

Economic Development Impacts

Stefan Natzke

Federal Highway Administration

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No Federal Requirement for Economic Development

- Law and regulation require plans and processes support economic vitality and competitiveness
- Plans and processes should be consistent with local and statewide economic development plans
- Purpose and need statement may include supporting “economic development” objectives

Economic Development Defined

- No established/formal definition in 23 USC 101
- Depends on how local decision makers prioritize various objectives
- Can be inefficient

Alternative Economic Objectives for Infrastructure Policy or Projects

- Distribution and Structure of Employment
- Distribution of Personal Income
- Distribution of Regional Output and Income
- Distribution of Sectorial Output and Income
- Growth in Economic Output
- Growth in Economic Productivity
- Growth in Total Economic Welfare

Source: NCHRP Report 342, Primer on Transportation, Productivity and Economic Development.

Economic Analysis Depends on Perspective

- Who you are
- What you want to measure
- Government vs. private sector
- Local vs. Federal

Economic Analysis Tools

- Benefit-cost analysis
- Economic impact analysis

Measurement Problems

- Effects can wash out in complex economies
- Effects need time to tease out
- Generative vs. relocation effects
- Spillovers
- Double Counting

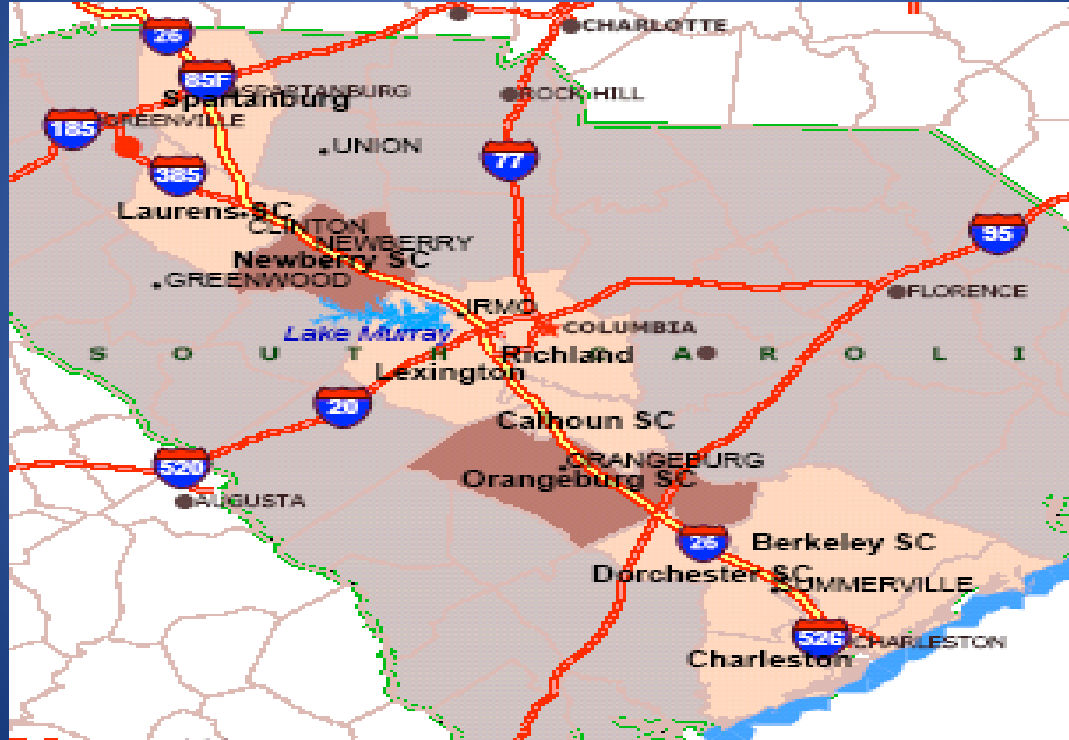
Ex Ante vs. Ex Post

- I/O models, REMI, TREDIS, etc. usually predict anticipated changes to economy
- In ex post analysis, we want data at least
 - Five years before project
 - Five years after project completion

Economic Development Case Studies

- FHWA case studies
 - http://www.fhwa.dot.gov/planning/economic_development/studies/
- SHRP2-funded case studies
 - www.tpics.us
 - <https://planningtools.transportation.org/73/case-studies.html>

Map of I-26 in SC



I-26 in South Carolina

- 221 miles in South Carolina
- From Atlantic Ocean to Appalachian Mountains
- Second Interstate Highway in South Carolina
- First construction contract awarded 1957
- Completed 1969
- Total cost: \$1.43 billion*
* 2008 Dollars

Population

	1969	1979	1989	2002	2009
I-26 Corridor	977,609	1,206,018	1,364,152	1,586,292	1,787,184
South Carolina	2,570,000	3,086,885	3,456,777	4,103,770	4,561,242

Full and Part-Time Employment

	1969	1979	1989	2002	2009
I-26 Corridor	459,141	613,602	786,278	946,451	1,041,389
South Carolina	1,170,440	1,509,608	1,870,749	2,291,238	2,453,442

Average Annual Unemployment Rate

	1990	2000	2009
I-26 Corridor	3.00%	3.20%	10.00%
South Carolina	4.90%	3.60%	11.30%

Real Per Capita Personal Income

	1969	1979	1989	2002	2009
I-26 Corridor	\$11,846	\$15,615	\$20,143	\$25,636	\$32,156
South Carolina	\$11,138	\$14,854	\$19,311	\$24,657	NA

I-26 Economic Development Trends

- Varied along corridor
- Urban counties generally seeing more development
- Industrial parks along corridor
- Employment grew more in I-26 corridor counties than statewide

Non-Transportation Factors

- Southeast one of fastest growing regions in U.S.
- Firms locate there for low labor and land costs
- Lack of sewer, water, electrical connections
- Alternative Interstates provide as good or better access to major SC cities
- As utility networks have expanded, so has development along I-26

EconWorks Case Studies

- Case Study Search
- Assess My Project

Case Study Search

- 105 case studies
- Can filter and compare case studies
- Includes
 - descriptions of project features
 - pre/post data about impacts on the local or regional economy
 - detailed results from local interviews on project objectives, implementation issues and other factors as well as aerial photos and other reports

Project: Blue Route and Schuylkill interchange

[PRINT CASE STUDY](#)

Description:

The Blue Route and Schuylkill Interstate was built to relieve local traffic and install ramps for developmental sites in Conshohocken and West Conshohocken, PA off of I-476.

Characteristics and Setting:

States: PA

City: Conshohocken

Average Annual Daily Traffic: 12,000

Project Type: Interchange

Planned Cost (YOE \$): N/A

Constr. Start Date: 1988

Initial Study Date: N/A

Region: New England/PSC-Atlantic

Length (mi):

Impact Area: Montgomery County, PA

Months Duration: N/A

Actual Cost (YOE \$): 5,750,000

Actual Cost (curr \$): 9,983,808

Constr. End Date: 1989

Post Constr. Study Date: N/A

GIS Lat/Long: 40.064671 / -75.321511

Urban/Class Level: Metro

Economic Distress: 0.97826

Population Density (pop/sq mi): 1602

Population Growth Rate (%): 0.00413

Employment Growth Rate (%): 0.00643

Market Size: 1,661,251

Airport Travel Distance: 44.4333

Topography (1-Flat, 21-Mountainous): 10

Pre/Post Conditions:

Select a region to display the conditions for that region:

- Local
 County
 State

Measure	Pre-Project	Post-Project	Change	% Change
Personal Income Per Capita	35,929	N/A	N/A	N/A
Economic Distress	N/A	N/A	N/A	N/A
Number of Jobs	5,882	8,965	3,083.00	52.41%
Business Sales	N/A	N/A	N/A	N/A
Tax Revenue	3,800,540	N/A	N/A	N/A
Population	9,991	16,530	6,539.00	65.45%
Property Value	90,929	263,586	172,657.10	189.88%
Density	N/A	3,373	N/A	N/A

Impacts:

Measure	Direct	Indirect	Total
Jobs	500	6,354	6,854
Income	636,248,000	404,268,000	1,040,520,000
Output	1,809,020,000	1,149,440,000	2,958,460,000

Assess My Project

- Estimate likely range of economic impacts from a specific type of project in a defined setting
- Based on prior experiences
- Screening tool for early stage project assessment
- Can define project type, region, urban class level, economic distress level, length

Sample Estimate Output



Case Studies

Analysis Tools

Forum

Home

Assess My Project

Characteristics

Project Type

- Access Road
- Limited Access Road
- Bypass
- Connector
- Beltway
- Bridge
- Interchange
- Widening
- Intermodal Freight
- Intermodal Passenger

Region

- New England/Mid-Atlantic
- International
- Great Lakes/Plains
- Southwest
- Southeast
- Rocky Mountain/Far West

Urban/Class Level

Estimated Project Cost: **\$71.0 millions**

Estimated Average Annual Daily Traffic: **8,305.08**

	Jobs	Wages (mil.)	Output (mil.)
Direct Impacts	1,070 - 1,784	\$50.1 - \$83.6	\$159.4 - \$265.6
Supplier and Wage Impacts	615 - 1,024	\$29.1 - \$48.4	\$90.5 - \$150.8
Total Impacts	1,685 - 2,808	\$79.2 - \$132.0	\$249.8 - \$416.4

Actions

Adjust the sliders to increase estimate accuracy.

