

Access Management Frequently Asked Questions (FAQ):

Economic Impacts of Access Management

Business owners often are concerned that changes in access to their premises will have temporary or permanent impacts on their sales. They are concerned that changes in direct access to their property—such as consolidating driveways or installing raised medians—will lead to declines in patronage and sales. Perceived impacts of access management on adjacent commercial businesses and landowners are often major impediments to projects moving forward. In the case of access management, perceptions are often worse than reality.

What are the effects of access management on business vitality?

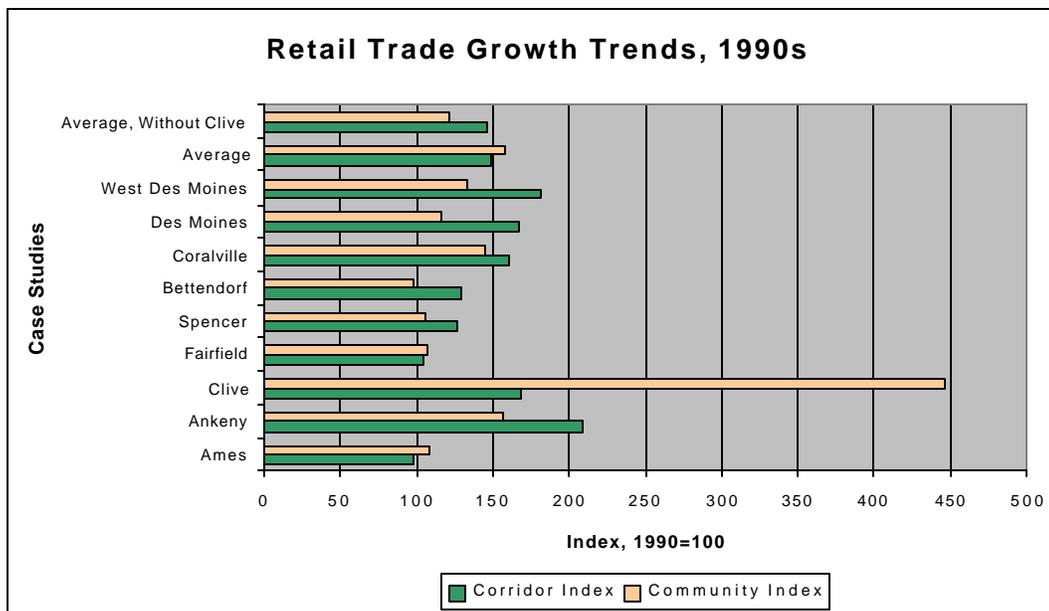
A business vitality study of nine different access management corridors in Iowa communities examined impacts on businesses and business customers along these routes. In general, these case studies indicated that access management projects are rather benign in terms of business impacts. Access managed corridors generally had lower rates of business turnover than other parts of their communities. They had more rapid growth in retail sales once projects were completed. Far more business owners, when surveyed, indicated that their sales had been stable or increased following project completion than those that reported sales losses. Negative impacts on commerce tend to be confined to a small number of individual businesses. Highlights from the Iowa case studies are as follows:

- There were no particular business categories that consistently decreased in number of establishments for any of the corridors studied. Traffic-dependent businesses such as convenience stores and fast food restaurants did not appear to be affected in a significantly different manner than were all businesses.
- The rates of business turnover in the study corridors ranged from about 2.6 percent to 10 percent per year, a range below or equal to the business turnover rate for Iowa as a whole, which is about 10 percent per year. Businesses located along the case study corridors turned over less than would normally be expected of retail businesses in Iowa.
- With one notable exception, retail sales for businesses within the case study corridors matched or significantly outpaced sales in their respective communities (see chart). No significant short-term declines in retail activity associated with the access management projects were found. Corridor sales generally outpaced community sales throughout the study period.
- Over 80 percent of all business owners surveyed along the business corridors that had undergone reconstruction indicated that their sales had increased, stayed the same, or that they were uncertain about the impact. Business owners along raised median projects had both the highest percentage responses of both “increased” and “decreased” sales. Five percent of businesses did report decreased sales activity after the access projects were completed.

- Over 80 percent of business owners reported no customer complaints about access to their businesses. About 19 percent of businesses reported their customers complained or reported some difficulty in driving to their businesses after the completion of the access management project. About half of the businesses reporting complaints were the auto-oriented businesses, including gasoline filling stations, convenience stores, and fast-food restaurants. These businesses report complaints at a higher than proportional rate to their numbers.
- Two-way left-turn lanes generally received high levels of support from business owners and generated low levels of customer complaints. Medians at intersections generated similarly low levels of customer complaints, but appeared to receive lower levels of support from business owners. Auto-oriented businesses adjacent to raised medians at intersections tended to be least supportive of such projects. Continuous raised medians generated the most customer complaints regarding access; however, they also appeared to enjoy high levels of support from business owners.

What have other states experienced?

A 1996 study of twelve highway reconstruction projects in Indiana indicated that the average loss of retail sales during a major project was 13 percent. Those businesses experiencing the biggest temporary losses were gas stations, grocery stores, consumer electronics stores, hardware stores, and automotive sales and service firms. The Indiana study indicates that most businesses achieve a full recovery within two years, although 20 percent of businesses did experience a long-term negative impact on their sales. Mirroring the Iowa results, a majority of businesses reported that they benefited from the project improvements. The majority also supported the projects as necessary. This was because traffic flowed better and access to their location was enhanced. Business types most likely to experience long-term negative effects were gas stations, car washes, and other automotive-related businesses. Results from studies in other states are similar.



Most of the study corridors in Iowa show retail trade growth performance as good or better than their surrounding communities. The one "outlier," Clive, is an unusual situation. Clive is a rapidly developing suburb of Des Moines that has experienced explosive retail growth and draws customers from a large trade area.