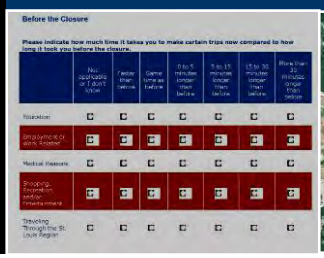
The New I-64 Economic and Regional Mobility Study

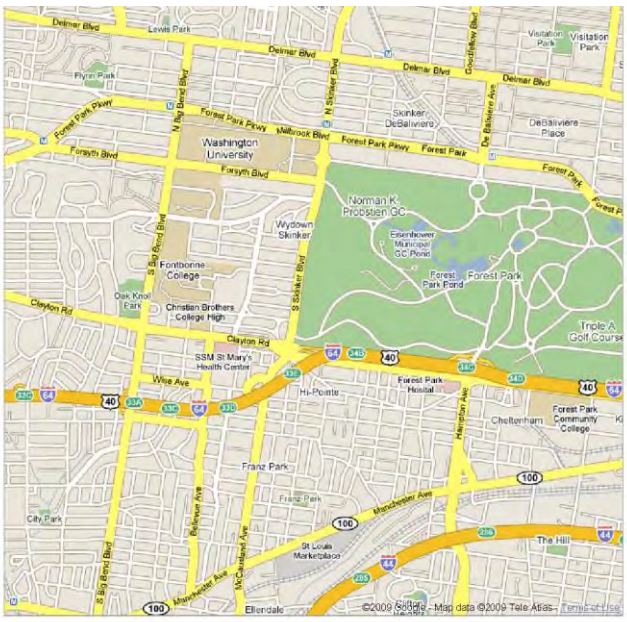
Quarterly Report #6

March 2009- June 2009

HDR



1. Executive Summary



On December 14, 2008, the eastern closure began with the closure of I-64 between I-170 and Kingshighway Boulevard. On December 15, 2008, the western closure of the New I-64 was opened to traffic. Partners again implemented their regional command center operations to ensure that any traffic flow conditions were addressed and responded to as the public adjusted to the change in closure along I-64.

This quarterly report assesses the period March 2009 through June 2009 that includes the 15th, 16th 17th and 18th months of the I-64 closure, evaluating the three key areas of **Communications** (MoDOT's provision of information to the public, and the public's response to the project), **Mobility** (the effects of the closure on travel behavior, choices, and traffic flow), and **Economics** (the effects of the closure on businesses within the corridor as well as the economic health of the region). With the eastern closure now in place; the study will begin to focus attention on potential differences in the eastern closure. In the 2nd Quarter of 2009, the research team found the following information:

Communications (pp. 2-4)	Mobility (pp. 4-5)	Economics (pp. 5-9)
Surveys indicate that the overall satisfaction level remains high	Traffic volumes continue to be higher on the designated interstate routes and adjacent arterials. Daily volumes are up 27 percent on Interstate 44 and up 50% during peak periods along several arterials.	Both corridor and non-corridor wages where high in the 4th Quarter of 2008
The Eastern Closure appears to be having more of an impact on travel behavior based on responses from "where I shop" , "how often I travel to certain areas" and "how well I managing to move around St. Louis	Average speeds are down slightly along certain corridors. The range various form being plus (up) 22% on I-44 eastbound in pm peak period to being negative (down) 14% on I-70 westbound in the pm peak period.	Unemployment in the St. Louis area is tracking very similar to national trends in 2008 and the first several months of 2009.
TV News, Internet, Radio News and Roadway Signs still are the leading way to get information on the construction project	Travel times are up slightly on certain interstate and adjacent arterials and correspond similar to measurements denotes in average speeds above since these measurements are based on the average speed	The change in sales from the 4th quarter to the 1st quarter of next year was very evident again as noticed in the previous three years. Seasonal sales in the 4th quarter are normally the highest period. The 1st quarter of 2009 was $349 million less than 1st quarter of 2008
Information from Motorist Assist and I-64 Traffic Response on the two survey questions still remains higher than online surveys when asked the same question		The taxable sales during 1st quarter of 2009 when index to the 1st quarter of 2005 fell below 1.0 for corridor, non-corridor and St. Louis County; only St. Louis City had a index higher than 1.0

2. Communications

In this quarter, we obtained respondent input via a new online survey and mail-in surveys from recipients of Motorist Assistance and I-64 Traffic Response services. We will continue to assess information received during the eastern closure and compare it the western closure information received in 2008. This comparison will show any consistency or inconsistency in the two data sets. **Both survey methods indicate that the overall satisfaction level remains high even though the Eastern Closure appears to be having more of an impact on behavior (those indicates shown in darker blue-green in table below) than the Western Closure did.**

Online Survey

Based on the online data, the Eastern Closure is having a greater impact on respondent behavior than that of the Western Closure. "Satisfaction with how well managing to move around the St. Louis area with the closure" is noticeably different. Despite this reported increased impact, overall satisfaction with MoDOT remains very high – almost identical to the results from the Eastern Closure as shown in table below.

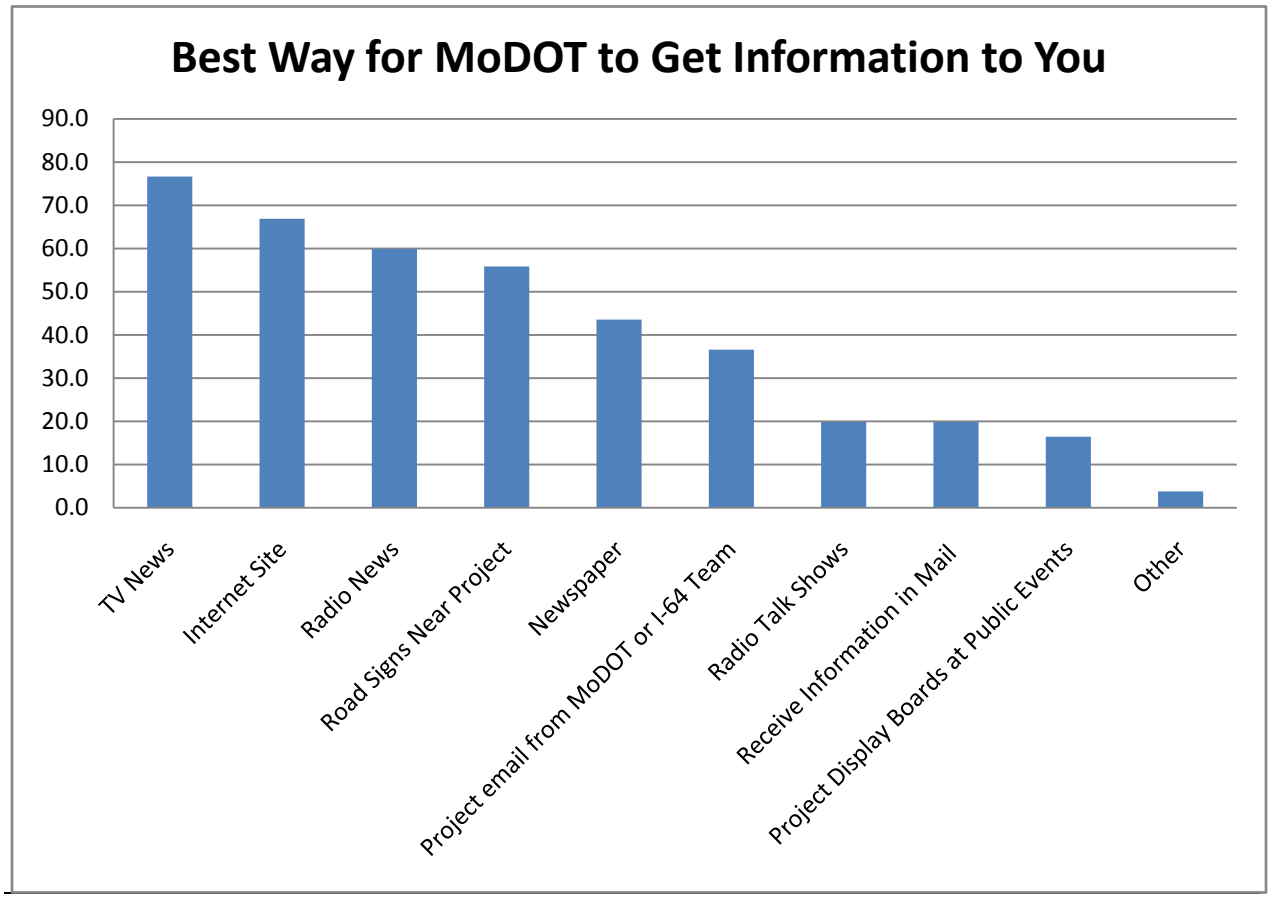
Key Public Indicators - Online Comparison of Both Closures	Western Closure	Eastern Closure	Total
Overall level of satisfaction with how the I-64 closure has been handled	76.7%	76.9%	76.7%
Satisfaction with how well the public kept informed about the new I-64 project	88.7%	89.6%	88.8%
Satisfaction with how well managing to move around the St. Louis area w/ the closure	69.7%	58.6%	68.0%
Satisfaction with timeliness of information being made available	87.5%	89.5%	87.8%
Agreement with "the closure has changed where I shop"	41.5%	46.3%	42.2%
Agreement with "the closure has changed how often I travel to certain areas"	73.3%	78.1%	74.0%
Satisfaction with decision to complete the work by closing I-64 for 2 years instead of 6-8 years w/ lane closures	76.5%	81.1%	77.2%
Survey responses	*1,362*	*245*	*1606*

Respondents are less satisfied with their ability to move around the St. Louis area. It was noticed they were more likely to state that the Eastern Closure has changed where they shop and how often they travel to certain areas. The project team will continue to monitor this trend in upcoming monthly and quarterly reports.

The best ways to reach online respondents is unchanged from last year as recorded in the following table:

Best Way for MoDOT to Get Information to You	Western Closure	Eastern Closure	Total
TV News	62.4%	77.0%	64.8%
Internet Site	60.2%	68.8%	61.5%
Radio News	51.2%	54.3%	51.7%
Road Signs	43.2%	53.8%	44.8%
Newspaper	43.0%	40.9%	42.7%
Project email from MoDOT or I-64 Team	24.2%	38.0%	26.3%
Radio Talk Shows	19.8%	17.3%	19.4%
Receive Information in Mail	13.1%	19.2%	14.0%
Project Display Boards at Public Events	10.8%	14.9%	11.4%
Other	2.6%	3.4%	2.7%

The following chart presents the total column to graphically indicate the best way to reach these respondents based on the on-line survey tool.



Motorist Assist

Two key questions are asked via MoDOT's Motorist Assist program as another way of obtaining information. The change measured since the Eastern Closure has been minor, but in accordance with that of the other methods. People are finding it slightly more difficult to move around, but are still quite satisfied, especially with the decision to close I-64 for two years instead of six to eight years with lane closures. The following table shows the percentage comparison:

Key Public Indicators - Motorist Assist Comparison of Both Closures	Western Closure	Eastern Closure	Total
Satisfaction with how well managing to move around the St. Louis area w/ the closure	90.0%	89.4%	89.8%
Satisfaction with decision to complete the work by closing I-64 for 2 years instead of 6-8 years w/ lane closures	93.8%	95.7%	94.4%
Survey responses	*3,837*	*1701*	*5538*

3. Mobility

In this quarter, we obtained traffic data for both freeway and arterials. This information shows both baseline and quarterly traffic data for easy comparison of any changes in traffic conditions. Traffic data collected includes traffic volumes, speeds and travel times along various routes near the I-64 construction project.

This quarterly report will implement a new display method that will allow for larger displays of tables and graphs. Sections by traffic volumes, average speed and travel times have been developed. The tables and graphs will be introduced with a short summary of what has been observed, and then the reader can select the link to the full page table or graph.

Freeways

We continue to notice increases in daily traffic volumes along I-44, I-70 and I-270 when compared to the baseline traffic volume data. Also, daily traffic volumes on I-64 west of I-270 are almost back to the baseline (pre-construction) level. The four graphs show baseline and April through June, 2009 traffic volumes:

East-West Baseline Traffic Volume - Graph 

East-West April through June 2009 - Graph 

North-South Baseline Traffic Volume - Graph 

North-South April through June 2009 - Graph 

The following table shows daily traffic volumes, and average speeds and travel times information for the PM Peak periods. These selected sites were selected early in the study to designate some control sites to monitor that could potentially experience changes with the construction along I-64. These freeways were designated and signed as alternate routes for impacted traffic. By consistently monitoring the same sites, we can get a general understanding on how traffic is moving in the region.

Selected Traffic Monitoring Sites – Daily Volumes, Speed and Travel Times – Table 

Daily Traffic Volume – Graph 

Average Speed – Graph 

Travel Times - Graph 

Arterials

We continued to notice a slight increase in travel times along the four corridors being monitored during weekdays' peak periods. These corridors are major arterials and should provide an indicator of travel along the arterials near the I-64 construction project. The following is a table with travel times along each corridor and then five graphs showing the past several months.

Arterial Corridor Travel Time Information – Table 

US Route 61 – 67 (Lindbergh) – Graph 

Route 100 (Manchester) – Graph 

Route 141 – Graph 

Route D (Page) West Section – Graph 

Route D (Page) East Section – Graph 

4. Economics

Economics Highlights

The primary highlight for this quarter is collection, analysis, and tracking of economic data and financial indicators. To date, MERIC has provided HDR with economic data from the first quarter of 2006 through the fourth quarter of 2008. In addition, taxable sales data has been compiled up to and including the first-quarter of 2009. Given the time lag in available economic data indicators, this quarterly report will only focus on the currently available and collected data.

Economic Analysis Progress

Current activities to date include:

- Collection of the identified published economic, demographic, and fiscal data.
- Receipt of ZIP-code-level data from MERIC for the fourth quarter of 2008. The economic data includes: industry employment, wage, and establishment data tabulations.
- Preliminary analysis of first Quarter 2009 Taxable Sales Data from Missouri Department of Revenue (DOR)

Economic Analysis

The major economic information for the I-64 corridor and non-corridor regions of St. Louis City and County for 2008 is displayed in Table 1. The table depicts a dip in employment between the third and fourth quarter of 2008 for the non-corridor region that surpasses the slight employment gain in the corridor region. While employment displayed some seasonal variation between each quarter of 2008, the number of establishments stayed relatively flat for both regions.

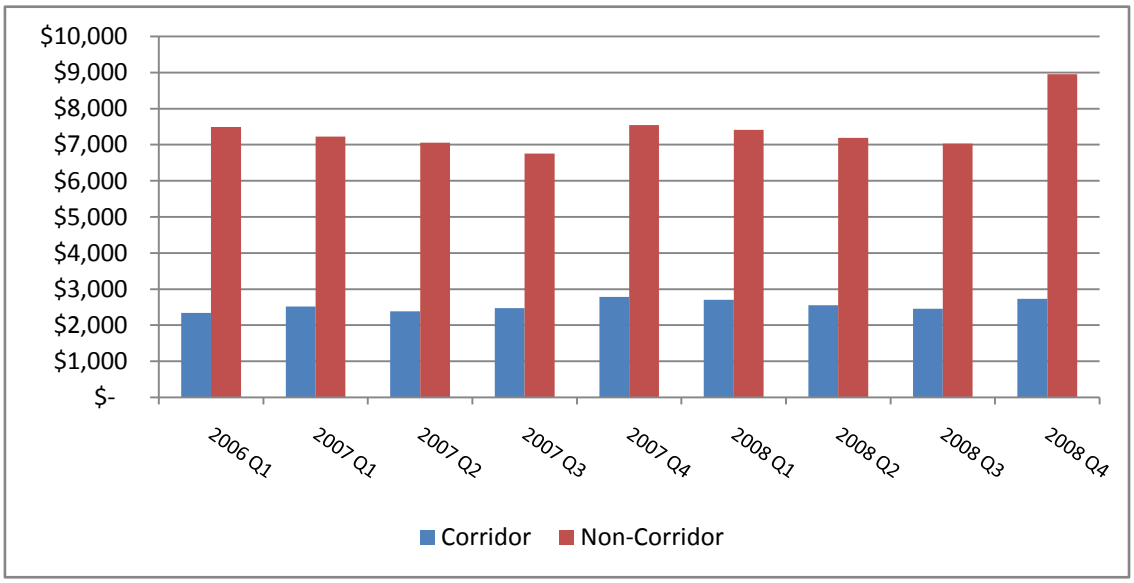
Table 1 **St. Louis I-64 Corridor and Non-Corridor Economic Profile**

	1st Quarter 2008		2nd Quarter 2008		3rd Quarter 2008		4th Quarter 2008	
	Corridor	Non-Corridor	Corridor	Non-Corridor	Corridor	Non-Corridor	Corridor	Non-Corridor
Jobs	200,772	616,400	201,577	631,271	200,533	627,295	202,055	619,160
Number of Establishments	9,232	31,155	9,197	31,131	9,178	31,256	9,185	31,134
Wages ($ Millions)	2,705	7,413	2,555	7,193	2,453	7,028	2,727	8,950

Source: MERIC and Missouri Department of Revenue

The corridor region generates upwards of 23% of the total wages of the entire region, totaling $2.7 billion in the fourth quarter of 2008. The much larger non-corridor region generated $8.9 billion in wages. Seasonal trends are evident in the wage data for the years 2007 and 2008, as the wages declined from the first quarter through the third quarter of the year and then recovered in the fourth quarter. This substantial increase in fourth quarter 2008 wages is attributable to additional compensation (year-end bonuses, profit-sharing and firm buyout payments) that represents a unique one-time payment and account for the large wage variation from the previous quarter. Even with the exclusion of these additional compensation payments, the non-corridor would have still demonstrated positive growth from third quarter 2008, albeit at a much smaller rate.

Figure 1 **Total Quarterly Wages by Region in Millions of $[1]**

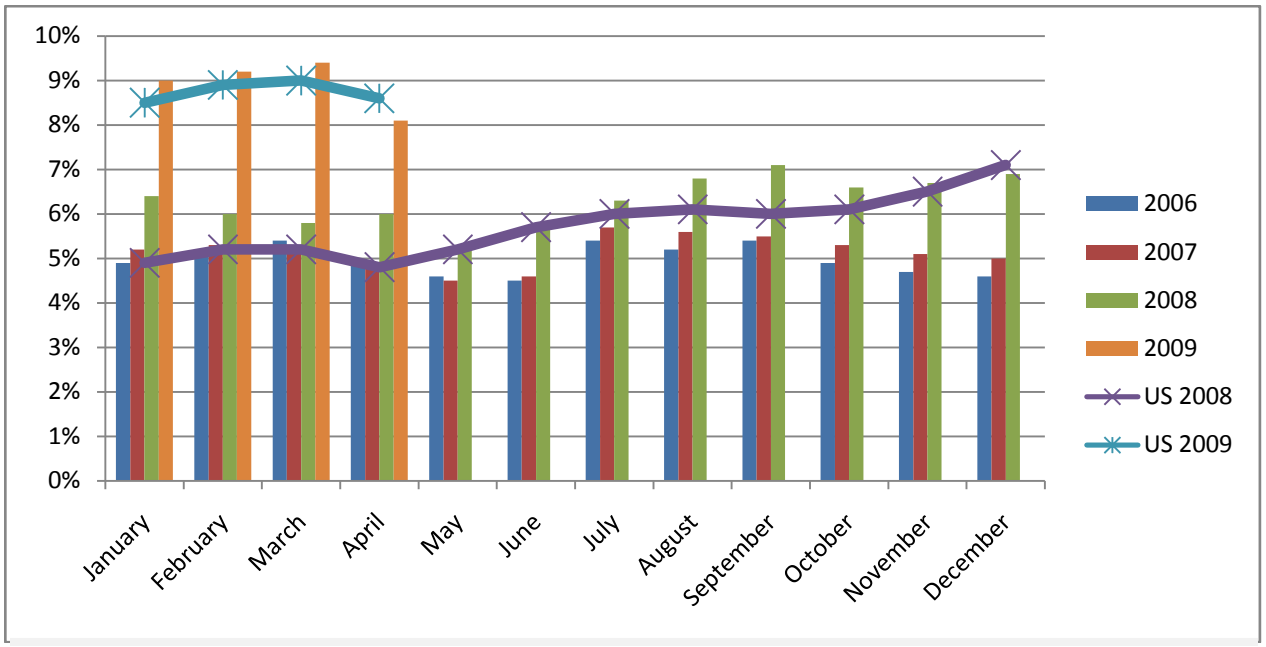


Source: MERIC QCEW

[1] Data provided only includes first quarter of 2006

The total employment for the study area was 821,215 of which 25 percent is concentrated in the corridor region. Traditionally, employment trends for the region show a rise in employment in the second quarter, a small contraction in the 3rd quarter, and a rebound in the fourth quarter. Throughout 2008, employment levels followed the overall seasonal trends with the exception of the fourth quarter. Despite employment growth in the corridor region, the losses in the non-corridor region resulted in a 0.8 percent decline in overall employment. Figure 2 shows the monthly unemployment trends for the St. Louis, MO, metro for 2006 through 2008. The seasonal unemployment trends hold for each year; however, after June of 2007 the unemployment rates are greater compared to the previous year. This steady rise in unemployment has been consistent with national unemployment as the two US trend lines show.

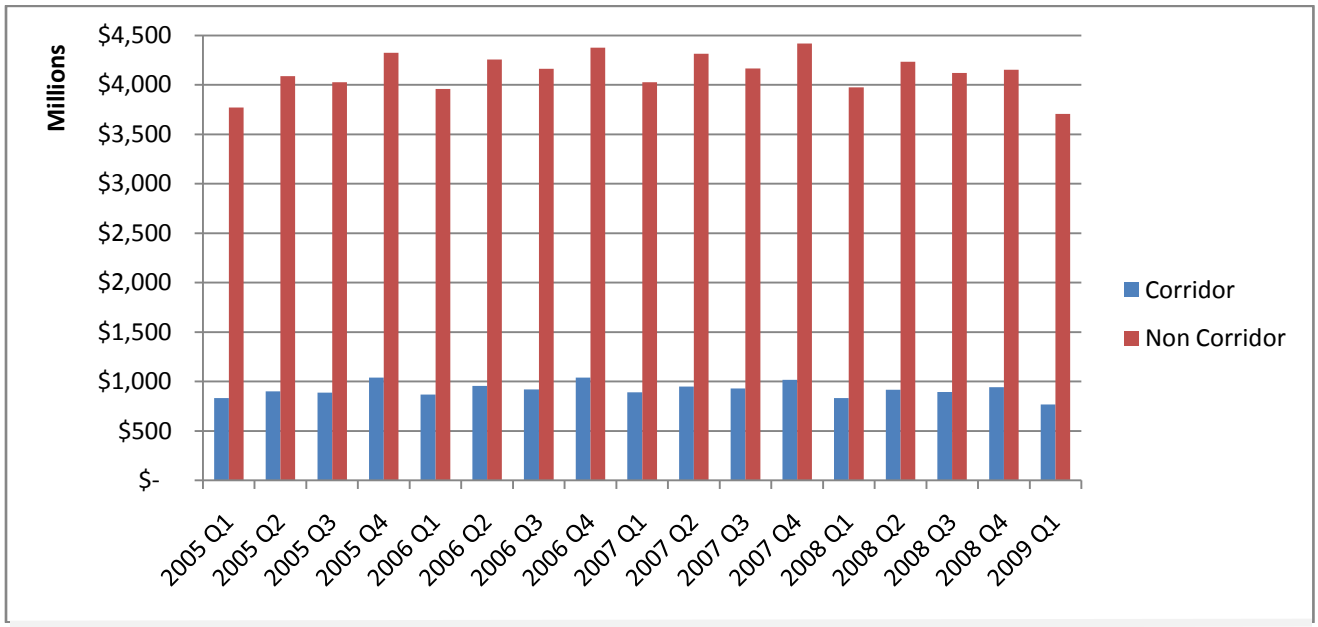
Figure 2 Unemployment Rate: St. Louis, MO Metropolitan Area



Source: MERIC

The combined taxable sales for the City and County of St. Louis were $5.1 billion for the fourth quarter of 2008 and initial analysis of the first quarter 2009 shows total taxable sales dropping to $4.5 billion. When compared on a year-on-year basis, the first quarter 2009 taxable sales revenues dropped $349 million dollars from the first quarter of 2008. The graph below shows the total taxable sales for each quarter, from first quarter 2005 to first quarter 2009, in millions of dollars. As Figure 3 indicates, the taxable sales for St. Louis County are roughly three and a half times larger than the taxable sales for St. Louis City.

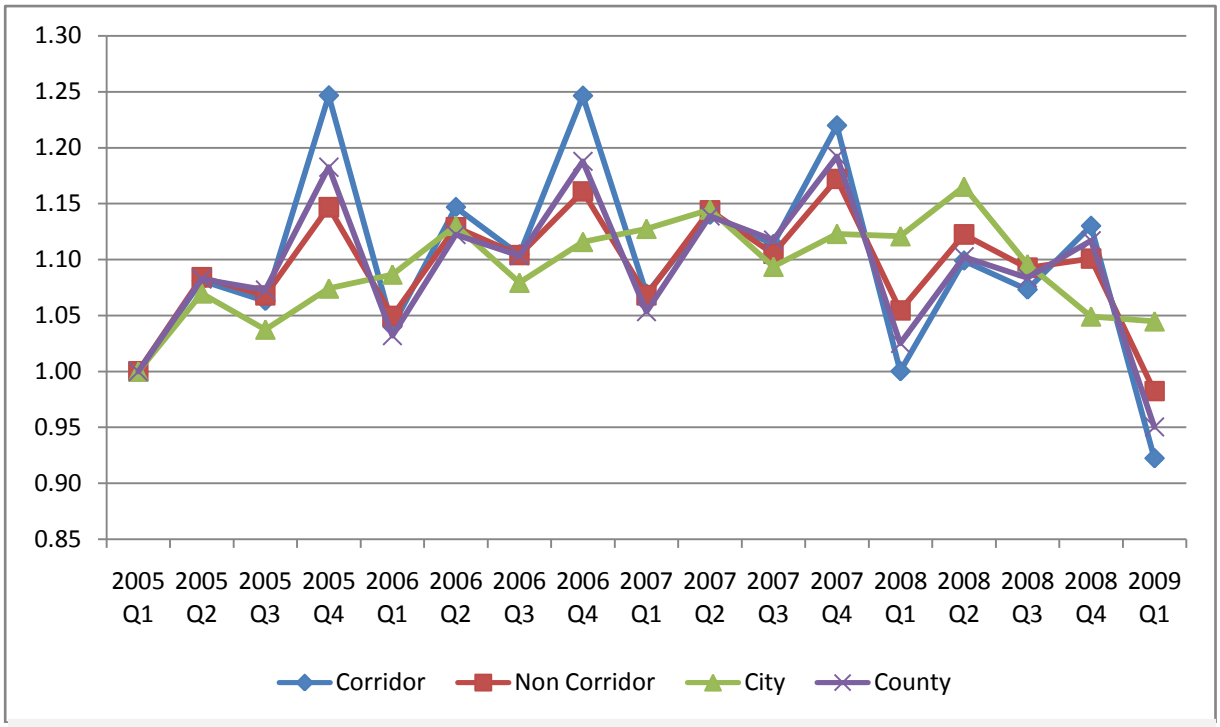
Figure 3 Taxable Sales by Region



The seasonal taxable sales patterns are best seen in the taxable sales growth index in Figure4**.** The index demonstrates quarterly taxable sales growth by each region in the study area. Each year, sales follow a quarterly cycle where the lowest sales take place in the first quarter of the calendar year, the second and third quarter show some degree of recovery, and then the final quarter of the year has the largest sales, which are traditionally boosted by holiday spending. The overall growth for all regions followed a similar pattern, maintaining a consistent level of positive growth until 2007, where the fourth quarter 2007 growth fell short of the previous years, and was followed by a significant drop in taxable sales in first quarter 2008.

Although sales did recover over the course of 2008, they remained below 2006 levels; with the exception of St. Louis City for second quarter 2008. The initial analysis of the 2009 taxable sales data shows that taxable sales have dipped below first quarter 2005 levels for all regions, with the exception of St. Louis City. Although the taxable sales have declined in the first quarter of 2009, this is consistent with historical trends. The industry specific analysis of first and second quarter 2009 taxable sales data will provide a better benchmark of overall economic conditions.

Figure 4 Taxable Sales Growth by Region



Conclusions and Future Steps

Thus far, it is difficult to isolate the impacts of I-64 on the St. Louis economy from the larger national economic conditions. Additional analysis of the 2009 economic and fiscal data will help assess the implications of the I-64 closure and the overall economic health of the region. Future steps will include the analysis of the detailed real estate data from Torto Wheaton Research (TWR). Additionally, the assessment of economic cost attributable to changes in traffic, travel delay, and vehicle miles traveled (VMT) due to the western closure of I-64 will begin.

The data and analysis in subsequent quarters will provide a better understanding of the magnitude of the transportation costs and their impact on productivity and competitiveness. Further analysis will offer insight on the project's effect on retail sales, customers and visitors, particularly among Corridor businesses. Finally, it will help to ascertain the extent to which national economic conditions are influencing the results.

Appendix A: Communications Data

- **Online Survey Summary**

Appendix B: Mobility Data

Appendix C: Economic Data

Appendix D: Traffic Response Data