

Highway Bypasses of Small Communi
Review of Findings on Their Economic Im

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Projets d'élargissement de la route 131 entre
Notre-Dame-des-Prairies et Saint-Félix-de-Valois
et de contournement à Saint-Félix-de-Valois
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There have been a wide number of studies of the impacts of highway bypasses around smaller cities and towns, as well as studies of the impacts of other access restrictions that may affect businesses. Usually the focus is only on the city or town that is being bypassed, although some studies have tried to assess how bypassed locations may conversely benefit from bypasses elsewhere along the corridor.

The analyses of small town bypasses include a Wisconsin study of 17 communities (Wisconsin DOT, 1998), a Kansas study of 21 communities (Burrell, 1996), an Iowa study of 11 communities (Anderson and Otto, 1991), a Washington State study of 3 communities (Gillis and Casavant, 1994), an Australia study of two communities (Bureau of Transport and Communications Economics, 1994) and statewide studies of bypassed communities in North Carolina (Blackburn and Clay, 1991) and Texas (Texas Transportation Institute, 1995). There have also been some related studies of the economic impacts associated with larger downtown areas being bypassed by freeways (Collins and Weisbrod, 2000) and specific business strips losing access due to left-turn restrictions on divided highways (Weisbrod and Neuwirth, 1998).

In these various studies, impacts are generally measured in terms of employment, sales, and/or number of businesses at the city level or for another project-specific area for which data can be isolated. The focus is usually on retail/service businesses, especially traffic-oriented businesses. Traffic volumes are also compared before and after construction on the bypassed and new routes. In contrast to other studies reviewed, levels of impacts are measured before and after the bypass rather than growth rates. The hypothesis is that a one-time "hit" occurs, although some studies have also looked at the longer-term evolution of impact levels. Bypass studies are frequently supplemented with local quantitative data gathering (windshield surveys, business surveys) as well as qualitative data from interviews.

The many highway bypass studies carried out around the country provide a generally consistent story. They indicate new highways bypassing the central business district of a community are seldom either devastating or the savior of the area. The locational shift in traffic can cause some existing businesses to close up or relocate, but it can also create some new business opportunities. Net economic impacts on the broader community are usually relatively small (positive or negative). Downtown business districts having a strong identity as a destination for visitors or for local shoppers are the ones most likely to be strengthened due to the reduction in traffic delays through their centers. However, there is also a broad perception that adequate signage to the bypassed business center is an important need (and concern) for ensuring its continued success.

Across the case studies, some positive and negative factors are common. The positive benefits of bypassing downtown areas commonly include the removal of heavy truck traffic from central areas and the opening up of additional industrial sites along the new route, thus attracting new investment from outside of the region. The negative impacts sometimes include increases in sprawled, low density commercial and residential development that entail additional environmental and infrastructure costs.

Other findings are as follows:

- Bypasses do not necessarily result in a reduction in total traffic volume in the downtown area. Often, the removal of most truck movements and other pass-through highway traffic encourages more local traffic, which had previously avoided the downtown area due to heavy traffic. The result is often little or no change in total traffic levels, which is often associated with improved travel opportunities for local residents and access for downtown businesses.
- Even in cases in which bypasses have a limited impact on redirecting traffic, development and economic impacts can be profound. Bypasses designed to serve local traffic can have a significant impact on the development and location of retailing and local services. But generally, retailers will locate only in areas with an existing population base.
- A new bypass route without supporting infrastructure seldom ignites a development explosion. In the absence of water and sewer services, local interchanges and local access roads, bypasses around small cities usually do not facilitate sprawled development in outlying areas. In the longer term, outer-beltway bypasses can be expected to have profound effects on development patterns, but in smaller cities this impact could take 20 or more years.
- A new interstate highway corridor can open up sites for industrial development to attract investment from outside of the region. Proactive planning by local authorities can catalyze industrial development in the vicinity of interchanges. Regional planning controls can be important to prevent sprawl and over-development of retail space, although in practice such controls require significant effort and are not always in place. In cases where a bypass goes through several jurisdictions, there is likely to be competition for tax-producing retail and other commercial businesses.
- Downtown areas hard-hit by the proliferation of shopping malls of the 1970's and 1980's are likely to have already restructured away from consumer retailing to new roles as office, financial, health and entertainment centers even before they were bypassed by more recent highway improvements. In response to those changes, city centers have become increasingly specialized centers for institutions and the service sector of the economy.
- Outer beltways entail both benefits and costs for inner cities. Cities cannot always compete with open space ("green field") sites for new industrial and commercial development when those businesses are seeking large lots. Cities must continue to reinvest in and upgrade their infrastructure and buildings to continue to attract new industrial, office and commercial development.

Note:

All of the material in this summary paper was drawn from previous writings of the author, as published in:

Weisbrod, Glen: *Current Practices for Assessing Economic Development Impacts from Transportation Investments*, NCHRP Synthesis Report 290, Transportation Research Board, National Research Council, 2000.

Economic Development Research Group and Cambridge Systematics: *Using Empirical Information to Measure the Economic Impact of Highway Investment, Volume 1: Review of Literature, Data Sources and Agency Needs*; Federal Highway Administration, Washington, DC, March 2001.

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