Project #2160 develops a methodology for determining the impact of highway bypasses on small town business districts in Oklahoma. The focus is predicting likely impacts of proposed bypasses on US 70.

Economic impacts are measured by comparing changes in the sales tax base in the bypassed cities with those of similar non-bypassed cities. Quasi-experimental control group and difference-in-difference estimation techniques are employed.

The method is demonstrated by analyzing the 1993 bypass of Stonewall as well as bypasses of Rush Springs and Snyder in the early 1970s. The null hypothesis that the bypasses had no impact on city sales taxes cannot be rejected. The results are not conclusive due to a lack of bypass cases and usable data on traffic volumes and composition, residential property values, regional economic performance and business climate during the pre-bypass period.

The recommendations based on site visits and interviews are to include signs identifying business districts as well as follow-up safety studies of route intersections in bypass project plans. The results of the project were presented at the annual meetings of the TRB in January 2001, published in an academic journal, and summarized in a PowerPoint presentation developed for ODOT's use in planning and development.