

TECHNICAL SUMMARY

Questions?

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PROJECT COST:

\$190,897



Automated bicycle counters can collect important data for evaluating indirect construction impacts.

Economic Effects of Complete Streets Projects on Minnesota's Main Streets

What Was the Need?

Complete Streets is a national initiative to encourage the design of safe, convenient transportation systems with access to users of all types, ages and abilities. Minnesota was one of the first states to have a Complete Streets policy, and MnDOT requires all of its major roadway projects to follow the approach. Complete Streets is consistent with the agency's Minnesota GO vision, which strives for a multimodal transportation system to maximize the health of the people, economy and environment.

Minnesota highways often serve as commercial main streets in smaller cities and towns. While improving transportation mobility and access adds to a city's desirability and may result in positive economic benefits, impacts during reconstruction can be challenging. Loss of vehicle, pedestrian and parking access; utility shutoffs; and increased noise and dirt cause community concern and may affect businesses in the short term.

While the impacts of Complete Streets projects have been studied in metropolitan areas, smaller cities (with populations less than 20,000) and their businesses have been largely unexplored, and perceptions vary widely. MnDOT needed to understand how these projects impact smaller communities to aid working with local partners and communicating to policymakers and the public before, during and after major road reconstruction.

MnDOT's Complete Streets policy aims to provide a safe and functional transportation system for all users. Perceived and actual economic impacts of these road projects on small cities vary, but MnDOT has new strategies to work with local partners and evaluate economic benefits for smaller communities.

What Was Our Goal?

The goal of this project was to investigate the economic impacts of Complete Streets highway reconstruction projects on small cities and develop evaluation metrics to assess and communicate these impacts.

What Did We Do?

The research team reviewed the Complete Streets approach and implementation in Minnesota. Team members also generally explored the community benefits and impacts of road reconstruction projects.

Next, researchers developed nine case studies of Complete Streets reconstructions in smaller Minnesota cities, working with MnDOT to choose locations that varied by project type, geography, demographics and other characteristics. Media coverage, plans, reports and other project documentation were reviewed. Then they interviewed MnDOT project staff, city and business leaders, business owners and others in each location, focusing on perceived challenges or benefits for business, the effects of policies and strategies to reduce construction impacts, and the impact of specific elements such as bike lanes.

A statistical analysis estimated the economic impacts from Complete Streets reconstruction, comparing trends of gross sales, number of businesses and property tax revenue in cities with Complete Streets projects to similar cities with other or no construction activity. Finally, researchers identified qualitative and quantitative metrics to evaluate and communicate impacts of Complete Streets projects in small cities.

“The economic metrics produced in this study will be useful in evaluating and communicating the impacts of Complete Streets projects. What gets measured gets valued.”

—**Nissa Tupper**,
Transportation and
Public Health Planning
Director, MnDOT Office of
Sustainability and Public
Health

“Complete Streets may impact business and the local economy by altering business and city practices and bringing additional investments. The community appreciates the community engagement, planning and communication efforts of MnDOT and cities.”

—**Camila Fonseca-Sarmiento**, Director of
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of Minnesota Institute
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While traffic circles are significantly more effective than traffic lights at reducing crash rates, some stakeholders, such as in the St. James Complete Streets case study, perceive that traffic circles compromise safety.

What Did We Learn?

Researchers found that economic activity in some cities in which Complete Streets projects were implemented was improved through increased property tax revenue but found no significant impacts on sales. Unexpectedly, they found a slight decrease in business numbers; however, future research will be needed as the variable used in this analysis did not consider the size of these firms. It is possible that the number of small firms leaving the market was higher than the number of bigger new firms emerging.

The case studies provided a range of stakeholder perspectives that will inform MnDOT in working with local stakeholders where road construction projects are planned. Interviewees had mixed perceptions regarding economic impacts, safety and business accessibility. Many spoke positively, however, of MnDOT and city efforts to decrease the negative impacts of reconstruction.

Researchers developed a variety of metrics and data sources that MnDOT and cities can use to evaluate the economic impacts of reconstruction. Direct measures include changes in gross sales, property values, and public or private investments in other city improvements. Indirect measures include variables that may impact economic activity, such as pedestrian and bicycle activity, parking availability and average vehicle speed.

Researchers developed recommendations in three key areas:

Developing and implementing Complete Streets projects. Align reconstructions with other city investments to minimize disruptions and maximize efficiencies in improvements. Consider grants or other alternative funding mechanisms to decrease the financial burden on businesses. Also, continue coordinating project schedules with community leaders.

Engaging and communicating with local businesses. Clearly and consistently communicate with local businesses throughout the project, including information on changes or delays. Cities could consider innovative approaches to engage businesses such as a workgroup for communication and marketing strategies.

Measuring the economic impact of projects. Develop project-specific evaluation plans to collect metric and other data on project successes and challenges before, during and after Complete Streets reconstruction.

What's Next?

The research findings will be integrated into MnDOT's ongoing efforts to facilitate a multimodal transportation system in communities of all sizes that is safe and accessible to users of all ages and abilities. The case studies will be added to an existing database to provide broad education and outreach. The evaluation metrics will be explored to support communicating the economic impacts of Complete Streets projects in small cities.

This Technical Summary pertains to Report 2022-33, "Assessing the Economic Effects of Context-Sensitive Main Street Highways in Small Cities," published September 2022. More information is available at mndot.gov/research.