New York’s Industrial Access Program

New York’s Industrial Access Program was designed to provide state funding for highway projects that can enhance economic development but would not have any other source of public support. The program is administered through the state DOT. Eligible applicants include municipalities or industrial development agencies. Private firms are also eligible, provided they are sponsored by a municipal or state agency. Projects must be a component of a larger economic development effort, and applicants must provide solid evidence of new or retained jobs. Primarily retail developments do not qualify for funding since they tend to only change the location of employment rather than create new basic employment. No other type of development is explicitly excluded, opening up the possibility of counting non-basic employment.

The Industrial Access Program has a strict formula of 60% grant and 40% interest free loan, up to $1 million for any given project. The loan must be repaid within five years. Funding can be applied toward anything associated with design and construction, including real property acquisition, drainage systems and landscaping. Costs that can be construed as being part of the day-to-day activities of the agency are excluded. Small projects can be done in-house, but projects exceeding $50,000 require that the work be bided competitively. Projects are subject to the State Environmental Quality Review Act (SEQRA), other state regulations and state statutes. The State Department of Economic Development furnishes the DOT with its evaluation of project applicants. The state DOT cautions applicants to allow up to six months for all approvals.

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1 Program Highlights; New York State Industrial Access Program, New York State Department of Transportation. p. 2.
2 Loc. cit.
3 Loc. cit.
4 Ibid., p. 2-3
The state DOT evaluates funding proposals primarily on two criteria: the cost per job retained or created and the amount of private funds leveraged. In addition, potential projects are reviewed for their adequacy, impact on the surrounding transportation system, impact on nearby economic development programs, the absence of other funding and the ability of the applicant to repay the loan.

**Mississippi’s Economic Development Highway Program**

Mississippi provides highway funding in support of large developments, many non-basic, through its economic development highway program. This program is regulated through the Department of Community and Economic Development. Qualifying facilities, including regional shopping malls, distribution centers, manufacturing process industries and large hotels and resorts, are eligible for transportation investment. The program is authorized to a total of approximately $120 million/year. Most eligible developments are completed through public-private investment, in which case the DOT provides a local government grant requiring a match of $20 million. For private investment applicants, a $50 million capital investment is required. Development must justify a qualifying provision for additional jobs and a positive cost-benefit analysis. Funds are administered through the Department of State Aid, while the state DOT coordinates the roadway design and any construction to state highways. The DOT determines which entities will maintain the road(s) or transportation improvements constructed for the development.

One of the projects given top priority in Mississippi was the 1987 Four-Lane Highway Program. Mississippi reports strong returns from this program. This program has created 450 miles of four-lane highway. Cited benefits include improved safety and accelerated economic and commercial growth. This program will eventually build 1,705 of four-lane road at an estimated project cost of $3.9 billion.\(^1\)

Benefits of Economic Development Impacts from Highway Improvements

There have been surprisingly few studies that systematically document the actual economic development impact of new highways in non-urban areas. However, there have been many forward-looking planning studies that suggest a wide range of possible impacts, from no new development to extensive development.

In a fully developed economy, transportation acts more as a constraint than an incentive for economic development. Poor access or poor average speeds can deter economic development in affected locales. Areas already in possession of reasonable access and good speeds cannot expect to see large gains in economic development through highway improvements.

Many economists are skeptical about the goal of building highways to attract new employers to a region because these employers most often (1) have good alternative sites where transportation improvements are not required or (2) are already located in a neighboring community. The benefits of a gain in employment at one location must be offset by a loss of employment at another location. Thus, there may be different conclusions, depending upon one’s point of view. From a local viewpoint attracting employment from another area would count as a gain. From a broader viewpoint this local gain may be seen as a shift. To be counted as an overall benefit, the gains in employment must be entirely new and second-best sites must be seriously deficient in an important criterion.

For existing employers, the economic gain of a new highway can be measured best by the time and cost savings to their operations. If the new road does not significantly change travel times and costs, there is little benefit. Care must be exercised to avoid double counting of benefits, as time and cost savings can have secondary economic impacts that are positive and tempting to count.

If existing businesses grow and that growth can be directly attributed to the highway improvement, then it is also possible to count the presence of new traffic as a benefit. The most convenient method of counting these growth-related benefits is the rule-of-half from conventional economic theory. The rule of half states that the benefit of new traffic is approximately equal to one half of the change in full cost of travel (driver time, vehicle costs, etc.) multiplied by the number of new trips. These benefits should be calculated trip-by-trip and include the full cost of the trip, not just the cost associated with the highway improvement.

Even if there is a zero net gain in employment because of a new highway, there may still be substantial benefits from employment shifts. These benefits can only be justified where unemployment rates are high or where other economic indicators suggest that the local economy is performing poorly. Benefits are larger when relocated industries are basic. Service jobs are of lesser interest. Any claims along these lines must be supported by good economic analysis.
There are many specific instances where new highways or better access to existing highways can enhance economic development. For example, a bypass can reduce the cost and uncertainty of goods movement, thereby leading to growth or greater profits in existing industries. A new interchange may allow a specific employer to expand operations at its current site. Geometric improvements to congested, unsafe or otherwise deficient arterials may allow nearby businesses to remain viable or to expand. In each of these cases the beneficiaries are clearly identified and there should be little need for speculation.

An excellent source of information about methods of economic analysis of highway proposals is NCHRP Report 342, “A Primer on Transportation Productivity and Economic Development.”
Appendix A

This appendix is a list of important federal laws and regulations related to environmental protection and to the relationship between transportation and land use.

- **Agricultural and Food Act (Farmland Protection Policy Act of 1981):** Implemented to protect farmlands and to prevent the use of those farmlands for uses other than agriculture. This act ensures that any federal action that is taken will be in keeping with the state and local interest.
- **Archaeological and Historic Preservation Act of 1980, as amended.**
- **Antiquities Act of 1906:** Requires that a permit be acquired for the examination of ruins, the excavation of archeological sites, and gathering of objects of antiquity on lands under the jurisdiction of the Secretary of Interior, Agriculture, and Army.\(^1\)
- **Comprehensive Environmental Response, Compensation and Liability Act of 1980.**
- **Conservation of Forest Lands Act of 1960.**
- **Endangered Species Conservation Act of 1969:** Provided a program for the conservation, protection, restoration, and propagation of selected endangered species.\(^2\)
- **Endangered Species Act of 1973:** Protects endangered species by preventing their use for commercial purposes. Generally, the Department of Natural Resources (DNR) within the state is responsible for maintaining this list.
- **Endangered and Threatened Species Act.**
- **Farmland Protection Policy Act of 1984:** Intended to protect farmlands and prevent their usage for nonagricultural purposes. The state and local agencies are required to identify the undesirable effects of proposed actions on farmlands and implement measures to mitigate these adverse effects.
- **Federal Aid in Wildlife Restoration Act and Federal Aid in Fish Restoration Act:** Authorized the Secretary of the Interior to cooperate with the states in selecting and preserving areas of land or water suitable for sustaining *wildlife.*\(^3\) The Federal Aid in Fish Restoration Act provides the states with federal aid for managing and restoring fish having *material value in connection with sport or recreation in the marine and/or fresh waters of the United States.*\(^4\)

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\(^4\) Loc. cit.
♦ **Federal Highway Administration Wetland Policy, 1977**: Implemented by the US DOT this policy to ensure the protection, preservation and enhancement of wetlands during transportation planning and construction.\(^1\)

♦ **Floodplain Management Program**: Regulations intended to protect human life, health, and minimize property damages and economic losses.\(^2\)

♦ **Guidelines for Specification of Disposal Sites for Dredged or Fill Material**: Guidelines that govern the discharge of dredge or fill material into the waters of the United States.

♦ **Land and Water Conservation Fund Act of 1965**: This act is primarily responsible for providing funds authorizing federal assistance to the states and providing funds for the same in planning and developing needed land and water areas and their facilities.\(^3\) Created a special Land and Water Conservation Fund from which appropriations were authorized mainly for matching grants to states for outdoor recreation projects.

♦ **Mitigation of Environmental Impacts on Privately Owned Wetlands.**

♦ **National Historic Preservation Act of 1966**, as amended: Required “departments or agencies to take into consideration the effect of the federal activity on a district or site or building or structure or object, included in the National Register of Historic Places”.\(^4\) Created the Advisory Council on Historic Preservation whose main function was to advise the President on matters related to historic preservation.

♦ **Noise Control Act of 1972**, as amended: Implemented by Environmental Protection Agency to set standards for noise emission and keep the public informed about issues related to noise emissions.

♦ **Procedures for the Protection of Historic and Cultural Properties**: These procedures follow the specifications of the National Historic Preservation Act. Their emphasis is on the need to accommodate historic preservation concerns with the needs of federal undertakings.\(^5\)

♦ **Regulations for Controlling Certain Activities in Waters of the United States, Corps of Engineers, 1986**: Require that permits be obtained for the construction of structures or related activity in navigable waters from the Army of Corps of Engineers.

♦ **Rivers and Harbors Act of 1899**, as amended: This act governs the construction of bridges in and over commercially navigable waters of the state to ensure navigational clearance.\(^6\)

♦ **Rustic Roads Act**: Its main purpose is to create and preserve rustic and scenic roads for vehicular, bicycle, and pedestrian travel.\(^7\)

♦ **Submerged Lands Act of 1953.**

\(^1\) *Loc. cit.*
\(^2\) *Loc. cit.*
\(^6\) *Loc. cit.*
\(^7\) *Loc. cit.*
uniform relocation assistance and real property acquisition: the purpose of this act is to protect those people displaced from their homes, farms or businesses for federal projects. thus, this act establishes uniform and equitable land acquisition policies for the affected persons.

water quality act of 1965: requires all states to establish and submit water quality standards for all interstate waters.¹

water resources planning act of 1965, as amended: responsible for establishing the water resources council with responsibility for assessing the adequacy of water supplies; studying the administration of water resources; and developing principles, standards, and procedures for federal participants in the preparation of comprehensive regional or river basin plans. it also established the framework for state and federal cooperation through a series of river basin commissions.²

watershed protection and flood control act of 1954, as amended.


wild and scenic rivers act of 1968, as amended: this act aimed at protecting “those rivers in their natural free-flowing state, which possessed recognizable scenic, recreational, geological, fish and wildlife, historic, cultural, or other similar values”.³ generally, congress or the state decide which rivers meet the criteria for inclusion under this act.

¹ environmental impact analysis handbook. p. 1-10.
² loc. cit.
³ ibid. p. 1-5.
Appendix B:

Useful websites:

2. Smart Growth in Maryland: http://www.op.state.md.us/smartgrowth
3. Oregon Transportation and Growth Management Program: http://www.lcd.state.or.us/issues/tgmweb/about/index.htm
7. State of Ohio Department of Transportation. State Infrastructure Bank: www.dot.state.oh.us/sib1.htm
8. Transportation Economic Assistance Program (TEA); WisDOT: Programs and Services. http://www.dot.state.wi.us/dtim/bop/gati.html
Appendix C:

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6. CH 28-24 Developments Presumed to be of Regional Impact.


10. Development of Regional Impact Application for Development Approval under Section 380.06, Florida Statutes.

11. Development of Regional Impact (DRI) Review.


23. Indirect and Cumulative Effects Analysis for Project Induced Land Development WisDOT 1996.

24. Land Use in Wisconsin, An Interim Report from the Interagency Land Use Council to Governor Tommy G. Thompson, December 1995; Six main types of State Land Use Planning Programs.

25. Land Use Issues Facing Wisconsin; Report from the WI Strategic Growth Task Force, Feb 1996.


29. New York State Industrial Access Program, New York State Department of Transportation.


34. Pignataro, Wen, Burchell, Lahr, Strauss-Wieder, The Transportation Economic and Land Use System (TELUS); Abstract.

35. “Policy Application”; Corridor Management Policy; Kansas Department of Transportation.

36. Revitalize Iowa’s Sound Economy (RISE), Iowa Department of Transportation.

37. “Route 16 Corridor Protection Study”; Land Use and Transportation Issue Summary; July 1997.


40. Rules of the Department of Transportation Chapter 14-97 State Highway System Access Management Classification System and Standards.


44. State of Ohio Department of Transportation. State Infrastructure Bank: www.dot.state.oh.us/sib1.htm

45. *Statutory Authority*; Legal Considerations; Land Development Regulations that Promote Access Management; NCHRP Synthesis 233.
46. “System plan indicates roads where access will be managed”; Wisconsin’s Plan for Managing Access to State Highways. Wisconsin Department of Transportation, 1996.

47. “The Department of Transportation (WisDOT) manages access to state highways by:”; Wisconsin’s Plan for Managing Access to State Highways. Wisconsin Department of Transportation, 1996.

48. The State Planning Act; State Development and Redevelopment Plan, New Jersey; The 1997 New Jersey State Planning CD-ROM.


50. Transportation Economic Assistance Program (TEA); WisDOT: Programs and Services. http://www.dot.state.wi.us/dtim/bop/gati.html


52. What you need to know about Smart Growth and Neighborhood Conservation; Managing Maryland’s Smart Growth; Maryland Office of Planning. May 1997.

53. Wisconsin’s Plan for Managing Access to State Highways; Wisconsin Department of Transportation, 1996.