



Project Summary

Texas Department of Transportation

0-5437: Impacts of Toll Roads on the Regional Economy

Background

Transportation agencies are increasingly using toll roads to meet the transportation needs of Texas citizens and businesses. The Texas Department of Transportation (TxDOT) requires information regarding the potential economic impacts of toll roads. The purpose of the research for project 0-5437 was to examine and document the impacts of toll roads on the regional economy and to suggest the most effective ways for TxDOT to communicate those impacts to interested audiences.

The scope of the research was the impact on the economy from local or regional highway projects that are funded using traditional toll financing. The research did not directly address the economic impacts of larger statewide projects such as the Trans-Texas Corridor. The research also did not investigate the economic impacts of projects using toll equity or other forms of innovative financing.

What the Researchers Did

The research team conducted a literature search of recent studies about the impacts of transportation infrastructure projects, including toll roads, on the economy. The literature review was also used to identify the type of metrics that can be used to evaluate the economic, developmental, and fiscal impacts of toll roads. The metrics recommended by the research team then provided the basis for analyzing the regional economic impacts that occurred during construction and subsequent operation of toll facilities in Texas.

The research team collected data and interviewed stakeholders to develop five case studies of toll roads in Texas. The case studies describe the impacts of toll roads on the regional economies in the Dallas-Fort Worth area, in the Houston area, and in Fort Bend County. The case studies comprise examples of a retrofit toll project, managed lanes, and toll roads with and without continuous parallel frontage roads.

The research team developed and conducted a workshop in August 2006 to present the research findings and to suggest ways for communicating the benefits of toll roads. Knowledgeable, senior TxDOT representatives from around the state participated. They provided guidance and suggestions based upon their own experiences in public outreach and in project development for toll roads across the state. Those suggestions were incorporated in the research report.

Research Performed by:

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Project Completed:

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What They Found

The researchers found that toll projects are highly contextual. The economic impacts of any specific roadway must be considered in the context of local circumstances, facility design, attitudes of citizens, and the quality and capacity of local development agencies to address the demand created by the new roadway infrastructure. The actual impacts that any community or area may experience from a toll project will be influenced by these local circumstances.

Clearly, though, toll financing provides the opportunity to advance the schedule for a project that otherwise could be delayed for years or decades because financing from other sources of revenue such as motor fuel taxes is not available. This was the common denominator in all the case studies. Just as clearly, building or enhancing each of these transportation corridors sooner meant that the normal economic boons associated with any infrastructure expansion also came faster and had a broader effect.

What This Means

A toll road is a roadway with economic impacts that are the same as those for any similar roadway. A toll road is differentiated from any other roadway project only in the way it is financed. But the benefits of a toll road occur much earlier in time, and reach and maintain their peak sooner. The ancillary benefits of adding capacity sooner include delivering reduced congestion, improving mobility, and enhancing the quality of life more consistently across the region served.

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