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Practices For Assessing Economic Development Impacts of Transport Investments

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NCHRP Synthesis of Practice #290

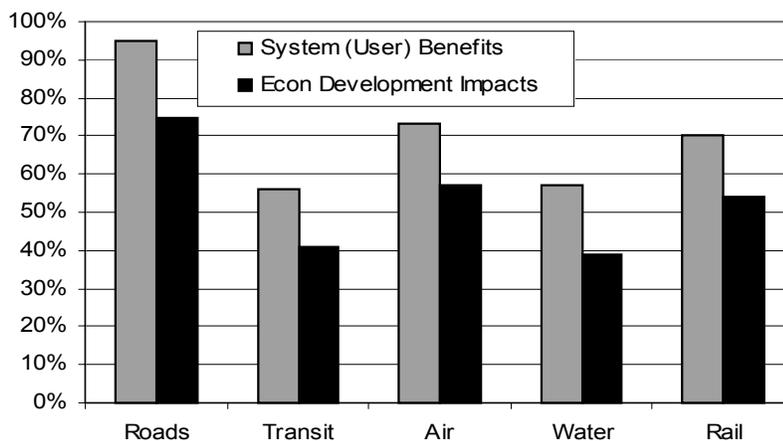
Economic Development Impacts of Transportation

- 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*

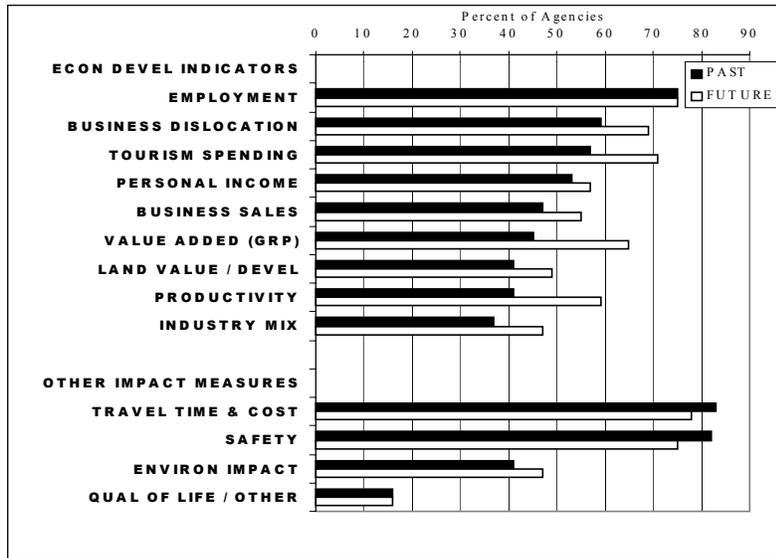
Different Purposes for Examining Economic Development Impacts

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

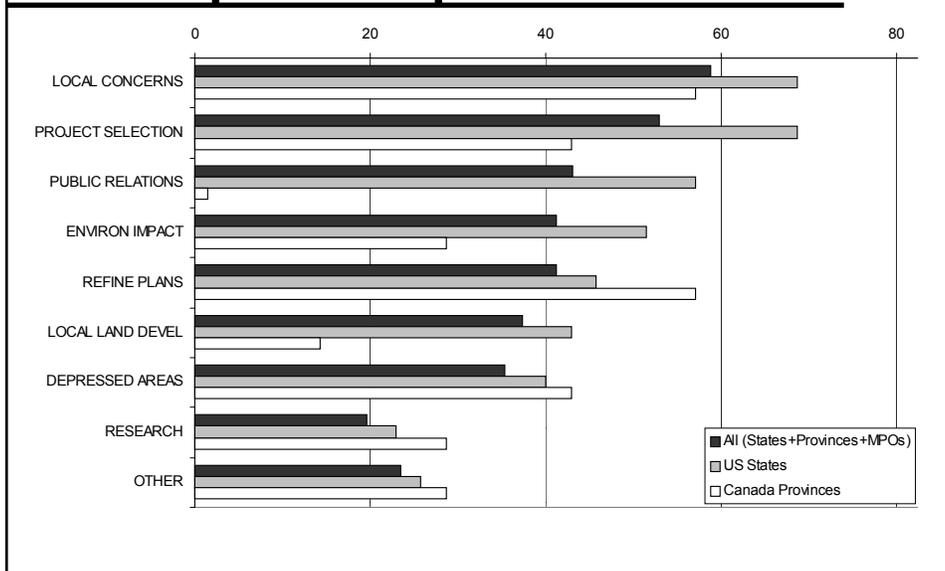
Survey of Agencies Assessing the Value of Project Benefits



Use of Alternative Econ Indicators



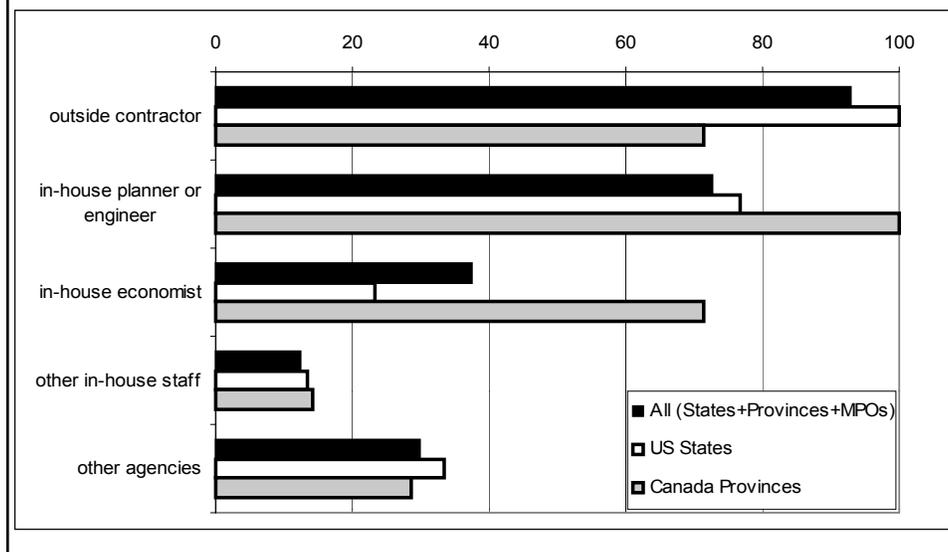
Motivation for Studying Economic Development Impacts



Tools for Assessing Econ Devel Impact

Analysis Tools	% of Agencies
Transportation tools	
Travel demand or traffic network models	67
Economic development analysis tools	
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
Related Analysis tools	
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*