The Economic Impacts of Highway Bypasses on Communities

Summary

A research project by the Wisconsin Department of Transportation

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NOTICE:

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INTRODUCTION

Since 1980, there have been State Highway bypasses built around 17 Wisconsin communities. Through the year 2010, at least 20 more bypasses are anticipated for construction.

Bypass plans often generate local concern about impacts on local commerce, development, land use, and general quality of life. The Wisconsin Department of Transportation (WisDOT) has conducted this research study to identify the economic impacts on the 17 communities that have been bypassed. The results of this study will help WisDOT and communities realize the full benefit of future bypasses while minimizing the potential for adverse impacts.

The Economic Impacts of Highway Bypasses on Communities summarizes the findings of a year long research study. Study activities included data research, community focus group interviews, highway user surveys, and site visits.

The study used both "hard" and "soft" data approaches. The hard information of economic data, traffic counts, mapping, and other statistics provide a purely objective viewpoint of how communities have responded to bypasses. The soft data of interviews, anecdotes, newspaper clips, and site visits provide the important perspective of community leaders and residents as to how the bypass has impacted them.

Report organization

This Summary provides the major highlights of the research project. It includes pertinent statistics reviewed from an overall study perspective, but not necessarily from the viewpoint of an individual community.

This document includes the following information:

- Study objectives, organization, and activities;
- Key findings of the study; and
- Recommendations to WisDOT, communities and businesses to apply the study results.

The Summary is just one of two publications produced by this study. A complete Technical Report is also available, providing further detail on study activities, findings, and applications. It includes detailed analyses for each of the 17 communities that have been bypassed since 1980. The reports provide socio-economic trend data, traffic counts, community maps, travel survey data, and summaries of focus group interviews conducted in eight of the most recently bypassed communities.

KEY PROJECT FINDINGS:

- In most communities, highway bypasses have little adverse impact on overall economic activity. The economies of smaller communities have a greater potential to be adversely impacted by a bypass.
- Over the long term, average traffic levels on the "old routes" in medium and large bypassed communities are close to or higher than pre-bypass counts, indicating continued strong economic activity in those communities and the opportunity for retail trade to flourish.
- Very little retail flight has occurred in bypassed communities, meaning that few businesses have relocated or developed new operations in areas adjacent to the bypass route.
- Communities view their bypasses as beneficial overall, while at the same time communities and individual businesses understand that the bypasses presented changes that must be addressed proactively.

STUDY OBJECTIVES

There were three primary objectives of the study:

1. To provide WisDOT and communities with an objective, data-driven analysis on the economic impacts of bypasses on communities.

2. To provide WisDOT and communities with an analysis of bypass impacts based on perceptions of the community and businesses.

3. To recommend a method for WisDOT to continue these types of analyses in the future.

There have been 17 cities or villages in the state bypassed since 1980, and 20 additional bypasses are anticipated by 2010. With so many communities being bypassed, the need to better understand how a bypass could impact a community is important. The study objectives helped ensure that the analysis would provide valid information to be used by decision makers at all levels, and would recommend ways for decision makers to apply this information to future studies.

WHY STUDY THE ECONOMIC IMPACTS OF BYPASSES?

"A group of Middleton business owners says they are against expanding Highway 12 to four lanes because a proposed bypass would hurt their trade."
- *Wisconsin State Journal*, December 12, 1996

"A state project that will turn Highway 29 into a four-lane expressway that bypasses Bonduel has business owners worried that customers will pass them by...Many agree that the changes are needed to reduce congestion and make the highway safer, but the project still worries residents..."
- *Milwaukee Journal Sentinel*, February 10, 1997

"While many people agree that traffic congestion in the city of Burlington needs to be alleviated, determining the actual bypass route has been controversial...One route in particular takes a large portion of farmland from the township, while another would cause extensive business and residential relocations in the city."
- *Burlington Standard Press*, January 26, 1997

"The four-lane version of Highway 29 will bypass Abbotsford less than 1 mile to the south once it's completed...(The mayor) doesn't believe the bypass will lessen business for Abbotsford establishments."
- *Wausau Daily Herald*, December 29, 1996

The study focused primarily on the economic impacts of highway bypasses. Issues and topics analyzed included impacts on retail trade, development, land use, general quality of life, and overall economic health of communities.

STUDY ORGANIZATION

The $70,000 used to conduct this study was administered by WisDOT's Council on Research (COR). Each year, COR disburses federal research grants to study a variety of transportation issues, ranging from engineering applications to statistical research. The concept for a study of the economic impacts of bypasses was approved by COR in 1996, and assigned to WisDOT's Economic Planning & Development Section.

WisDOT managed and conducted this study from October 1996, to January 1998. To ensure that the study met the needs of decision makers at the federal, state and local level, a study Advisory Committee was formed to provide oversight and guidance to the analysis.

STUDY SCOPE

The communities included in the study range from a small village (Haugen, 304 population) to a medium-size city (West Bend, 28,089), and from older bypasses (Dodgeville, 1980) to new facilities (Fort Atkinson and Verona, 1995).

There were two candidate communities not included in the study. First, portions of Madison and Monona were bypassed in 1988 by the South Beltline. However, this was the only case in which a portion of a metropolitan area was bypassed, and was considered dissimilar to the other communities in the study, which are smaller, stand-alone places. Second, a portion of US 45 was recently relocated about 1/3 of a mile in Clintonville, but only a small portion of the community was bypassed.

The Fort Atkinson bypass, opened in 1995, is one of the most recently constructed in Wisconsin.

STUDY ACTIVITIES

1. Pre- and Post-Bypass Data Analysis

This activity involved collecting and reviewing "hard" economic data from both before and after the bypass was opened, to determine what impact, if any, the bypass had on economic trends in the community. The following data was collected for the study:

- Average daily traffic counts from WisDOT;
- Community population data from the Wisconsin Demographic Services Center;
- Employment estimates from the Wisconsin Department of Workforce Development;
- Retail trade data from the US Census Bureau.

The socio-economic trends of the 17 bypass communities were compared to the trends of one of three groups of "control" communities. This would allow analysis of the economic health of bypassed versus non-bypassed communities.

The control communities were grouped into categories of "small" (less than 2,000 population), "medium" (2,000-5,000) or "large" (more than 5,000). Each control community has a State Highway running through the community. Economic trends in each bypass community were compared with trends in the appropriate control group category.

COMMUNITIES INCLUDED IN THE STUDY:

Place	Bypass opened	1997 population
Barneveld	1983	862
Blue Mounds	1983	626
Dodgeville	1980	4,213
Fort Atkinson	1995	10,974
Haugen	1987	304
Holmen	1989	4,679
Mount Horeb	1984	4,911
Neillsville	1994	2,659
New London	1994	6,979
Plymouth	1985	7,326
Rhinelander	1991	7,782
Ridgeway	1983	643
River Falls	1991	11,469
Spooner	1987	2,572
Tomahawk	1983	3,457
Verona	1995	6,044
West Bend	1986	28,089

The study staff also mapped attributes of the bypass communities using a variety of business databases, land use maps, and community profiles as sources. Produced with a computer Geographic Information System (GIS), the maps helped to identify relationships between the bypass facilities and businesses, developing areas, community boundaries, and other geographic elements of the community. Examples of these maps are provided beginning on page 10.

STUDY CONTROL COMMUNITIES:

Place	Highway	1997 population
Arena	US 14	620
Bonduel	Wis 29	1,312
Bruce	US 8	840
Crivitz	US 141	1,041
Fremont	US 10	695
Crandon	US 8	2,061
Cross Plains	US 14	2,955
Ellsworth	US 63	2,771
Horicon	Wis 33	3,942
Park Falls	Wis 13	3,118
Antigo	US 45	8,591
Burlington	Wis 11/36/83	9,633
Richland Center	US 14	5,110
Shawano	Wis 29	7,991

2. Focus Group Interviews

In addition to the "hard" data collection, the study included focus group interviews as part of its "soft" data review. The interviews provided opportunities to understand the perceptions of officials, business owners and residents as to how the bypass had impacted their community.

Each interview was organized and facilitated by a staff person from the Regional Planning Commission that has jurisdiction for the respective community. The interviews were conducted in February and March of 1997. There were generally six to twelve participants, made up of a mix of public and private sector representation.

All interviews included basic questions asked concerning the bypass impacts on development, land use, commerce and general quality of life. Facilitators and participants were encouraged to discuss any other issues they felt were pertinent to the bypass. The groups were not meant to form a consensus on any issue, and differing opinions or perspectives were noted in each meeting.

Focus group interviews were conducted in eight of the most recently bypassed communities: Haugen, Holmen, Neillsville, New London, Rhinelander, River Falls, Spooner and Verona. The study staff did not seek to conduct interviews in communities with older bypasses (previous to 1987), due to concerns of whether residents had clear perceptions of pre-bypass economic conditions.

STUDY ACTIVITES BY COMMUNITY:

Place	Before/after data analysis	Interview	Travel Survey
Barneveld	X		
Blue Mounds	X		
Dodgeville	X		
Fort Atkinson	X		
Haugen	X	X	
Holmen	X	X	X
Mount Horeb	X		X
Neillsville	X	X	
New London	X	X	X
Plymouth	X		
Rhinelander	X	X	
Ridgeway	X		
River Falls	X	X	
Spooner	X	X	X
Tomahawk	X		
Verona	X	X	X
West Bend	X		

A more recently bypassed community, Fort Atkinson, was also not included. This was due to a different highway construction project that had closed a downtown bridge during the study period. Study staff felt that it would be difficult for residents to distinguish between the impacts of the bypass and those impacts due to the bridge closure, especially in the downtown retail district.

In addition to the focus group interviews, study staff made site visits to all of the bypassed communities. These visits helped the staff gain a "real world" perspective of how the bypass related to the community. Staff also maintained informal contact with business owners and leaders from a number of the study communities to obtain their input regarding bypass impacts.

3. "Old Route" Travel Surveys

A third major study activity was to conduct surveys of travelers on the original highways in the bypassed communities. These origin-destination surveys would provide an indication of the nature of the traffic that remained on the old route. For example, was remaining traffic all locally-oriented traffic, or were "through" trips still using the old route? This information was deemed useful from the perspective of community planning, retail market analysis, and local street planning.

Five communities were chosen for this analysis: Holmen, Mount Horeb, New London, Spooner and Verona. Surveys were conducted from 10:00 AM to 6:00 PM on weekdays in August of 1997. The survey consisted of a crew distributing business-reply mail back cards to drivers stopped at a set of traffic signals in each community. The cards asked a few simple questions about the occupants' origin, destination and trip purpose.

A total of 10,700 cards were distributed at these five locations. Almost 4,700 cards were completed and returned to WisDOT, a response rate of about 44%. The responses were coded and tabulated, with the results being presented later in this report.

4. Future community data collection

The study included initial data collection for those communities with bypasses anticipated in the future. This information gathering included review of the Environmental Impact Statements filed by WisDOT for each of the highway projects, as well as collection of pertinent socio-economic data for each of the communities. This data will be used as a baseline to facilitate future review of the bypass impacts on these communities.

Study staff also performed a more detailed pre-bypass market area study in four communities along Wis 29, which will be bypassed in the near future. This market area analysis involved recording the license plates of vehicles entering selected retail plazas, restaurants and convenience stores in Abbotsford, Bonduel, Shawano and Wittenberg. The license plate numbers were then traced to the owners' zip codes to determine the existing geographic market for each business. The results of this analysis helped determine the types of businesses that are most likely to see lost sales from a bypass.

5. Study Report and Recommendations

Finally, after collection and analysis of statistics, interviews and contacts with communities, and survey tabulation, study staff prepared findings reports for the study. Preliminary report findings were reviewed by the study Advisory Committee and other WisDOT committees and staff, as well as by selected external contacts. The final outputs of the study include this Summary, and the more comprehensive Technical Report.

STUDY FINDINGS

There are four major findings of the bypass study:

1. There is little evidence that bypasses adversely impact the overall economies of most communities. Smaller communities have a greater potential to be impacted economically by a bypass.

2. Over the long term, average traffic levels on "old routes" in medium and larger communities are close to pre-bypass levels, indicating continued economic activity in those communities, and the opportunity for all kinds of retail trade to flourish, including traffic-dependent businesses.

3. "Retail flight" in Wisconsin bypass communities is not apparent, meaning there are very few retail businesses that are newly developed or relocated near bypass facilities.

4. Communities consider their bypasses to be beneficial overall, while understanding that a bypass brings a number of changes for a community and individual businesses that need to be addressed proactively to ensure the most benefits and least adverse impacts.

1. NEGATIVE IMPACTS ARE RARE

Throughout the review of the statistical data, focus group interviews, and travel survey results, one clear fact was apparent: bypasses rarely have created adverse economic impacts on communities. The most likely communities to see any adverse impacts are the smallest communities (under 1,000 population). Medium and larger communities were unlikely to see any negative change in their overall economic condition due to the bypass.

This conclusion is based on several data findings:

- Most bypass communities had significant economic growth occurring before the bypass was constructed. This growth was one of the reasons the bypasses were needed.

- There was no significant change in population, employment and retail trade trends in most communities after the bypass was opened.

- Economic growth in bypass communities generally exceeded trends in the appropriate control group communities.

Medium and larger communities continued to show economic growth after the bypasses were opened. Almost all statistical and anecdotal evidence indicates that these places represent "destinations" for the region. The presence of homes, employment centers, schools, government offices, parks, churches, hospitals, and stores defined these communities as commercial and cultural centers. In fact, nearly all of

the medium and larger communities have more traffic on their old highway route than on the bypass.

For medium-sized communities, the old routes average 7,600 vehicles per day, while the bypass is slightly lower at 7,500. In large communities, the old routes handle 10,300 vehicles, with only 7,700 vehicles on the bypass.

Smaller communities do not have the same diversity of retail, commercial and service sectors needed to be a "destination". Whereas the larger communities may have a complete K-12 school system, the smaller communities may have only one small elementary school. A larger community may have a large clinic or full hospital, but a smaller community may only have a satellite office for a health care provider. This difference is reflected in the traffic counts of the smaller bypassed communities, which averaged only 1,800 vehicles daily on the old route, compared to more than 10,000 on the bypass.

2. CONTINUED TRAFFIC ON OLD ROUTES

A common concern for communities and businesses is that a bypass will divert so much traffic that there will be no opportunities for commerce, especially retail business, within the community. To address this issue, the study compared pre- and post-bypass traffic levels on the original route.

The presence of significant traffic on the old route has two primary implications for the economy of a community. First, traffic may be an indicator of economic activity in the community, especially if the traffic is locally oriented. Second, pass-by traffic, whether local or transient, represents opportunities for traffic-dependent businesses, such as restaurants and convenience stores.

The bypass study findings again indicate that medium and larger communities have relatively heavy traffic levels on their old route, even after the bypass is opened. Total traffic loss on the old route averaged about 18% for the medium-sized communities, and 30% for the larger communities. Many communities actually have higher current traffic volumes compared to pre-bypass conditions.

Again, smaller communities saw much greater decreases in traffic on the old route after the bypass opened, traffic that did not return over time. The small communities saw average traffic reductions of 72% on their old routes.

The fact that traffic levels remain high on some of the original routes is not due to low usage of the bypasses. In almost all cases, the combined traffic on the old and new routes showed growth trends well above the average for the state and control group totals. Therefore, both the bypass and the old route are being utilized, but for different markets. This allows traffic growth to occur in the entire corridor that probably would not have been possible on just the original route.

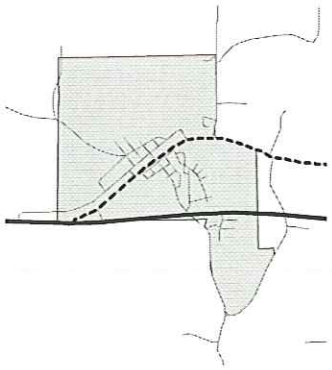
Dodgeville has a diversity of schools, stores, services, offices and major employers. Downtown Dodgeville has remained busy even with the bypass.

Haugen is a small village with few retail establishments and small employers. Its downtown has seen a large traffic decline since the bypass was opened.

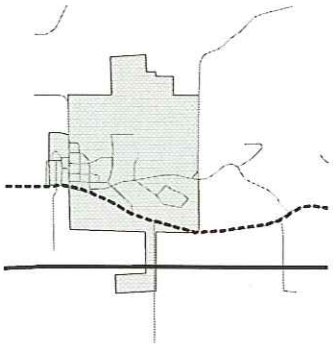
WISCONSIN COMMUNITIES BYPASSED SINCE 1980

- Original routes
- Bypasses & state highways
- Local roads & streets
- City & village boundaries
- Lakes & major rivers

US 18/151 Bypass, Barneveld



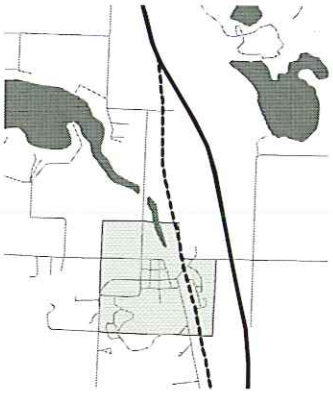
US 18/151 Bypass, Blue Mounds



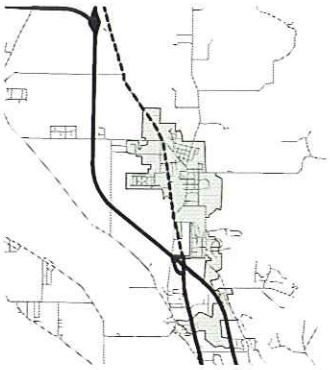
US 151 Bypass, Dodgeville

Wis 26 Bypass, Fort Atkinson

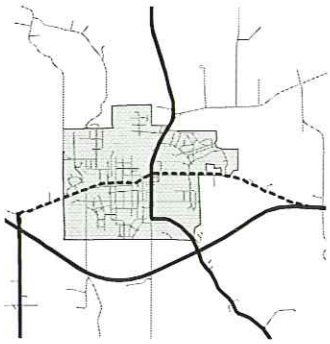
US 53 Bypass, Haugen



US 53 Bypass, Holmen

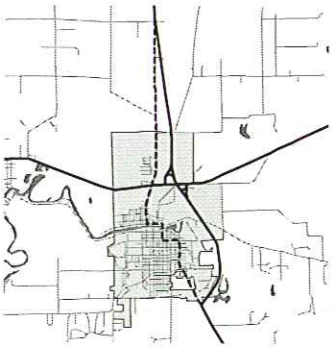


US 18/151 Bypass, Mt.Horeb

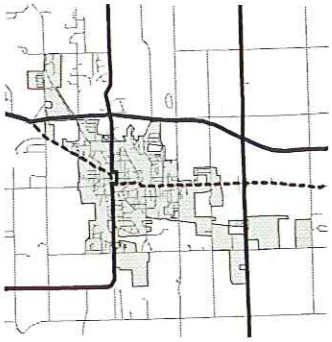


US 10 Bypass, Neillsville

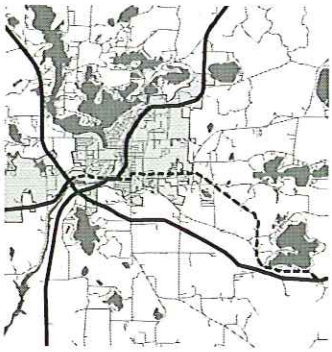
US 45 Bypass, New London



Wis 23 Bypass, Plymouth



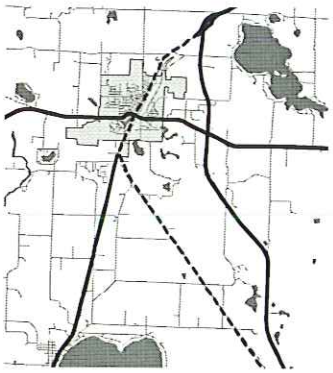
US 8 Bypass, Rhinelander



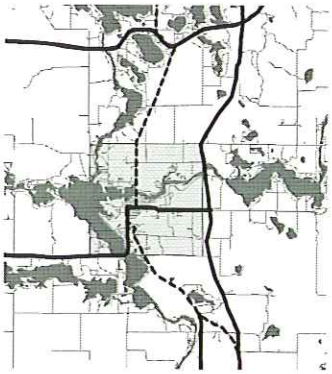
US 18/151 Bypass, Ridgeway

Wis 35 Bypass, River Falls

US 53 Bypass, Spooner

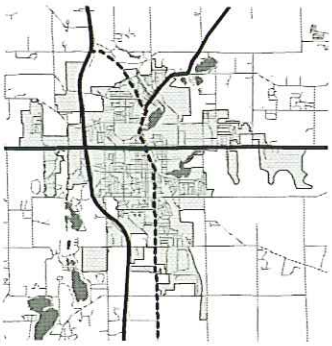


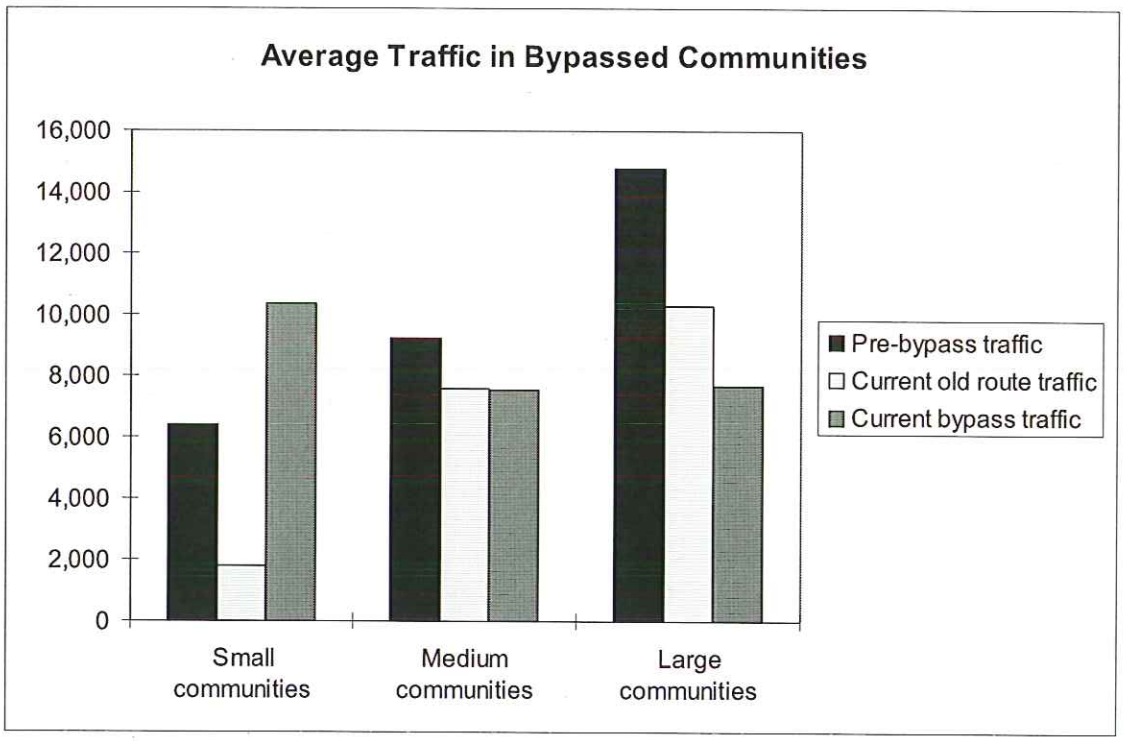
US 51 Bypass, Tomahawk



US 18/151 Bypass, Verona

US 45 Bypass, West Bend





The origin-destination surveys conducted in five communities attempted to determine the type of traffic on the old routes. These surveys verified that traffic on the original route is locally oriented, with an average of 76% of all vehicles having an origin or destination within the city or village. The surveys also showed that trip purposes are widely varied among all of the services provided by the "destination" communities: residential, shopping, employment, recreational, and others.

The presence of traffic on the old routes means that opportunities exist for traffic-dependent retailers without having to relocate near the bypass. In medium and large communities, average daily traffic is actually higher on the old route than on the bypass, so the better opportunities for highway-oriented business may be within the city or village. This is especially true when adding traffic from other adjacent streets and pedestrian customers.

The surveys showed that the locally oriented traffic is not necessarily from completely within that community. As commercial centers, these cities or villages provide services for surrounding towns and smaller cities or villages. The surveys also showed that 9% of traffic on the old routes is from origins and destinations outside the surrounding county.

ORIGIN-DESTINATION SURVEY RESULTS
(all communities combined):

Category	Percentage
Locally oriented trips:	
Only origin in community	20%
Only destination in community	34%
Both O&D in community	22%
Through trips:	
To/from only surrounding county	15%
To/from other area	9%
	100%
Place of origin:	
Home	28%
Shop	17%
Recreation	6%
Work	31%
Other	8%
	100%
Place of destination:	
Home	45%
Shop	13%
Recreation	8%
Work	11%
Other	23%
	100%

3. RETAIL FLIGHT HAS NOT OCCURRED

Land use is a growing topic of interest in Wisconsin, and the connection between land use and transportation is frequently discussed. Many businesses often choose to locate facilities near busier highways. If these locations are outside the community, there may be pressure to extend services and infrastructure from the city or village into new areas.

To determine whether this kind of "retail flight" exists for bypasses, the study staff used a variety of business databases to map and classify all retail and traffic-oriented businesses in the 17 bypassed communities. This listing included all classes of retailers, lodging facilities, motion picture theaters, and amusement businesses. The search revealed about 1,900 such firms in the communities.

The results of the mapping showed that less than 5% of all these businesses were located within ½ mile of a bypass interchange or intersection. Beyond this distance, it was presumed that the businesses had not located to cater to the bypass traffic as a primary market. The vast majority of retail businesses in these communities had not moved from their pre-bypass location.

Furthermore, the community interviews and site visits showed that many traffic-oriented businesses were newly built inside the communities, with no proximity to the bypass. These new businesses included fast-food restaurants, convenience stores, motels, and other retailers that are often perceived as being traffic-dependent. Instead of locating near the interchanges on the periphery of the city or village, many of these new businesses had located well inside the community, and long after the bypass had been constructed.

Through the analysis, several reasons became apparent as to why businesses were not locating near the bypass:

- Traffic levels on some bypasses were not high enough to support many businesses, and traffic levels on the old routes were often higher.
- The cost and feasibility for some communities to provide municipal services to interchanges outweighed the potential revenues of new development.
- Some communities made conscious planning and zoning decisions to control development near the interchanges.
- Many bypasses have access only via ramps at interchanges, while WisDOT exercises access control (e.g., limiting driveways) on other routes. In both cases, there is little opportunity for new development to occur that directly accesses the bypass route.
- Some bypasses are surrounded by areas that are unsuitable for development due to constraints such as wetlands or steep terrain.

The study included an analysis of the geographic market area for retailers in certain future bypass communities. Abbotsford, Bonduel, Shawano and Wittenberg are communities on Wis 29 that will have bypasses opened in the near future. Study staff recorded license plates of vehicles entering the parking lots of selected retail plazas, restaurants and convenience stores in these communities. Geographic market areas for the businesses were defined by tracking the zip codes of the recorded vehicle owners.

The results of this analysis support the notion that the markets for most retailers are primarily local, and there is likely little market share to be gained by relocating to a bypass. Almost 75% of all customers were located within 20 miles of the businesses in the

RETAIL LICENSE PLATE SURVEY RESULTS (all sites combined):

Market range	Percentage
Local:	
Within 10 miles	63%
Between 10-20 miles	11%
External:	
In-state, beyond 20 miles	20%
Out-of-state	4%

Survey recorded 2,819 vehicles at seven businesses, about 2% had unknown origins

survey. Even two convenience stores and one fast-food restaurant had "local" market shares of at least 63%.

The businesses with a small local share included one "mom and pop" style restaurant in a small village, with only 45% of customers coming from within a 20-mile radius, and 7% of customers having out-of-state license plates. The other business was a truck stop/convenience store that had large trucks making up over half of the vehicles entering the business, and only 48% of its auto customers were from within a radius of 20 miles. Again, the survey results support the notion that most businesses will not see major losses in customers due to a bypass, while a few traffic-dependent firms may be more adversely impacted.

In a related issue, the trend of "big box" retailers, mass merchandisers and strip malls locating on the edge of smaller communities is often a competitive concern for traditional downtown retailers. These developments also create concerns about "urban sprawl" and other land use issues. However, there is little evidence that these kinds of businesses are being newly developed along bypass facilities or interchanges. In fact, many recent highway projects have actually bypassed big-box stores and newer strip malls in communities like Fort Atkinson, New London and Rhinelander.

4. COMMUNITIES SEE BENEFITS

The focus group interviews conducted for the study revealed a common theme: communities view their bypasses as beneficial overall, but understand that the bypass created changes and issues that need to be addressed proactively.

The primary benefits created by the bypasses included the following:

- A common benefit is better overall traffic flow and congestion relief. The elimination of trucks and seasonal traffic from local streets made traffic patterns safer and more predictable in the community.

- Many communities noted that the bypass had removed trucks and other large vehicles from constricted intersections in their communities.

- Some communities cited the opportunity for development as a benefit, as the bypass provided new areas to grow. Many of the communities wanted growth to occur, while at the same time being conscious of the negative impacts of unplanned growth.

- Several bypass projects were part of longer corridor expansions, and some respondents cited better overall accessibility to and from their community as a benefit.

The US 45 bypass in New London removed truck traffic from the city, including from this intersection downtown

While acknowledging the benefits of the bypasses, nearly all of the communities indicated that the bypass created issues and challenges that were not necessarily positive or negative, but that need to be addressed proactively by the community. These issues include the following:

- All communities understood the need to become directly involved in planning for the bypass and surrounding areas. Planning was needed for interchanges, zoning, signs, access points, and other concerns.

- The communities also understood that the bypass expanded the geographic scope of their planning. With most bypasses being built outside city and village boundaries, the need for multi-jurisdictional plans was often cited. Unfortunately, while communities understand the

need, some have not been successful in multi-jurisdictional cooperation for planning, zoning, or the extension of municipal services.

- Although traffic congestion and safety were improved by the bypasses, communities continued to be concerned about safety on both the old and new routes. In particular, the change of speed limits from 55 MPH to 65 MPH in 1996 was a concern of several communities that felt access to the bypass was more difficult with the higher speeds.

A common strategy of bypassed communities is the coordinated promotion of commerce in their communities, especially for the traditional downtown sector. Several of the bypassed communities have created downtown development and restoration organizations, with some involved in the Main Street Program run by the Wisconsin Department of Commerce. Other communities have been proactive in placing directional and informational signs along the bypass to attract travelers into their city or village.

Like many communities, West Bend promotes its downtown retail district with events, programs, and decorative lampposts and banners

Some communities acknowledged that certain individual businesses had been hurt by the bypass. Convenience stores and restaurants were most often cited as those businesses that had seen sales declines, with certain businesses closing altogether.

Most private business owners who participated in the interviews noted that changes due to the bypass, whether positive or negative, needed to be addressed in the same manner as any other business circumstance. Businesses need to plan, reorient to different markets, adjust their business, even change locations if necessary. Overall, they did not see the bypass as being any different from any other market change that could impact their business.

APPLYING THE FINDINGS

Based on the results and findings of this study, there are a number of recommendations and applications that can be made from the perspective of WisDOT, communities, and individual businesses. The results of this study should help WisDOT and communities reap the benefits of future bypasses while minimizing potential adverse impacts.

RECOMMENDATIONS FOR WisDOT

WisDOT is a key decision-maker in regard to future bypass construction. With more than 20 bypasses anticipated for construction by the year 2010, there are ample opportunities to apply the results of this analysis. The study staff recommend the following for WisDOT consideration:

1. Respond to the Budget Mandate For Study of Bypasses and Their Impacts

The 1997-1999 state biennial budget specifically calls for WisDOT to conduct a study on the effects of planning, constructing and operating highway bypasses on the economies of communities. This study provides the initial response to that mandate. The budget also calls for a review of alternatives to assist businesses to relocate near the bypasses. This study indicates in part that there is not great demand for firms to relocate near the bypasses.

The follow-up to this study will develop a better understanding of the economies of future bypass communities, including collection of the same kinds of data used in this study. This data inventory will help identify those communities and businesses most at risk from adverse impacts of a bypass. It will also help in comparing communities where a bypass is already in place with future bypass communities, to determine whether similar impacts could be expected.

This study did include an initial gathering of data on future bypass communities. Bypass plans have been collected, and pertinent socio-economic and traffic data are being collected. This effort should be continued to fully comply with the budget mandate.

2. Acknowledge Local Interest in Planning

WisDOT's planning process for bypasses and all highway projects have a number of opportunities for public input. For the most part, communities feel that the department has adequately addressed local concerns and allowed local governments to participate in the planning process.

WisDOT needs to continue to gather local input and share information on bypass projects. As communities become more involved with land use issues, and as bypasses in particular create multi-jurisdictional concerns, the need for ongoing local participation in bypass planning is magnified. WisDOT should continue to respond to communities' desires for additional information and analysis on potential impacts of bypasses, and assist in land use and development planning efforts.

3. Take Appropriate Follow-up Actions

The final recommendation for WisDOT is to continue to respond to communities after a bypass has been opened. Some places have concerns about signs, traffic signals, intersection lighting, and other needs after the bypass has been built. WisDOT should be certain to take appropriate measures to address these and other issues, in order to ensure that the bypass functions in the most beneficial manner for both the community and the overall highway system.

RECOMMENDATIONS FOR COMMUNITIES

PROJECT RECOMMENDATIONS:

For WisDOT:

1. Use these findings to respond in part to the budget mandate to study bypass impacts.
2. Continue to acknowledge local interest in planning issues for bypasses.
3. Take appropriate follow-up actions to ensure benefits of the bypass and minimize adverse impacts for the community.

For Communities:

1. Understand that bypasses are generally beneficial, with few adverse economic impacts.
2. Small communities need to develop and market themselves as "destinations" to minimize adverse economic impacts from a bypass.
3. Bypasses will create a number of changes and issues to a community that should be addressed proactively.

For Businesses:

1. A bypass should be addressed just like any other market-related circumstance.
2. Opportunities for retail commerce will exist and need to be pursued.

This study has three major applications for communities to prepare for a bypass.

1. Understand that Bypasses are Beneficial

This study has shown that most communities view their bypasses as beneficial overall. Bypasses have provided traffic congestion relief and more predictable traffic patterns in communities. There is little evidence to suggest that bypasses cause negative impacts to community economic growth trends, and massive business relocations near bypasses have not occurred.

This is not to say that a community and its commerce will be entirely unaffected by a bypass. Traffic-dependent businesses have the greatest likelihood of sales losses due to diversion of traffic to a bypass. However, most medium and larger communities act as commercial and service centers for a larger area. Traffic levels on old routes are not greatly decreased, and may even be sufficiently high to provide opportunities for traffic-dependent retailers.

2. Small Communities Have Greater Potential for Negative Impacts, and Need to Develop and Market Themselves as "Destinations"

Small communities (less than 2,000 population) have the greatest potential to see adverse economic impacts from a bypass. Small communities have experienced the highest traffic reductions on the old route, with the bypass carrying significantly more traffic than the original route.

These communities are less likely to have regional retail or service markets. Smaller communities should carefully plan to address potential negative impacts of a bypass. Traffic-dependent businesses may need to relocate or adjust their sales offerings. Special efforts must be taken to attract commerce to the community if it is desired, to make the community a destination for traffic.

3. Communities Must Respond Proactively

All communities, whether large or small, must respond in a proactive manner to the changes brought about by a bypass. Some changes are directly associated with the bypass, such as planning for interchanges, signs, and highway alignments. Planning for indirect changes, such as for multi-jurisdictional contacts, changes to local traffic patterns, and reorientation of retail market patterns is important as well.

Many of the existing bypass communities have taken proactive measures to respond to bypasses. These include working with WisDOT on issues relating directly to the bypass. Other efforts include the active marketing of the community, or of different sectors of the community, such as a downtown retail district.

RECOMMENDATIONS FOR BUSINESSES

Local retail businesses are often most concerned when a bypass is planned for a community. There are two study recommendations that pertain especially to retail businesses.

The West Bend bypass (above) relocated US 45 out of residential and retail areas of the city, although relatively high traffic levels on the old route (below) still reflect strong economic activity in the city.

1. Understand the Need to Treat the Bypass Just as Other Market Changes

In the course of this study, private business owners were provided opportunities to talk about how they have been impacted by bypasses. Almost all of them indicated that businesses had to expect changes due to the bypass, but the changes themselves were not necessarily positive or negative. Instead, a business' response to those changes would have the most impact on whether sales would be lost or gained.

When faced with a bypass, retail businesses need to become proactive and involved in the planning process and carefully consider how they could be impacted. They then need to plan and make adjustments to take advantage of the benefits of the bypass, and to minimize any adverse impacts.

2. Pursue Business Opportunities That Continue to Exist in Medium and Larger Communities.

This study has shown that medium and larger communities usually offer a number of commercial and retail services, and serve as destinations for a wide region. Traffic on the old routes in these communities has remained relatively high. The bypasses have removed much of the traffic that created congestion and safety problems, thus improving the overall shopping environment.

Bypasses have created safer, more predictable, and locally oriented traffic flows in communities, and retailers may want to customize their market to respond to these changes. Traffic surveys have shown a wide variety of trip purposes for traffic remaining on the old routes, indicating that a variety of retail opportunities should exist.

SUMMARY

This study of *The Economic Impacts of Highway Bypasses on Communities* used research methods and direct contact with affected communities in its analyses. The major findings indicate what should and should not be expected of bypasses.

The experience of the 17 study communities shows that bypasses do provide traffic and congestion relief, and are perceived as beneficial by the communities they serve. Bypasses have not caused changes to economic trends of communities or drastically reduced retail opportunities, and major unplanned development has not gravitated to bypass routes. Bypasses have created some adverse impacts due to traffic loss in smaller communities, and for a limited number of traffic-dependent businesses.

The most important overall conclusion of this study is that a bypass must be acknowledged for the changes it creates for communities and businesses. How these changes are addressed by WisDOT, communities and individual businesses will most determine whether the economy is affected in a positive or negative manner.

THE ECONOMIC IMPACTS OF HIGHWAY BYPASSES ON COMMUNITIES

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