

Economic Impact Statement

Montgomery County, Maryland

Bill 11-23

Motor Vehicles and Traffic – Traffic Signals, Devices, and Automated Enforcement Plan

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 11-23 would have an overall positive impact on economic conditions in the County in terms of the Council’s priority indicators. OLO expects the Bill to induce pedestrian and bicycle infrastructure development in certain downtown and town center areas in the County that otherwise would not occur in the absence of the policy change. Businesses contracted to carry out this development likely would experience increased business income. Moreover, by improving pedestrian and bicycle access to certain areas, the Bill likely would increase income for retail and food service businesses. The Bill may also reduce vehicle expenses and increase employment opportunities for certain residents. Though generally positive, the Bill could have negative economic impacts for certain auto-focused businesses.

BACKGROUND AND PURPOSE OF BILL 11-23

Vision Zero is a strategy to ultimately eliminate all traffic fatalities and severe injuries, while increasing safe, healthy, and equitable mobility for all. Since its inception in Europe in the 1990s, a growing number of jurisdictions in the United States have adopted Vision Zero action plans.¹ Montgomery County adopted its own action plan in 2016 and outlines the following goals:

Using data-informed and equitable approaches, Montgomery County will systematically update the roadway network to create complete, safe streets and build a culture of safety through purposeful campaigns and engagement to eliminate serious and fatal collisions by 2030.²

Bill 11-23 proposes the following actions to advance the County’s Vision Zero goals:

- 1) require an infrastructure review for pedestrian-related collisions within a County’s school zone;
- 2) prohibit a driver of a motor vehicle from making a right turn on a red at certain intersections;
- 3) require certain traffic control devices³ at crosswalks in the County’s downtown and town center areas;
- 4) require the County Executive to provide an automated traffic enforcement plan; and

¹ [Vision Zero Homepage](#).

² [Introduction Staff Report for Bill 11-23](#).

³ Certain traffic control devices include a “leading pedestrian interval” (LPI), which gives pedestrians the opportunity to enter the crosswalk at an intersection 3-7 seconds before vehicles are given a green indication.

- 5) generally amend the law regarding motor vehicles and traffic control.

Bill 11-23, Motor Vehicles and Traffic – Traffic Signals, Devices, and Automated Enforcement Plan (The Safe Streets Act of 2023) was introduced by the Council on February 28, 2023.⁴

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess, both, the impacts of Bill 11-23 on residents and private organizations in terms of the Council's priority economic indicators and whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁵

To assess Bill 11-23's impacts on the Council's priority economic indicators, OLO performs a qualitative assessment based on the following source of information:

- Jamey Volker and Susan Handy, "[Economic impacts on local businesses of investments in bicycle and pedestrian infrastructure: a review of the evidence](#)," *Transport Reviews*, 41:4 (2021): 401-431.

The core assumption made in this analysis is that Bill 11-23 likely would result in creating and/or improving pedestrian and bicycle infrastructure⁶ in ways that may advance the County's Vision Zero goals. Indeed, the Bill would require certain improvements, namely prohibiting a driver of a motor vehicle from making a right turn on a red at certain intersections and require certain traffic control devices at crosswalks. Moreover, its other requirements – performing infrastructure reviews for pedestrian-related collisions within a County's school zone and developing an automated traffic enforcement plan – may also induce further pedestrian and infrastructure development by the County.

This analysis does not account for any economic impacts associated with reduced fatalities and injuries the Bill may cause.

VARIABLES

The primary variables that would affect the economic impacts of Bill 11-23 are the following:

- Number and size of pedestrian and bicycle infrastructure development; and
- Quality of pedestrian and bicycle access to local businesses.

⁴ [Introduction Staff Report for Bill 11-23](#).

⁵ Montgomery County Code, [Sec. 2-81B](#).

⁶ Pedestrian infrastructure includes sidewalks, pedestrian crossings, pedestrian seating, landscaping of the pedestrian space, and other amenities designed to support active travel. Bicycle infrastructure includes bicycle paths, lanes, boulevards, parking and other amenities. Volker and Handy, "[Economic Impacts on Local Businesses of Investments in Bicycle and Pedestrian Infrastructure](#)."

IMPACTS

WORKFORCE ■ TAXATION POLICY ■ PROPERTY VALUES ■ INCOMES ■ OPERATING COSTS ■ PRIVATE SECTOR CAPITAL INVESTMENT ■ ECONOMIC DEVELOPMENT ■ COMPETITIVENESS

Economic Impacts of Bicycle/Pedestrian Infrastructure

OLO examined a 2021 review of the research literature on the economic impacts to local businesses of new or enhanced bicycle and pedestrian infrastructure. The authors reviewed 23 peer-reviewed and non-peer-reviewed studies,⁷ focusing on the U.S. and Canada, that either compared consumer spending pedestrians/bicyclists and automobile users or quantified the economic impact to local businesses following the development of bicycle or pedestrian infrastructure. They drew the following conclusions based on the current state of research on the topic:

- Bicycle and pedestrian infrastructure likely do not reduce net consumer spending at local businesses by hindering motorists from accessing businesses.
- Bicycle and pedestrian infrastructure development – even where vehicular travel lanes or parking are reduced – likely provides a positive economic benefit to local retail and food service businesses, particularly in terms of the number of visiting customers and business sales.
- Some studies indicate that auto-focused businesses, like gas stations and auto repair shops, may experience reduced sales.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that enacting Bill 11-23 would have positive economic impacts on certain private organizations in the County in terms of the Council's priority indicators.

By creating and improving pedestrian and bicycle infrastructure, the Bill likely would impact three business groups:

- businesses contracted by the County to create or improve bicycle and pedestrian infrastructure;
- retail and food service businesses near bicycle and pedestrian infrastructure; and
- auto-focused businesses.

Businesses contracted by the County (prime and subcontractors) likely would experience increased business income. Depending on the size of the projects, they may increase the size of their workforces.

Based on the 2021 review described above, the Bill likely would increase customer visits and sales for certain retail and food service businesses near new or improved pedestrian and bicycle infrastructure. Holding all else equal, higher sales would increase net business income. Depending on the magnitude of this effect, certain businesses hire more workers.

While the policy change likely would economically benefit certain contractors and local businesses, Bill 11-23 could negatively impact auto-focused businesses. By improving pedestrian and bicycle access to certain downtown and town center areas in the County, the Bill could reduce consumer need for proximate auto-focused businesses. If sales to these businesses decrease, they likely would experience lower business incomes.

⁷ Authors included non-peer-reviewed studies due to the limited number of peer-reviewed studies on the topic.

There is some evidence that pedestrian and bike infrastructure development increase commercial property values. However, given mixed findings in the literature, OLO is unable to anticipate whether Bill 11-23 would have this effect.

Beyond these potential impacts, OLO does not expect the Bill to affect private organizations in terms of the Council's other priority indicators.

Residents

OLO anticipates that enacting Bill 11-23 would have positive economic impacts on certain residents in the County in terms of the Council's priority indicators. By improving pedestrian and bicycle access to certain local businesses, Bill 11-23 may provide residents with greater transportation flexibility. Certain residents may reduce expenses associated with vehicle transportation. Moreover, residents employed by businesses that increase workforces more than they otherwise would in the absence of the Bill likely would experience increases in household income.

Beyond this potential impact, OLO does not expect the Bill to affect residents in terms of the Council's other priority indicators.

Net Impact

OLO anticipates Bill 11-23 would have a positive impact on overall economic conditions in the County in terms of the Council's priority indicators. As described above, by improving pedestrian and bicycle access to certain local businesses, the Bill likely would increase income for certain business contracted by the County to develop pedestrian and bicycle infrastructure that otherwise would not occur and retail and food service businesses near these infrastructure developments. Moreover, the Bill may reduce vehicle expenses and increase employment opportunities for certain residents. Although the Bill may negatively impact certain auto-focused businesses, OLO expects the policy change to have an overall positive impact on economic conditions given the strength of evidence on the positive economic impacts of pedestrian and bicycle infrastructure development.

DISCUSSION ITEMS

Not applicable

WORKS CITED

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

[Introduction Staff Report](#) for Bill 11-23, Motor Vehicles and Traffic – Traffic Signals, Devices, and Automated Enforcement Plan (The Safe Streets Act of 2023). Introduced on February 28, 2023.

Visionzeronetwork.org, [Vision Zero Network](#).

Volker, Jamey and Susan Handy. "[Economic impacts on local businesses of investments in bicycle and pedestrian infrastructure: a review of the evidence](#)." *Transport Reviews*, 41:4 (2021): 401-431.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

AUTHOR

Stephen Roblin (OLO) prepared this report.