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Practices For Assessing Economic Development Impacts of Transport Investments

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NCHRP Synthesis of Practice #290

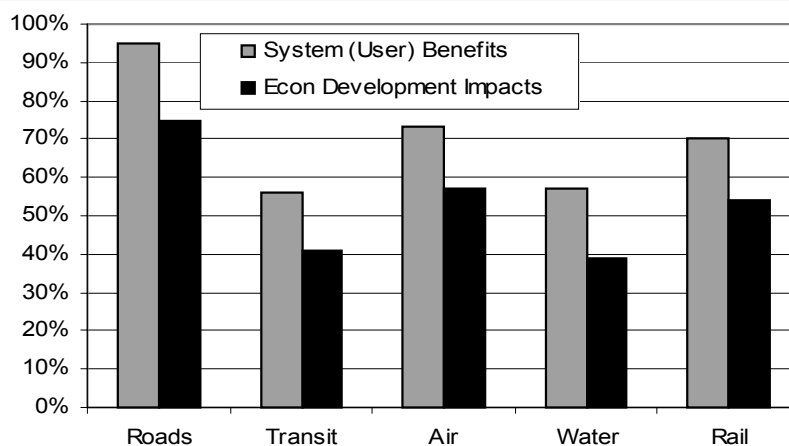
Economic Development Impacts of Transportation

- 1. Definition of Economic Development Impact**
 - *Review of Guidelines and Textbooks*
- 2. Methods – Lit Review**
 - *191 Reports and 20 Guides*
- 3. Practice – Survey**
 - *75 -- US States, MPOs, Can. Provinces*
- 4. Recommendations**
 - *Methods, Practices, Research*

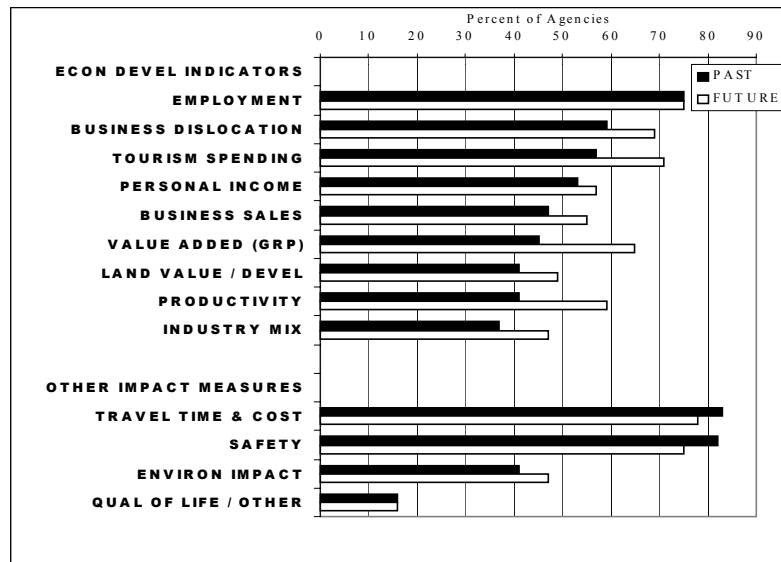
Different Purposes for Examining Economic Development Impacts

- **Assessment of Proposed Investments**
- **Planning & Regulatory Reviews**
- **Public Information Studies**
- **Post-Project Evaluation Studies**

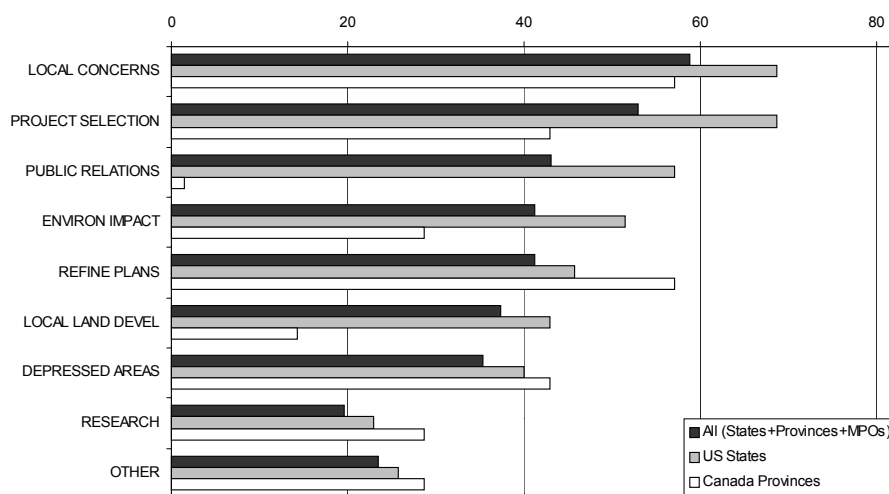
Survey of Agencies Assessing the Value of Project Benefits



Use of Alternative Econ Indicators



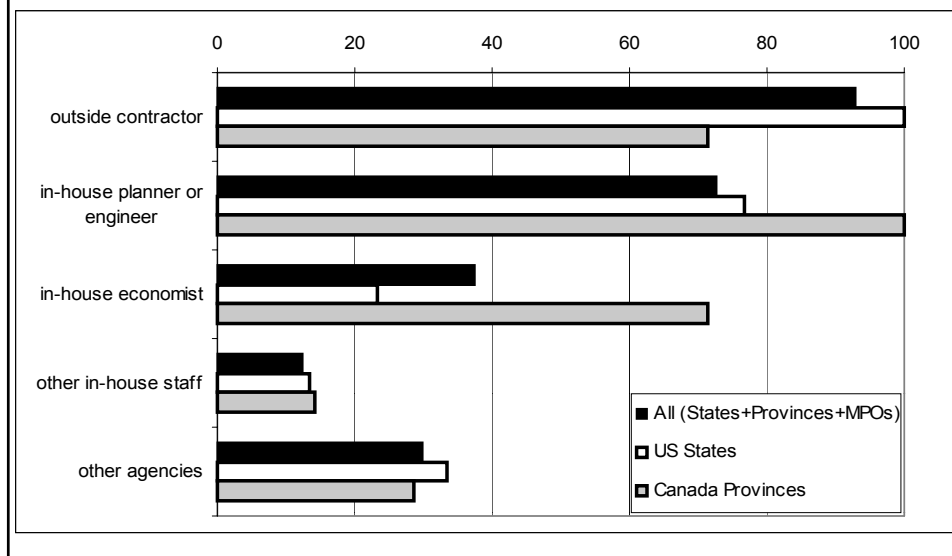
Motivation for Studying Economic Development Impacts



Tools for Assessing Econ Devel Impact

Analysis Tools	% of Agencies
<u>Transportation tools</u>	
Travel demand or traffic network models	67
<u>Economic development analysis tools</u>	
Direct surveys or interviews	67
Direct on-site observations	58
Input/output models (IMPLAN or RIMS-II)	56
Statistical/regression tools	51
Macro-econ simulation models (REMI)	44
Comparison to case studies elsewhere	44
Custom spreadsheet tools	43
Economic market studies	40
Geographical information systems (GIS)	37
<u>Related Analysis tools</u>	
Benefit-cost analysis tools	88
Fiscal impact models	21
All other types of tools	9

Who Assesses Econ Devel Impact?



How is State DOT Organized to Address Econ Devel Issues?

- **Most US state and Canadian provinces**
 - Cover Econ. Devel in *planning* or *policy division*
- **States with Explicit Econ Devel Functions:**
 - *Freight and Economic Development Division*
New York State DOT
 - *Transportation Economic Partnerships Division*
Washington State DOT
 - *Economic Development and Planning Section*
Wisconsin DOT

Needs & Issues

- **Funding Projects that Create Jobs & Investment**
 - *Need accurate targeting, assessment & monitoring*
- **Acceptance of Methods & Interpretations**
 - *Need Standards for more consistent measurement*
- **Complex Methods + Inadequate Data + Inexperienced Staff**
 - *Need understandable tools & better training*
- **Economic Development is not always desirable**
 - *Need balance of economic, land use, development planning*