum on economic development with Democratic gubernatorial candidates, from left, Joe Avellone, Don Berwick, Steve Grossman and Juliette Kayyem at District Hall in South Boston on May 20, 2014. (SHIRA SCHOENBERG / THE REPUBLICAN)

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BOSTON - Four of the Democratic gubernatorial candidates on Tuesday stressed the importance of Gateway Cities to Massachusetts' economic development.

Treasurer Steve Grossman, former Medicare and Medicaid administrator Don Berwick, former Homeland Security official Juliette Kayyem, and biotech executive Joe Avellone met at a forum in Boston, but spoke about concerns outside eastern Massachusetts.

"To the extent we see ... poverty afflicting so many gateway communities, a lack of economic attainment, economic investment, you can't imagine one commonwealth with a level playing field without investing significantly in our gateway communities," Grossman said. "If don't invest in infrastructure, education and innovation, you don't include many gateway communities in that plan ... we won't realize our full potential of one commonwealth."

Gateway Cities are midsize urban cities, generally former manufacturing centers, that anchor regional economies but have had trouble attracting new growth and investment. They include Springfield, Holyoke, Pittsfield and Westfield.

The forum, which focused on economic development, was organized by A Better City, the Massachusetts Competitive Partnership and CommonWealth Magazine. A Better City focuses on increasing economic development through transportation and infrastructure; the Massachusetts Competitive Partnership focuses on business and job growth.

The final Democrat running for governor, Attorney General Martha Coakley, did not attend, citing a campaign scheduling conflict.

Around 75 people turned out for the 8 a.m. event at District Hall near the waterfront in South Boston.

One issue that particularly affects Western Massachusetts is the **need for broadband Internet** in places that currently do not have easy Internet access.

Kayyem brought up the need for broadband as a way to help Gateway Cities, in addition to investments in ports along the state's shoreline and in regional transit authorities. "One thing that moves us forward as a state in the global economy is investments in infrastructure," Kayyem said. Kayyem said investments in broadband in Western Massachusetts could help lure manufacturing companies and other business.

Avellone, Grossman and Berwick all agreed that developing broadband in Western Massachusetts is important, particularly when it comes to connecting area schools.

Although all the candidates agreed the state should invest in education and infrastructure, they offered differing priorities and different preferences for revenue.

Berwick, who has positioned himself as the most liberal candidate, stressed the need to reduce income inequality. "We're a divided state in a divided country with growing income inequality and too many people being left out," Berwick said. He recalled talking to a woman in Greenfield who could not get home from work because the regional transit authority shut down too early.

Berwick wants to change Massachusetts' fixed rate income tax system to a progressive tax, where people with higher incomes pay higher tax rates. "If we continue to rely on regressive sources of income, it will hurt us," Berwick said.

Avellone, who has positioned himself as the most fiscally moderate, said he would focus on education, making sure there is an educated workforce to attract good-paying jobs.

Avellone, alone among the candidates, said the state should not index the gas tax to inflation. The Legislature last year increased the gas tax by 3 cents and indexed it to inflation so it will continue to rise automatically. Activists are working to get a question on the November ballot repealing the indexing provision. "I don't think we should index," Avellone said. "It's a backdoor tax people will reject." Avellone said the governor should make the case to the Legislature each time he wants to raise taxes.

Grossman was the most vocal in disagreeing with Avellone. "Where do you find the money?" he asked. Grossman said the state needs the money to pay for transportation.

Republican gubernatorial candidate Charlie Baker **called attention to his opposition to indexing this week**, as he attacked Coakley for not knowing the amount of the gas tax, when asked in an interview.

Grossman said, "I'd like to ask Charlie Baker how on earth are you going to fully fund \$1.3 billion (in transportation expenses each year) when you take \$1 billion over the next ten years out of the revenue stream by not indexing for inflation?"

In other areas, Kayyem stressed her proposal to create a "green bank," a public bank that uses financial tools to motivate private investments in environmentally friendly technology.

Grossman proposed giving surplus public land to developers for free, if the developer agrees to reduce rental costs accordingly and create new multi-family middle-income housing in the Boston area.

All four candidates said the state should build Cape Wind, a proposed offshore wind farm off Cape Cod.

All four support the proposed South Coast Rail to allow people on the coast to commute to Boston, and encourage new businesses to develop on the South Coast.

The forum was moderated by long-time broadcast journalist R.D. Sahl, with questions by Richard Dimino, president of A Better City; Dan O'Connell, president of Massachusetts Competitive Partnership; and Bruce Mohl, editor of CommonWealth Magazine.

Baker and his Republican opponent Mark Fisher will participate in a similar forum June 2.

This story has been corrected to note that Grossman said repealing the gas tax indexing would cost \$1 billion in revenue over the next ten years. An earlier version misstated the time period.

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