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

![Graph showing the assessment of project benefits for different systems.](image-url)
Use of Alternative Econ Indicators

- Employment
- Business Dislocation
- Tourism Spending
- Personal Income
- Business Sales
- Value Added (GRP)
- Land Value / Devel
- Productivity
- Industry Mix
- Other Impact Measures
- Travel Time & Cost
- Safety
- Environ Impact
- Qual of Life / Other

Motivation for Studying Economic Development Impacts

- Local Concerns
- Project Selection
- Public Relations
- Environ Impact
- Refine Plans
- Local Land Devel
- Depressed Areas
- Research
- Other
### Tools for Assessing Econ Devel Impact

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### Who Assesses Econ Devel Impact?

The following bar charts illustrate the distribution of who assesses economic development impact across different groups and regions:

- **outside contractor**
- **in-house planner or engineer**
- **in-house economist**
- **other in-house staff**
- **other agencies**

The charts are categorized by All (States+Provinces+MPOs), US States, and Canada Provinces.
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