

Do New Highways Attract Businesses? The North Country (NY) Case Study



Client

Development of the North Country (NY)

Facts

Period 2004

Project Country United States

Highway Impacts. A frequently heard argument for new highways, especially those to be located in rural regions, is that they will directly lead to new business attraction and expansion opportunities. Clearly, there is no automatic connection whereby a highway magically generates new jobs. But in some cases, highways can bring dramatically improved access to isolated rural areas by providing connectivity to larger labor markets, intermodal terminals and international trade routes. The North Country Transportation Study delved into that issue with a unique and comprehensive analysis process.

The problem that was confronted in this effort is that most transportation-based analysis tools, such as travel network and user benefit models, are not designed to answer the question of the potential for a highway investment to lead to business attraction. Rather, they focus on quantifying current and future traffic patterns and how they will be affected by a highway improvement. The North Country Transportation Study examined these traditional benefits but also, perhaps more importantly, carefully studied the potential for business attraction to the region. This effort provides a substantial advance in the economic development analysis of transportation investments because of the thoroughness of sources and methodologies undertaken to understand and quantify this impact in the relatively rural and isolated region of northern New York. Local interviews and surveys, state business attraction and retention trend analysis, and a specially designed business attraction model were used to transform a typically speculative concept into a tangible one.

The North Country Transportation Study was funded by the Development Authority of the North Country. EDR Group, now EBP, designed the initial stage of the study, working with key stakeholders in the five-county region to define regional economic needs and transportation issues. In the second and third phases, EDR Group served as technical director for a team effort (including Cambridge Systematics and Wilbur Smith Associates) to define and assess corridor-wide alternatives, impacts and opportunities, and to identify smaller projects that may be pursued independently. The business attraction model was EDR-LEAP, the Local Economic Assessment Package, which later became the business attraction module in TREDIS - the Transportation Economic Development Impact System.

Contact Persons