



FINAL REPORT

# Indiana Toll Road Economic Development Corridor Study

November 1, 2011

*Survey and analysis developed by Building Better Communities in conjunction with the Center for Business and Economic Research at Ball State University.*



BALL STATE  
UNIVERSITY.  
BUILDING BETTER COMMUNITIES



Muncie, Indiana, 47306  
Phone: 765-285-2773  
Fax: 765-285-4989  
E-mail: [bbc@bsu.edu](mailto:bbc@bsu.edu)

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Dear Reader:

This document comprises the Final Report: Indiana Toll Road Economic Development Corridor Study. The report is authored by a study team at Ball State University.

This study entailed a carefully-planned and rigorous research methodology involving a thorough review of existing studies, detailed statistical and empirical modeling, and in-depth qualitative data collection and analysis using state-of-the-art practices.

Many of the analytical products detailing earlier analyses are contained in the Appendix to this report.

We at Ball State University feel privileged to have participated in this analysis of a transportation corridor that is of significant importance to the state, region, and nation as a whole.

Respectfully,

Sharon Canaday, *Associate Project Manager*  
Building Better Communities

Elaine Fisher, *Special Projects Director Emerita*  
Building Better Communities

Dick Heupel, CECd, *Director*  
*Economic and Community Development*  
Building Better Communities

Michael Hicks, Ph.D., *Director*  
Center for Business and Economic Research

Frank Sabatine, Ph.D., *Associate Vice President for*  
*Economic Development and Community Engagement*  
Ball State University

# Background

This report finalizes an analytical economic development study that spans over two years. The study team from Ball State University evaluated the efficacy of multiple and varied strategies for potential implementation in the seven northernmost counties of Indiana, collectively the Indiana Toll Road Corridor.

Much of the analysis that led to the findings reported here is contained in the Appendix to this report. It includes a Phase 1 Preliminary Study: *Do Unexploited Economic Development Opportunities Exist Within the Indiana Toll Road Corridor?*; a modified Delphi research method that included stakeholder interviews, four focus groups, and an online survey of stakeholders; a report, *Common Findings from Toll Road Corridor Plans, Studies, and Reports*; the development of 15 *Economic Opportunity Briefs* summarizing potential development opportunities gained through research; and periodic in-progress reviews and meetings with the Toll Road Study Group.

This report identifies three objectives supported by our research.

The expected outcomes of implementation would occur from the first-listed objective over the long-term (10 to more than 25 years), from the second objective over the medium term (five to 10 years), and the third over the immediate term (one to five years).

# Objectives

## OBJECTIVE 1

Establish the Indiana Toll Road Corridor as the nexus of growth in transportation investment throughout Central North America over the coming decades, yielding concomitant economic development improvement across the Corridor.

### STRATEGY

Remove barriers to transportation efficiency throughout the Corridor.

- › Coalesce a group of transportation experts and stakeholders to identify highest priorities for relieving transportation congestion in the Corridor:
  - ›› TDL providers
  - ›› Transportation dependent industries
  - ›› Economic development organizations
  - ›› Indiana Department of Transportation
  - ›› Indiana Port Commission
  - ›› Transportation development agencies (Conexus Indiana, for example)
  - ›› Regional planning and metropolitan development organizations
  - ›› U.S. DOT
  - ›› Federal elected representatives from Illinois, Indiana, and Michigan, whose economies are also negatively impacted by congestion in the Corridor
  - ›› Toll Road Concessionaire/Operator
- › The coalition's charge is to develop a long-range (10 year or longer) plan to relieve transportation congestion in the Corridor.
  - ›› Expected benefits:
    - › Increased economic development derived from gains in efficiency
    - › Attraction of TDL providers
  - › Increased opportunities for Corridor residents achieved through greater mobility to capture job and commuting opportunities
  - › Increased opportunities for Corridor businesses to attract the workforce necessary to thrive
  - › Increased tax base and revenues
  - › International identity as a leader in a critically important service industry
  - › Aggressively support further development of TDL across the Corridor
- › Evaluate the feasibility of developing a coalition of TDL providers and supporting activities (real estate, economic development, state policy, etc.) with the purpose of developing an international model for transportation of goods and people across the Corridor
- › In collaboration with local and regional economic development and planning organizations, identify and protect high-value locations for TDL development
- › Identify ideal locations for warehousing and distribution facilities in partnership with local development organizations
- › Identify multiple areas suitable for multi-modal development in partnership with local, regional, and statewide development organizations
- › Ensure continued viability of commuter rail
  - ›› Pursue the development of high-speed rail across the entire Corridor connecting with Greater Chicago on the west
  - ›› Continue to support the sustainability and service improvements for the South Shore commuter service operated by NICTD

## OBJECTIVE 2

Diversify business development efforts on a sub-Corridor regional basis.

Effective long-term business development programs often focus on business attraction and retention efforts with the goal of diversifying an economy. This is usually done to better shield a region from either structural change within a key sector or the effects of the business cycle. As with portfolio management in personal finance, diversification can reduce the risk of a major downturn within a region.

It is clear from our research that effective diversification strategies be focused on meeting local or regional economic development goals. Strategic selection of targeted industries will then differ among sub-Corridor regional economies due to the structure of existing economic activity. Economic development efforts that contribute to diversification include the pursuit of industries that enhance a region by achieving one or more development goals below, based on the existing mix of economic activities.

### STRATEGY

Grow a diverse suite of businesses within sub-Corridor regions.

This diversification strategy, if executed well, will achieve at least one of the following development goals within sub-Corridor regional economies:

1. growth in value-added production, capital investment, and tax revenues;
2. wage growth; and
3. employment growth.

By definition, these outcomes are not found simultaneously within any individual firm or industry sector. Table 1 illustrates these economic development goals matched to industries roughly at the 1-digit North American Industrial Classification Code.

The following actions are representative of Corridor-wide development efforts based on our research:

- Research the existing mix of economic activities at sub-Corridor levels to inform local and regional economic diversification efforts.

TABLE 1: INDUSTRY MAPPING TO ECONOMIC DIVERSIFICATION GOALS

Industry	Growth in Value-Added Production, Capital Investment and Tax Revenues	Wage Growth	Employment Growth
Agriculture	✓		
Mining	✓		
Manufacturing			
Durable	✓		
Non-Durable	✓		
Trade			
Retail			✓
Wholesale	✓		✓
Services (business and personal)		✓	✓
Health Care		✓	✓
Government (non-education)		✓	
Transportation, Communication and Public Utilities	✓	✓	
Education (public and private)		✓	
Finance, Insurance and Real Estate		✓	
Tourism-related Services			✓

- Research the sub-Corridor supply chain linkages to identify potential targets.
- Assess human capital strengths and weaknesses within sub-Corridor regions.
- Coordinate attraction, retention, and business start-up efforts targeted toward economic sectors reflective of sub-Corridor regional diversification strategies.
- Evaluate business support network activities across the region for economies of scale, such as incubator services, web-based resources, economic research activities, concerted business attraction efforts, and common signage/wayfinding, for example.
- Influence local, federal, and state policy.
- Cross-Corridor asset mapping and shared amenity development.

## OBJECTIVE 3

Position the Indiana Toll Road Corridor as a preferred location for economic development activity.

### STRATEGY

Develop and promote a common marketing message and brand designed to accurately represent the unique blend of economic development assets available in the Corridor.

- › Study findings support the Toll Road Study Group acting to convene stakeholders for purposes such as the development of a team responsible for this strategy.
  - › Effective marketing, branding, and public relations efforts include the development of specific metrics against which success is evaluated. An RFP or RFQ process aids in identifying and selecting marketing professionals that incorporate appropriate evaluation metrics in consultation with clients. This process also helps teams sharpen marketing campaign goals.
  - › In lieu of compelling evidence to the contrary, the central brand message would support the research findings, highlighting the Corridor's ready access to transportation, distribution, and logistics services.
  - › Research findings suggest that such an endeavor recognize the existence of and become additive to the existing mix of marketing messages already present throughout the Corridor at city/town, county, multi-county, and state levels.
  - › Stakeholder input indicates concurrence around the development of web-based content for incorporation by existing economic development organizations operating at local, regional, and county levels. Sample content might include information covering such topics as
    - ›› regional workforce data;
    - ›› education and training opportunities;
    - ›› commuting patterns;
    - ›› the presence of existing industrial, commercial, and service businesses and organizations that support these activities;
    - ›› business and personal tax and cost of living comparisons; and
    - ›› available commercial and industrial sites and buildings.
- In addition to the expected economic development benefits of this strategy and the quickness with which it can be brought to market, it also aligns with many of the desired outcomes from a collaborative approach to developing the Corridor. Those desired outcomes developed through stakeholder surveys, focus groups and interviews include the following:
- › Enabling Corridor-wide marketing or branding
  - › Enabling Corridor-wide research
  - › Speaking with one voice
  - › Convening stakeholders to address Corridor-wide issues
  - › Uniform gateways and wayfinding signage, outcomes of coordinated marketing
  - › Encouraging and improving regional collaboration and cooperation
  - › Fostering on-going dialogue between local, regional, and state organizations
  - › Developing and promoting Corridor-wide tourism
  - › Ensuring high quality customer service throughout the Corridor, an outcome of coordinated marketing
  - › Focusing on the long-term future economic development of the Corridor
  - › Creation of a regional coordinating organization
  - › Having a Corridor-wide focus
  - › Marketing and branding the Corridor
  - › Serving as a facilitator for stakeholder interaction
  - › Maintaining a Corridor-wide website

# Summary and Conclusions

This research uncovered considerable agreement on general objectives for the economic development of the Indiana Toll Road Economic Development Corridor. The strategies delineated in this study support these objectives and are directly connected to the study’s quantitative and qualitative research findings that were developed through an integrated methodology involving economic research, stakeholder input and facilitation, and strategy delineation. This approach is consistent with the study outline which included an analysis of best practices and recommendations from existing studies, empirical analysis of other corridor development efforts, detailed review of the Corridor region’s economies, as well as collection, review, and analysis of stakeholder input from a variety of sources.

For future planning and development efforts we include the direct connections from the strategies outlined above to earlier phases of this research project. These appear in Table 2 and Table 3. Table 2 reports the number of findings from the Phase 1 Preliminary Study that support each of the three strategies identified herein. The findings are categorized as Policy & Research; Planning; Economic & Institutional Integration; and Development & Redevelopment, consistent with categorization in the Phase 1 Study. Table 3 reports the number of comments collected from focus groups and individual interviews related to each strategy.

Summary of Objectives:

1. Establish the Indiana Toll Road Corridor as the nexus of growth in central North American transportation.
2. Diversify business development efforts on a sub-Corridor regional basis.
3. Position the Indiana Toll Road Corridor as a preferred location for economic development activity.

INDIANA TOLL ROAD CORRIDOR STUDY

## SUMMARY OF STRATEGIES

- » STRATEGY 1  
Remove barriers to transportation efficiency throughout the Corridor.
  
- » STRATEGY 2  
Grow a diverse suite of businesses within sub-Corridor regions.
  
- » STRATEGY 3  
Develop and promote a common marketing message and brand designed to accurately represent the unique blend of economic development assets available in the Corridor.

TABLE 2: CONNECTION OF FINAL REPORT FINDINGS TO PHASE 1 STUDY\*

	Strategy 1	Strategy 2	Strategy 3
Policy and Research	7	9	4
Planning	6	3	6
Economic and Institutional Integration	4	14	10
Development and Redevelopment	4	4	2

NOTE: \*individual findings in each category related to final objective.

TABLE 3: CONNECTION OF STUDY TO QUALITATIVE ANALYSIS

	Strategy 1	Strategy 2	Strategy 3
Individual Interviews	23	16	16
Focus Group Findings	35	25	16

## ABOUT THE CENTERS

### BUILDING BETTER COMMUNITIES

Building Better Communities provides comprehensive services to partners across Indiana by connecting them with Ball State University's expertise and resources. BBC offers practical solutions to local challenges and assists with community, economic, and business development.

#### **Building Better Communities**

Ball State University Muncie, IN 47306

765-285-2773 • [www.bsu.edu/bbc](http://www.bsu.edu/bbc)

### CENTER FOR BUSINESS & ECONOMIC RESEARCH

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Ball State University Muncie, IN 47306

765-285-5926 • [www.bsu.edu/cber](http://www.bsu.edu/cber)