US 41 Interstate Conversion Economic Impact Survey

Executive Summary

The US 41 Interstate Conversion study team conducted an online survey in the fall of 2011 to understand potential economic impacts associated with designating US Highway 41 as an Interstate Highway between I-94 in the Milwaukee metro area and I-43 in the Green Bay metro area. In general, economic development experts that responded agree that designation as an Interstate Highway will positively impact growth and economic development in the US 41 corridor. The following is a summary of the key findings and themes from the survey responses.

- ***Business Recruitment and Job Creation.*** Access and visibility from an interstate is the primary factor considered by businesses and developers in the site selection process. Interstate designation will open up new markets as some companies only locate along interstate highways. The ability to attract larger corporations will result in ancillary development of hotels, retail, restaurants, etc.
- ***Business Retention and Expansion.*** Existing local businesses are more likely to remain and/or expand in their community if US 41 was designated an Interstate Highway.
- ***Tourism.*** Tourists readily identify with Interstate Highways and understand that interstates mean faster, safer travel and increased attention to maintenance. Interstate designation will direct tourist travel to this route and may mean more customers for highway-oriented businesses such as restaurants, gas stations, and hotels. The US 41 corridor could also provide an alternative route to northeast Wisconsin and Door County.
- ***Property Values.*** More than 70 percent of respondents felt that designation of US 41 as an Interstate would increase property values along the corridor.
- ***Extent of Impact.*** If converted, the potential economic impacts could extend beyond 10 miles from the interchanges.

US 41 Interstate Conversion Economic Impact Survey Summary

The US 41 Interstate Conversion study team conducted an online survey in the fall of 2011 to understand potential economic impacts associated with designating US Highway 41 as an Interstate Highway between I-94 in the Milwaukee Metro area and I-43 in the Green Bay Metro area. This designation would primarily involve replacing the existing US Highway shields with Interstate Highway shields for the length of the corridor.

The study team sent invitations to complete the survey to 103 economic and community development representatives at the local, regional, and state level. A total of 39 surveys were completed, representing a 38 percent response rate.

When asked to **identify their affiliation**, the majority of respondents indicated they were affiliated with an economic development agency. Nearly 18 percent selected 'Other' and indicated they were affiliated with one of the following: regional planning commission, chamber of commerce, tourism bureau, and metropolitan planning organization.

	Response Percent	Response Count
Economic Development Agency	**51.3%**	**20**
County Government	23.1%	9
Municipal Government	30.8%	12
Business Owner	5.1%	2
Developer	5.1%	2
Real Estate Agent	2.6%	1
Transportation/Logistics Company	0.0%	0
Other (please specify)	17.9%	7
	answered question	**39**
	skipped question	**0**

When asked **"What economic development changes might occur as a result of the designation of US 41 an Interstate Highway,"** respondents indicated the following:

- As a tax payer, it transforms from a state highway to a federal highway, and as an economic development organization, federal maintenance and work performance will create longer term jobs.
- As companies are looking to relocate, we may rise to the top of the list since we would have interstate access.
- Unsure, may get more retailers that make locational decisions in part based on interstate designation.
- Possible increase in demand for businesses to locate on or close to the Interstate.
- Corridor may be viewed as an attractive location for additional distribution centers, retail establishments.
- If higher traffic results, more exposure to Interstate Business Parks is a positive development change. Better (safer) access to transportation options would also enhance local business opportunity and therefore economic development.
- The federal interstate system seems to get the attention of companies and developers over state and county highways. The interstate system offers connectivity for long stretches through multiple states providing an efficient transportation network. In addition, the federal interstate system is well maintained and offers safe movement of goods and people.
- Increased development throughout the corridor due to more efficient and convenient flow of goods and individuals through the region.
- More business development opportunities which would cause more jobs, more residential homes, more commercial businesses, etc.
- Greater recognition of the area associated with an interstate can result in greater interest from new businesses to locate here. An interstate highway is associated faster travel, safer travel, and a greater attention to maintenance. These are factors that businesses consider when factoring their transportation costs.
- Businesses and developers give high preference to sites that are located in communities that have a highway with an Interstate Highway designation.
- Improved commerce opportunity. Improved tourism accessibility.
- Mostly psychological—it will signify stronger links between/among Fox Valley cities and parts south.
- More development along that route and a possible negative effect on I-43 businesses.
- Certain companies and chains will only locate adjacent an Interstate. This will open additional markets for the redevelopment of a 100 acre business park.
- I'm not sure it will have much of an impact unless designation leads to highway upgrades. Most companies that will expand existing or site new facilities will look to the functionality of the highway (i.e., look well beyond a "designation").
- Increased visibility for business recruitment.
- Tourism benefit—Wisconsin will be perceived as easier to get to. Increased development along the 41 corridor. Increased ability to attract/relocate businesses with transportation needs.
- Primarily, tourism and location siting changes. Tourists can readily identify with major interstates as forms of locators and have the belief that travel along them is smoother and safer. Siting decisions for businesses/locations are simplified because Site Locators know what the infrastructure conditions are for interstates where "state highways" can be widely disparate.
- Short term loss of name recognition, but long term national recognition. Additional economic growth as a result of infrastructure upgrades.

- Potential increase in investment for Highway 41 which will improve the ability of local business to get goods to market. Potential improvement in multi-modal service improvements with linkages to the port of Green Bay.
- Tourism related businesses would see an increase in travelers from farther distances because of the ease of access and less time needed to reach a destination. This would translate into higher quality or more amenities in communities for travelers which also turns them into more desirable residential areas.
- Since US 41 is already a freeway, the economic development changes associated with its designation as an interstate will likely be very slight. In fact, it's possible that economic development efforts could be harmed by this designation because of the interstate system's strict access regulations.
- Large Manufacturers and Distributors could better use our available locations for development.
- If only the highway name is changed and new shields installed, it will be a detriment.
- Vehicular access to our county could improve from the east via 41/21. This could help tourism, business and residents seeking jobs in the Valley.
- Ability to attract larger corporations along the corridor which will result in more development of hotels, restaurants, gas stations etc., which will in turn provide more jobs.
- It may be more attractive to business based on the expectations of the Interstate system to provide good connections to commerce, with similar or standard design features across the country. The recognition and prominent display of the interstate system on various national advertising and locational mapping. The understanding and expectations of the interstate system compared to other access controlled highways in terms of long term stability and good repair of the federal system based on national significance and economic policies. Vehicle weight restrictions could have an impact on a number of businesses that currently rely on the USH 41 corridor for the transport of various bulk regional products.
- From a tourism industry prospective, a destination located on an interstate makes it very easy for visitors (conventions, leisure travelers, motor coach tour operators, sports event participants, etc.) to reach the destination. It also helps identify the location—the intersection of Interstate Highways 43 and 41.
- I do not foresee any changes.
- Not sure as of this point in time.
- More retail opportunities because of better marketability.
- Increase in business development increase in business re-locations from within 50 radius increase in residential development.
- Increased visibility with being located on an interstate highway—increased chances to respond to inquiries that state being "located within __ miles of an interstate" a must.
- It will increase regional growth.
- None.
- More information is needed as to what all of the changes from a State Highway designation to Interstate Highway designation entail. There are the sign changes, but what other aspects change? Is there a new speed limit? Are there potential changes to interchanges? Are there signage changes that would limit advertising? What are all of the potential changes that could happen as a result of this change?
- Help with understanding of the strong economic opportunities in north east Wisconsin.

When asked to **"Which of the following economic sectors might be affected by the designation of US 41 as an Interstate Highway,"** the majority of respondents identified retail, manufacturing, transportation/logistics, and tourism/hospitality as sectors that would be affected.

	Response Percent	Response Count
Agriculture	28.6%	10
Timber	22.9%	8
Mineral Extraction	8.6%	3
Manufacturing	80.0%	28
Retail	**82.9%**	**29**
Transportation/Logistics	71.4%	25
Entertainment	34.3%	12
Tourism/Hospitality	71.4%	25
Residential Construction	31.4%	11
Other (please specify)	11.4%	4
	answered question	**35**
	skipped question	**4**

When asked **"How the economic sectors selected above might be affected by designation of US 41 as an Interstate Highway,"** respondents offered the following observations:

Agriculture	44.8%	13

- Positive benefit.
- None.
- Fewer access points could cause more transportation issues.
- Better connectivity between producers and processors and taking of right of way of land that is agriculturally productive.
- Easier flow of goods to market.
- Improved logistics of cash crops.
- More prime agricultural land taken to build the interchanges.
- Better transportation of raw and finished goods & safety for truck access.
- Improved transportation for goods to market.
- Probably not at all.

- Better transportation routes for products to processors/end users/shipping depots.
- Products to market weight restrictions.
- Improved ability to transport goods.

Timber	41.4%	12

- Possible expansion of processing facilities due to distributional advantages.
- Easier flow of goods to market.
- Improved logistics.
- See question 2.
- Better transportation of raw and finished goods & safety for truck access.
- Improved transportation for goods to market.
- Probably not at all.
- Better transportation routes for product to processors.
- Products to market weight restrictions.
- Positive impact.
- Easier transport of timber.
- Improved ability to transport goods.

Mineral Extraction	24.1%	7

- Positive benefit.
- None.
- Improved logistics.
- Better transportation of raw and finished goods & safety for truck access.
- Improved transportation for goods to market.
- Probably not at all.
- Products to market weight restrictions.

Manufacturing	79.3%	23

- Positive benefit.
- Possible expansion outside of existing markets.
- Better access, more traffic/exposure.
- Higher road quality and more controlled access points that will allow larger trucks to transport more raw and finished goods.
- Better supply chain and market linkages.
- Many businesses only like to be located by interstates. Could improve supply chain.
- Location recognition and increased frequency of highway maintenance.
- Better movement of finished products and raw material.
- Improved accessibility and logistics.

- Increased business recruitment.
- Improved access to speedy transport.
- See question 2.
- Better transportation of raw and finished goods & safety for truck access.
- Improved transportation for goods to market.
- Minimal at best, but probably not at all.
- Better access to markets and suppliers.
- Better transportation for supplies and end product delivery.
- Weight restrictions could be negative/interstate connection positive.
- Positive impact.
- Easier transport of finished products and supplies.
- Improved ability to transport goods.
- Improved ability to ship product.
- Greater access, more visibility.

Retail		**82.8%**	**24**

- Positive benefit.
- Increase in desire for retail to locate on or close to interchanges.
- New growth by off ramps.
- Better access, more traffic/exposure.
- Higher road quality and more controlled access points to increase safety amongst retail outlets.
- More retail store might locate in the area.
- May see growth higher traffic counts. Desire to locate in proximity to an interstate.
- More vehicle traffic.
- Increased tourism and transportation for citizens.
- Positive development along the corridor and at the interchanges.
- Opening additional markets and brands.
- Some retailers only locate near interstate highways.
- See question 2.
- Potential creation of larger commercial nodes at intersections with increased traffic volumes.
- Improved transportation for goods to market.
- Increase in tourism.
- Minimal at best, primarily near interchanges.
- Better transportation for shoppers wanting to visit our area.
- More positive than negative.
- Positive impact.
- Easier for shoppers to come from further distances away.
- Increase redevelopment opportunities and provide name recognition.
- Improved access for customer base.
- Greater visibility for national chains.

Transportation/Logistics		72.4%	21

- Positive benefit.
- Ease in transportation could result in increased corporate businesses locating in NE Wisconsin.
- Possible distributional advantages.
- Better access, more traffic/exposure.
- Improved just in time delivery.
- Many logistical companies like to be located on interstates.
- Increased frequency of highway maintenance and faster travel.
- Faster, more accessible transport options.
- Easier transportation of goods.
- Improves the quality and safety for existing carriers on the system.
- Speedier transport.
- See question 2.
- Easy mobility and traffic flow. Lessen congestion.
- Improved transportation for goods to market.
- Probably not at all.
- Better access for distributors.
- Not sure/vehicle size and weight could be an issue.
- Positive impact.

Entertainment		44.8%	13

- Additional traffic to prominent venues.
- More convenient access to entertainment options.
- Improved logistics.
- Sense that it's faster to get there.
- See question 2.
- Create additional entertainment nodes.
- None.
- Increase in tourism.
- Probably none at all.
- More positive than negative.
- Positive impact.
- Easier for concert goers, sports event attendees, etc. to get to event. More likely to buy tickets and plan to attend if access to destination is easy and convenient.
- Improved access for customer base.

Tourism/Hospitality		72.4%	21

- Positive.

- Same as above.
- Additional exposure due to expanded visibility.
- Better access, more traffic/exposure.
- More conferences, exhibits, tournaments, etc may be located near an interstate.
- Greater location recognition and ease and speed of travel.
- Improved logistics.
- Increase the routes and ease of visitors to Northern Wisconsin and Door County by providing an alternative route.
- National brands provide national recognition.
- Major thoroughfare direct from southern US through Wisconsin.
- See question 2.
- Create additional or larger nodes for hotels to accommodate increase traffic volumes.
- Improved access to tourism destinations.
- Increase in tourism.
- Probably not at all.
- Easier and faster routes to our recreational opportunities.
- More positive than negative.
- Positive impact.
- People are more likely to travel to places that are easy to get to by vehicle or air. Interstate Highway means no cross traffic, freeway speeds, etc. Easy and fast.
- Improved access for customer base.
- Access and ease of travel—being part of a destination area.

Residential Construction		37.9%	11

- Possible expansion in ex-urban markets.
- Population growth drives demand for new homes.
- More jobs would bring more workers who need more homes.
- Improved logistics.
- Provide better access to interstate system for subdivisions located in communities that are traversed by highway 41.
- Increased urban sprawl.
- Probably not at all.
- Residents may be able to commute to the valley for work.
- More positive than negative.
- Provide a known destination.
- Improved market.

Other		10.3%	3

- None.

- The likelihood of more large warehousing facilities locating along the interstate because of access and safety improvements.
- Almost everyone uses the highway at some point or goods purchased travelled highway.

When asked **"How far beyond interchanges would potential economic impacts extend with the designation of US 41 as an Interstate Highway,"** the majority of respondents indicated impacts would extend beyond 10 miles.

	Response Percent	Response Count
1 mile	11.1%	4
2 miles	11.1%	4
5 miles	13.9%	5
10 miles	11.1%	4
Greater than 10 miles	**27.8%**	**10**
Unknown	25.0%	9
	answered question	**36**
	skipped question	**3**

When asked **"How might designation of US 41 as an Interstate Highway change property values along the highway corridor,"** more than 70 percent of respondents indicated that property values would likely increase.

	Response Percent	Response Count
Substantial Increase	7.9%	3
Some Increase	**63.2%**	**24**
No Change	28.9%	11
Some Decrease	0.0%	0
Substantial Decrease	0.0%	0
	answered question	**38**
	skipped question	**1**

When asked **"How likely would businesses be to locate within 5 miles of the highway corridor with designation of US 41 as an Interstate Highway compared to its current US Highway designation,"** more than 60 percent of respondents indicated that businesses would be more likely to locate within 5 miles if US 41 were designated an Interstate Highway.

	Response Percent	Response Count
Very Likely	20.5%	8
Somewhat Likely	**41.0%**	**16**
Unknown	30.8%	12
Somewhat Unlikely	2.6%	1
Very Unlikely	5.1%	2
	answered question	**39**
	skipped question	**0**

When asked **"If you indicated 'very likely' or 'somewhat likely' above, which economic sectors would be attracted by the designation of US 41 as an Interstate Highway,"** the majority of respondents indicated retail, tourism/hospitality, and manufacturing as the top three sectors that would be attracted by the interstate designation.

	Response Percent	Response Count
Agriculture	11.5%	3
Timber	3.8%	1
Mineral Extraction	3.8%	1
Manufacturing	69.2%	18
Retail	**84.6%**	**22**
Transportaton/Logistics	57.7%	15
Entertainment	38.5%	10
Tourism/Hospitality	80.8%	21
Residential Construction	15.4%	4
Other (please specify)	7.7%	2
	answered question	**26**
	skipped question	**13**

When asked **"How likely would the designation of US 41 as an Interstate Highway affect the decisions of local businesses to <u>remain</u> in the community,"** almost 60 percent indicated it was 'somewhat likely' or 'very likely' that local businesses would remain if US 41 were designated an Interstate.

	Response Percent	Response Count
Very Likely	28.2%	11
Somewhat Likely	**30.8%**	**12**
Unknown	25.6%	10
Somewhat Unlikely	7.7%	3
Very Unlikely	7.7%	3
	answered question	**39**
	skipped question	**0**

When asked **"How likely would the designation of US 41 as an Interstate Highway affect the decisions of local businesses to <u>expand</u> in the community,"** more than 70 percent indicated it was 'somewhat likely' or 'very likely' that local businesses would expand if US 41 were designated an Interstate.

	Response Percent	Response Count
Very Likely	21.1%	8
Somewhat Likely	**50.0%**	**19**
Unknown	15.8%	6
Somewhat Unlikely	7.9%	3
Very Unlikely	5.3%	2
	answered question	**38**
	skipped question	**1**

When asked **"How likely would the designation of US 41 as an Interstate Highway attract additional tourists to communities adjacent to the highway corridor,"** 2/3rds of respondents indicated it was 'somewhat likely' or 'very likely' that new businesses would be attracted to the US 41 corridor if designated an Interstate.

	Response Percent	Response Count
Very Likely	23.1%	9
Somewhat Likely	**43.6%**	**17**
Unknown	23.1%	9
Somewhat Unlikely	7.7%	3
Very Unlikely	2.6%	1
	answered question	**39**
	skipped question	**0**

The decision by the Federal Highway Administration (FHWA) to study the designation of US 41 as an Interstate Highway was announced in 2005. When asked **"Has the corridor experienced economic impacts as a result of this announcement,"** 44 percent of respondents indicated that there have been no impacts.

	Response Percent	Response Count
Yes	12.8%	5
No	**43.6%**	**17**
No Opinion	**43.6%**	**17**
	How?	6
	answered question	**39**
	skipped question	**0**

Respondents indicated the following impacts associated with FHWA's 2005 announcement:

- There have been increases in businesses locating closer to 41 from Fond du Lac to Green Bay such as the new retail developments on the west side of Highway 41 in Oshkosh and the Appleton Northeast Business Park on the North side of the Ballard and 41 interchange.
- Construction and design improvements to 41 to interstate status.
- Between 1996 and the FHWA's 2005 decision, it was assumed at the local, county, and state levels that a new full-access interchange will be built approximately one mile south of the existing US 41/Scheuring Road interchange in De Pere. This assumption prompted many public and private investments near the planned US 41 interchange site, and one of the reasons these investments were made was to enable economic development to occur when the interchange is built. However, US 41's designation as a future

interstate immediately imposed stricter access controls on the highway, and now the chances of being able to build this interchange (and to experience the economic development that would likely be associated with it) are minimal.

- It is anticipated and as a result there is an increased amount of interest to locate adjacent to it now.
- The current economic climate has affected the potential impacts, plus I feel that business is waiting for the conversion to actually take place, not just be part of a study.
- Additional construction (i.e. Cabella's).

When asked **"In light of FHWA's 2005 announcement to potentially designate US 41 as an Interstate Highway, have community planning and/or economic development efforts changed? If so, at what geographic level (i.e., state, regional, local) and how,"** about 24 percent of respondents indicated that plans and economic development efforts had not changed.

	Response Percent	Response Count
Yes	31.6%	12
No	**34.2%**	**13**
No Opinion	**34.2%**	**13**
	How?	13
	answered question	**38**
	skipped question	**1**

Respondents indicated the following changes in community planning and/or economic development efforts associated with FHWA's 2005 announcement:

- Same as examples above.
- County and Regional marketing of the area based on the reasons mentioned in question 2.
- Regional economic development agencies have been following this closely and support it. This has been done at all levels, (state, county, regional, local).
- This provided a higher level of comfort in investing in the redevelopment of a former 100 acre dog racing facility.
- Lots of discussion about it. Local, county, regional . . . I don't know about state.
- At all levels because the designation and changes attendant to it have been built into all of the planning matrixes and assumptions.
- Increased focus of more intense land uses (office, manufacturing, commercial) along the US 41 for future development.
- As mentioned in the response to Question 12, plans that were adopted between 1996 and 2005 at the local, county, and state levels were developed and implemented with the assumption that a new US 41 interchange will be built approximately one mile south of the existing US 41/Scheuring Road interchange in De Pere. However, now that an Interstate Access Justification Report (IAJR) must be prepared and approved by the FHWA in Washington, D.C. before this interchange can be built, planning and economic development efforts in this area will be delayed until this years-long process concludes.
- There are many discussions taking place around the development of the Lombardi Avenue corridor in Brown County.

- Unknown.
- State, regional, county.
- See above.
- Marketing.

When asked **"How likely would the designation of US 41 as an Interstate Highway increase awareness of your community and/or business(es),"** nearly 2/3rds of respondents indicated 'somewhat likely' or 'very likely.'

	Response Percent	Response Count
Very Likely	30.8%	12
Somewhat Likely	**33.3%**	**13**
No Change	30.8%	12
Somewhat Unlikely	2.6%	1
Very Unlikely	2.6%	1
	answered question	**39**
	skipped question	**0**

When asked **"Do you think that the designation of US 41 as an Interstate Highway would have adverse affects on businesses adjacent to US 41,"** more than 85 percent of respondents did not foresee adverse impacts associated with Interstate designation.

	Response Percent	Response Count
Yes	12.8%	5
No	**87.2%**	**34**
	If yes, why?	6
	answered question	**39**
	skipped question	**0**

Respondents provided the following additional comments:

- With Interstate status comes certain system upgrades. If these upgrades detour traffic for lane closures or consistently shift lanes, close ramps, or otherwise impede traffic flow for a substantial amount of time this will have an adverse impact on development or marketing of lands during upgrade.
- Can not wait!
- Please see answer to #2. Please provide any additional information as to what other changes could potentially come forth as a result of this designation change.