

Ohio Department of Transportation

ORIL Research Project Fact Sheet

Economic Development Impact of ODOT Funding on Public Roadways

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The Problem

Ohio Department of Transportation (ODOT) has often struggled to understand how its investments can affect the local development of businesses and jobs. This important research has defined specific ways that Ohio DOT's program can affect local business conditions. The research provides a way for ODOT to explore the way that a project may support available development capacity, workforce, and supplier access to address the question "If we build it, will they come?"

Research Approach

The research begins by exploring the available models and data that ODOT can use to understand how its projects affect the economy. The research then documents how and when the question "if we build it, they will come" arises, and the type of information that can support defensible answers consistent with the national body of research on transportation and economic development. Based on this understanding, the research organizes information about (1) projects that ODOT has implemented over the years and how development conditions have changed, (2) where in Ohio can ODOT's programs most support capacity, workforce, and supplier access, and (3) based on historical performance and the context of the project – how much economic activity an ODOT project can support. Figure 1 summarizes the steps followed in the research.

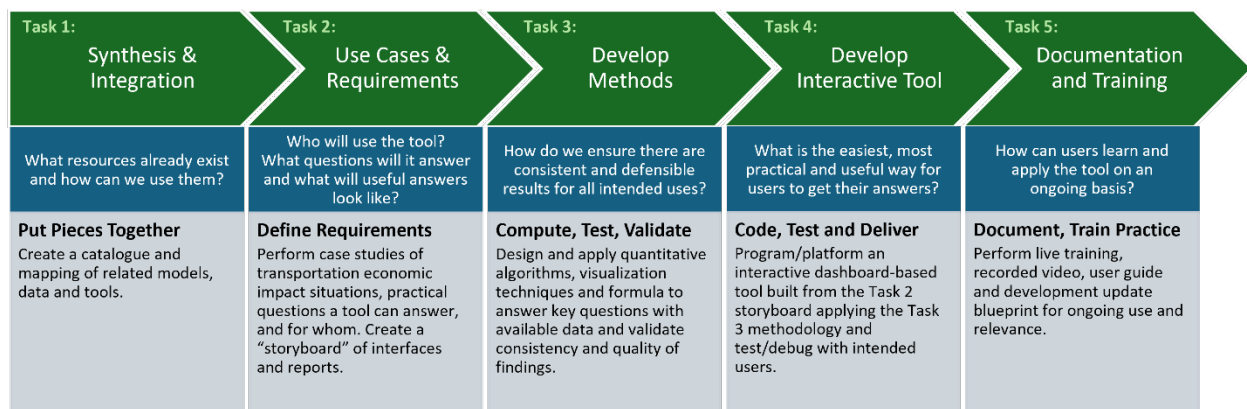


Figure 1: Key Tasks and Questions Answered

Findings

Overall, ODOT's investments in infrastructure have correlated with growth in employment at both the county level and in the immediate vicinity of project locations. Statewide statistics show that for every 1% increase in state transportation investment in an Ohio county, there is a 0.4% increase in employment in the county. However, these results are not consistent among all ODOT projects, and on average, many projects are followed by declines in economic activity in the immediate area. For example, while projects in ODOT's Transportation Regional Advisory Council (TRAC) program have been followed by a modest employment growth rate averaging about a 6 percentage increase in 5 years, other programs such as Jobs & Commerce and safety improvements have not consistently

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shown localized effects across the state. For this reason, for ODOT staff to understand which projects in any given county are likely to account for the job growth reflected in statewide statistics, it is helpful to consider the context. Figure 2 illustrates the areas in Ohio where available capacity, affected workforce and supplier access support the conditions for development found in the research as most conducive to job growth.

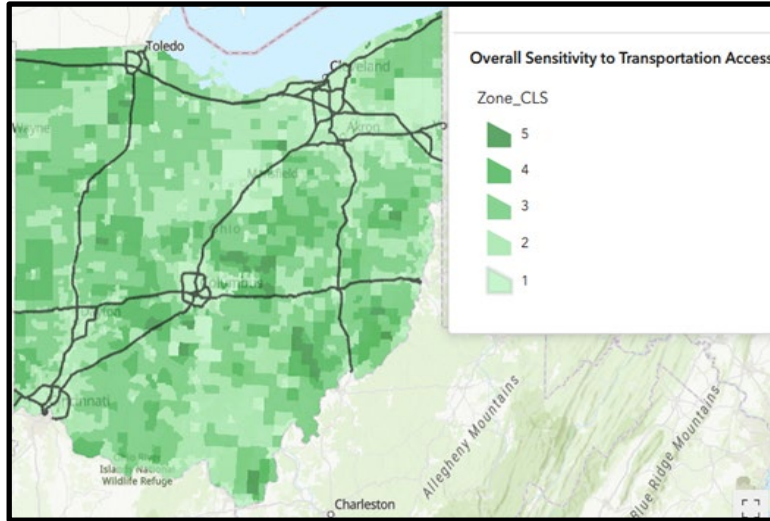


Figure 2: Ohio Areas With Development Most Sensitive to ODOT Investment

The map shows in dark green the areas in the top 1/5th (or 20%) of traffic analysis zones (TAZs) where conditions are conducive to economic activity attracted by an ODOT project.

Economic Development Impact Tool:

The research provides ODOT with the Economic Development Impact Tool (EDIT) to explore the individual ingredients of business attraction to see how different projects and areas compare in their likelihood of contributing to ODOT's overall economic impact on business attraction in Ohio.

research include a series of scores that can be assigned to an individual project based on its location, performance expectations, and budget to gauge its comparative ability to support varied factors such as workforce access, supplier access, jobs based on historical county performance and utilize available development capacity.

Prioritization:

The findings of the

Recommendations

Based on the findings of the research, it is recommended that ODOT:

- (1) Utilize the EDIT tool and its educational playbook as a guide for engaging with stakeholders about economic development opportunities.
- (2) Consistently apply principles of development capacity, historical experience, labor, and supplier market access when discussing opportunities throughout the state.
- (3) Consider the above factors when prioritizing investment decisions.
- (4) Continue to develop market access and business attraction analysis resources to incorporate inter-modal and multi-modal freight and transit opportunities into its analysis and better safeguard against drawing development away from existing Ohio sites through new projects.

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