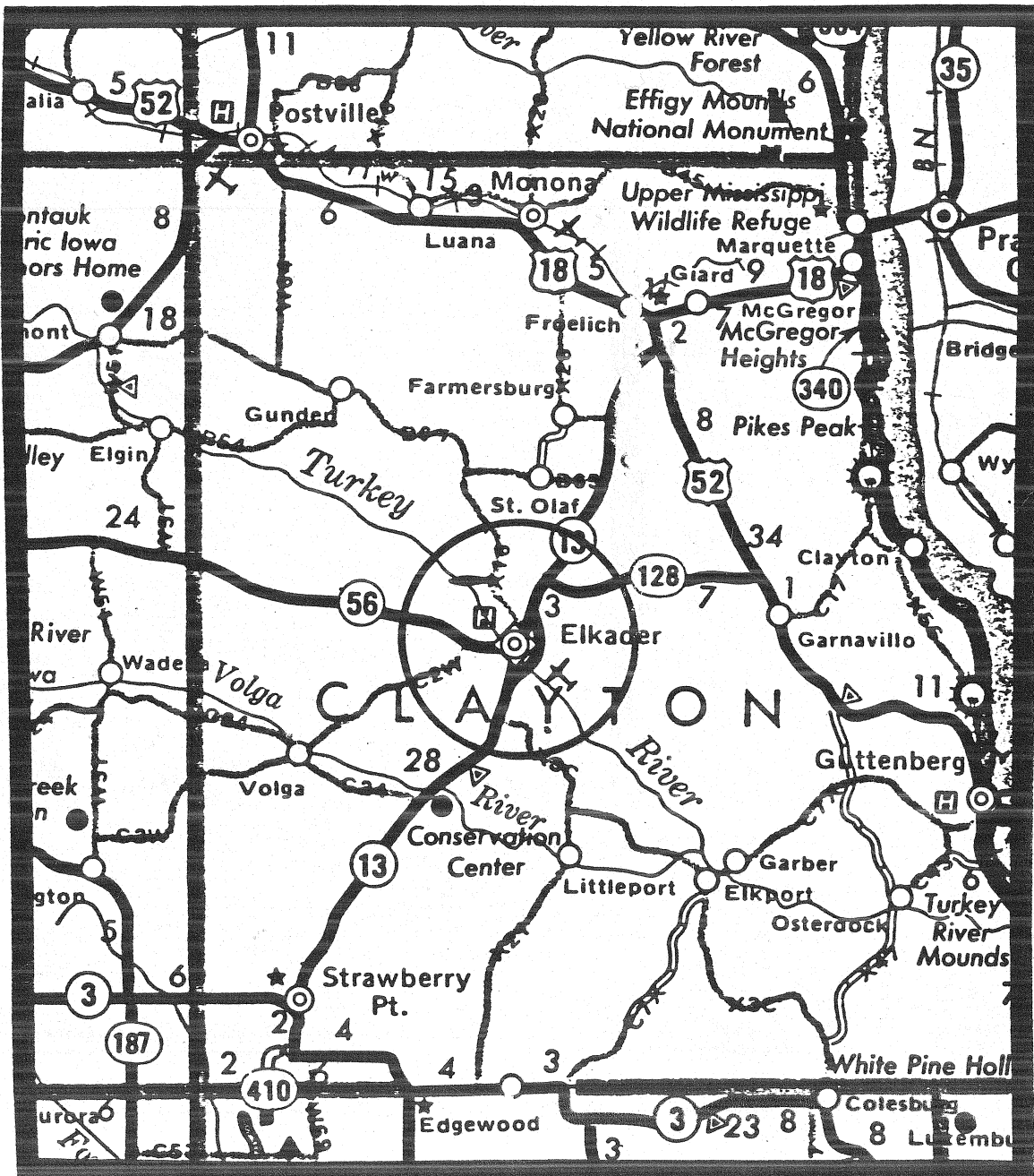


A LITERATURE REVIEW  
of  
URBAN BYPASS STUDIES

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Prepared by the

Office of Project Planning

Iowa Department of Transportation

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1992

## ARRANGEMENT OF LITERATURE REVIEW

The studies contained in this review are divided into two parts. The first part pertains to studies completed on cities in Iowa which have been bypassed. The second part is summary of a very comprehensive research project completed on 76 bypassed cities. This study was authored by a former professor at Iowa State University.

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## PREFACE

Urban places attract the most highway travel because more people are to be found per acre in urban places than elsewhere. In the beginning of highway development the objective was to provide an all-weather road for the rural people to get to town and back to their farms, but there was no consideration of getting motor vehicles through the town to the opposite side.

With the development of intercity travel, it soon became apparent that travel through the urban areas would have to be given consideration along with the travel to and from the urban areas. This consideration led to the urban bypass, a provision in highway location whereby the traveler may get to the opposite side of the urban area without going through it, or at least not through the central business district. Bypasses, although highly desired by the through travelers, were not welcomed by local business interests on the basis that the community would suffer a reduction in retail trade. Some discussion of the pros and cons of bypasses and their consequences as observed from experience will shed light upon this type of local highway.

The bypass report summaries in this document were based on interviews with businessmen and community leaders of cities that have actually experienced firsthand the impacts of a highway bypass. Several of the studies were conducted by newspaper reporters, city council members and residents of Iowa cities.

The findings and recommendations presented in this document do not necessarily represent the position or policies of the Iowa Department of Transportation, but represent those of the author only. Any questions or comments should be directed to Tom Welch, Office of Project Planning, Iowa Department of Transportation, Ames, Iowa 50010, telephone (515)239-1321.



INDEPENDENCE  
Iowa DOT Study

Independence (pop. 6,392) was bypassed by U.S. 20 in November 1983. The following are summaries of interviews with local businessmen. These interviews were conducted in June 1986. Most all interviewed stated it was difficult to comment on the effect the bypass had on business because during the same time frame after the bypass was opened a considerable number of Independence residents lost their jobs as a result of Rath Packing closing in Waterloo and the layoffs at John Deere. These factors have had a substantial impact on retail sales also.

Frank Brimmer, Mayor. The bypass did not result in any major adverse economic impacts. The highway travelers seldom stopped in Independence. Most Independence residents are happy the U.S. 20 traffic does not go through town.

Pat Sells, Executive Director, Independence Chamber of Commerce. Nobody went out of business because of the U.S. 20 bypass even though the U.S. 20 corridor improvements and I-380 have also made it easier to get to larger retail centers at Waterloo and Cedar Rapids. The U.S. 20 and I-380 corridor improvements including the bypass has benefited Independence. Two new industries have located in Independence because of the improved accessibility to the interstate system.

She stated no businesses relocated closer to the bypass, nor have any new retail businesses, been established on access routes to the bypass. The former highway corridor continues to be developed. Commercial property values of existing businesses did not drop because of the bypass. She said any loss of business the past two years can be primarily attributed to the job losses at John Deere and Rath Packing as well as the poor farm economy.

Tom Martin, Vice President, Farmers State Bank. He said overall the U.S. 20 improvements including the bypass were one of the best things that have happened to Independence. The bypass has improved the shopping environment downtown and the former highway corridor continues to be developed. He said some downtown stores may have lost some sales due to the bypass but they have also failed to adjust their marketing to reflect the changed conditions. Commercial property values have not decreased along the former highway corridor.

Jim Hughes, Hughes Real Estate. He stated that commercial property values did not decrease because of the U.S. 20 bypass. There continues to be interest in developable property along the former highway corridor and the access routes. He stated, "If Independence paid a price for the U.S. 20 bypass it was worth it. The assets far outweigh the liabilities."

Mary Wiersma, Owner, Colonial Motel, and Virginia Doan, Owner, Rush Park Motel. Both stated that motel business was decreasing even before the bypass was constructed because less businessmen are staying overnight for economic reasons. Since the bypass was completed business has continued to decrease. They felt they could directly attribute the decrease in truckers staying at their motels to the bypass.

Steve Waskow, Owner, A & W Root Beer Stand and Steve's Pizza, both separate businesses located on the former highway. He anticipated that the bypass would reduce his business volume at both restaurants by 20 to 25 percent. The business volume at the A & W actually decreased by 12 to 13 percent the year following completion of the bypass. The bypass had no impact on his pizza restaurant. He did not know what portion of the business loss could be attributed to the job losses at John Deere and Rath Packing. He stated no restaurants went out of business because of the bypass. He felt the "impulse buying" restaurants (A & W, Hardee's, Dairy Queen) all lost some business but the supper clubs and cafes did not.

Mary Terry , Manager, Kentucky Fried Chicken located on former U.S. 20 highway. The U.S. 20 bypass had no noticeable impact on business volume.

Day Manager, Hardee's Restaurant located on former U.S. 20. She stated that in the two years following the bypass business dropped about 20 percent. She attributed it to the combined effect of the farm economy, the John Deere and Rath Packing job losses, and the U.S. 20 bypass.

Kerr McGee gas station. The owner thought gas sales have decreased by 20 percent in the last two years since the bypass was opened. The job losses at John Deere and Rath Packing affected his sales during those two years also as those commuters bought their gas in Independence. No service stations along the former U.S. 20 corridor have closed since the bypass was opened.

Casey's Store located on former U.S. 20 corridor. The manager stated there has been "some" loss of gas and retail sales but she could not say what was caused by the bypass and what by the decreased local economy over the same time period.

## WEBSTER CITY

Independent study conducted by Floyd Bode, Fact Finder Spokesman for Kossuth County Taxpayers' Association.

Webster City (population 8,572) - U.S. 20 bypassed Webster City in 1980.

The highway-related businesses such as restaurants and service stations located along Main Street, even though the change has taken a percent of through traffic away, agreed that for the total good of their city they will survive and eventually enjoy an upturn in economy result of expansion progress in the future. All businesses up and down Main Street credited the slow farm economy for their present crush as it shows elsewhere throughout the state.

Every business other than highway-related was glad to rid Main Street of the heavy traffic to be replaced with shoppers from all the surrounding small towns, plus Fort Dodge. People come here now with ease and no fear of traffic snarls. All admit that they feared what could happen to their business at the outset, but for some unknown reason, most did not experience a crushing setback. They say, "Anyone traveling from A to C or visa versa, will never stop here anyway unless to patronize highway-related services. That was happening before and it hasn't changed."

None of those businesses of jewelry, grocery, hardware, drug store, dry goods store, shoe store, banks - you name them - spoke in negative words. All were looking ahead and thoroughly pleased that the four-lane Highway 20 is built and that the future appears extremely bright for Webster City.

Why do those people speak so positive? It was my unexpected audience with City Administrator Bob Hayes, who said, "I am new to Webster City, but I have caught up with what Webster City is all about since my arrival in November 1986. This place is on the upturn. We have every bit of property annexed out to that highway, plus 200-some acres on the other side. A truck stop wanted to locate there and did so subsequent to annexation. Then K-Mart came in there and I believe in a few years it could be full. As a whole, it has created a tremendous change in Webster City's financial atmosphere."

He went on to say, "If any business feels they are going to fail because of the bypass and doesn't keep in tune with the change, they will fail, but for those looking ahead and who are observant of change and stir to create survival will succeed."

Saying further, "Once the bypass is established, industry will be attracted. They want to locate on level land close to the highway, securing services available to them from the city with the least encumbrance. The properties will commence to be filled in the annexed area, and certainly it will be good for the city. It is working here and in every city in which I have been where this has happened of 5,000 population and more. It has proved to be a successful venture."

CHEROKEE  
Iowa DOT Study

Cherokee (Pop. 7,004). The IA 3 bypass was opened to traffic in November 1964. U.S. 59 still goes through Cherokee. The following are comments received from businessmen who owned businesses in Cherokee before and after the bypass as well as comments from other citizens in Cherokee. These interviews were conducted on June 6, 1986.

Ray Erlandson, President, Cherokee State Bank. He said he did not recall any businesses failing after the bypass was constructed or having difficulties. Overall he felt the bypass had no significant economic impact on Cherokee. He stated that the citizens of Cherokee like having the highway traffic out of town.

George Rapson, Mayor of Cherokee before and after the bypass was constructed. He said the motel, cafe and gas station owners actively opposed the construction of the bypass. The City Council understood their concerns but felt it was in the best interest of all the citizens of Cherokee to get the highway traffic out of town. In his opinion the bypass did not affect total retail sales. He said the advantages (less accidents, improved shopping and living environment) far outweigh any disadvantages that may have resulted. He said as the town grew towards the bypass along the access roads new businesses were established.

Mr. Quinn, owner, Quinn's Mobil Station. He said no gas station went out of business as a result of the bypass, however they all lost a considerable amount of gas sales. In the 1980s with cars getting so many miles from a tank of gas he would not expect a bypass to affect service stations very much as few travelers have to stop for gas between scheduled stops.

Mr. Ruble, owner, Ruble's Amoco Station. His comments were similar to Mr. Quinn's. He added that non-local highway traffic was only a very small part of total sales.

John McWilliams, Drug Store owner. Thought bypass resulted in some loss of retail sales downtown, but nobody went out of business because of the bypass, including cafes and gas stations.

Carvel Burkhart, Mayor of Cherokee in the late 1960s after the bypass was constructed and a businessman in Cherokee during the 1960s. He felt that overall the bypass was good for Cherokee. The residents of Cherokee really like having the highway traffic out of town.

Meyer Wolff, clothing store owner in Cherokee from 1925 to 1975. He said most of the businessmen were very concerned about the bypass before it was built. In his opinion the businessmen, including himself, over-reacted. The bypass did not hurt retail sales in Cherokee. If anything affected retail sales it was the shopping mall developments in Sioux City. He felt the overall highway corridor improvements to IA 3 and U.S. 59 made it easier for people to get to Cherokee to shop.

Jay Yaggy, owned hardware store in Cherokee before and after the bypass. He was very concerned when the bypass was first proposed but it did not affect his business. He and the other businessmen overreacted he said. He felt the bypass created a much improved living environment for residents and a nicer shopping environment.

Don Speelmon, owner of Lamplighter Motel and Speelmon Steak House. When the bypass was constructed, he felt the bypass reduced his steak house business by 20 percent. The motel business was not affected by the bypass. He sold the motel in 1972 and sold the steak house in 1984. (Note: A former mayor of Cherokee indicated that other mitigating circumstances may have caused much of his loss of business at the steak house.)

Interview with a group of six citizens in a downtown cafe in Cherokee. They said it was nice getting the highway traffic out of town. "It was a godsend" said one woman. The reduction in accidents with highway traffic usually involved local people also. They said the city should limit the number of city streets intersecting with the bypass to control traffic in residential areas. Two of the citizens were from out of town. They felt the improvements to IA 3 and U.S. 59 have made it much easier and safer to come to town.

**MOST IN RED OAK FELT BYPASS HELPED THEIR TOWN GROW**  
Missouri Valley Times Newspaper Report 1983

The US 34 bypass has helped make Red Oak (pop. 6,210) more attractive to industry and commercial businesses according to some of the city's businessmen. Most of them said that today, nearly 20 years after its opening, it is probably one of the best things that ever happened to Red Oak.

There has been a substantial amount of new businesses built on Highway 48 which serves as the main entrance to Red Oak. The businessmen in Red Oak feel that the new Highway 34 has been beneficial in recruiting new industry to Red Oak. "Good transportation is essential in today's world society," one businessman responded.

As for the bypass hurting downtown business, the vice president of a bank said "it hasn't." Most everyone interviewed said they thought Red Oak's businesses hurt the most were gas stations and motels along the old route. The owners of a Standard Service Station said they were able to stay in business after the bypass was built because of quality workmanship, a good local clientele and because they have always done more than just pump gas. It was reported that total accidents in the surrounding area decreased by about 50 percent after the bypass was built.

**IN GLENWOOD A HIGHWAY BYPASS WAS A MIXED BLESSING**  
Missouri Valley Times Newspaper Report, 1983

The newspaper reporter went to Glenwood (pop. 5,002) and interviewed businessmen in the community. She found that the US 34 bypass has had good and bad effects on the city, depending on who you talk to. The owner of the Best Western Motel which sets about a mile from the bypass said his business does not depend on people passing through Glenwood, but that 99 percent of his business is people whose destination is Glenwood. He thinks the bypass has been good for Glenwood.

The owner of a Dairy Chef located near the town square said that putting in a new highway is "like turning off your business." The previous owner of a service station said he had to sell his business because the bypass highway took so much business away from him. Another businessman likened today's travel through small towns to yesterday's travel by horse and buggy. "I think it's the coming thing. I don't think there is any other way but to bypass." He said before the bypass most travelers didn't stop in Glenwood and if they did, only something small was purchased.

The owner of a supermarket said that travelers on old US 34 gave most of their business to his store. But he said their purchases didn't amount to much. However, he said he would be naive to say it has not affected other businesses in town. "This is still a great business town" he said. "And by taking traffic, especially semi's out of downtown it did make it more safe for moms with small kids."

Another businessman said before the bypass, traffic downtown resulted in traffic jams worse than on some of Omaha's streets during rush hour. He said because of the bypass more people shop downtown because they can now get to the store.

A former Pepsi Cola distributor said he saw towns like Emerson (pop. 484) die because of the bypasses which were built along US 34. He felt Glenwood remained a flourishing city because of its size.

The president of a bank in Glenwood said he feels a city will always lose a certain amount of business with a bypass, but said he thinks Glenwood's total revenue has increased because of the bypass. "You won't lose sales" he said, "but you may have to rearrange sales."

#### NEWTON ECONOMIC STUDY, INTERSTATE 80 BYPASS Iowa State Highway Commission

This study provides information about the economic, traffic, highway safety and land use effects of the bypass of Newton, Iowa, (pop. 15,292) by Interstate 80. The highway was opened to traffic on November 16, 1962. Taxable retail sales are the major indicator that the researchers used to determine the economic effects on the community. The report indicates that retail sales in Newton grew by nearly 10 percent during the study period and can be compared with the control areas which grew at a slightly larger rate. Newton firms in the cafe and service station group showed a decrease during the study period. The researchers found that this was due to management and ownership changes as well as any loss in trade resulting from the highway change. Removal of through traffic from US 6 and the introduction of Interstate 80 has dramatically reduced the accident rate in the Newton area. The bypass of Newton by Interstate 80 has not deterred the commercial growth of the community nor has it adversely affected the economy of Newton as a whole.

#### RED OAK AND CORNING, US 34 BYPASS, ECONOMIC STUDY Iowa State Highway Commission Federal Highway Administration

The economic impact resulting from constructing bypass routes around the cities of Red Oak (pop. 6,810) and Corning, (pop. 1,439) Iowa, is evaluated here. The two cities are located on US 34 in the southwestern part of the state. The study was made on a "before and after" basis using a control area method to compare and analyze changes during the study period. Economic parameters considered include retail sales, land use zoning, industrial employment, and traffic patterns. Four years of "before" data and two years of "after" data were taken. Comparison of changes were made against those noted in an eight-county control area. Relative comparisons of changes occurring between the two cities were also made. The results show that the bypass route around Corning had greater undesirable economic consequences than the bypass around Red Oak. Both cities had a decrease in sales for highway-oriented firms. However, part of the decrease has attributed to changes in ownership and management of the firms involved. This study also shows that the general economy did not change appreciably. Red Oak showed a change in land use and zoning in relocation. Increased

commercial and industrial use along the highway was evidenced. Similar effects in Corning had not taken place.

DECORAH  
Iowa DOT Study

Decorah (pop. 7,703) was bypassed by US 52 in 1962 and by IA 9 in 1967. The following are summaries of interviews with local businessmen. These interviews were conducted in 1986.

Lowell Erdman, private consulting engineer, who is retained by the City of Decorah as the city engineer. He stated that traffic congestion was so bad downtown that the business groups did not oppose the bypasses. He said no businesses moved out to the bypass route.

Bob Osgaard, Standard Station owner. He said very few motorists make trips that require stopping for gas between their origin and destination now that vehicles go so many miles on a tank full. Almost all a gas station's business which is located in a town comes from local clientele or travelers who intended to stop in town anyway.

Bill Ronan, President, Decorah State Bank. The bypasses improved the shopping environment downtown. He did not detect any decrease in business volume in the downtown area nor was he aware of any business closing after the bypasses were completed. He felt the bypasses and associated highway improvements were good for businesses in Decorah as it enhanced access to Decorah.

Jack Thompson, gift shop owner. The bypasses had no noticeable impact on his business. He felt the bypasses were located too close to Decorah.

Jerry Alway, hardware store owner. He felt the bypasses were the "best thing that ever happened to downtown Decorah" as it improved the shopping environment.

ELKADER  
Iowa DOT Study

Elkader (pop. 1,592) was bypassed by IA 13 in 1981. IA 56, a low volume state highway does have its southern terminus in Elkader. The following are summaries of interviews with local businessmen and residents. These interviews were conducted in 1986. There was considerable opposition to the IA 13 bypass when it was first proposed.

Ken Lemka, City Clerk. He said the residents of Elkader are pleased with the reduction of truck traffic through town. They feel it is safer for their children and the noise has been reduced.

Ed Olsen, Mayor and Sears Store manager. The bypass did not affect retail trade. The IA 13 improvements have greatly improved emergency access to and from Elkader. "It has been great!" He feels the bypass intersection should be lighted.



Emmett Theis, clothing store owner. He felt the shopping environment has improved because the bypass reduced parking and pedestrian conflicts with highway traffic.

Carl Tschirge, hardware store owner and former council member opposed to bypass when first proposed. He said the businessmen in Elkader submitted a petition in opposition to the bypass, however the bypass has had minimal adverse business impacts. He would like the Iowa Department of Transportation to bypass IA 56 around Elkader to further reduce truck traffic.

Ray Severson, former city councilman. As a paramedic he has found emergency access to regional emergency hospitals improved. His opinion is "that it is the greatest thing that ever happened to Elkader." He would like to see bypasses of Strawberry Point and McGregor to further reduce ambulance travel time to hospitals in LaCrosse and Waterloo.

Ed Nelson, Sinclair Service Station owner. He said highway traffic very seldom stopped in town so his gas sales were not reduced as a result of the bypass. One problem he did point out was that nonresidents have a difficult time finding the bypass from within town. He suggested the state place signing in town.

Group of citizens at a local cafe. The consensus of these residents of Elkader is that they wish it would have happened a long time ago. It has improved the quality of life in town.

Shell Station owner. This is a full service gas station. She said they noticed some decrease in gas sales after the bypass was built but highway traffic business was a very small part of total sales. She stated that no service station in town went out of business after the bypass was built.

Super Value Grocery Store. This grocery store is located on the old highway route. The existing owners recently bought from the owner who owned the store immediately before and after the bypass was built. They said the previous owner indicated that highway traffic did stop and he had lost that business due to the bypass. However, their purchases were small.

Rathskeller Supper Club. This is a unique dining place that had good highway visibility and attracted people who saw it. The owner stated she felt the bypass did substantially decrease her business which required her to decrease the size of her operations. She said she still has a good business from tourists that know her supper club is there.

Johnson Cafe. This is a small cafe located on the old highway route. The owners stated the bypass had no noticeable affect on their business. They have an excellent local clientele.

#### CENTER POINT Iowa DOT Study

Center Point (pop. 1,591) is located in Linn County about 18 miles north of Cedar Rapids along former state highway IA 150. Interstate 380 was

constructed about 2 miles west of Center Point in 1984 resulting in a substantial decrease in traffic along IA 150. The central business district is located two blocks north of the former IA 150 highway. However, a considerable number of businesses are located along the former highway. The following interviews were conducted in March 1986.

Mayor T. J. Neenan. Mr. Neenan stated that he was not aware of any businesses that closed as a result of the construction of I-380. In fact, he said one additional service station opened up immediately after I-380 was completed.

He said emergency access to hospitals in Cedar Rapids has improved considerably and that travel time for work trips to Cedar Rapids have been reduced. He felt the removal of state highway traffic through town has created a safer environment for the residents. Overall he felt the construction of I-380 bypassing Center Point was more beneficial to Center Point than detrimental.

The following are interviews with the owners or managers of the five service stations along the former state highway.

Bill Rhienhart, owner Texaco Station. Mr. Rhienhart stated that the new highway had no noticeable affect on his business. His station primarily served local clientele and his repair work generates most of his business.

Gary Umbdenstock, owner Standard Station. Mr. Umbdenstock is the new owner of this station. He said the previous owner had stated that gasoline sales had decreased after I-380 was opened, but Mr. Umbdenstock said that it could have been more the result of a new Standard station opening up rather than the new highway location. He stated his business is doing well and that it is the local clientele that make up the vast majority of sales for service stations in small towns.

Mike Techan, owner Union 76 Truck Stop. Mr. Techan stated that his truck stop previously catered to highway traffic, particularly trucks. He felt his sales decreased 10-15 percent after I-380 was opened.

Manager Country Store (Standard Station/Convenience Store). This station opened up after I-380 was opened and is located on the access road between I-380 and Center Point. The manager felt business was doing well and that they get their business from both the I-380 traffic and that which previously did business with other service stations in Center Point, particularly the Casey's Store.

Manager, Casey's Store. The manager felt they still get some business off of I-380 from regular customers. The gas sales did decrease some but she felt the new convenience store (Country Store) was the cause. She said that highway traffic made up only a very small part of their sales.

The following are interviews with the three cafe owners/managers located along the former state highway.

Charlene Horner, owner of Eatery Plus Cafe. Ms. Horner stated the new highway location had no effect on her business.

Mike Techan, owner of the Union 76 Truck Stop Cafe. Mr. Techan said since they used to serve many truckers his cafe, business decreased 20-25 percent after I-380 was completed.

Marilyn Frazer, owner Merles Point Cafe. Ms. Frazer stated that business decreased considerably after I-380 was opened. She said they still get customers who drive in from I-380. She acknowledged that the poor farm economy has hurt her business also.

#### Motel Interviews:

Janie Mehmen, owner of Point Inn Motel. She stated that immediately after I-380 was opened her business decreased significantly. However, after the state placed a "Lodging Next Exit" sign on I-380 her business has been comparable to before I-380 was opened. She stated that during the construction of I-380 her motel business and the business at the town's cafes increased substantially.

#### Miscellaneous Business Interviews:

Hardware Hank Store. I spoke with the daughter of Mr. Don Dufoe, the owner. She stated that between the poor farm economy and the new highway location that the store's sales had decreased the past year. She said that I-380 made it more economical and less time consuming for customers to drive to Cedar Rapids to shop.

#### WALKER

##### Iowa DOT Study

Walker (pop. 733) is located in Linn County along state highway IA 150. The completion of I-380 in 1984 has resulted in a substantial decrease in traffic along IA 150. IA 150 passes through the west side of Walker several blocks from the central business district. However, several businesses are either along the highway or are visible from the highway. The following interviews were conducted in March 1986.

Sherbon's Store. This is a combination small grocery store and convenience store located along IA 150. The store does not sell gas. The owner stated that they noticed a substantial decrease in highway-generated business. However, the highway customers' purchases were small.

Mr. Clifford, owner C. J. Standard Station. Mr. Clifford stated that the completion of I-380 had no effect on his business. He said most all of his business has always come from local clientele.

Four "L" Lounge Cafe/Tavern located near IA 150. The owner said the completion of I-380 had minimal effect on his business. He stated that a few truck drivers would stop to eat and now he seldom has any truck drivers stopping to eat or drink.

#### GRAND JUNCTION

Independent study conducted by Prairie City Council Member Doug Gumm in 1986.

Person(s) contacted: George Brabbs, City Clerk

Grand Junction is in Greene County in the east central part of the state about 29 miles west of Ames.

1. What highway bypassed the city and when?

Highway 30 in about 1961 or 1962.

2. Where was the highway before the bypass and where is it now?

The highway used to run through the downtown business district. It's now located on the north edge of town, within the city limits.

3. About how many businesses are there in town?

About 20.

4. Were there more or less before the bypass?

More.

5. Generally speaking, how did the bypass affect the city in the following categories?

Parking - improved, but not much of a problem before.

Traffic - Truck traffic used to be a problem before the bypass. It used to be difficult to cross old highway 30 at certain times.

Residential - Mr. Brabbs indicated that it was quieter and much easier for pedestrians to cross old 30.

Business - I was unable to get many details as to business conditions during construction since Mr. Brabbs came to Grand Junction about the time the project was completed. However, since the bypass, two gas stations have gone out of business. Also, there used to be three restaurants and now they're down to one all the time and another off and on. Apparently, the second restaurant is having problems making a go of it. The grocery store and tavern have also gone down hill. Some new businesses have been built up on the new highway including a Caseys, a new restaurant, a tavern, and a new motel. There is a large Massey dealer in town that used to be located on Main Street which moved to the new highway several years ago. This also cut down on business traffic for some of the other downtown businesses.

6. What type of businesses were impacted adversely? Beneficially?

Adversely - Gas stations and restaurants.

Beneficially - Mr. Brabbs felt that it hadn't benefited any of the downtown businesses, but the businesses on the bypass were going OK.

7. What was the feeling of city government in regard to the bypass? How about the citizens?

I was unable to get any information about how the city felt about the bypass before it went in, since it happened 23 years ago. However, it sounded to me like they're sorry it happened now.

The citizens, in Mr. Brabbs' point of view, would prefer that the highway stayed in town.

8. If you knew then what you know now, would you be for a bypass or against it?

Against it.

Miscellaneous comments - Mr. Brabbs also indicated that the farm economy has been pretty hard on them. He was in the middle of doing the city budget and said that their valuations were down again this year and thought he had cut as much out of the budget as he could last year.

I checked with the State Census Bureau for Grand Junction's population before and after the bypass.

1960 - pop. 949

1970 - pop. 967

1980 - pop. 976

I don't know what those numbers tell me, but thought they were interesting.

They also have a problem with the bypass cutting off services to the north part of town. There are about 15 homes north of the highway 30 bypass which have no sewer or city water. This is called "old Grand Junction" which didn't have modern services when the highway went through and now they can't get them there. He mentioned that they had to put in a couple of "lift stations?"

Most of the people in town go to Jefferson, Boone, or Ames to do their shopping for items that they can't get in town.

All in all, Mr. Brabbs didn't seem to be too optimistic about the future of Grand Junction, as well as small towns in general.

ELKADER

Independent study conducted by Prairie City Council Member Doug Gumm in 1986.

Person(s) contacted: Ed Olson, Mayor, and Ken Lemka, City Clerk.

Elkader is in Clayton County in the northeast part of the state about 25 miles (approximately) southwest of Prairie Du Chein.

1. What highway bypassed the city and when?

Highway 13 used to go through their business district and was reconstructed to bypass the City to the east. The project was completed about three years ago. They began discussing the project with the DOT in about 1974 or 1975. Highway 13 and 56 intersected in town and joined together to cross a common bridge. Traffic was a problem for them because of the large amount of grain being trucked through town on the way to the river. Guttenberg had a mobile home construction plant and many of the mobile homes being shipped out came through Elkader. The combination of local traffic along with the grain trucks and mobile homes created a bottle neck in town with everyone waiting to see trucks backed up for two city blocks on 13 and 56 waiting to cross.

2. Where was the highway before the bypass and where is it now?

The highway came through Elkader's business district. The bypass goes around the east side of town a couple of hundred yards outside the city limits. There are two access roads from town to the highway which have just recently been completed with help from the county. The other accesses are where old 13 and the new bypass split and then where they join together again.

3. About how many businesses are there in town?

Not sure.

4. Were there more or less before the bypass?

About the same. Two businesses closed in the past couple of years but the mayor said it was because of the farm economy not because of the highway bypass. One was an implement dealer and the other was some kind of farm supply store.

5. Generally speaking, how did the bypass affect the city in the following categories?

Parking - much improved, in regard to access to parking. Because there is less congestion, it's easier to park in front of the businesses on the highway.

Traffic - also improved. Since there is less through traffic, business traffic moves much more freely.

Residential - like Prairie City, they have residences located on the highway. The persons living there have indicated to the mayor that it is quieter and safer to cross the street.

Business - During construction, business in general suffered. The businesses on the highway suffered the most because 13 was torn up and equipment was in the way. It was difficult to get into town as the only accesses into town were gravel roads. After construction, things picked up kind of slowly. The restaurant on the highway lost some business to through traffic but the mayor indicated that the locals still patronize the place. The previous owner of the restaurant at

the time the decision was made to bypass sold out shortly after the DOT made their decision. A lady in town bought it then and is still in business. The grocery store on the highway hasn't noticed much change. DOT came back and reworked old 13 and things are improving for business there. The Chamber of Commerce had a city promotion during construction to draw people in. They raffled a pickup truck and other prizes. The mayor and the city clerk both indicated that the businesses had to work to get patrons into town. The Chamber of Commerce also went out to the point of the bypass and put up signs to guide people into town.

6. What type of businesses were impacted adversely? Beneficially?

Adversely - The restaurant and gas stations to a lesser degree. The town had two full service stations. The mayor told me that either after or during the construction they both changed to convenience-type stores and are doing a lot more business.

Beneficially - Business is picking up for "downtown" businesses because they are getting more traffic from neighboring towns.

Overall, the mayor indicated that business has suffered some but he didn't feel very much. He also felt that the farm economy has hurt them more.

7. What was the feeling of city government in regard to the bypass? How about the citizens?

The council was concerned about how the bypass was going to affect the businesses in town but voted for the bypass. They selected a bypass that was farther east of town but the DOT approved the one closer to town instead.

Some businessmen were against the highway moving out of town. The community in general was split, however the city clerk indicated that more were for the bypass than against it.

8. If you knew then what you know now, would you be for a bypass or against it?

For it.

Miscellaneous comments - Ninety percent of the people are happy with the end result. The bypass provided access to a camping and recreation area on the east side of town, eliminating the need for campers to pull their rigs through town to camp. It's also easier to get into and out of town for the residential areas. The DOT has been helpful with additional requests since the bypass (apparently a change from prior to the bypass). The DOT also provided signs on Highway 13 for the city (business district, camping and recreation, etc.).

The mayor is a businessman himself. He owns a Sears and Roebuck catalog store in Elkader. The city clerk is a full time city employee and has held his position since 1975.



**DeWitt Area  
Economic  
Development**

P. O. Box 153

18

Office Phone 659-8508

**Received**

**9 1988**

524 10th Street

DeWitt, Iowa 52742

**Office of  
Project Planning**

May 6, 1988

Mr. Thomas Welch, P.E.  
Deputy Director  
Office of Project Planning  
Planning and Research Division  
Iowa Department of Transportation  
800 Lincoln Way  
Ames, Iowa 50010

Dear Mr. Welch,

I found the study of bypassed communities very interesting. I can agree with almost all the comments made in regards to the effect of the bypass... the by-pass has never been the single factor if a business has closed. The down trend in the ag economy and the growth of larger shopping malls are more significant factors relating to the closing of businesses.

In DeWitt, the bypass and 4-lane access to the Interstate has been a key in our development efforts. We have located several new industries because of the transportation system. I was not with the Chamber when the road was constructed, but depending on who you talk to some will say the bypass has had some effect in sales but on the other hand, DeWitt has attracted new residents because of the road network we have. Yes, we have empty store fronts, but loss of jobs, poor economy, bad management and a change in the consumer buying habits(hours, more women in the work field) have contributed to that more than anything else.

In regards to the statement made by Chuck Wolf, our economy is no different that any other small city in Iowa or in the Midwest. I received calls from individuals in Maquoketa who were trying to have me blame the bypass for the problems DeWitt was experiencing. As I mentioned above, there are many factors involved, but the bypass was not the single, most important reason as they wanted me to identify.

I am enclosing a copy of the UNI Alumni Newsletter which has a in-depth article on DeWitt. Transportation is DeWitt's major asset in our ability to attract business. I am not sure what Mr. Wolf is trying to say in his remarks, but I believe that road goes two ways...it can generate business for you if you try.

Sincerely,

Ilene Deckert

***"Crossroads to Opportunity"***



**MAYOR**

Leo Maynard

**CLERK**

Kay Ann Goddard

**COUNCIL**

Richard E. Johnson  
William J. Lego  
William E. Turnis  
Warren W. Waack  
Donald J. Thiltgen

**Received**

MAY 1 1988

Office of  
Project Planning

19

DE WITT  
DRIVE SAFELY

**DEWITT, IOWA**

822 6th Avenue 52742

**A City On The Move**

**... UP!**

**TREASURER**

Norian Hinke

**CITY ATTORNEY**

Walter Newport & Associates

**DIRECTOR PUBLIC WORKS**

Richard A. Mohr

**CHIEF OF POLICE**

Richard L. Peasley

MEMBER IOWA LEAGUE OF MUNICIPALITIES  
CITY HALL PHONE 659-3811

May 27, 1988

Thomas M. Welch P.E.  
Deputy Director  
Planning Research Division  
Iowa Department of Transportation  
800 Lincolnway  
Ames, Iowa 50010

Greetings:

Thank you for the study on the Bypass North on Hwy 61.

I feel the Bypass around DeWitt did us very little harm. The economy was going bad before this happened. I think the Bypass is great, it keeps the big trucks a lots of traffic out of our city. It is also a big savings on wear and tear on our roads. The safety is another big factor as a plus for our city. Safety is No. 1 for all of us.

Yours truly,

*Leo Maynard*

Leo Maynard, Mayor  
City of DeWitt  
Iowa 52742

CITY OF MARSHALLTOWN  
(APRIL 19, 1988 LETTER)

THE DEVELOPMENT OF A WELL DESIGNED TRANSPORTATION SYSTEM THROUGH THE STATE OF IOWA HAS BEEN RECOGNIZED AS A MAJOR FACTOR IN THE ECONOMIC GROWTH OF OUR COMMUNITY, BUSINESS, AND INDUSTRY.

THE MOVEMENT OF PEOPLE, RAW MATERIALS, AGRICULTURE PRODUCTS, AND MANUFACTURED PRODUCTS ARE VITAL TO THE ECONOMY OF THE STATE.

THE FUTURE DEVELOPMENT OF HIGHWAY 30 IS IMPORTANT TO ALL OF US. WE IN MARSHALLTOWN WELCOME THE ALTERNATE OF HIGHWAY 30, A QUARTER MILE SOUTH OF THE EXISTING ROUTE AT THE JUNCTION OF HIGHWAY 14 AND 30. THIS IMPROVEMENT WILL BETTER THE SAFETY FACTOR FOR THE MOVEMENT OF VEHICLES INTO AND AROUND THE CITY. IT WILL PROVIDE IMPROVED ACCESSIBILITY TO THE INTERSTATE SYSTEM, OFFER A BETTER CLIMATE FOR INDUSTRIAL DEVELOPMENT, AND ENHANCE THE TRANSPORTATION ROUTE FOR OUR EXISTING INDUSTRY.

WHEN A BYPASS IS MENTIONED, PEOPLE THINK OF DIRECTING TRAFFIC AND BUSINESS AWAY FROM THE CITY. TO THE CONTRARY, BETTER ACCESS TO THE CITY AND IMPROVED TRANSPORTATION ROUTES CREATE ECONOMIC DEVELOPMENT AND GROWTH.

SIGNED

STANLEY E. BROWN, MAYOR  
CITY OF MARSHALLTOWN

Copy of  
letter we  
sent out

21



DATE: May 12, 1988

TO: All Chamber Members

FROM: Doug Reese, Chamber President 1987-88

RE: DOT

"In 1984 and 1985 the citizens of Marshalltown went through the trauma in dealing with the proposed relocation of Highway 30. The issue created strong emotion on both sides and caused a split in the community. Many of the businesses along the present highway location felt that they would be forced out of business if the traffic was diverted. Others in the area felt more positive about the alternate route and favored it. This issue was similar to what the community experienced in 1948 when Highway 30 was relocated far to the south of what was then the main part of the city. The town was going to die and blow away according to many - history shows that not to be true.

The Marshalltown Area Chamber of Commerce took an active part in this new highway issue. The Transportation Committee studied facts and looked at safety data. The Industrial Bureau of the Chamber, which represents most of our industries, was asked to study the proposed relocation and support or reject the idea. In each case, the recommendations were unanimously in favor of the new expressway. The Chamber Board endorsed the project as a positive move for the future of Marshalltown.

Highway relocations are normally viewed by communities as having negative impacts. Not everyone will benefit from a change in traffic patterns, but if done correctly positive things will happen for a community."

Sincerely,

William Zuercher  
Chamber President 1984-1985

This letter, was written to the DOT when hearings were held regarding the Highway 30 bypass, an excellent summary of how Marshalltown has historically benefited from careful planning by the DOT. We have a new opportunity to help plan our own future.

May 19 at 6:00 p.m. here at the Fisher Community Center the DOT is holding hearings about Highway 30 access. Please be there to express your views and to understand those of the DOT. Thank you.



DATE: May 16, 1988

**Received**

TO: DOT

**MAY 18 1988**

FROM: Mayor Stan Brown

**Office of  
Project Planning**

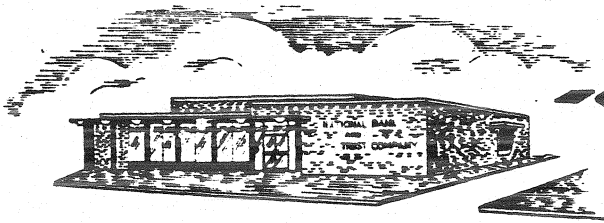
RE: Highway Issue

The development of a well designed transportation system through the state of Iowa has been recognized as a major factor in the economic growth of our community, business, and industry.

The movement of people, raw materials, agriculture products, and manufactured products are vital to the economy of the state.

The future development of Highway 30 is important to all of us. We in Marshalltown welcome the alternate of Highway 30, a quarter mile south of the existing route at the junction of Highway 14 and 30. This improvement will better the safety factor for the movement of vehicles into and around the city. It will provide improved accessibility to the interstate system, offer a better climate for industrial development, and enhance the transportation route for our existing industry.

When a by-pass is mentioned, people think of directing traffic and business away from the city. To the contrary, better access to the city and and improved transportation route create economic development and growth.



**National Bank & Trust Co.**

*Chariton, Iowa 50049*

PHONE: AREA CODE 515-774-5953

February 27, 1979

Mr. Bob Van Hemert, Manager  
Pella Chamber of Commerce  
Pella, Iowa 50219

Dear Bob:

It has been several years since the by-pass was completed, and it is now very much a part of our community. I can not recall all the details, however, the D.O.T. had talked about it for several years prior to the final decision. There was sentiment that it would improve access to the southern part of our community, greatly benefiting the industrial park. The motel operators and service station people were the most vocal. The construction delay gave these people the chance to make necessary changes. One service station owner changed and moved out on the by-pass. The intown motel owner placed a sign out on the by-pass directing tourists to his motel. I do not feel the business downtown decreased, but rather has increased. I also believe that most people feel that the by-pass was very beneficial.

Currently we have the reverse situation concerning Highway 14. This highway goes through the east side of Chariton and the D.O.T. wants to leave it at its present location. There is a great deal of sentiment that a by-pass should be constructed. The D.O.T. contends that a by-pass is not economically feasible due to location of railroads. The home owners want the congestion moved.

If I may be of further help please let me know.

Sincerely,

Gilbert Garton  
Past President  
Chamber of Commerce

GG:ub



# AMES CHAMBER of COMMERCE

205 Clark • Suite No. 2 ■ Ames, Iowa 50010 ■ Telephone: 515/232-2310 ■ HOME OF IOWA STATE UNIVERSITY

Robert Van Hemert, Manager  
Pella Chamber of Commerce  
507 Franklin  
Pella, Iowa 50219

January 29, 1979

Dear Bob:

Ames felt no appreciable decline in business because of re-locating Highway #30.

Ames is a destination city. Because of the University, Headquarters for the Department of Transportation and the National Animal Disease Center; Ames is a place where people have a reason for coming.

Yes, it is probably true that we lost some of the "drive by business", but not anything of note.

I am enclosing a map which will illustrate better what I am saying. You will note that the community is just about divided into four equal segments. Highways #69 and Lincoln Way are the streets that divide the town. Several things add to the amount of traffic that we have on both of these streets - a enclosed shopping center, etc.

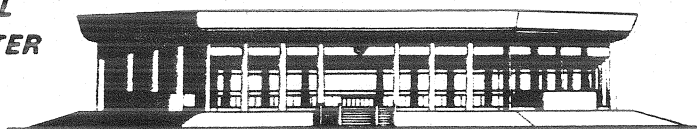
I wish that we were more representative so as to be in a better position to help you with your request.

Sincerely,

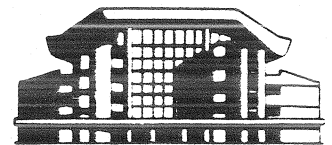
AMES CHAMBER OF COMMERCE

*Robert J. Mickle*  
Robert J. Mickle  
Executive Vice President

VISIT THE BEAUTIFUL  
IOWA STATE CENTER



JAMES H. HILTON COLISEUM



C.Y. STEPHENS AUDITORIUM

February 1, 1979

Pella Chamber of Commerce  
507 Franklin  
Pella, IA 50219

Dear Bob:

After checking with some of the people who owned and operated a business in Nevada during the time that new Highway 30 was constructed, I can answer your inquiry with an optimistic note. They all anticipated a sharp decrease in sales/traffic, but indeed found none.

In fact, one of the gas stations located on old Highway 30 said his business actually increased afterwards. In his belief, it was due to the fact that he concentrated on better service to his local customers. Likewise, the downtown retailers and motel owner said they did not experience a noticeable change. One gas owner did mention that he felt a drop during the summer months; however, he was the only one.

I might add that soon after new Highway 30 was being used, the Chamber purchased and displayed a large, illuminated sign "Nevada" pointing the way to town. It is easily visible from a distance from both east and west.

Best of luck. If I can be of further assistance, don't hesitate to call.

Sincerely,

/s/

Janette Antisdell, Manager  
Nevada Chamber of Commerce



## CHAMBER OF COMMERCE

610 J AVENUE  
NEVADA, IOWA 50201

TELEPHONE 515-382-6538

February 1, 1979

Pella Chamber of Commerce  
507 Franklin  
Pella, Iowa 50219

Dear Bob:

After checking with some of the people who owned and operated a business in Nevada during the time that new Highway 30 was constructed, I can answer your inquiry with an optimistic note. They all anticipated a sharp decrease in sales/traffic, but indeed found none.

In fact, one of the gas stations located on old Hwy. 30 said his business actually increased afterwards. In his belief, it was due to the fact that he concentrated on better service to his local customers. Likewise, the downtown retailers and motel owner said they did not experience a noticeable change. One gas station owner did mention that he felt a drop during the summer months; however, he was the only one.

I might add that soon after new Hwy. 30 was being used, the Chamber purchased and displayed a large, illuminated sign "Nevada" pointing the way to town. It is easily visible from a distance from both east and west.

Best of luck. If I can be of further assistance, don't hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Janette Antisdal".

Janette Antisdal,  
Manager

Nevada Chamber of Commerce.



U.S. 71 STORM LAKE BYPASS  
(12/30/87 PILOT TRIBUNE)

THE STORM LAKE BYPASS ISSUE CAME TO A HEAD MORE THAN A YEAR AGO. DOT PLANNERS MET WITH A LARGE AND ANGRY LOCAL CROWD TO EXPLAIN THE PROPOSAL.

LOCAL OFFICIALS CLAIMED IT WOULD RUIN MUCH OF THE COMMUNITY'S BUSINESS AND TOURISM TRADE.

LOCAL OFFICIALS THEN TRAVELED TO AMES TO DELIVER PASSIONATE PLEAS TO DOT COMMISSIONERS ON THE MATTER.

A CHANGE IN LOCAL ATTITUDES OCCURRED OVER THE FOLLOWING MONTHS. CITY OFFICIALS STOPPED DISCUSSING HOW TO BLOCK THE PROPOSAL AND BEGAN TO DISCUSS STRATEGIES FOR USING IT TO THEIR BEST ADVANTAGE. CHAMBER OF COMMERCE DIRECTOR BILL LAMPHERE WAS IN ON THE FORMING OF A COMMISSION OF REPRESENTATIVES OF IOWA AND MINNESOTA COMMUNITIES ALONG THE "71 CORRIDOR" WHICH HAS NOW COME OUT IN FAVOR OF THE STORM LAKE BYPASS AND OTHERS ALONG THE CORRIDOR TO IMPROVE GENERAL ACCESSIBILITY TO THE VARIOUS TOWNS.

# Highway bypass now gets warm welcome in Jesup

By LARRY KELTTO  
Courier Staff Writer 10-8-84

JESUP — One year after U.S. Highway 20 had been moved to bypass Jesup, George Steinbron knew he had to make some changes in his business to survive.

Steinbron owns the Dairy Cone restaurant on the old Highway 20 route. It used to thrive on traffic that drove past, but a year after the four-lane opened, business had dropped 25 percent.

"It was kind of tough going for a few years," he says.

Steinbron decided to make his restaurant more appealing to local residents by adding a second menu and building an indoor dining area, and building an indoor dining area, and building an indoor dining area, and building an indoor dining area. "The Other Half." Now business is better than it's been since he bought the restaurant 15 years ago.

Steinbron was 5 when he first heard that Highway 20 was going to be moved south of Jesup, bypassing the town. So when the talk became a reality in 1983, he wasn't surprised.

Adjusting to changing conditions is the essence of business, Steinbron says. This fall, he's making more adjustments by adding some low-calorie items to appeal to customers' shifting eating habits.

Steinbron and other residents in Jesup and Independence have learned that life isn't the same as it was when Highway 20 came near or through their communities.

The general feeling is that the bypass has helped. It has given industries easy access to four-lane transportation, and residents along former Highway 20 aren't bothered by heavy traffic levels.

Tom Welch, of the Iowa Department of Transportation, talked to Independence residents before and after construction of the bypass. He conducted a study in 1986 of the project's impact on Independence, just down the road from Jesup. The response surprised him.

"I was expecting more negative impacts," Welch says. Businesses related to trucks and the trucking industry had some problems, but other businesses couldn't attribute any loss of business to the bypass.

Dolph Leytze, executive vice president at Farmers Bank in Independence, is happy with the bypass. "I think it's progress, it's healthy and it helps commerce of all kinds. It has really helped in attracting industry."

When businesses are deciding whether to move to a community, Leytze says three things are at the top of their list for evaluation: schools, hospitals and transportation.

With the bypass completed, Independence leaders can tell businesses there's a four-lane route to virtually anywhere in the country.

That's important to people like Steve Esch, plant manager of Duraco Products of Iowa, a company that manufactures shutters, awnings and canopies for shipment all over the United States.

Duraco, which has four sites in the nation, opened its Independence plant in February 1985.

He says the company would have located in Independence even without the four-lane highway, but its proximity makes its operation more efficient.

Ed Larson, of Independence, also is thrilled with the highway improvements.

Larson owns a construction company that works on projects throughout the region, and Highway

20 gives it easy access to job sites in such cities as Waterloo and Iowa City.

"For industry it's been good," he says. "We have good visibility. I think all good progress is good, but if I owned a store or gas station, I might have a different opinion."

"A lot of people are upset, but they can't do anything," says Harry Thomas, of the Independence Chamber of Commerce. "People like to get on a four-lane and go. It's so convenient to go to Waterloo. Some people downtown feel they can't compete."

Downtown stores have been open late on Thursday nights, but that's being changed to Friday evenings.

To publicize the change, the chamber is sponsoring an Octoberfest celebration Friday, complete with polka dancing and yodeling.

When public hearings were being held before construction of the bypass, Leytze says there was polarity of opinion in town regarding the project.

"Retailers were very resistant," Leytze says. "They were afraid the town would drop dead and shrivel up. It was hard to obtain objectivity."

In fact, Leytze says some people in Independence are so happy with the bypass that they would like to see Highway 150 go past the community.

Dennis and Linda Peterson weren't intimidated by Highway 20's new location when they moved from Menasha, Wis., 2 1/2 half years ago to purchase the Stardust Motel in Jesup.

According to business records, the motel's business is better than ever. She says its clientele is vacationers, salespeople, construction workers and some truckers.

The key to the motel's recent success has been the placement of billboards along the highway about a year ago, Linda Peterson says.

"We've drawn a lot that way. We've had clientele tell us they didn't know Jesup had one."

## MT. PLEASANT

Statement by Tom Vilsack, Mayor, Mt. Pleasant, IA (August 20, 1990)

Several decades ago a group of citizens concerned about Iowa's growth decided that a United States Highway near and through a small town in southeast Iowa needed to be improved. The decision was made to relocate that highway around the town rather than through it. The decision was greeted with criticism by the residents of that small town who took a very providential attitude towards the highway project. That criticism did not deter the citizen group. They had foresight. They had confidence in that town and in its future. They were guided by that foresight and by that confidence in making a difficult decision.

The highway is 218. The town is Mt. Pleasant. The citizens group is your counterpart of several decades ago. Twenty to twenty five years later the results of that foresighted decision can be seen all over Mt. Pleasant. in 1962 there were no industries and the town was almost completely dependent upon agriculture for its success. Today I would like to share the success story that is a legacy to the work of Iowa's Department of Transportation. The surveys I distribute today list the major industries that call Mt. Pleasant home and outline for you what has and is happening in Mt. Pleasant: Nine major industries; 33 plant expansions; 2,000,000 square feet of industrial space; approximately 2,500 employees; and close to 200,000 vehicle and truck movements annually.

The impact on Mt. Pleasant has been significant as taxable valuations have risen from \$45,000,000 in 1978 to almost \$170,000,000 today. The smaller Henry County communities of Wayland, New London, and Winfield have been positively impacted by industrial growth through increased demand for housing.

While it is true the community had leadership and vision, Mt. Pleasant's success today is in large part a result of the Department of Transportation's decision to relocate and improve 218. The people of Mt. Pleasant are at a threshold point. Future development over the next 20-25 years will depend on having adequate highways. Once again, foresight and confidence are required. The decisions you will make in the immediate future and over the next few years will be signal for Mt. Pleasant to press forward so that 20-25 years from now the major can stand before another citizen group and thank them as I thank you on behalf of the community for what has been done in the past.

SEDAN, KANSAS (pop. 1630)  
Economic Impact Study  
by Wilbur Smith Associates 1991

Conclusions

While nearly 60 percent of all Sedan retail customers travel from outside the immediate community, and more than half of these customers utilize U.S. 166, only a very small portion of the economic benefit of this retail activity can be attributed to the fact that motorists traveling to other locations on U.S. 166 make unplanned stops in Sedan to purchase goods and services. Seven out of every eight people interviewed during this survey made a conscious decision to come to Sedan the day of the survey for specific purposes such as work or shopping. The relocation of U.S. 166 to an alternative alignment south of town would not have any material effect on these travel patterns. The only current economic activity which could be affected by the relocation of U.S. 166, would be pass through traffic on U.S. 166; which this survey identified as comprising less than 1 percent of the total volume of shoppers in Sedan. The survey also determined that motorists who pass through Sedan tend to spend less money per visit than motorists coming to Sedan specifically to shop.

## A STUDY OF 76 BYPASSED CITIES

### THE URBAN BYPASS

The following information was obtained from the text book Economic Analysis for Highways, by Robley Winfrey who was a former Professor of Civil Engineering at Iowa State University.

Professor Winfrey's research was based on a study of 76 bypassed urban areas of a few hundred to 200,000 population. Mostly, however, the population was in a range of 1,000 to 30,000. The cities he studied were bypassed in the 1950's and early 1960's.

He states that the effects of bypasses on traffic are easily observed and measured. But the economic and social consequences of bypasses on urban communities are difficult to observe and still more difficult to measure. Further, there has been, and still is, outspoken opposition to bypasses arising mainly from the business interests within the urban area. The general experience has been quite positive in proving that, on the whole, bypasses are economically and socially desirable. The few adversities that result are minor in comparison with the benefits and usually these adversities do not last long.

The effect of the bypass on the community is greatest when the population is small and when a high percentage of the total area trade comes from through traffic. Decreased trade is likely to be experienced by the motor vehicle service stations, restaurants, taverns, and those roadside outlets that cater especially to the highway traffic. General trade in the central business district is likely to increase after opening of the bypass. Even highway-oriented establishments experience no material decrease in business when located so that there is attraction of the local resident and local traffic. Most all studies of retail trade as affected by bypass routes have shown that the volume of business coming from the through traveler was much less than the local merchants and officials thought it to be.

Many of the bypassed business centers experience improved business after being bypassed because local residents find the business area free of congestion and with improved parking. Further, through traffic which really wants to do business will leave the limited-access controlled bypass and enter the business area knowing that there is only a small chance of encountering congested traffic and tight parking.

But the critical issue is a local retail trade. Will it be less or more after construction of the bypass?

This question cannot be answered yes or no except for each specific urban community. As a general result, there is a 2 to 1 probability that retail trade in the bypassed area will improve or decrease less than surrounding areas decrease after the bypass is opened. State sales tax records show retail business to be sustained or improved after through traffic has been shifted into new relief routes.

It is observed that highway-oriented business along a major urban route or approach route to an urban area receive a major percentage of their business from local residents and local employees.

The popular conception is that an automotive service station, a restaurant, a speciality shop, a bar, and other retail establishments on the edge of town get their major percentage of business from the through travelers. It is common experience, however, that these establishments draw high percentages of their business from local people within a range of five miles or so. The local customers patronize the highway located business because of the convenience of its location. Quality restaurants at the edge of towns draw heavily from the urban area.

#### Summary of Professor Winfrey's Concluding Remarks

Newspapers, records of public hearings, and the technical literature abound in reports, discussions, and histories of urban bypass highways. Each proposal brings out about the same story, including storms of protest. Even state legislatures have passed laws endeavoring to curtail the general construction of bypass routes without the approval of the bypassed community. In the end, but after some years in many cases, the bypass is constructed. Within a year or so after the ribbon cutting, all is forgiven, the people are pleased--at least 95 percent of them are--and the community gets back to normal.

The following is a summary of his findings:

1. Of the 76 bypassed areas for which information about retail trade activity is available, 50 experienced either a greater increase or a smaller decrease than occurred in a comparable area which was not bypassed.
2. Even where the total economic impact has been good, most instances studied showed that a few individual businesses will suffer from highway relocations.
3. Immediately after relocation of the highway, some decline in the economic activity of the area through which the main highway formerly passed is usually experienced.
4. If the overall economy within the area where the highway bypass was accomplished is expanding, economic growth soon provides for increased business activities which overcome any adverse impact from the highway relocation.
5. The beneficial effects on business activity which are often associated with bypass routes may be due primarily to the fact that these routes result in less congestion, and, therefore, in better traffic movement and better parking conditions for local shoppers.
6. There are indications that where an isolated community derives a major portion of its income from highway traffic, the bypassed community will suffer from some decrease in business volume.

7. Sales to through travelers make up a much smaller portion of a community's total business activity than is commonly supposed.
8. The geographical location of the highway, as well as the type of signs used, will influence the economic impact that the relocation will have upon a bypassed community.
9. Retail business in most of the bypassed cities made relatively greater gains than in the state as a whole. If business gained, it increased more than the state average; if it declined, the decline was less.

In general it can be concluded that the economic effect of a highway bypass on small communities involves an initial decline in total sales which is followed by an increase which is higher than the state average. Certain highway-oriented businesses are most adversely affected but many of these recover through adjustments toward local trade for stability. The claim that a bypass will "kill" business in a small town is refuted by the findings of numerous research studies of the economic impact of bypass facilities which have been constructed.



## THE ECONOMIC IMPACT OF NON-INTERSTATE BYPASSES IN RURAL AREAS

The following is a summary of the Introduction and conclusion from the study Dr. Otto completed at the University of Minnesota in 1991:

### Introduction

The highway system is a vital component of the physical infrastructure in rural areas. This system ranges from low volume farm to market roads to the high volume interstate highway system and provides a wide range of inter and intra regional economic services. While the economic development strategies of many rural communities focus on the interstate highway and developing a link to it, the primary highway system which links smaller communities to sub-state regional trading centers (4,000-20,000) is also a vital part of the rural transportation system. These primary highways also serve as major transportation corridors between larger commercial centers. In contrast to the interstate highway system with its features of controlled access and bypasses around rural communities, the primary road system often serves as the main street for many of these rural communities. Along corridors with significant through traffic, travellers can encounter sizeable delays in these medium sized rural trade centers. From a system wide perspective, bypasses around many of these rural trade centers can provide substantial benefits of reduced travel times, congestion, and accidents relative to costs. However, merchants in the bypassed communities are concerned about potential losses in retail sales from the reduction in through traffic. Because of these different perspectives, the impacts of a bypass construction are likely to be perceived differently by various audiences resulting in a contentious policy issue.

### Conclusions

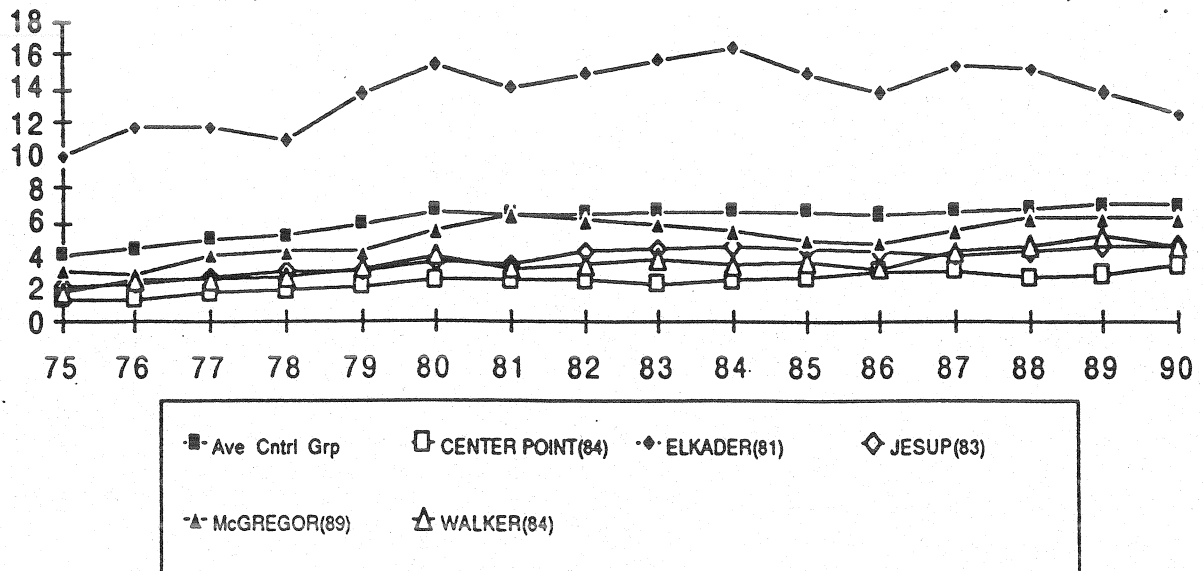
The retail trade model developed to evaluate the effect of non-interstate bypasses on the business sectors of smaller rural communities appears to do a good job of explaining total retail sales in these cities. The construction and opening of a bypass around 11 Iowa communities within the past decade did not appear to have a significant impact on their total retail sales when other factors are taken into account. Factors such as population and access to shopping malls appear to have the largest influence in explaining a city's retail sales performance. While total retail sales do not appear to be significantly affected by a bypass, further research is needed to investigate whether the composition of retail sales in a community is affected and the dynamics of any adjustment which occurs. Further research on the economic impact of bypasses could include on land use and values.

These results suggest that the concerns of merchants in smaller rural communities over lagging retail sales may be misdirected at bypasses. External forces and structural changes in retailing may have more to do with trends in their sector. Highway planners need to be sensitive to these concerns of rural businessmen, but should be able to use these results help in planning improvement in to rural transportation services.



Figure 1a

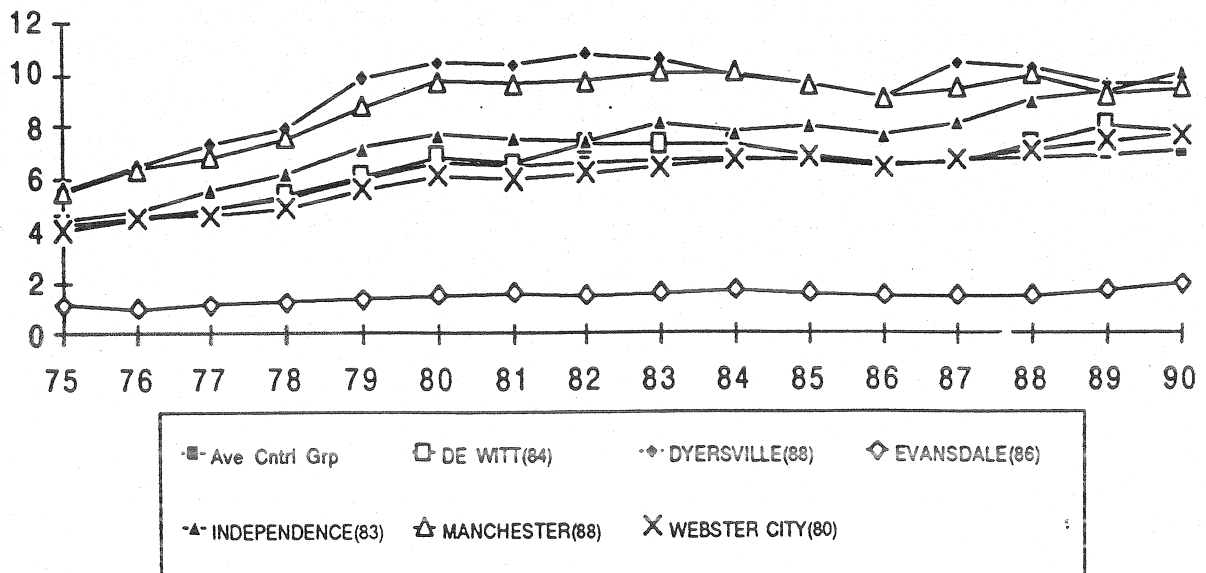
Per Capita Retail Sales of Cities with Bypasses and Control Group Average,  
1975-90 (\$1,000)



Note: Years in parenthesis denote the year the bypass opened

Figure 1b

Per Capita Retail Sales of Cities with Bypasses and Control Group Average,  
1975-90 (\$1,000)



Note: Years in parenthesis denote the year the bypass opened

## ECONOMIC IMPACT STUDY OF BYPASSES

The following is the summary of a study prepared by the consulting firm of Howard, Needles, Tammen and Bergendoff for the city of Litchfield, Minnesota, in 1991:

The findings of the transportation literature, studies conducted in neighboring states and Litchfield's own statistical sampling for this project all document that, as a whole, the rerouting of TH 12 will not significantly affect the economic framework of the community.

However, a bypass of Sibley Avenue would enhance the economic vitality of the CBD by eliminating the conflicts between local vehicular and pedestrian (crossing) traffic with the through traffic (especially large trucks).

It is also concluded that several businesses--notably fuel stations and convenience markets, certain fast-food restaurants, and a motel will be adversely affected by a total highway bypass (Alternative 2). In Litchfield, none of these businesses are sole proprietorships but are, rather, local, regional, and national franchises. These same businesses, with the exception of the motel, also perform a neighborhood service function for Litchfield area residents--such that they are typically sought out for the particular good or service being sold. With existing good roadway accessibility and a stable, local consumer base from which to draw, there is a lower probability that an affected business would move to a bypass location.

The numerous case studies conducted by regional state DOT's and national research organizations generally conclude that although some traffic-sensitive businesses (read service stations, motels, convenience food or "fast-food" outlets) can be negatively affected by highway bypasses, by and large most retailers are not noticeably impacted. Indeed, some communities have used local bypass issues as a catalyst to spur downtown marketing, rehabilitation, and strategy programs to combat the outlying shopping center threats and to address the evolutionary function of the downtown. In effect, resources and energy fueled by fear of a bypass have made significant improvements in many downtowns that would otherwise have not occurred.

RELOCATION AND/OR ESTABLISHMENT OF NEW AND COMPETING HIGHWAY SERVICE  
BUSINESSES ALONG THE BYPASS ROUTE

This concern was investigated at Cherokee and Nevada. Both of the highway bypasses were completed more than 20 years ago. Each city has several access routes that intersect with the bypass which could be considered good locations to establish a highway service business.

Cherokee (population 7,004, bypass traffic volume 2,200 vpd, bypassed in 1964) - No highway service businesses have been built along the bypass or at the intersections on the bypass. To date only a warehouse, a manufacturer, a trucking firm, a National Guard building and the DOT Resident Office have located along the bypass.

Nevada (population 5,900, bypass traffic volumes 6,500, bypassed in 1964) - Nevada is used as an example of a bypass which has high traffic volumes. To date development along the bypass and access routes have been limited to two auto dealerships, a soil conservation office, a federal land bank, a farm management office, and a food processor which occupies a building initially occupied by a restaurant that could not be supported by the bypass traffic. Further, since the completion of the bypass three convenience stores have opened in Nevada (all along the old highway) and all new fast food restaurants have located along the old highway.

As the bypass community grows out towards the highway bypass commercial development will follow and establish along the access routes if local zoning permits. Highway service businesses, with the exception of truck stops and motels, cannot stay in business solely from business off of a typical low-volume highway bypass. These types of businesses must also be located to serve local residents which will be the source of the majority of their sales.

Land adjacent to the highway is primarily suited for businesses which desire to have highway exposure such as auto or implement dealers and industry which receives and ships material by truck.

## LOSS OF RETAIL SALES TO NEARBY LARGER CITIES

Dr. Ken Stone, Associate Professor of Economics at Iowa State University, has completed several studies on factors which affect retail sales in Iowa communities of various sizes. In an interview with Dr. Stone he stated that retail sales in larger communities (populations greater than 2,000) will not be lost to competing retail centers as a result of a highway bypass or other major highway corridor improvements such as four-laning the two-lane highway if the separation distance between the competing communities is greater than 25 miles.

In spite of this finding, he stated that there are a few towns that have maintained a strong retail section in spite of being located in the shadow of a nearby shopping center.

## PREVIOUSLY BYPASSED SMALL CITIES IN IOWA

Elkader	Defiance	Algona
Decorah	Corning	Burt
Nevada	Shambaugh	Wesley
Colo	Clarinda	Hutchins
Red Oak	Villisca	Britt
Glenwood	Grant	Garner
Emerson	Lyman	Ventura
Albia	Winterset	Clear Lake
DeWitt	Cherokee	Rockwell
Bloomfield	Coon Rapids	Manly
Perry	Cushing	Rudd
Webster City	Dedham	Nashua
Jefferson	Ralston	Fayette
Grand Junction	Center Point	Monona
Knoxville	Walker	Luana
Evansdale	Hills	Shell Rock
Independence	Dyersville	Humboldt
Winthrop	Earlville	Dakota City
Manchester	Masonville	Albia
Masonville	Winthrop	Bloomfield
Delaware	Jesup	Chariton
	Durant	Keokuk

And all Cities Bypassed by I-35, I-80 and I-380

## SUMMARY OF FINDINGS

Over 85 bypassed communities were studied in the various reports referenced in this literature review. While the actual beneficial and adverse consequences of a highway bypass will be unique to each community, the following observations and inferences are supported by these studies:

- The larger cities (populations greater than 2,000) will derive greater benefits than adverse impacts from a highway bypass.
- The adverse economic effect of the bypass on cities is greatest when the population is small (populations less than 500) because a greater percentage of the total area trade comes from through traffic.
- The effect a bypass has on communities with a population of 500 to 2,000 will depend on local factors such as the type of community (i.e. bedroom town or isolated community) traffic mix, percent of through traffic, and location of retail trade establishments.
- Service stations, small cafes, convenience stores, and motels are the most likely to experience some decrease in retail sales. However, many of these businesses find that the total volume of business from the through traveler today is very small in comparison to overall sales than in the past when motorists had to stop more often for gas.
- Service stations which do more than just sell gas experience little or no noticeable decrease in overall sales.
- Truck stops and motels which cater to truck drivers were identified as most likely to experience a significant decrease in business.
- Because of current fuel economy standards fewer travelers stop for gas between their trip origin and destination.
- Restaurants and cafes that have a good local reputation draw a very high percentage of their business from local people within a range of five miles or so. Many cafes found that the bypass had minimal effect on their business.
- Advertising on the bypass route will reduce the adverse impact to motels.
- Customers find the bypassed business district to be a more comfortable and safer environment to shop in as a result of decreased conflicts with traffic.
- Sales to through travelers make up a smaller portion of total sales than is commonly supposed.
- Few new highway oriented businesses will open or existing businesses will move to other streets that serve as the entrance to the city from the bypass because the traffic volumes are not adequate to support a business.

- In most cases in Iowa the volume of traffic on the bypass route will not be high enough to support new highway-oriented businesses.
- After the completion of a bypass the communities on the whole feel that the few adversities that result are minor in comparison with the benefits.
- Commercial property values along the bypassed highway have not decreased as a result of the bypass.
- The alternative to a small town bypass is to four-lane the existing highway through town. This alternate almost always results in as much local opposition as the bypass alternate.
- Improvement of the existing alignment through town often results in utility relocation and replacement costs which are often cost prohibitive for small towns.
- Traffic congestion and accident rates improved dramatically along the bypassed highway route through town.
- For the growing community the sooner the bypass is built the less costly it will be and the sooner its benefits may be realized.
- When planning a bypass it is important that the bypass does not create a barrier to growth of the community in a natural direction.
- Development of the community across the bypass route should be discouraged to minimize traffic conflicts at bypass intersections.
- The thousands of road users who will benefit from a highway bypass and the residents of the bypass community who would benefit from the removal of trucks and through traffic from the community are seldom heard from or adequately considered during the decision making process.
- The residents and businessmen who oppose a bypass of their town recognize the benefits that they and other road users have experienced from the over 100 existing highway bypasses in Iowa.
- The smaller the community the more likely the local business interests will be the primary consideration of the local government in their decision making process.

The bypass alternative is not always the most feasible or prudent alternative to improving traffic operations and safety within an urban highway corridor. Any alternative including the "do nothing" alternative will result in some adverse impacts. The final decision must be made after weighing the probable consequences, beneficial and adverse.

The local officials have the responsibility to make a choice that is in the best interests of the entire community, not just special interest groups. The state government similarly has the responsibility to make the decision which is in the best interests of the entire state. Both interests must realize that no matter what decision is made there will be some resulting adverse impacts.

## RELATIONSHIP BETWEEN TRANSPORTATION AND ECONOMIC DEVELOPMENT

From Article in June 23, 1985, Des Moines Sunday Register, "In town after town, the message was loud and clear: If state government is serious about reversing Iowa's economic downturn and attracting new businesses and industry, then hundreds of millions of dollars must be invested to speed replacement of crumbling roads and bridges, and to build new four-lane highways linking remotely located cities to the Interstate highway system."

Terry Greenly, President of SIGOURNEY Area Development Corporation, "To effectively keep people in this area of the state we need industry and to get industry we need transportation."

Allen Sharp, member of the OTTUMWA Jobs Committee and Ex-Vice President of AL-JON Inc., "One of the things we have learned about economic development is that any prospect looks for excellent transportation facilities."

"Sigourney no longer has rail service... so having Iowa 149 in good shape north to I-80 is crucial to attracting an industry tenant..."

"WASHINGTON merchants concerned about preserving the county seat's hold on area shoppers want a four-lane expansion of Iowa Highway 92."

"MT. PLEASANT officials maintain a key to securing more economic development is the expansion of U.S. Highway 218 from two lanes to four lanes from Keokuk to I-80. This would give Mt. Pleasant a better link to St. Louis, Missouri, and other important markets."

"In OTTUMWA, an economic trouble spot in recent times, local officials also have their eyes on a four-lane expansion." (Iowa Highway 163)

"EDDYVILLE, a boom town west of Ottumwa, recently opened a \$112 million corn wet milling plant owned by Cargil. Larry Pillard, a Cargill Manager, said better roads are unquestionably needed and getting to I-80 north of here is a big problem."

Merlin Hellman, Chairman, Southeast Iowa Economic Development Coalition  
From October 23, 1985, Keokuk Daily Gate Newspaper Article, "We believe transportation system improvements can help provide major stimulus to increased and continued economic development efforts. The end result being the creation and maintenance of jobs for Iowans, an expanded tax base, and most importantly a healthier and more vibrant economy."

Dean Giltner, Wapello County Supervisor from October 23, 1985, Des Moines Register Article, "Our efforts are based on the understanding that 80 percent of new industrial development in our country occurs in communities served by four-lane highways linked to the nation's Interstate highway system."



From Waterloo Courier Newspaper Article, "How important is a quality road system to our area? As important as jobs..." "When you get right down to it, the reason our area hasn't been as fortunate as others economically is because of our roads. For years, we were known as the largest metropolitan area in the country that was not connected to the Interstate system. And we paid for it in lost opportunities for company expansion and relocation - jobs."

Tom Poe, Crystal Ice Company, From August 18, 1985, Waterloo Courier Newspaper Article, "Transportation is the lifeline of the company and Tom Poe sees that lifeline getting stronger for Crystal and other businesses as Waterloo's link to the Interstate highway system is completed..." The completion of the highway network could be an important drawing card for other businesses looking at expansion or relocation."

From Article in October 1985 Ft. Dodge Messenger Newspaper Article, "While the four-lane segments to reach the Ft. Dodge area by 1987 are not the same as an Interstate highway, they still have local officials concerned with industrial development licking their chops as the four-lane road gets closer to completion. They see it as a key to potential development."

John Kramer, Executive Director, Webster County Industrial Development Commission From October 1985 Ft. Dodge Messenger Newspaper Article, "It (Relocated U.S. 20) will be such a boost to our economy - more so than anything else we are doing. An Interstate highway connection is essential in attracting new companies to the area. Interstate highways are like the railroads a hundred years ago. Those without them are going to die and those with them are going to prosper."

Ed Augustine, Ft. Dodge Businessman, From October 1985 Ft. Dodge Messenger Newspaper Article, "A good highway system is the lifeblood of a community. If you can't get a product from here to there, it doesn't pay to build it here."

From a Des Moines Sunday Register Article About Osceola, "Transportation is really one of the big drawing cards for industry... And the town is fortunate to sit within sight of I-35, the artery that brings in raw material and carries out the finished products that have become the town's lifeblood... But the industries actually rely strictly on the highway to ship their goods."

From Article in February 9, 1986, Ft. Dodge Messenger Newspaper, Richard Gaumer, Ottumwa Attorney and spokesperson for organization known as the Des Moines/Burlington Expressway Coalition (cities involved include Burlington, Mt. Pleasant, Fairfield, Ottumwa, Eddyville, Oskaloosa, Pella, Monroe, and Prairie City) said, "a four-lane highway is needed to enhance industrial development in the southeast part of the state. We have manufacturers and businesses who need to get to the major transportation systems. He said manufacturers feel hamstrung because they don't have better access to the major highways." Gaumer quoted officials from a firm in Fairfield as saying, "They could ship things cheaper and more reliably from Texas to North Dakota than they would from Fairfield to North Dakota."

George Osing, Mayor of Eddyville, "He said Eddyville needs to have good highways for the city and area to prosper."

From Article in February 23, 1986, Burlington Hawkeye Newspaper, "Burlington has excellent links to trade. What it lacks, however, is a four-lane link with Midwest cities." "We have manufacturers and businesses who need to get to major transportation systems," Dick Gaumer, an Ottumwa attorney and spokesman for group known as Des Moines/Burlington Expressway Coalition said. "We don't think we'll grow much unless we get on a major transportation system."

Keith Kress, Mayor of Hiawatha in 1984, From August 15, 1984, Cedar Rapids Gazette Article, "Hiawatha officials have credited the Interstate coming to town in 1982 for luring industry to Hiawatha. he expected that trend to continue."

From Article in February 12, 1987, Omaha World Herald, "Interstate key to Economic Growth, Towns Along I-80, I-29 in Iowa Healthy."

"Interstate 80 is a big asset," said C. G. "Kelly" Holthus, president of the First National of York and the Nebraska Bankers Association.

"The interstate brings in a lot of foreign dollars from outside York and outside Nebraska," he said. "It's like the railroad of the 19th century.

"In Nebraska, we're seeing a migration to Interstate 80 out of the small towns to the towns that have developed along the corridor," said George J. Behringer, managing planner of the Omaha office of Coopers & Lybrand, a big eight accounting firm.

"Places like Broken Bow (Nebraska) that are off the main transportation path will continue to lose people and suffer problems," said William L. Wilke, senior executive vice president and chief operating officer at American Charter Federal Savings and Loan Association in Lincoln.

From The Iowa Association of Business and Industry, "The distance to the nearest four-lane highway which provides access to the Interstate Highway System is one of the first questions asked by prospective companies."

From a Study Completed by the Iowa Development Commission, "A survey of prospective industrial companies found that service by a high-type four-lane highway facility was one of the more important factors considered in site analysis."

From Report to Iowa Legislature by Committee for Iowa's Future Growth, "There are a number of factors that are critical to the successful revitalization of Iowa, but the need for quality transportation systems is perhaps the most underrated."

Ilene Deckert, De Witt Chamber of Commerce, "In De Witt, the bypasses and four-lane access to the interstate has been a key in our development efforts. We have located several new industries because of the transportation system."

Stan Brown, Mayor of Marshalltown, "The development of U.S. 30 will provide improved accessibility to the interstate system, offer a better climate for industrial development, and enhance the route for our existing industry."

Jim Wright, Iowa Falls Chamber of Commerce, "No matter how well a community tries to sell the benefits of a two-lane highway, industry is not attracted to two lanes."

From Report of the Committee for Iowa's Future Growth, "With travel time a key cost factor for many industries, Iowa's central location could be a positive force to attract new industry. Unfortunately, the level of service provided by Iowa's expressway and highway system is so far below that of other areas of the country that the advantage is lost."

Robert Norris, President, Shanandoah Department of Economic Development, "Transportation is second only, and may be equal to, available labor supply when business prospects consider a new plant location."

## EXAMPLES OF OPPORTUNITIES LOST BECAUSE OF A POOR HIGHWAY SYSTEM

From October 18, 1985, Sheldon Sun Newspaper Article, "Gould Inc. at one time considered Sheldon as a location site. Instead the firm selected Atlantic, citing the city's proximity to the Interstate system." "One of our corporate policies is to have relatively easy access to main arteries...., wrote James Gibbs, Director of Energy Management for Gould."

Dean Glitner, Wapello County Supervisor From Article in October 23, 1986, Ottumwa Courier, "Southern Iowa is inadequately served by existing highways..." "Poor highways have hampered industrial development..." "Two steel processing plants had expressed interest in the area. However, negotiations stopped when company officials saw the types of highways serving the area..." "Present industries also need a four-lane." (highways)

Max Naylor, Jefferson, Iowa, "In regard to economic development, one of the reasons Jefferson did not get an egg factory was because of the lack of a four-lane highway."

## RELATIONSHIP BETWEEN AGRICULTURE AND HIGHWAY TRANSPORTATION

From February 1986 Ft. Dodge Messenger Article, "Competition in the market-place forces producers, including farmers and agricultural-related industries to absorb the cost of transportation. Of all farm produced products in the State of Iowa, 94.1 percent reach consumers via the road system."