

Illinois Route 3 Corridor Community Impact Assessment

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prepared for the
Leadership Council
Southwestern
Illinois by

HEARTLANDS
CONSERVANCY
Investing In The Nature Of Southwestern Illinois



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Introduction

Southwestern Illinois is logistically-blessed with its Center-of-the-Americas location and tremendous natural and man-made multi-modal transportation infrastructure. The St. Louis metropolitan area is home to more than 2.8 million residents, 70,000 businesses, and a workforce of 1.3 million people. The Southwestern Illinois counties of Madison, St. Clair and Monroe account for approximately 20% of these totals.

Multi-modal transportation assets cover the range of options from river ports to airports, from railroads to state/interstate roads, and a growing transit system of buses, commuter rail and High Speed Rail (HSR) routes. Within Southwestern Illinois, the region's economic development leaders have developed an initiative to expand, promote and capitalize on these assets, known as SITE, or the Southwestern Illinois Transportation Enhancement initiative. SITE encompasses the five modes of multi-modal transportation: Rivers, Rails, Runways, Roads, and Transit.



Rivers—The U.S. Inland Waterways System connects Southwestern Illinois with industrial centers in 15 states located along the Mississippi, Missouri, Ohio, Illinois and Tennessee Rivers, and with the Great Lakes of Canada and the Gulf of Mexico. As the most northern ice-free port on the Mississippi River system, the area provides 12-month downriver shipping services. America's Central Port, located adjacent to Locks and Dam #27 on the Chain-of-Rocks Canal near the center of the bi-state region, provides a mid-continent intermodal transportation facility for the shipment of goods, as well as possessing a federally-designated foreign trade zone (FTZ #31). In addition, numerous private docks and barge facilities exist up and down the riverfront.



Rails—Southwestern Illinois, as part of the bi-state St. Louis region, is one of the largest rail centers in the United States. The region handles approximately 10,000 rail cars per day and contains more than 30 rail yard facilities. The region is served by nine trunk-line railroads, with more than 40 rail lines radiating to all parts of North America. Connections are provided by three switching and transfer railroads.



Runways—Three airports serve Southwestern Illinois, including St. Louis MidAmerica Airport, St. Louis Downtown-Parks Airport, and St. Louis Regional Airport, supplementing Lambert-St. Louis International Airport in Missouri. All three airports contain available infrastructure and land to support multi-modal and intermodal transportation-oriented facilities and businesses.



Roads—The state and interstate highway system is equally impressive with the convergence of I-55, I-70, I-64, and I-44, and the circumferential I-270/255 highway within the St. Louis region. Modern bridges provide access across the Mississippi River at the south and north ends of the region, with a new I-70 bridge to be completed in early 2014 serving the central, or downtown, portion of the region. State highways supplement the interstate system, providing local access and distribution for both people and goods.



Transit—Passenger transportation features in Southwestern Illinois include mass transit systems by the Madison County and St. Clair County Transit Districts, the MetroLink light rail line from Lambert-St. Louis International Airport through downtown St. Louis to Scott AFB in St. Clair County, operated by Bi-State, and the Amtrak-run 110-mph High(er) Speed Rail system currently under construction between Chicago and St. Louis with a new station planned for Alton, Illinois.

Illinois Route 3 Overview

Illinois State Route 3 is essentially the backbone of a nearly 60-mile long, 5-mile wide economic corridor in Southwestern Illinois running parallel to the Mississippi River and I-255. Route 3 provides an inner-belt for the Illinois side of the St. Louis metropolitan area, connecting businesses and consumers from north of Alton to south of Waterloo. In between, Route 3 provides access through the industrial heart of the region, including Wood River, Granite City, East St. Louis, Sauget, and Dupo.

Based on its central geographic location within the nation and the region, the convergence of multi-modal transportation assets, and the historic development pattern of industry within the St. Louis market, the Illinois Route 3 Corridor has emerged as a vital jobs and revenue generator for the entire St. Louis region. To capture the true impact of the corridor on the region, the Leadership Council Southwestern Illinois commissioned an independent community impact assessment.



Illinois Route 3 Community Impact Assessment Approach

To produce the Illinois Route 3 Community Impact Assessment, the following approach was used:

Illinois Route 3 Corridor Boundaries (by Zip Code)

| County | Zip Code | Primary Community |
|-------------------------|----------|-------------------|
| Madison County | | |
| | 62002 | Alton |
| | 62024 | East Alton |
| | 62035 | Godfrey |
| | 62040 | Granite City |
| | 62048 | Hartford |
| | 62060 | Madison |
| | 62090 | Venice |
| | 62095 | Wood River |
| St. Clair County | | |
| | 62201 | East St. Louis |
| | 62205 | East St. Louis |
| | 62206 | Sauget |
| | 62207 | East St. Louis |
| | 62239 | Dupo |
| | 62240 | East Carondelet |
| Monroe County | | |
| | 62236 | Columbia |
| | 62298 | Waterloo |

Define the Route 3 Corridor—Based on the availability of the most relevant data, the corridor was defined using zip code boundaries. For reference, the following table provides a list of the sixteen (16) selected zip codes and their associated communities.

Determine Direct Jobs, Revenue & Earnings in the Route 3 Corridor—Using Hoover’s Dun & Bradstreet Report which provided the number of jobs and business revenue for all businesses in the Route 3 Corridor (as defined by zip code boundaries) with 10+ employees, and extrapolating from these figures the number of jobs and revenue for businesses with less than 10 employees, the jobs and revenue within the corridor were distributed by zip code based on the place of business. Personal wages, or earnings, were then calculated based on the average area wage of \$44,210.

Determine Indirect Jobs, Revenue & Earnings in the Route 3 Corridor—With the compilation of Route 3 Corridor data for jobs, business revenue, and personal wages/earnings, the appropriate region-specific and industry-specific Bureau of Economic Analysis (BEA) multipliers were used to calculate the indirect impacts on the region. Multipliers recognize the impact that

jobs, business revenue, and wages have on the economy beyond the initial direct impact as dollars earned are spent and ripple through the local economy.

Determine Direct & Indirect Jobs & Earnings across the Region—In order to understand the geographic extent of the economic impact of the Route 3 Corridor, the U.S. Census Bureau’s “where workers live who are employed in the area” report by zip code was accessed to distribute jobs and wages/earnings throughout the region.

Assemble Maps & Tables to Portray the Data—The following maps were prepared to help visualize the economic impacts of the corridor:

- Map A—Region Map showing the Route 3 Corridor and multi-modal facilities
- Map B—Direct Jobs, Earnings & Revenue/Sales Map by location of businesses (with 10+ employees) within the Route 3 Corridor
- Map C—Direct & Indirect Jobs, Earnings & Revenue Map by location of businesses (with 10+ employees) within the Corridor
- Map D—Regional Jobs & Earnings Map by place of residence for employees of businesses (with 10+ employees) within the Route 3 Corridor

Illinois Route 3 Community Impact Assessment Results

The results of the Illinois Route 3 Impact Assessment provide a unique snapshot of the overall economy within the Southwestern Illinois zip codes through which Route 3 runs. Nearly every one of the BEA’s 61 industry categories are represented in the corridor and, excluding retail and service categories, the corridor is dominated by transportation, manufacturing, and wholesale distribution business activity.

The following text and accompanying maps demonstrate the economic impact of these and other businesses on the St. Louis bi-state area, providing well-paying jobs and generating revenue that circulates throughout the local and regional economy.

Direct Jobs, Earnings & Revenue—The Illinois Route 3 Corridor contains 1,380 businesses (with 10+ employees) with annual revenue (or sales) of \$6.3 billion, providing employment for a workforce of 75,000 and an annual payroll of \$3.3 billion.

DIRECT: 75,000 jobs » \$3.3 billion annual payroll

The clearly dominant zip codes for Direct Impacts were 62002 (Alton), 62040 (Granite City), and 62206 (primarily Sauget), each generating more than \$800 million in annual business revenue, 5,000 jobs and \$200 million in annual payroll. The economic impact of these zip code areas were closely followed by 62201 (East St. Louis) and 62095 (Wood River).

| DIRECT IMPACTS | Zip Code | # of Businesses | Revenue | Jobs | Earnings |
|-----------------------|----------|-----------------|-----------------|--------|---------------|
| | 62002 | 307 | \$1,510,890,000 | 18,310 | \$809,485,100 |
| | 62040 | 290 | \$1,166,400,000 | 14,099 | \$623,316,790 |
| | 62206 | 98 | \$885,720,000 | 5,516 | \$243,862,360 |
| | 62201 | 92 | \$522,670,000 | 4,592 | \$203,012,320 |
| | 62095 | 88 | \$428,780,000 | 5,096 | \$225,294,160 |

“Nearly every one of the U.S. Bureau of Economic Analysis’s 61 industry categories are represented in the corridor”

Direct & Indirect Jobs, Earnings & Revenue—As the Direct Impacts of jobs, personal earnings, and business revenues ripple through the local economy, indirect economic impacts are realized. The combined Direct and Indirect impact of the 1,380 businesses (with 10+ employees) within the Illinois Route 3 Corridor totals \$20

billion in annual business revenue throughout the St. Louis region, supports more than 215,000 total jobs, and results in annual payroll of almost \$9.2 billion.

DIRECT & INDIRECT: 215,000 jobs » \$9.2 billion annual payroll

Since Indirect Impacts are primarily based on Direct Impacts, along with industry-specific BEA multipliers, the leading zip codes for Direct and Indirect Impacts remained the same as above—62002 (Alton), 62040 (Granite City), and 62206 (primarily Sauget), each generating more than \$2.5 billion in annual business revenue throughout the economy, 20,000 direct and indirect jobs, and \$750 million in annual payroll. These zip code areas were again followed by 62201 (East St. Louis) and 62095 (Wood River).

DIRECT & INDIRECT

| Zip Code | Direct & Indirect Revenue | Direct & Indirect Jobs | Direct & Indirect Earnings |
|----------|---------------------------|------------------------|----------------------------|
| 62002 | \$4,728,884,000 | 50,019 | \$2,179,837,030 |
| 62040 | \$3,606,273,000 | 41,336 | \$1,783,086,480 |
| 62206 | \$2,778,442,000 | 18,000 | \$770,754,240 |
| 62201 | \$1,644,263,000 | 13,772 | \$574,893,940 |
| 62095 | \$1,309,452,000 | 13,969 | \$595,905,200 |

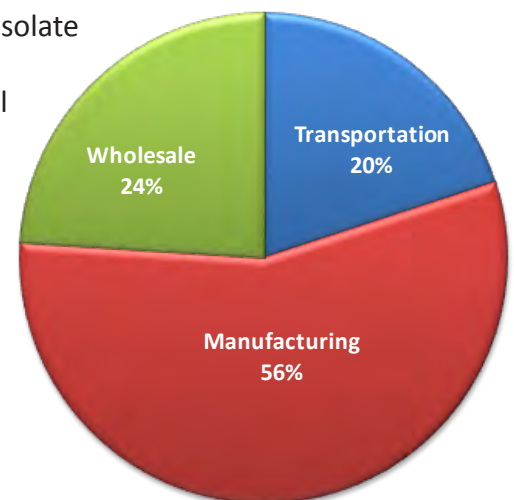
Direct & Indirect Jobs and Earnings by Place of Residence—The economic reach of the Illinois Route 3 Corridor is best demonstrated by the residence of the corridor’s workforce. While nearly 50% of workers in the corridor live within the corridor, zip codes with 35 or more corridor employees are found as far away as 260 miles to the north, 100 miles to the south, and 130 miles to the east in Illinois, and as far as 65 miles to the west in Missouri. In fact, 20,727 Route 3 Corridor workers, or 10%, live in Missouri and commute daily to Illinois businesses served by Route 3.

The Indirect Impacts are proportional to the Direct Impacts and therefore have a significant and much larger impact on the economies of the places of residence of Route 3 Corridor employees. An estimated 100,000 total jobs and \$4.5 billion in payroll-induced impacts on the local economy are generated in non-Corridor communities as dollars re-circulate through those communities.

NON-CORRIDOR BENEFITS: 100,000 jobs » \$4.5 billion annual payroll

Direct & Indirect Impacts of Transportation, Manufacturing, and Wholesale-Related Industries in the Route 3 Corridor—The final analysis was to isolate the impacts of those industry categories that were determined to be most dependent on the Route 3 Corridor’s central location and natural and man-made multi-modal transportation infrastructure. These included the eight BEA transportation-related industry categories (Air, Rail, Water, Truck, Transit and Ground, and Pipeline Transportation, Transportation Support Activities, and Warehousing and Storage); all of the sixteen BEA manufacturing-related categories found within the corridor; and the one wholesale trade category.

Transportation Industry—The seventy-three (73) Route 3 Corridor businesses (with 10+ employees) within the transportation-related industry categories accounted for approximately \$350 million in annual revenue, and provided 4,400 Jobs with close to \$200 million in annual wages. With the inclusion of indirect impacts, the total impact of the Route 3 transportation industry on the region’s



% NON-RETAIL/SERVICE SECTOR REVENUE IMPACTS

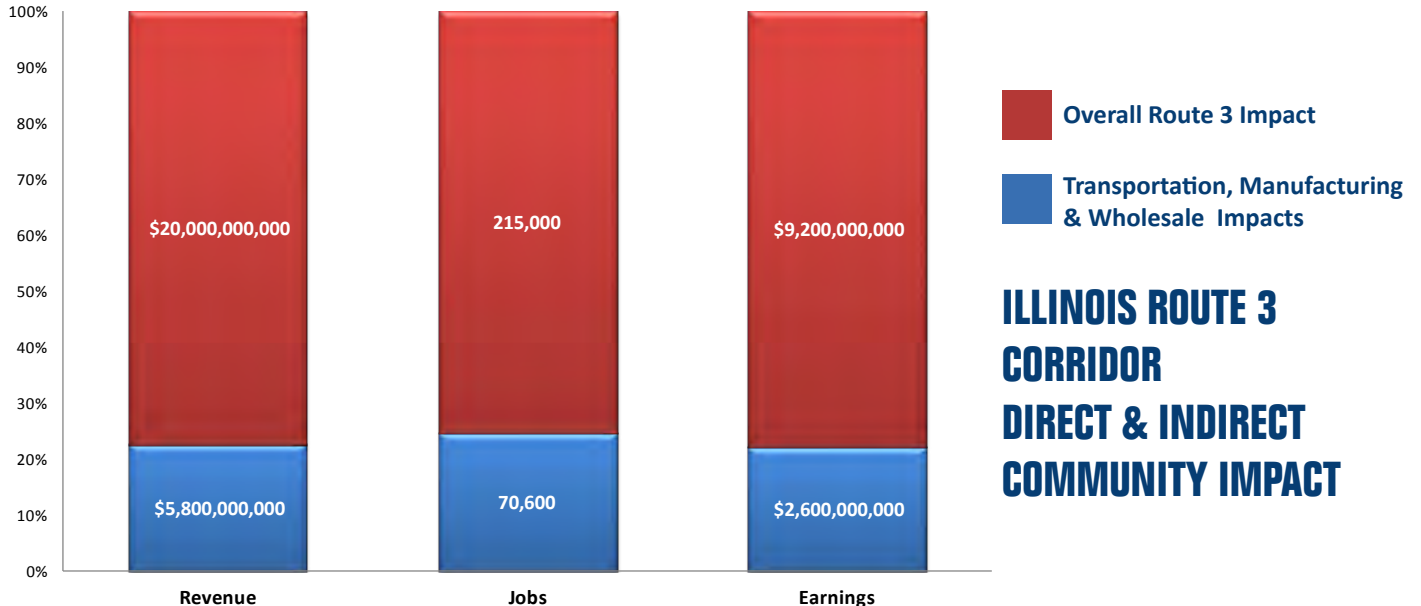
economy is an estimated \$1.2 billion in annual business revenue, 13,600 jobs, and \$560 million in annual earnings/wages.

Manufacturing Industry—The ninety-five (95) Route 3 Corridor businesses (with 10+ employees) within the manufacturing industry categories accounted for approximately \$1 billion in annual revenue, and provided 9,000 jobs with \$400 million in annual wages. With the inclusion of indirect impacts, the total impact of the Route 3 manufacturing Industry on the region’s economy is an estimated \$3.2 billion in annual business revenue, 40,000 jobs, and \$1.5 billion in annual earnings/wages.

Wholesale Industry—The sixty-five (65) Route 3 Corridor businesses (with 10+ employees) within the wholesale trade industry category accounted for approximately \$500 million in annual revenue, and provided 5,000 jobs with more than \$200 million in annual wages. With the inclusion of indirect impacts, the total impact of the Route 3 Wholesale trade industry on the region’s economy is an estimated \$1.4 billion in annual business revenue, 17,000 jobs, and \$600 million in annual earnings/wages.

Conclusion











The combined direct and indirect impact of the 1,380 businesses (with 10+ employees) within the Illinois Route 3 Corridor totals \$20 billion in annual business revenue, supporting more than 215,000 total jobs, and resulting in annual payroll of almost \$9.2 billion. Of these totals, the combined impact of the Route 3 transportation, manufacturing and wholesale trade industries on the region’s economy is an estimated \$5.8 billion in annual business revenue, 70,600 jobs, and \$2.66 billion in annual earnings/wages. This equates to roughly 30% of the Route 3 Corridor’s direct and indirect business revenue, jobs and individual earnings generated by Route 3 businesses (with 10+ employees).

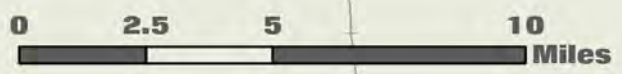
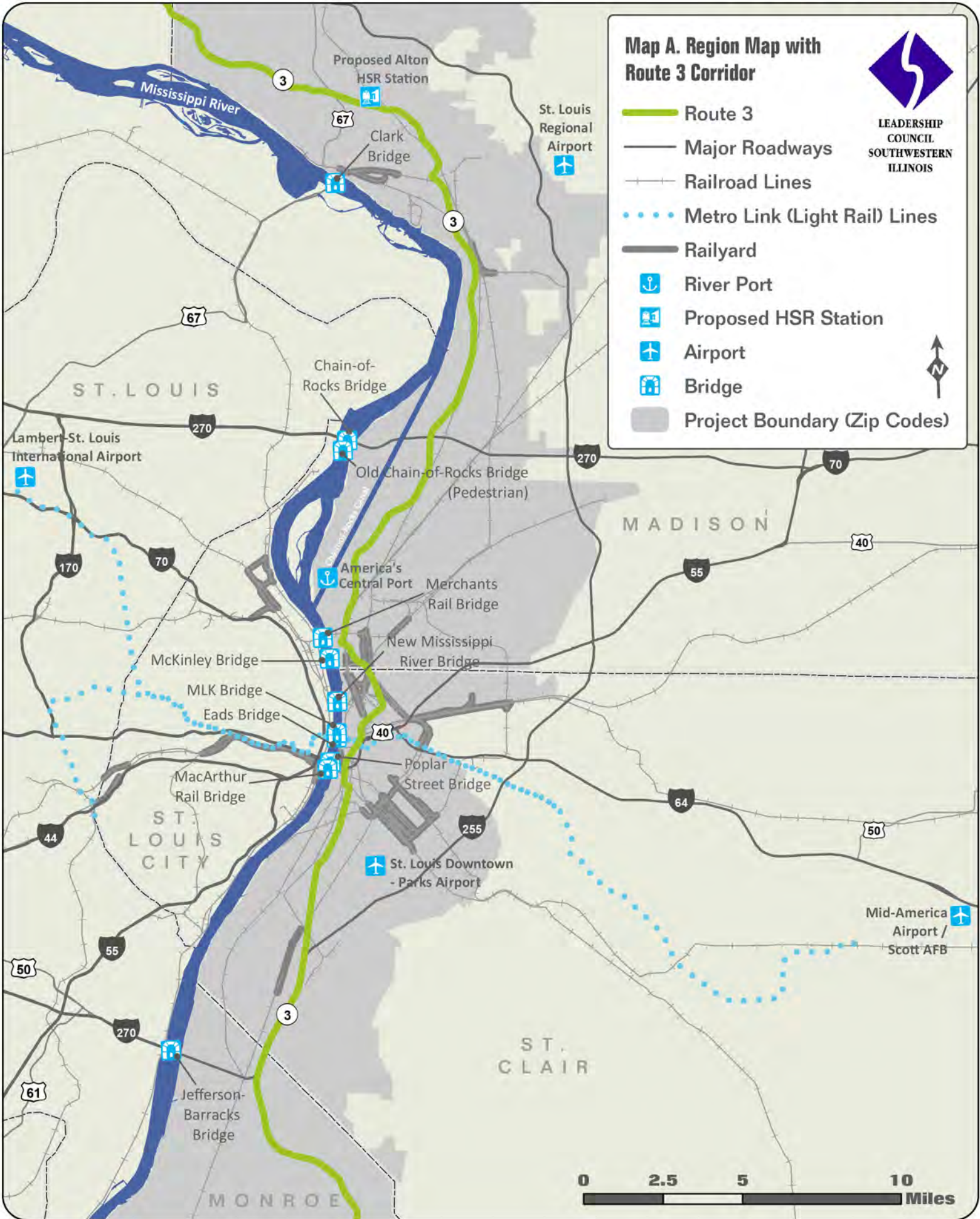


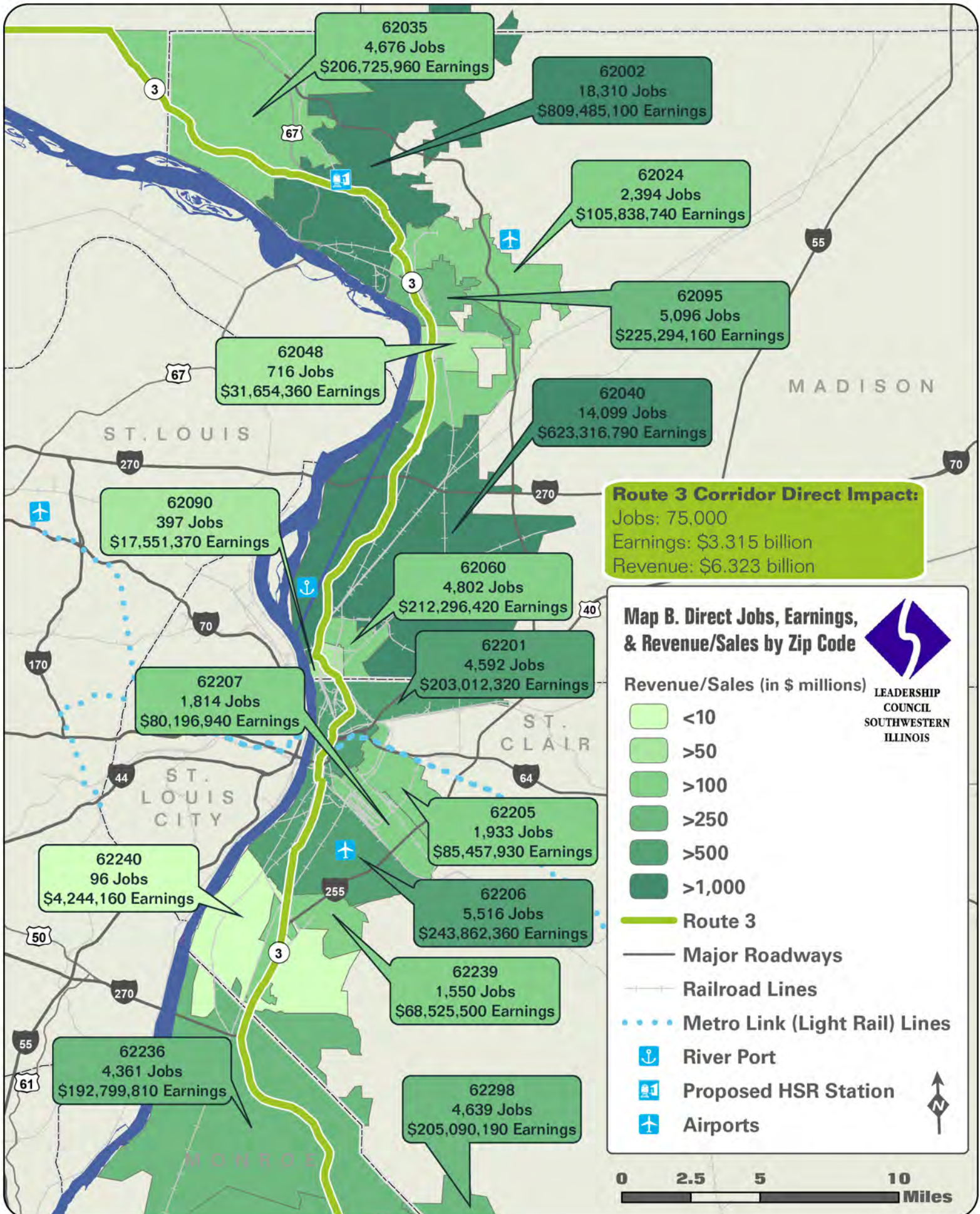


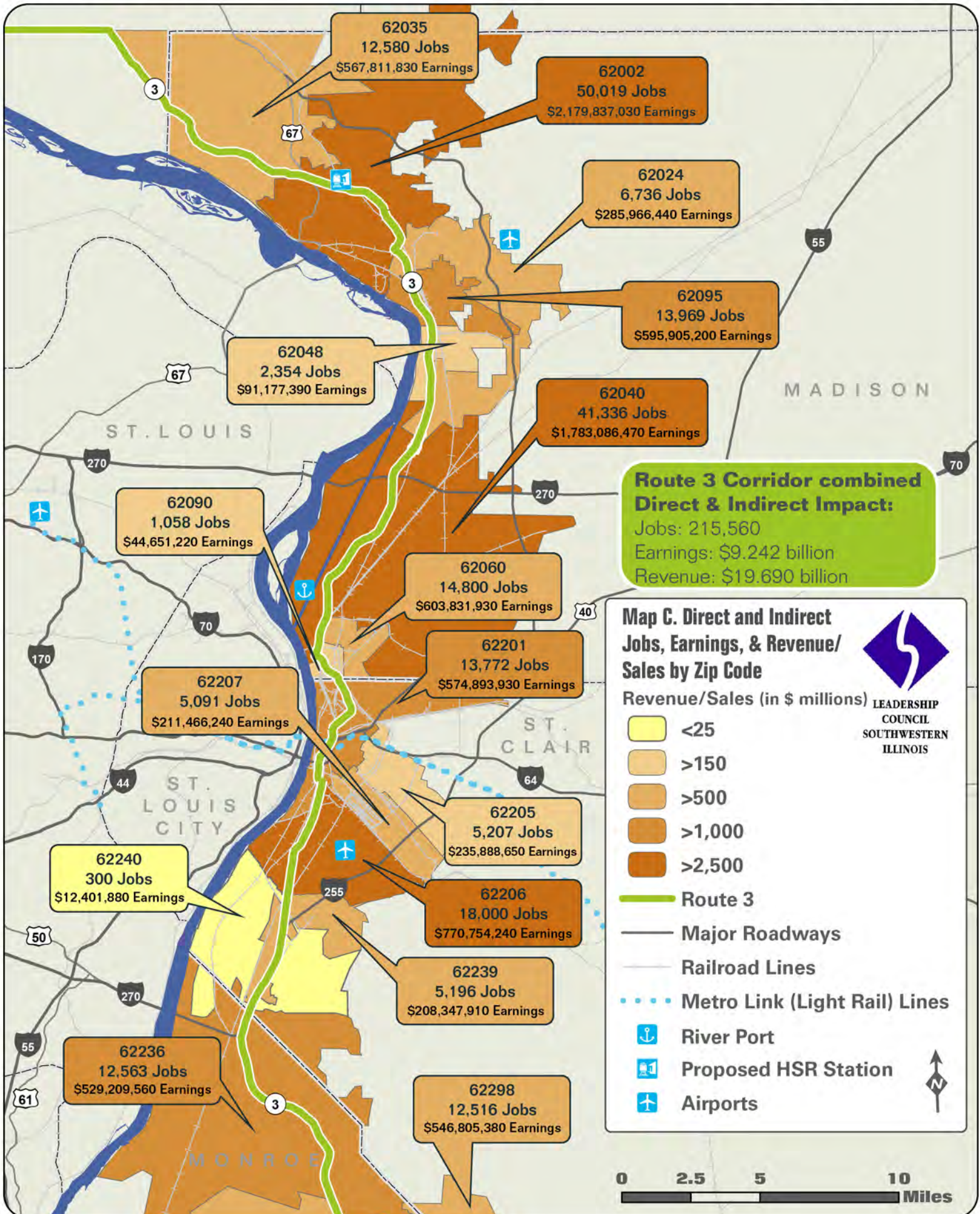
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**Map A. Region Map with
Route 3 Corridor**

-  Route 3
-  Major Roadways
-  Railroad Lines
-  Metro Link (Light Rail) Lines
-  Railyard
-  River Port
-  Proposed HSR Station
-  Airport
-  Bridge
-  Project Boundary (Zip Codes)







Map D. Direct and Indirect Jobs & Earnings by Place of Residence



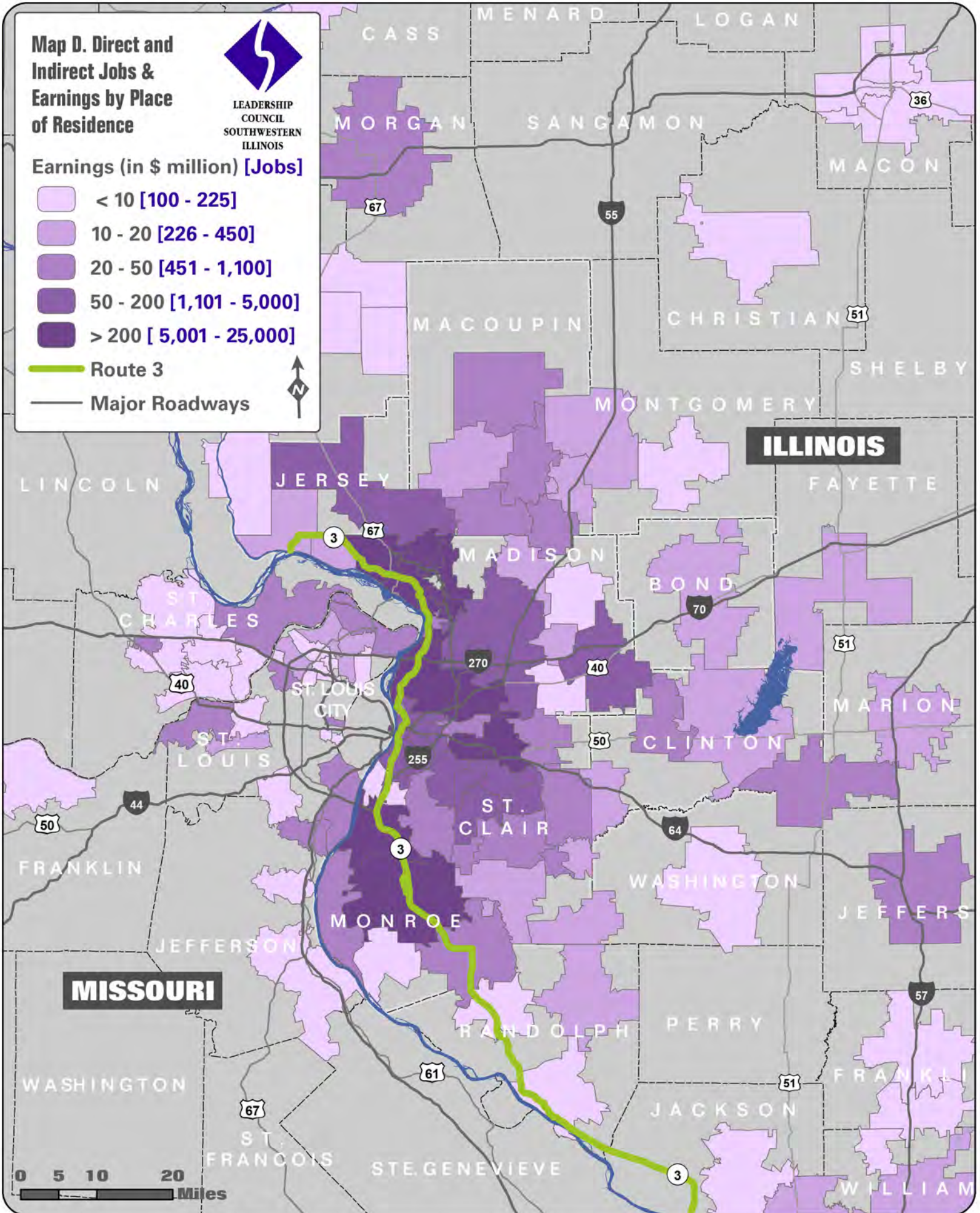
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Earnings (in \$ million) [Jobs]

- < 10 [100 - 225]
- 10 - 20 [226 - 450]
- 20 - 50 [451 - 1,100]
- 50 - 200 [1,101 - 5,000]
- > 200 [5,001 - 25,000]

Route 3

Major Roadways



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Our Mission is to provide leadership and solutions to sustain and enrich the diverse environmental resources of Southwestern Illinois



Our Vision is communities with healthy and sustainable air, land and water resources for current and future generations

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