



Economic Development Impacts of Completed ADHS Corridors

Final Report

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Source: Appalachian Regional Commission <https://www.arc.gov/appalachian-development-highway-system/>

Executive Summary

For decades, the Appalachian Development Highway System (ADHS) has been viewed as one of the most significant long-term infrastructure investments supporting economic opportunity in Appalachia. As more than 92 percent of the system is now completed, open to traffic or under construction, the question is no longer simply what benefits completion may generate in theory, but what outcomes have been realized in places where corridors have operated for years or decades. This study addresses that question through case studies of four completed or substantially completed corridors:

- Corridor B (US-23) in eastern Kentucky,
- Corridor E (I-68) in western Maryland,
- Corridor T (I-86) in southern New York, and
- Corridor V in Alabama and Mississippi

Across the case studies, the evidence points to a consistent conclusion: **ADHS corridors provide a foundational enabling condition for economic development**, and this is supported by numerous examples of manufacturing, logistics/distribution and tourism-driven economic activity that would not exist in rural Appalachia if not for the highways. At the same time, **highway investments are rarely sufficient on their own to transform regional economies**. Four-lane and interstate-grade corridors have opened opportunities in manufacturing, logistics, tourism, and regional trade that would have been difficult or impossible to realize without improved highway infrastructure and market access. By reducing travel times, improving freight efficiency, expanding labor sheds, and connecting communities to larger markets, these corridors have helped position regions to compete for investment and support economic diversification.

One of the clearest findings is the role highways play in industrial competitiveness. In multiple case study regions, **improved highway access has supported industrial recruitment, supplier attraction, and expansion of advanced manufacturing sectors**, from automotive production in Alabama and Mississippi to rail equipment manufacturing in New York. In many cases, stakeholders described high-quality highway access as a prerequisite for being considered in site selection decisions, effectively “putting communities on the map” for investment opportunities. Interstate designation often provided an additional boost, increasing visibility, strengthening business recruitment efforts, and enhancing market perceptions of accessibility and readiness

However, the findings also show that highway infrastructure alone does not guarantee broad-based economic growth or reverse long-term structural challenges. While these investments often improve economic opportunity, they do not automatically translate into large gains in population or total employment, particularly in regions facing persistent demographic decline, industrial restructuring, or overdependence on legacy sectors such as mining. In this respect, **the case studies reinforce an important lesson: infrastructure can enable opportunity, but realizing that opportunity depends heavily on complementary factors such as workforce readiness, entrepreneurship, local planning, and economic development strategy.**

A broader takeaway from the case studies is that highway impacts are often more nuanced than simple growth metrics suggest. Even where population growth or employment expansion has been limited,

improved access has frequently contributed to higher-quality jobs, stronger wages, improved resilience, and greater competitiveness. In other words, the benefits of transportation investment are often reflected not only in growth, but in enhanced economic performance and opportunity.

Some of the strongest findings relate to the conditions that allow highway investments to generate outsized returns. **Communities that have most effectively leveraged highway access for growth often pair transportation advantages with market-ready industrial sites, modern utilities, and coordinated development strategies.** Site preparedness repeatedly emerged as a critical factor in converting accessibility into actual business investment. Likewise, the economic value of highways was often magnified when corridors connected to broader multimodal transportation assets, including rail, inland ports, airports, and other major highway systems, creating integrated logistics advantages that extended beyond the roadway itself.

The study also highlights **the importance of highways in expanding labor market access.** In all corridors, stakeholders emphasized that improved highways substantially widened practical workforce commuting sheds, allowing employers to draw from broader labor pools and workers to access higher-quality employment opportunities. This dynamic is especially significant in rural areas, where labor availability can be a determining factor in business location and expansion decisions.

Tourism and place-based development represent another important dimension of impact. While often less emphasized in traditional transportation analyses, **the case studies show that improved highway access can be transformative for visitor economies, outdoor recreation, and rural service centers.** By reducing travel barriers and increasing corridor visibility, these investments have supported destination development, strengthened regional branding, and increased visitor spending. In places such as Maryland and Kentucky, highways have not only improved access to recreation assets but have become part of the identity and marketing of those destinations themselves, helping regions promote recognizable travel corridors.

Taken together, the findings suggest that the ADHS has contributed to economic development less as a singular driver of growth than as a platform upon which growth can occur. As such, the greatest impacts of ADHS corridors have often been realized when highway access intersects with strategic assets, such as industrial clusters, multimodal transportation and logistics networks, workforce resources, tourism destinations, and proactive development efforts. The case studies also underscore that outcomes vary significantly by regional context; highways create opportunities, but communities differ in their capacity to capture them.

As policymakers consider the remaining unfinished segments of the ADHS, these findings provide updated evidence that the value of highway investment extends beyond travel efficiency alone. Completed corridors have strengthened industrial competitiveness, improved market access, supported tourism, expanded labor connectivity, and helped position Appalachian communities for more diversified and resilient economic futures. At the same time, **the study reinforces that transportation investment is most effective when aligned with broader economic development strategies designed to translate infrastructure access into lasting regional prosperity.**

Key Findings

- 1** High quality four-lane and interstate-grade highways play a critical economic development role by opening up new opportunities in manufacturing, logistics, tourism, and related sectors that would otherwise be difficult to access.
 - 2** At the same time, evidence from the case study highway corridors suggests that major highway investments do not always directly translate into measurable increases in population or total employment.
 - 3** While not always associated with demographic and socioeconomic shifts, these highway improvements can still generate meaningful economic benefits for surrounding regions, including higher-quality jobs, stronger wages, improved resilience, and greater competitiveness.
 - 4** The effectiveness of highway investment is also closely tied to broader transportation connectivity. Case studies consistently emphasize the importance of linking highways to multimodal infrastructure, including rail corridors and facilities, inland waterways, and airports, as well as ensuring strong connections with regional highway networks.
 - 5** Another key factor is the importance of site readiness. Communities that succeed in attracting investment typically maintain “market-ready” industrial parks with environmental permitting completed, and pre-installed infrastructure and utilities, allowing them to respond quickly to business location opportunities.
 - 6** Highways also have a significant impact on labor markets by expanding commuting ranges, often increasing viable workforce catchment areas to 60–75 miles and beyond.
 - 7** Highway investments often support unique, place-specific economic development outcomes, including outdoor recreation, culture, and tourism.
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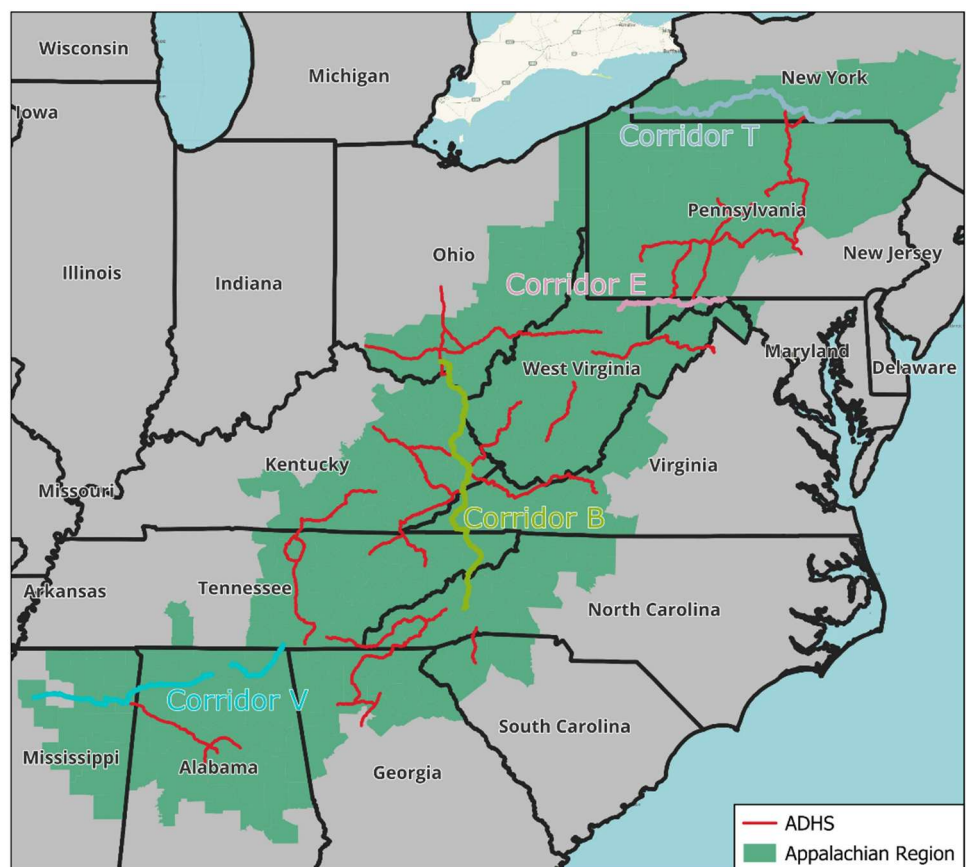
1 Overview

The Appalachian Regional Commission (ARC) has long recognized the Appalachian Development Highway System (ADHS) as a critical driver of improved accessibility and economic growth across Appalachia. Earlier ARC research, including the 2016 report *Appalachian Development Highway System Economic Analysis Study: Synthesis of Findings to Date* and the 2017 report *Economic Analysis of Completing the Appalachian Development Highway System*, established a strong foundation for understanding the system's regional economic effects and the potential returns to completing the remaining highway network. Those studies emphasized broad trends such as improved connectivity, reduced travel times, and positive associations with employment and income growth.

Since that time, the ADHS has moved significantly closer to completion, with more than 92 percent of the system either open to traffic or under construction. The remaining segments tend to be more complex, costly,¹ or, in some cases, lower priority at the state level. As a result, the policy context has shifted. Rather than focusing primarily on projected benefits, there is increasing value in examining realized outcomes and economic impacts in places where corridors have already been completed and in use for a sustained period.

This study responds to that need by assessing the economic development impacts of selected ADHS corridors through a set of detailed case studies. The analysis focuses on four corridors that represent different geographies and economic contexts across Appalachia, as shown in the map:

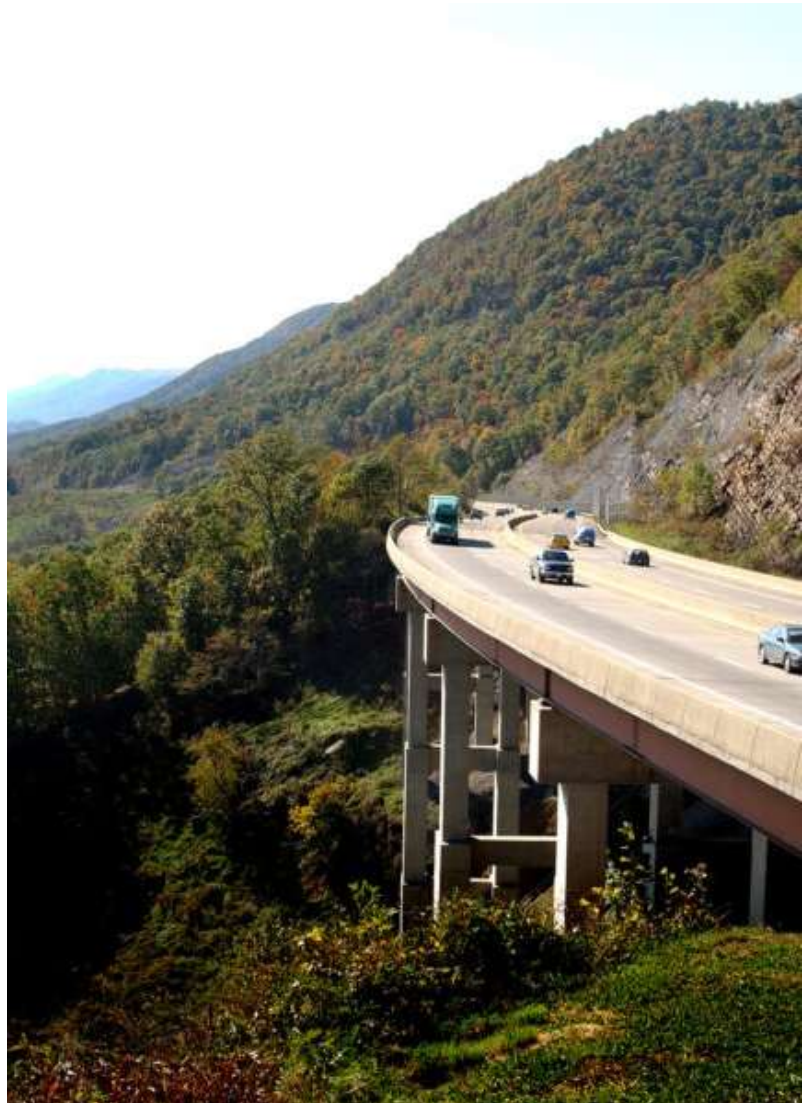
- Corridor B (US-23) in eastern Kentucky,
- Corridor E (I-68) in western Maryland,
- Corridor T (I-86) in southern New York, and
- Corridor V in Alabama and Mississippi.



¹ For more information on estimated costs to complete the ADHS, visit <https://www.arc.gov/report/appalachian-development-highway-system-2025-cost-to-complete-estimate/>.

Together, these corridors provide a diverse sample of ADHS highway corridors areas, each with distinct industry bases and development trajectories. Specific criteria were used to identify and determine which case studies to examine for this report, including:

- **Completed corridors (or major corridor segments):** Because the case studies assess how the ADHS has helped enhance economic development, the case studies must be focused on completed corridors (or major segments of corridors). In terms of timing, the ideal corridors will have been completed roughly 5 to 15 years ago. That would allow enough time to realize impacts, while not being so long ago that it's difficult to re-create impacts (from stakeholders and data).
- **Evidence of economic development impact:** Whether through past case studies, first-hand knowledge or anecdotal information from trusted sources/stakeholders, the research should focus on corridors with some evidence of positive economic development impact. The ADHS corridor doesn't need to be the only cause of economic development but should be linked in some way. Examples could include: new/expanded businesses located near the ADHS corridor, tourism-related attractions benefiting from an ADHS corridor, data showing job or pop growth along an ADHS corridor, or increased freight shipments or trade patterns utilizing ADHS corridors.
- **Local/regional stakeholders to provide context, examples:** The intended case studies rely on a mix of data analysis and more qualitative research to examine and articulate the economic development impacts of ADHS corridors. To do the qualitative work, and make these case studies come alive, the research team needs to be able to speak with various local/regional economic development, planning and transportation experts, and businesses benefiting from the ADHS.
- **Corridors providing bi-state / longer distance connections to markets:** One of the driving rationales behind the ADHS was to reduce isolation and increase connectivity to markets. To the extent that corridors have demonstrable connections to markets, cities, ports, or stretch across state boundaries, that could help make for a more effective and compelling case study.



Source: ARC Access in Appalachia, <https://www.arc.gov/report/transportation-access-in-appalachia/>.

The purpose of this report is thus to document how completed ADHS corridors have influenced local and regional economic development outcomes. The study combines quantitative analysis of economic indicators over time with qualitative evidence drawn from local stakeholders and observed development patterns. This mixed-method approach allows for a more complete understanding of how transportation investments translate into on-the-ground economic change.

Across the four case studies, the analysis focuses on several common themes that emerge as key channels through which highway infrastructure can influence and shape economic development:

- **Manufacturing and industry:** Improved highway access can expand labor market sheds, reduce transportation costs, and make previously isolated areas more attractive for industrial investment. In several case study corridors, manufacturing firms have cited reliable four-lane or interstate highway connectivity as an important factor in site selection, expansion, or retention decisions.
- **Logistics and distribution:** Enhanced regional connectivity supports the growth of warehousing, distribution centers, and freight-related activity. Corridors that link Appalachia to major interstate systems or population centers have seen increased interest from logistics and distribution operators seeking efficient access to regional and national markets.
- **Tourism and outdoor recreation:** By reducing travel times and improving safety, ADHS corridors make Appalachian destinations more accessible to visitors. This has supported growth in visitor spending, particularly in areas with established attractions or proximity to urban markets. Many ADHS corridors pass through areas with significant natural amenities. Improved access has facilitated increased use of parks, trails, and recreation areas, contributing to local economies through lodging, food services, and recreation-related businesses.

While the scale and timing of impacts vary by corridor, the case studies collectively illustrate how transportation infrastructure can support economic diversification and resilience in Appalachian communities. In some locations, development has been concentrated around interchanges and accessible sites, while in others, the benefits are more diffuse, reflected in broader regional trends such as population stabilization or increased business activity.

Importantly, the findings highlight that highway investments alone do not guarantee economic growth. Outcomes depend on complementary factors such as workforce availability, site readiness, local planning, multimodal transportation connections, and broader market conditions. However, the presence of modern, reliable highway infrastructure is consistently identified as a critical condition for many types of economic activity, particularly in sectors that depend on efficient movement of goods and people.

By documenting these realized impacts, the study provides updated evidence to inform decisions about the remaining segments of the ADHS. The case studies offer concrete examples of how completed corridors have contributed to economic development, helping to clarify the role of transportation investment within a broader regional development strategy. At the same time, the findings underscore the importance of aligning infrastructure investment with local and regional economic development efforts to maximize long-term benefits.

2 Data & Methodology

2.1. Information Collection

Data

The quantitative analysis focuses on population, employment, and wages as the key impact indicators. Population and other supporting demographic information come from the US Census Bureau American Community Survey (ACS) five-year estimates. Alternatively, establishment-based employment and wage data were obtained from the US Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW). Wage data is inflation-adjusted to reflect 2025 dollars using the annual consumer price index. Other case study-specific sources and information were added to support the narrative, including data from the US Census Bureau Longitudinal Employer-Household Dynamics (LEHD) survey.

Stakeholder Engagement

Stakeholder engagement constituted a major component of this analysis and complemented the empirical assessment by providing on-the-ground perspectives, case study insights, and real-world examples of how highway investments influence economic opportunity and business location decisions. Dozens of stakeholders were interviewed regarding their perspectives on highway access and the opportunities it creates for their regions. These stakeholders included regional and county economic development leaders, tourism officials, business owners, chambers of commerce, industrial parks, and elected officials. These conversations were critical to understanding impacts that may not be fully captured in quantitative data alone, including business recruitment advantages, workforce access, tourism development opportunities, and the broader strategic importance of highway connectivity to regional competitiveness.

2.2. Methodology

When sufficient data are available, data indicators such as population, employment, and wages are evaluated using a difference-in-differences framework. This type of analysis isolates the effects of ADHS highway investments by examining two key comparisons. First, outcomes in the study area (the counties with ADHS highway access) are measured before and after the highway reconstruction (the “first difference”), capturing how conditions change over time. However, because broader economic trends, such as regional growth, inflation, and industry shifts can also influence these outcomes, a second comparison is introduced. This “second difference” compares changes observed in the study area to those in comparison geographies that did not receive similar investments during the same period. For this analysis, the comparison area consists of adjacent counties without highway access.

By combining these two comparisons, the difference-in-differences approach helps control for external factors that affect all areas similarly, allowing the analysis to better isolate the portion of change that is plausibly attributable to the ADHS investment itself. For example, if both the project corridor and comparison areas experience increases in business activity, but the increase is significantly larger in the project area following the intervention, the additional growth can be interpreted as evidence of a positive project impact. Conversely, if trends in the project area closely mirror those in the comparison geographies, this suggests that observed changes are more likely driven by broader economic conditions rather than the investment.

It is important, however, to interpret these findings in light of several limitations. Due to data and scope constraints, the analysis did not include an extensive statistical matching process to ensure that comparison counties closely mirrored project counties across the full range of relevant economic, demographic, and industry characteristics prior to investment. Instead, comparison areas were selected based on geographic proximity and lack of similar highway improvements. While this approach helps control for broad regional trends, it cannot fully account for differences in underlying economic structure, industrial composition, labor market conditions, or local policy environments that may influence outcomes independently of the highway investment. As a result, some of the estimated effects may reflect unobserved or unaccounted local factors rather than the infrastructure improvement itself, and the findings should be viewed as indicative associations rather than precise causal estimates.

In addition, some ADHS corridor regions experienced structural economic shocks or long-term industry declines that are likely too large for transportation investments alone to offset. Examples include the dominant loss of coal employment in eastern Kentucky and the loss of more than 18,000 high-wage jobs associated with the closure of IBM facilities near Binghamton, New York. In such contexts, highway improvements may improve accessibility and development readiness but may not be sufficient to overcome broader macroeconomic or industry-specific headwinds, which should be considered when interpreting corridor-level outcomes.

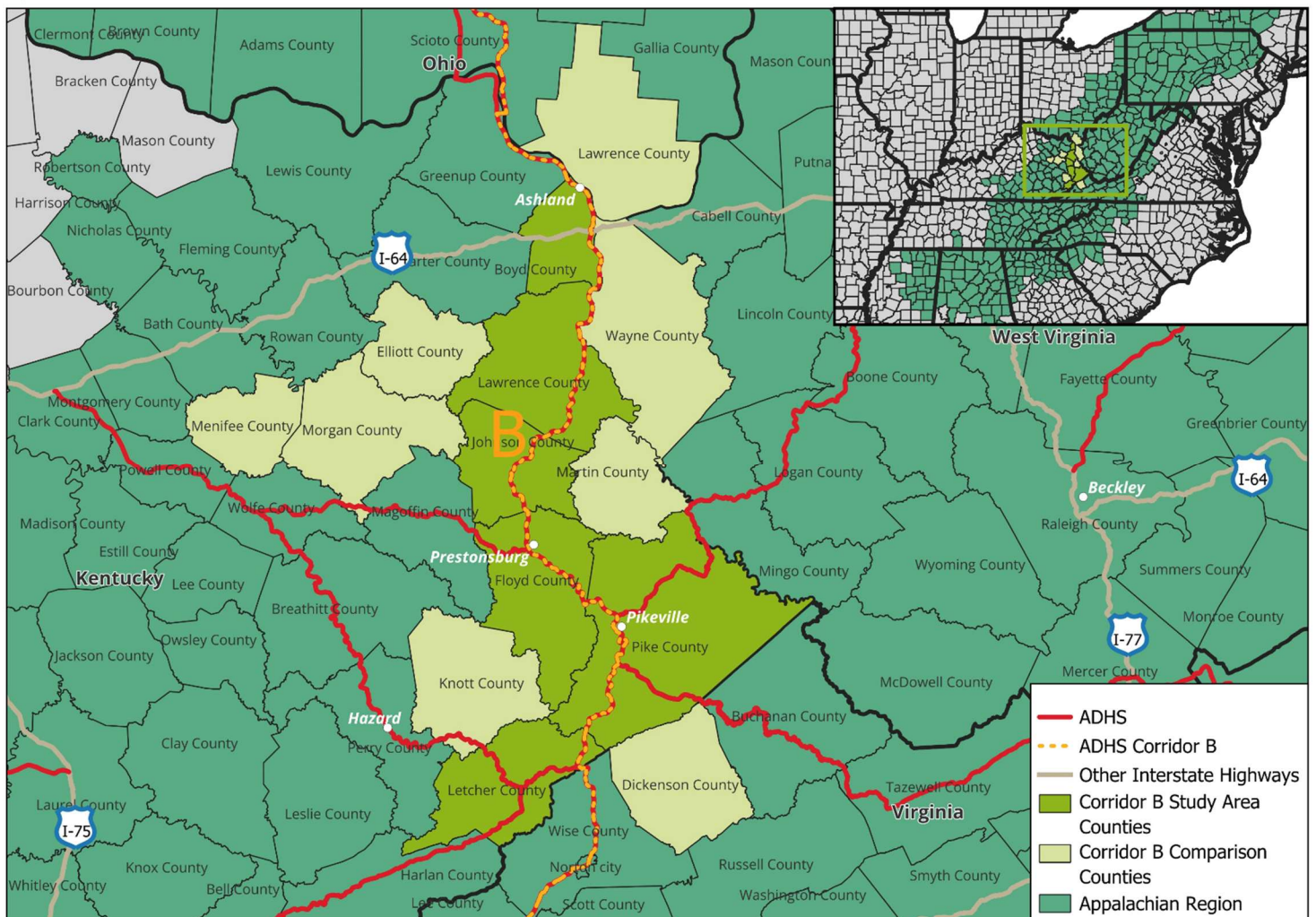
3 Case Studies of ADHS Corridors

3.1. Corridor B (US-23) in Kentucky

Corridor Overview

Corridor B (also known as US-23) is a four-lane highway running north-south from southern Ohio to North Carolina passing through parts of Virginia and Tennessee. This case study focuses on the portion of US-23 running through Boyd, Lawrence, Johnson, Floyd, Pike, and Letcher Counties in eastern Kentucky, a segment providing critical freeway access to residents and businesses along the rural corridor (see Figure 3.1.1.). Eight surrounding counties in West Virginia, Ohio, Virginia, and other parts of Kentucky serve as the comparison area, used throughout this analysis to represent nearby rural areas that did not receive highway investment.

Figure 3.1.1 Corridor B Overview Map



Like much of the ADHS, before reconstruction, Corridor B was characterized by slow two-lane traffic on winding steep roads. Slow-traveling trucks hauling coal were frequently seen along the roadway, with a line of cars backed up behind them. In those days, the 161-mile route had an average travel speed of about 40 mph, leading to a total travel time of just over four hours. The reconstruction of the highway in 2000 reduced the highway length to 145 miles, added four-lane traffic, and increased travel speeds to 55 mph, cutting the total travel time to well under three hours (an improvement of almost 80 minutes).² The route has many segments with access control, though travel is interrupted by traffic lights in some places.



Source: Google Maps.

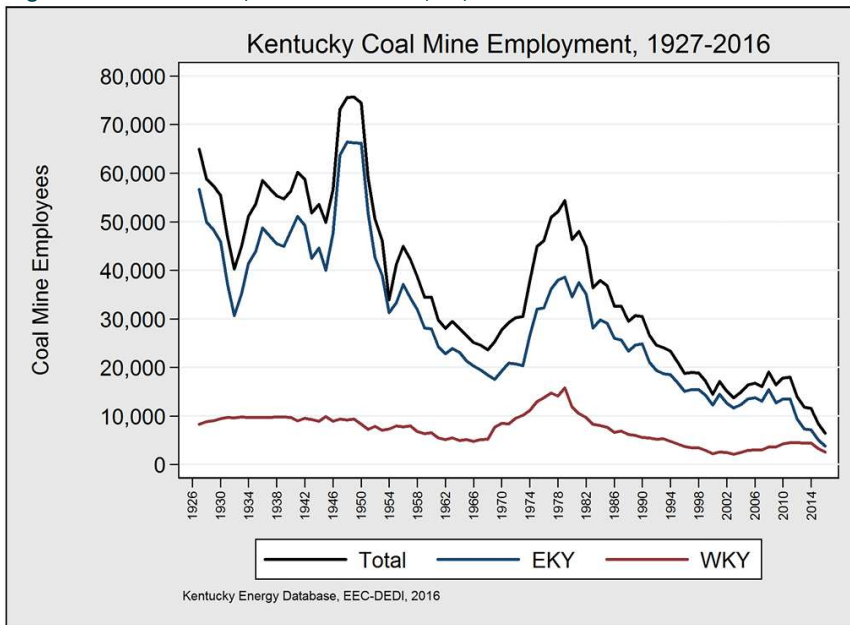
For decades, Eastern Kentucky's economy was dominated by the coal industry. As shown in Figure 3.1.2, the coal industry in Kentucky peaked in the late 1980s and has continued a downward trend ever since, with very rapid decline after about 2010.³ In 2009, the industry made up 11 percent of the six-county region's total jobs and supporting countless jobs in other industries.⁴ During the early 2000s, the US-23 highway corridor helped support the coal industry, reducing travel times and allowing for more efficient travel.

² Sweger, Brent A. The Appalachian Development Highway System In Kentucky, 2010. Kentucky Transportation Cabinet. <https://transportation.ky.gov/Planning/Planning%20Studies%20and%20Reports/The%20Appalachian%20Development%20Highway%20System%20In%20Kentucky%202010.pdf>.

³ Kentucky Coal Facts. 17th Edition. 2017. Kentucky Energy and Environment Cabinet Department for Energy Development and Independence. [https://eec.ky.gov/Energy/Coal%20Facts%20%20Annual%20Editions/Kentucky%20Coal%20Facts%20-%2017th%20Edition%20\(2017\).pdf](https://eec.ky.gov/Energy/Coal%20Facts%20%20Annual%20Editions/Kentucky%20Coal%20Facts%20-%2017th%20Edition%20(2017).pdf).

⁴ US Census LEHD. Accessed through OnTheMap. <https://onthemap.ces.census.gov/>.

Figure 3.1.2 Kentucky Coal Mine Employment, 1927 to 2016



Source: Kentucky Coal Facts. 17th Edition. 2017. Kentucky Energy and Environment Cabinet Department for Energy Development and Independence. [https://eec.ky.gov/Energy/Coal%20Facts%20%20Annual%20Editions/Kentucky%20Coal%20Facts%20-%202017th%20Edition%20\(2017\).pdf](https://eec.ky.gov/Energy/Coal%20Facts%20%20Annual%20Editions/Kentucky%20Coal%20Facts%20-%202017th%20Edition%20(2017).pdf).

As the economy shifted away from coal and the region struggled with population loss, poverty, and high unemployment, the highway corridor continued to play an important role. While these socioeconomic challenges are still prevalent, the corridor has helped build resilience in the region by:

- Ensuring residents maintain access to critical services and amenities after many small towns centered around the coal industry lost businesses and population.
- Providing opportunities to transition to other industries, such as industrial manufacturing.
- Garnering a sense of identity and local pride around the living tradition of country music and outdoor recreation.

Socioeconomic Profile of Corridor B

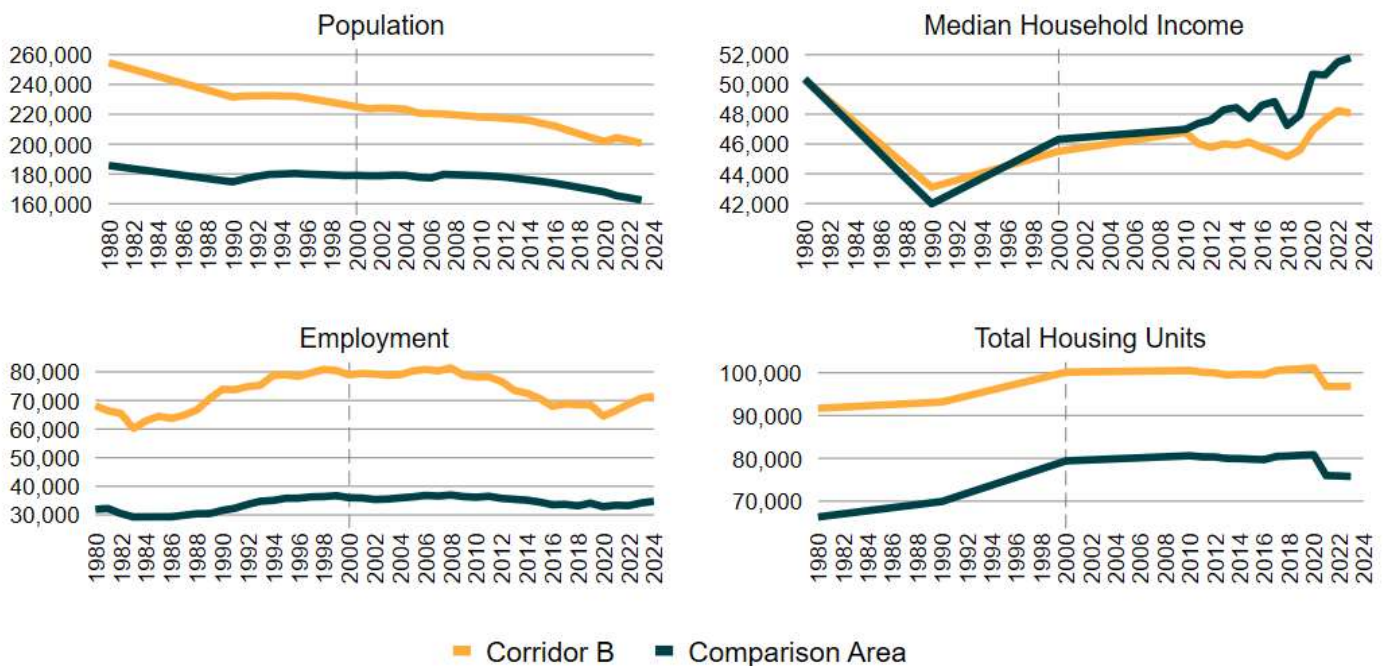
Eastern Kentucky, a once thriving collection of coal mining communities, is working to regain its footing amid the global decline of its primary industry. Across the rural patchwork of small towns tucked against the mountains, the population has been shrinking for years, a trend intensified by the loss of coal jobs. Stakeholders emphasize that the remaining 200,000 residents are resilient, friendly, and hardworking. The landscape itself reflects this grit, characterized by rocky cliffs and rugged terrain.

Of the 200,000 total residents in the six-county region, only about 71,000 are employed, yielding an employment-to-population ratio of about 35 percent. This ratio represents the overall degree to which a community’s population is engaged in work, reflecting both job availability and the extent to which residents are participating in the labor market. Eastern Kentucky’s ratio is quite low; as a comparison, Kentucky’s statewide employment-to-population ratio is 44 percent while the US overall is 47 percent. As shown in

Figure 3.1.3, employment, which was growing in the corridor area until the late 1990s and then steady throughout the early 2000s, began a downward trend in the 2010s (coinciding with the decline in coal) that lasted for about a decade. The corridor region has seen a small uptick in employment since 2020.

The loss of employment opportunities resulting from the decline in the coal industry also meant a substantial loss of income for residents. As shown in Figure 3.1.3, median household incomes in the corridor area tracked alongside those in the comparison area until about 2010 when the comparison area’s household incomes started an upward trend while the corridor area was stagnant or declining slightly until about 2020.

Figure 3.1.3 Demographic Indicators for Corridor B and the Comparison Area

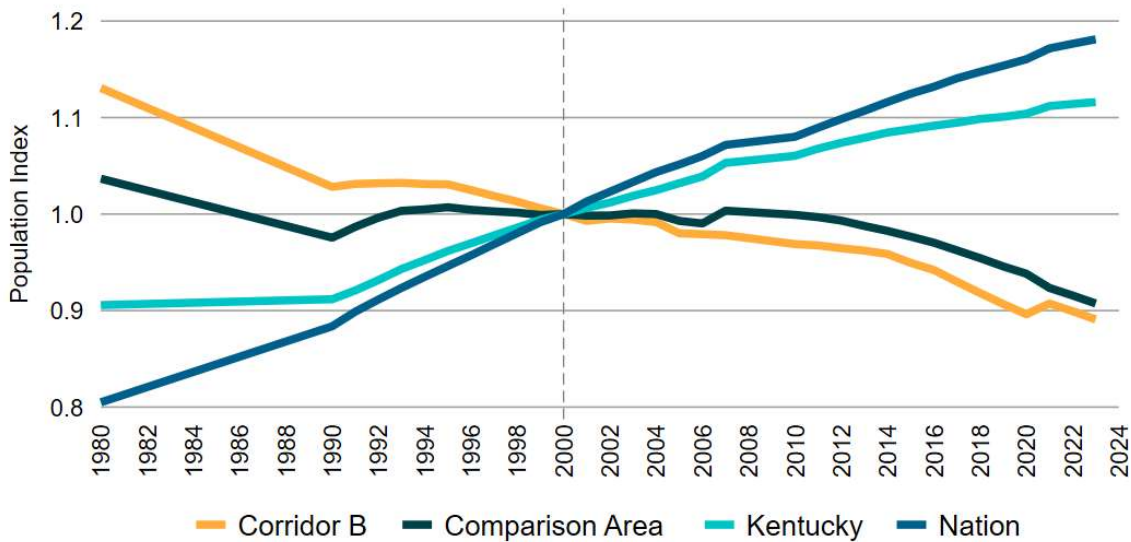


Sources: US Census Bureau Total Population and American Community Survey and Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Note: Median household income is inflation adjusted to 2024 dollars using the CPI.

For a more detailed look at the population trends in the case study area, Figure 3.1.4 compares population change across several geographies. The chart indexes total population to 2000, the year the corridor was completed, to illustrate relative growth rates over time. As seen in the graph, eastern Kentucky was experiencing steady population loss before the construction of Corridor B and continued its downward trend after the highway’s completion, underperforming the comparison areas. Reflecting broader trends in Appalachia, both the corridor region and comparison counties experienced population decline, whereas the state and nation saw steady growth.

Figure 3.1.4 Population Index for Corridor B and Comparison Areas



Sources: US Census Bureau Total Population and American Community Survey.

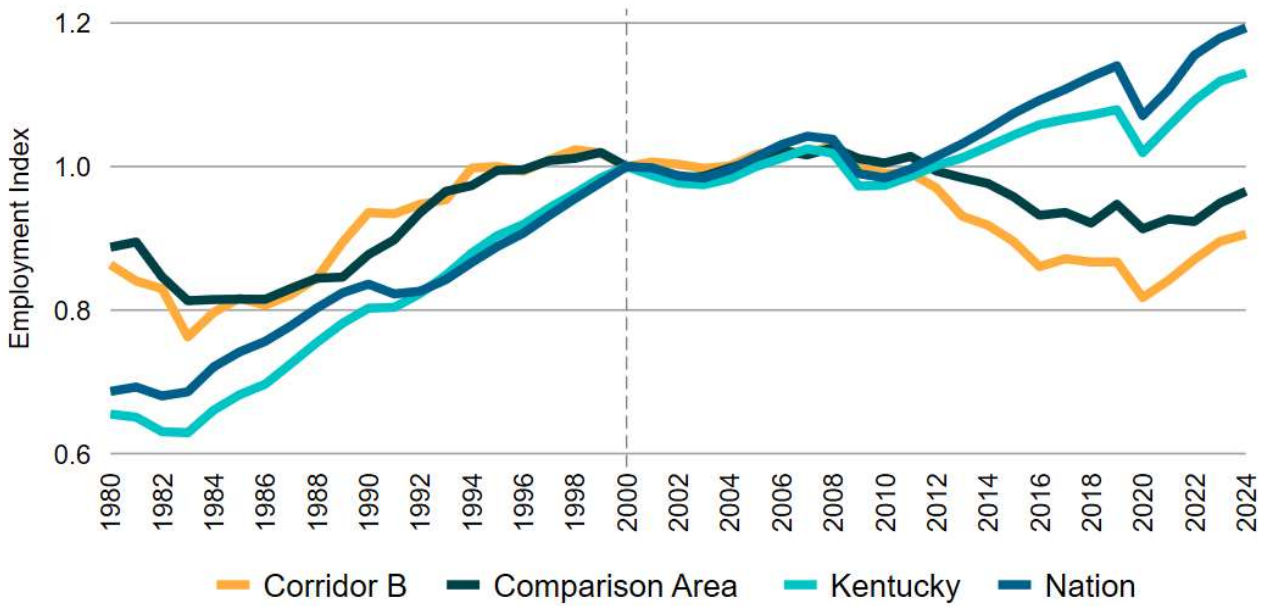
A similar index comparison analysis for employment and wages provides further insight into the region’s performance. As seen in Figure 3.1.5, employment in the corridor grew at about the same rate (fairly flat) as the comparison areas until about 2010. After the decline of the coal industry, employment in eastern Kentucky fell from about 78,000 in 2010 to as low as 64,500 in 2020 before recovering slightly to 71,500 in 2024.

This analysis demonstrates that while the highway may have helped offset the economic devastation from the loss of the coal industry, it alone was not sufficient to reverse downward trends. The region was built around the coal mining industry and did not have a backup/contingency plan. However, the uptick in employment in recent years is a positive sign for the region, indicating that they are better capitalizing on their assets and becoming a more dynamic economy.

Wages also offer an optimistic perspective on the highway corridor’s impact on the region. As shown in Figure 3.1.6, prior to highway reconstruction in 2000, real (inflation-adjusted) wages were declining steadily in counties along Corridor B. Coinciding with the highway reconstruction in 2000, the downward wage trend turned around, growing from \$48,700 in 2000 to \$56,300 in 2010. Interestingly, the comparison corridor also saw similar trends after the highway construction, either indicating that a confounding factor turned around incomes in both areas, or suggesting that the highway’s impact had a broader reach than the six-county region. Unfortunately, wages also took a hit in the 2010s when coal mines were shutting down.

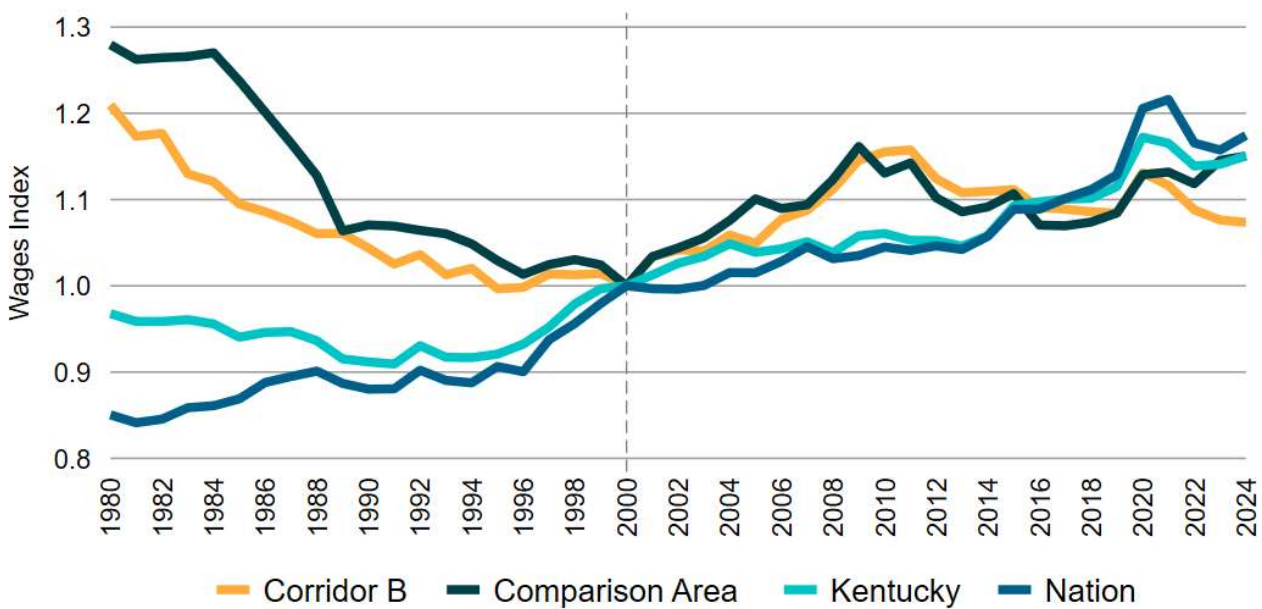
Notably, wages in the study area are substantially lower than other parts of the state and nation. In the six-county region, the average was in 2024 was about \$52,300 whereas wages in Kentucky were \$60,400 and in the US overall were \$75,600. This disparity reflects the relatively low cost of living in eastern Kentucky and makes it an affordable place to do business.

Figure 3.1.5 Employment Index for Corridor B and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Figure 3.1.6 Real Wages Index for Corridor B and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.
 Note: The wage index is calculated based on real (income-adjusted) dollars.

Economic Development Themes

Based on desktop research and conversations with various stakeholders in the region, three economic development themes arose for Corridor B in Kentucky:

- **Pikeville serves as the region's economic hub** and provides necessary services, jobs, and resources to a broad radius.
- **Manufacturing** is a key target industry for the region, capitalizing on the skills overlap with the mining sector and providing high-quality jobs with minimal educational requirements.
- The **Country Music Highway and the region's outdoor recreation assets** anchor a strong sense of identity while supporting tourism opportunities.

Pikeville Economic Hub

While Ashland is the largest city in eastern Kentucky, with about 21,000 residents, its location in northern Boyd County along the Ohio border means it primarily serves the northeastern portion of the region. As a result, much of eastern Kentucky relies on another centralized hub. Pikeville, though smaller at 7,500 residents and located in the eastern corner of the state, fulfills that role for much of eastern Kentucky.

For many communities across the mountains, Pikeville functions as the primary regional center for higher education, employment, banking, healthcare, retail, and other essential services. In this way, Pikeville plays a critical role in anchoring economic activity and access to opportunity across a broad rural area. The city's location along US-23 further strengthens this role, as the highway facilitates regional connectivity and reinforces Pikeville's function as a hub for surrounding Appalachian communities. Pikeville also took advantage of the substantial earthwork involved in highway construction, using the opportunity to implement flood control projects and reconstruction of rail lines that have further helped the city grow.



Source: <https://www.whypikeville.com/>

There are several anchor institutions in Pikeville that serve as economic, civic, and regional hubs, including:

- **Pikeville Medical Center:** The region's largest employer with 3,400 employees, the Pikeville Medical Center offers a level II trauma center and a full suite of more than 400 medical services in the 300-bed facility.⁵ The hospital is regarded as a great place to work, and was the National Hospital of the Year three years in a row and the only hospital in Kentucky featured on Forbes' America's Dream Employers list.⁶
- **University of Pikeville:** A private university located in downtown Pikeville with about 2,000 students and a strong partnership with the Pikeville Medical Center, the University of Pikeville specializes in dental, optometry, nursing, and osteopathic medicine, in addition to the arts and sciences and business.⁷
- **Appalachian Wireless Arena:** Eastern Kentucky's 126,000 square foot premier performance and event venue features 7,000 seats across three levels as well as concessions and food and beverage services.⁸
- **Community Trust Bank:** Headquartered in Pikeville with 71 locations across Kentucky as well as locations in West Virginia and Tennessee, the bank celebrated its 123rd year of service in 2026.

These and other businesses in Pikeville serve as major employers for the region, drawing workers from a wide radius. As shown in Figure 3.1.7, about 10,500 people commute to Pikeville for work each day. An additional 1,400 people both live and work in the small city, meaning that of the roughly 11,900 jobs in Pikeville, 88 percent are filled by people who reside elsewhere and commute into the small city. In total, Pikeville experiences a net inflow of 9,100 workers each day. Many of these commuters travel considerable distances to access the employment opportunities available in Pikeville; about 17 percent of commuters into Pikeville travel more than 50 miles. Further demonstrating the city as an employment hub, Pikeville has an employment to total population ratio of 158 percent, indicating that it supports significantly more jobs than its resident population and functions as a major regional employment center that draws workers from a wide surrounding area.



Source: Community Trust Bank.
<https://www.ctbi.com/banking/about-us/about-ctb>.

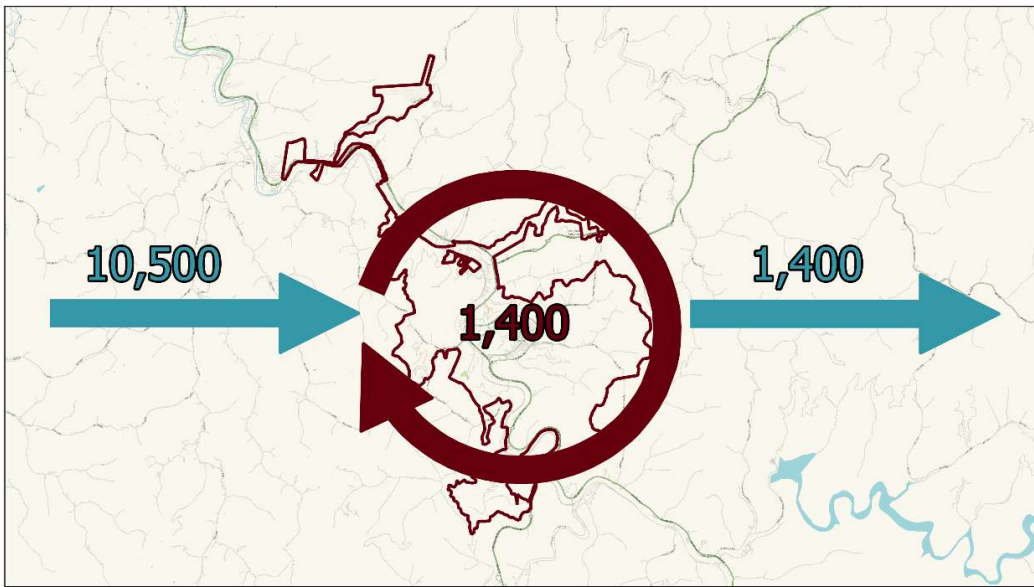
⁵ City of Pikeville Office of Economic Development. <https://www.whypikeville.com/>.

⁶ Ware, Victoria. 2024. Pikeville Medical Center featured on Forbes' 'America's Dream Employers' list https://www.wsaz.com/2024/12/11/pikeville-medical-center-featured-forbes-americas-dream-employers-list/?utm_source=chatgpt.com.

⁷ University of Pikeville.

⁸ Appalachian Wireless Arena. <https://www.appalachianwirelessarena.com/>.

Figure 3.1.7 Commuting Patterns in Pikeville, 2023



Source: US Census LEHD. Accessed through OnTheMap. <https://onthemap.ces.census.gov/>.

The US-23 corridor is a critical transportation asset for eastern Kentucky, connecting communities across the region to employment opportunities and services. The corridor enables Pikeville to serve as a hub for jobs, education, entertainment, healthcare, retail, and financial services by providing reliable access for residents across a wide, largely rural geography. The four-lane highway makes daily and weekly commuting feasible, allowing workers to remain in smaller communities while benefiting from the opportunities concentrated in Pikeville. In this way, Corridor B not only supports daily mobility but also regional economic connectivity and quality of life.



Source: Vannorsdall, Joan. 2025. Blue Ridge Country. <https://blueridgecountry.com/departments/our-blue-ridge-towns/pikeville-kentucky/>.

Manufacturing

Industrial manufacturing represents a logical and strategic direction for eastern Kentucky as the region continues its transition away from a coal-dependent economy. Many of the skills found in the existing workforce, such as mechanical aptitude, equipment operation, and precision work, align closely with modern manufacturing needs. And Corridor B serves as the focal point for land development and industrial parks in the corridor region.

To attract and retain manufacturers, eastern Kentucky has several key advantages to offer industrial developers:

- **Skilled and available workforce:** The region currently boasts 7,500 available workers, many of whom have transferable skills from previous employment in the coal industry.
- **Highway access:** The US-23 corridor provides critical north-south transportation in the region. Economic development leaders in the area emphasized that prospective company's Requests for Information almost always include distance to the nearest four-lane highway, an asset that US-23 reliably delivers.
- **Airport proximity:** The region features several nearby airport connections, including two regional airports that serve the area directly: Pike County Regional Airport and Big Sandy Regional Airport. Meanwhile, larger commercial airports such as Blue Grass Airport near Lexington and Huntington Tri-State Airport in West Virginia are within a few hours' drive, expanding passenger and cargo options.
- **Rail connections:** CSX operates freight rail service throughout eastern Kentucky, including a line that parallels US-23 for most of its length. This provides multimodal transportation options for manufacturers and distributors.
- **Relatively low wages and cost of living:** The region's affordability contributes to comparatively low wage levels (average hourly earnings of about \$17.45)⁹, offering prospective employers access to a cost-effective workforce while maintaining a reasonable standard of living for residents.



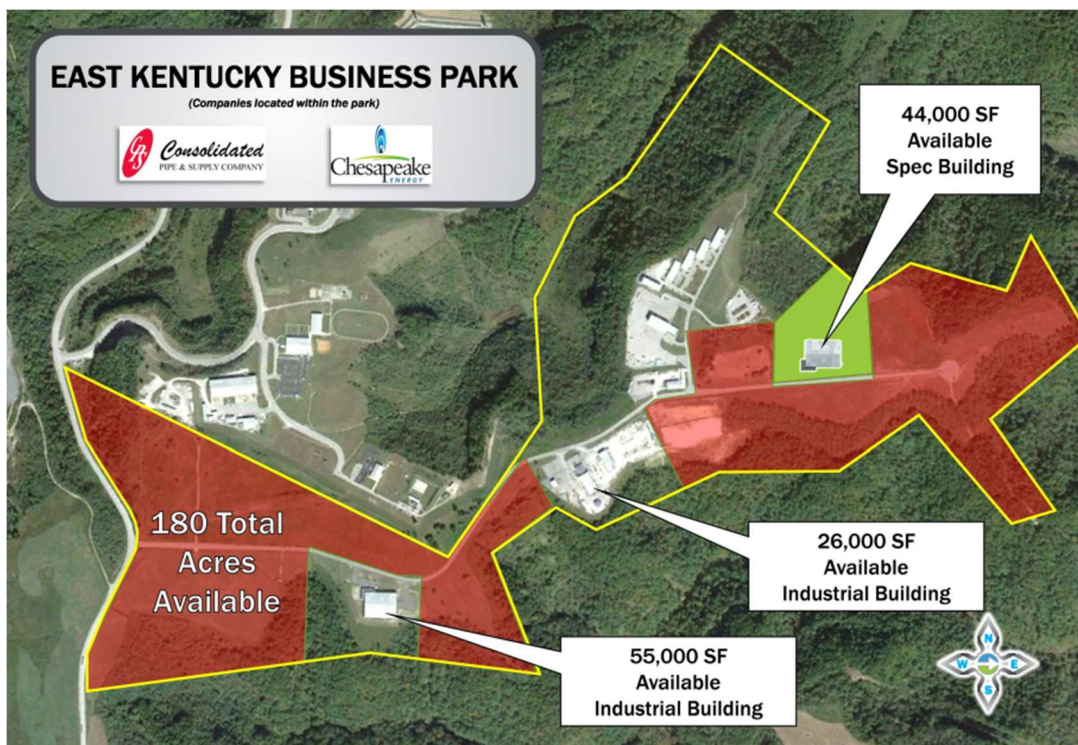
Source: City of Pikeville Office of Economic Development. <https://www.whypikeville.com/>.

⁹ OneEast Kentucky. <https://www.oneeastky.com/property/sites-and-buildings/p/item/779/kentucky-enterprise-industrial-park>.

One of the region's largest employers is located directly adjacent to the US-23 highway corridor in Catlettsburg, KY, approximately 15 minutes south of Ashland. The Catlettsburg Marathon Petroleum Refinery employs about 750 full-time employees and processes crude oils into gasoline, distillates, asphalt, and natural gas, and has a total refining capacity of 300,000 barrels per day.¹⁰ Situated in northeastern Kentucky along the Big Sandy River near its confluence with the Ohio River, the facility's access to river, rail, pipeline, and highway networks makes it a critical logistics hub and employment anchor for the Catlettsburg–Ashland area and the broader Tri-State region.

Eastern Kentucky also hosts several large industrial and business parks adjacent to the US-23 corridor, including:

- **Eastern Kentucky Business Park:** Located in Martin County and connected to Corridor B via four-lane east-west connection via US-3, Eastern Kentucky Business Park is home to Consolidated Pipe and Supply Company and Chesapeake Energy and features 180 acres of available, shovel-ready lots as well as some available existing structures. The park is adjacent to the Big Sandy Regional Airport and offers access to all utilities, including electric, water, sewer, natural gas, and telecom.



Source: OneEast Kentucky. <https://www.oneeastky.com/property/sites-and-buildings/p/item/777/eastern-kentucky-business-park>.

- **Kentucky Enterprise/Marion's Branch Industrial Park:** The Kentucky Enterprise Industrial Park is located in Pikeville adjacent to US-23 and the CSX rail line and Shelby Yard. The park currently hosts two manufacturers, Appalachian Tank and Wright Concrete, and is looking to fill its remaining 300 available acres with new industrial tenants. The park offers all utilities with excess capacity.

¹⁰ Marathon Petroleum. Catlettsburg Refinery. <https://www.marathonpetroleum.com/Operations/Refining/Catlettsburg-Refinery/>.

- **Gateway Industrial Park:** Gateway Industrial Park is also adjacent to the US-23 corridor and includes all utilities. The park is located in Jenkins, KY and has a few small tenants with 260 acres available for new development.

While developing industrial parks is appealing to residents and a frequent talking point for local politicians, the full promise of new jobs and economic vitality has yet to be realized in the region. Despite some successes, eastern Kentucky's assets, competitive advantages, and available space for new manufacturing have not yet attracted the level of investment regional leaders had hoped for. Many of the existing parks remain underutilized and struggle to attract new investment. Eastern Kentucky faces several challenges in reaching its industrial development potential:

- **Difficult terrain:** Eastern Kentucky's landscape is rocky and mountainous. Eastern Kentucky is characterized by rugged, mountainous terrain defined by steep, forested ridges, narrow winding valleys, and deeply dissected hillsides, with relatively little flat land. Elevation changes are frequent and pronounced, creating sharp contrasts between ridge tops and valley floors. This landscape makes it difficult and costly to develop the large plots of land required for many industrial manufacturing operations.
- **Environmental remediation concerns:** Historically a mining community, most of the flat land available in the region is located on former mining land. On this reclaimed land, developers are concerned about land collapsing due to the subsurface disturbance from trenches and cavers. These underground mining practices pose risk of settlement, which in some cases would require recompacting the land or constructing structural beams underground, both costly endeavors.
- **Regional perceptions:** Public perceptions about eastern Kentucky also shape the level of investment the region able to attract. One economic development planner described a research and development firm that was interested in locating in eastern Kentucky but ultimately decided against it because it wasn't confident that the local workforce could do the technical work, or that people who were qualified would want to live in the area. These negative perceptions deter potential investment and further perpetuate the economic hardship in the area.

To overcome these challenges, regional economic development leaders like [One East Kentucky](#) have focused on acquiring grants and other funding for pre-construction site work as well as marketing and promotion of the available sites and regional assets. From a policy perspective, Kentucky lawmakers are considering Senate Bill 197, which would restructure the Kentucky Business Investment (KBI) Program by creating a four-tier county system that determines the level of economic development incentives available to companies based on local economic conditions, using a five-year average of unemployment rates and population rankings. Under the bill, counties with higher economic distress qualify for larger per-job tax credits and enhanced incentives, with tiers reviewed and certified annually by the Kentucky Economic Development Finance Authority, ensuring the program remains responsive to changing conditions.

For eastern Kentucky, where many counties face persistently higher unemployment and smaller population bases, the bill could significantly improve competitiveness by offering stronger incentives to attract new employers, support expansions, and encourage job creation in communities that have historically struggled to compete with more urban and higher-growth regions of the state.¹¹ While the legislative process for this bill is

¹¹ Kentucky General Assembly. Senate Bill 197. <https://apps.legislature.ky.gov/record/26rs/sb197.html>.

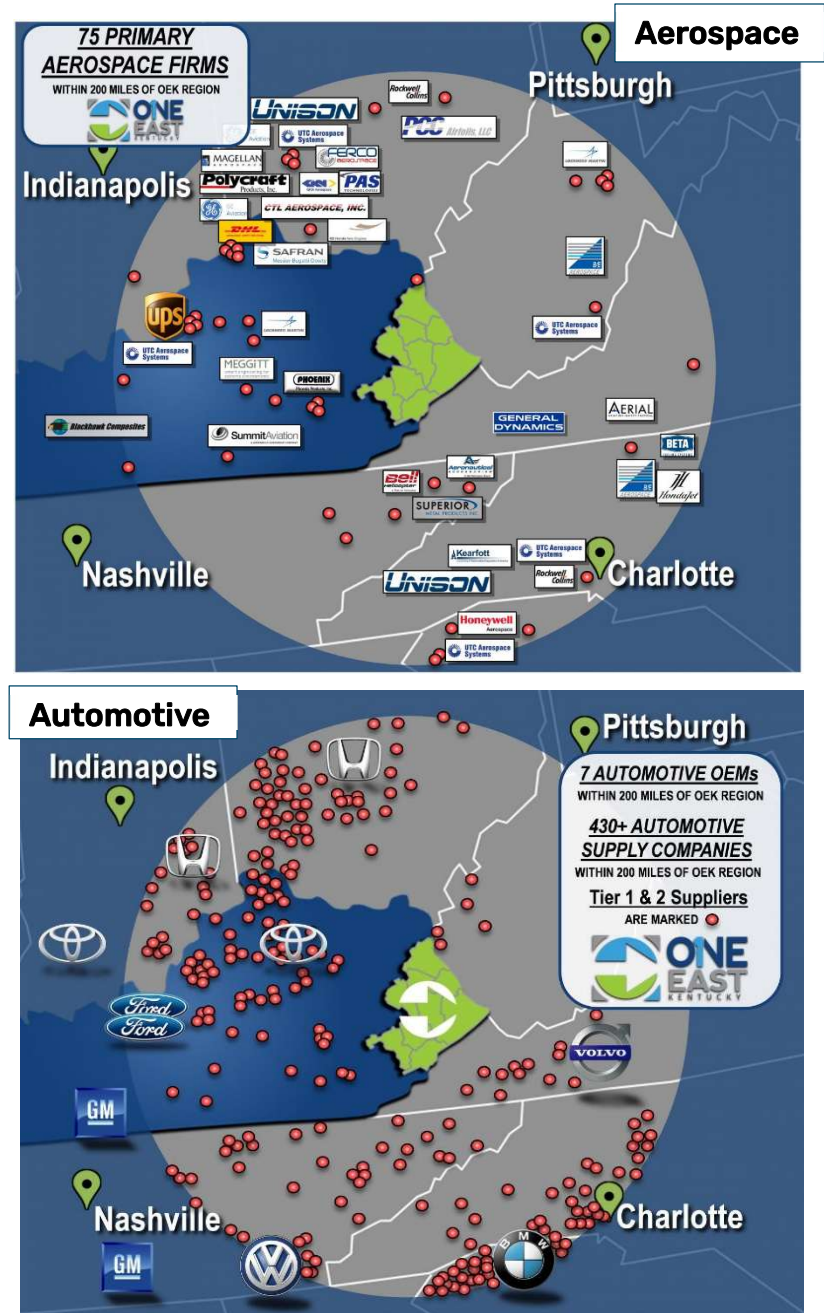
in the early stages, policy initiatives such as this could be instrumental in catalyzing change in industrial development in eastern Kentucky.

When looking to attract new investment in the area, regional economic development leaders have identified several priority sectors, including automotive/metalworking and aerospace manufacturing.¹² These targets build on long-standing industry strengths in Kentucky and the surrounding states, yet eastern Kentucky has not shared equally in that growth. As illustrated in Figure 3.1.8, the broader region hosts numerous major aerospace facilities, though none are located within the One East Kentucky service area and only one lies along the US-23 corridor in Boyd County. A similar pattern emerges in the automotive sector, which also does not have a single supplier currently located within the eastern Kentucky region. This gap highlights both the challenge and the opportunity: the region is well positioned to attract manufacturing investment in these target sectors but has yet to capture its share of the industry's growth.

Other target sectors identified by One East Kentucky build on existing strengths and resources. The wood products sector is also identified as a target, building on the region's strong forestry industry. However, most of the timber harvested in eastern Kentucky is exported as raw materials, rather than processed into final products. This processing step represents an opportunity for the region to add industrial manufacturing operations.

While the full potential of the manufacturing sector in eastern Kentucky has not yet been realized, the region has made strides towards positioning itself as a regional industrial cluster. The highway access via Corridor B makes this competitive positioning possible and is a fundamental prerequisite to manufacturing development.

Figure 3.1.8 Regional Aerospace and Automotive Manufacturers



Source: One East Kentucky. Aerospace and Automotive in East Kentucky. <https://www.oneeastky.com/targeted-sectors>.

¹² One East Kentucky Target Sectors. <https://www.oneeastky.com/targeted-sectors>.

Business Spotlight: Appalachian Tank

Appalachian Tank, located in the Kentucky Enterprise Industrial Park in Pikeville, opened its doors in late 2021. The 60,000 SF building, which was bought out of bankruptcy from another tank manufacturer, was attractive due to its highway access and central proximity to the company's customer base as well as the availability of a skilled workforce in eastern Kentucky.

The workforce has been further strengthened by an ongoing partnership with Big Sandy Community & Technical College (BSCTC). This collaboration initiated soon after the company's inception and has contributed to the growth and success of the tank manufacturer, which now employs more than 50 people.

"Our collaboration with Big Sandy Community & Technical College has not only enabled us to meet our workforce needs but has also strengthened the bonds we have with the Pikeville community. We are proud of what we have achieved together and are excited about the future."

- Platinum Tank Group CEO Tony Roberts

Source: Big Sandy Community & Technical College <https://bigsandy.kctcs.edu/newsroom/news/2023/platinum-tank-and-bsctc-celebrate-successful-partnership.aspx>.

A subsidiary of Platinum Tank Group in Canada, Appalachian Tank has experienced significant growth during its five years in Pikeville. In September 2023, the company shipped its 100th tank. By 2024, annual production had exceeded 200 tanks per year.

All outbound shipments from Appalachian Tank depart via US-23, which directly connects to the industrial park. Company leadership expressed strong satisfaction with the highway access, noting that the corridor enables efficient and reliable distribution to its markets and customers.



Source: The Lane Report. 2022. <https://www.lanereport.com/157089/2022/06/appalachian-tank-hiring-50-to-staff-new-manufacturing-plant/>

Tourism and the Country Music Highway

US-23 is known as the Country Music Highway, producing more hit country artists per capita than any other region in the world. The corridor's numerous acclaimed stars include Loretta Lynn, Crystal Gayle, The Judds, Chris Stapleton, Hylo Brown, Tyler Childers, Billy Ray Cyrus, Tom T. Hall, Ricky Skaggs, Keith Whitley, Dwight Yoakam and Patty Loveless. These artists reflect the deep music and storytelling traditions in this part of Appalachia, with music influenced by folk, bluegrass, and gospel.

Given its remarkable track record of producing country music stars, the highway has become a popular destination for fans from around the world. Many country music tourists enjoy a visit to the historic home that famous sisters Loretta Lynn and Crystal Gayle grew up in, which is open to the public. The Country Music Highway Museum in Paintsville, KY is also a key destination for these visitors, featuring rotating exhibits filled with photographs, memorabilia, instruments, and interactive displays since its opening in 2005. The museum doesn't just honor the success of these legends, but keeps their tradition alive with events and shows, including Front Porch Pickin', a weekly bluegrass jam every Thursday evening.



Paintsville. US 23 Country Music Highway Museum.

<https://paintsvilletourism.com/us-23-country-music-highway-museum-2/>.

The music tradition also lives on through other ongoing venues, events, and performances in eastern Kentucky, including:

- **Mountain Arts Center (MAC)** in Prestonsburg, a venue with over 1,000 seats as well as several large meeting rooms, a commercial recording studio, art gallery, arts education wing, and several instruction and practice rooms. The venue hosts artists from around the world, including some locals who have made it big and come back home to perform, such as Loretta Lynn, Dwight Yoakam and Chris Staleton.¹³ The MAC is also home to the Billie Jean Osborne's Kentucky Opry and the Kentucky Opry Jr. Pros, presenting a variety of country, bluegrass, oldies, pop, and gospel hits.
- **Levitt AMP Music Series**, with three locations in eastern Kentucky: Whitesburg, Middlesboro, and Berea. This free concert series runs weekly through the summer and has helped revitalize vacant properties and local shops.
- **Highway 23 Radio and TV**, operated by [CMH 23](#), which broadcast country music stars, rising talent from the highway, and music videos from emerging artists. A key goal of these media outlets is to allow the next big star from the Country Music Highway to get discovered and make it big right from eastern Kentucky, rather than having the local talents mined from nearby markets like Nashville.

¹³ Mountain Arts Center (MAC). <https://macarts.com/>.

These events and initiatives show that the county music scene in eastern Kentucky is not a thing of the past. County stars from the area continue to find success, including Tyler Childers whose name was added to the County Music Highway Signage in 2020 as a tribute to his international success.



Source: McClanahan, Gilbert. 2023. Fox Appalachia. <https://wchstv.com/news/local/group-wants-to-use-musical-talent-to-increase-tourism-in-eastern-kentucky>.

CMH 23 has been instrumental in promoting eastern Kentucky as a tourism destination. Realizing that the US-23 corridor receives less than 5 percent of the state's tourism dollars, the non-profit was founded with the purpose of ensuring the music, history, and natural beauty of the region are no longer a secret.¹⁴ CMH 23 has grown through the years, and currently employs between 12 and 15 people. The organization not only focuses on fostering singers and artists, but also supports roles in the music industry. CMH 23 is adding a new TV and studio facilities in the Mountain Arts Center where they will train students in broadcasting and audio.

"When you give people a reason to go to some of these towns, nobody is ever going to regret it. They're beautiful and walkable with all these crazy stores. It's the culture of Appalachia."

- Colby Hall, Former Executive Director of SOAR to Eyewitness News.

In addition to its deep roots in country music, eastern Kentucky offers numerous historical and outdoor tourism opportunities. The region is home to several historic and coal mining museums (shown in Figure 3.1.9) and a couple sites of Hatfield and McCoy feuds, located outside Pikeville. In terms of outdoor recreation, the region offers:

¹⁴ CMH 23. About. <https://cmh23.com/about/>.

- **Breaks Interstate Park**, known as the Grand Canyon of the South, is a 4,500-acre natural area that spans Kentucky and West Virginia and offers breathtaking scenery and a wide range of recreation opportunities, including hiking, canoeing, kayaks, pedal boat rentals, fishing, leaf peeping, and seasonal elk tours.¹⁵
- **A vast network of trails** for ATV, dirtbikes, and mountain bikes, including the Hillbilly Trails in Pike County offering over 100 miles of trails on nearly 6,000 acres,¹⁶ connections to the 1,000+ miles of Hatfield-McCoy Trails directly across the border in West Virginia, and many other unofficial trail systems across the region.
- **Golf courses** throughout the eastern Kentucky region offer outdoor recreation for residents and visitors alike.
- **Lakes** throughout the region offer year-round recreation, including Cave Run Lake in the Daniel Boone National Forest, Dewey Lake outside of Prestonsburg, Yatesville Lake, and Paintsville Lake, among many more.



Source: Breaks Interstate Park. <https://www.breakspark.com/>.

These attractions are leading to economic development opportunities in the region. The Pine Mountain Partnership, an initiative of the EKY Heritage Foundation that serves the Tourism Economic Development needs of Southeastern KY, is reimagining two areas in the region for outdoor tourism and recreation. The Thunder Mountain Reserve will offer gun and archery ranges, rentals, primitive camping, and a casting pond to help draw visitors and revitalize Letcher County. Raven Rock Resort will transform 844 acres of Pine Mountain, along the US-23 corridor near Jenkins into a major outdoor recreation and tourism destination featuring a lodge, event space, trails, and lodging, generating jobs and drawing regional visitors to boost the eastern Kentucky economy.¹⁷ Many locals are able to earn extra income by renting out their spare rooms and backyard and Airbnb and Vrbo, some of which are advertised on tourism sites like the Hillbilly Trail.

¹⁵ Mansel, Lydia. 2025. This State Park Has One of the Largest Gorges on the East Coast—and Is Nicknamed the 'Grand Canyon of the South'. Travel and Leisure. <https://www.travelandleisure.com/breaks-interstate-park-grand-canyon-of-south-kentucky-virginia-11754107>.

¹⁶ Hillbilly Trails. FAQs. <https://www.hillbillytrails.com/general-5>.

¹⁷ Pine Mountain Partnership. Foundation Initiatives. <https://pmp-ky.com/initiatives>.

In today's changing economic landscape, eastern Kentucky is well positioned to attract not only visitors but also new residents—particularly remote workers seeking a high quality of life rooted in outdoor access and community. The region offers a compelling combination of affordability, safety, and a strong sense of place defined by welcoming communities. With some of the country's best opportunities for rock climbing, whitewater rafting, hiking, and lake recreation, eastern Kentucky provides unparalleled access to nature and adventure. Abundant wildlife and excellent fishing further enhance its appeal for outdoor enthusiasts. As remote work continues to expand, these assets create a unique opportunity to help reverse long-standing population decline by attracting individuals who want to live, work, and recreate in a setting that balances economic opportunity with lifestyle advantages. Realizing this potential, however, will require more intentional and coordinated marketing efforts to raise awareness of what the region has to offer and to position eastern Kentucky as a competitive destination for both visitors and future residents.

Figure 3.1.9 Historic and Outdoor Recreation Assets in Eastern Kentucky



Source: US DOT Federal Highway Administration. National Scenic Byways & All-American Roads. Country Music Highway. <https://fhwaapps.fhwa.dot.gov/bywaysp/byway/2567/map>

Looking Forward

While socioeconomic challenges in eastern Kentucky persist, the region likely would have fared far worse without US-23 and the opportunities it unlocks. The corridor has played a critical role in connecting communities to broader markets, education centers, and employment opportunities, laying the groundwork for future economic development. Today, eastern Kentucky is well-positioned to attract industrial investment and can leverage the emerging remote working paradigm, combined with its natural assets and affordability to help stabilize and potentially reverse long-term population decline.

The story of this corridor is one of both promise and consequence. For generations, it has symbolized opportunity and the road to jobs, stability, and a better life, but also the loss of population and the challenges of economic transition.

For many young residents who do not see a viable future locally, US-23 has long served as a pathway outward, to higher education, urban centers, and expanded career opportunities. At the same time, that same connectivity has brought new possibilities into the region. Improved access has supported the growth of manufacturing, expanded tourism, and increased the overall attractiveness of eastern Kentucky as a place to live and work. This dual role, facilitating both outmigration and new investment, highlights the complex and often uneven impacts of infrastructure in rural regions. Moving forward, the task for eastern Kentucky is to more fully harness the benefits of connectivity while mitigating its downsides, ensuring that the opportunities created by these investments translate into lasting, inclusive growth for the communities that call the region home.

Further strengthening regional connectivity in eastern Kentucky presents an opportunity to enhance economic viability and attract new investment. Recent infrastructure improvements have already begun to expand access and open new markets. For example, construction on Corridor Q (US-460) was recently completed, creating a more direct connection to US-23 south of Pikeville and improving access to neighboring Virginia. Farther north, KY-645 links to US-23 in Ulysses. However, the roughly 15-mile corridor currently dead ends just east of KY-40, limiting its broader impact.

However, as demonstrated in this case study, highway connectivity alone is not sufficient to reverse deeply rooted economic trends. Infrastructure can enable opportunity, but it must be paired with strategic investments in workforce development, entrepreneurship, community revitalization, and targeted marketing efforts to fully realize its potential.

3.2. Corridor E (I-68) in Maryland

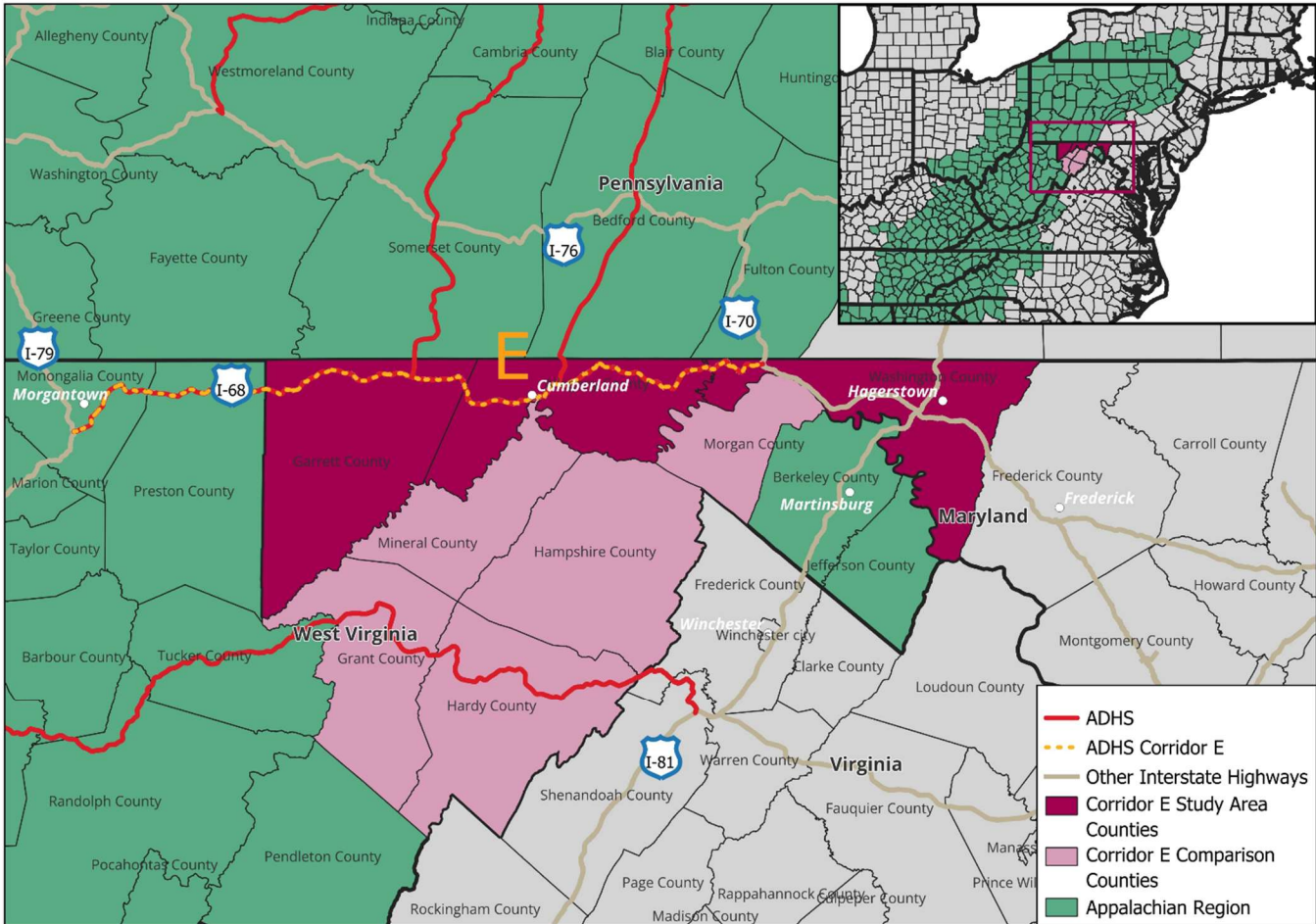
Corridor Overview

Corridor E, also known as I-68, is a 116-mile east-west highway spanning from I-79 near Morgantown, WV to I-70 near Hancock, MD. The freeway was constructed and opened in segments starting in the mid-1960s and fully completed in 1991.¹⁸ Prior to the four-lane interstate construction, the two-lane state highway had slower travel speeds and was characterized by steep inclines and hairpin turns that were dangerous in poor conditions and not conducive to truck traffic.

¹⁸ US DOT Federal Highway Administration. Economic Development History of Interstate 68 in Maryland. https://www.fhwa.dot.gov/planning/economic_development/studies/i68md.cfm.

As shown in Figure 3.2.1, this case study focuses on the 82-mile segment in the three western Maryland counties the corridor spans: Garrett, Allegany, and Washington Counties. Five counties to the south in West Virginia constitute the comparison area counties, used throughout this analysis.

Figure 3.2.1 Corridor E Overview Map



The completion of the I-68 corridor opened new economic development and expansion opportunities for western Maryland, particularly in industrial manufacturing and outdoor recreation tourism. As a result of the highway connection to population centers and new opportunities for truck traffic, both sectors have seen substantial growth and are now central to the area’s economy and identity.

Socioeconomic Profile of Corridor E

The area surrounding Corridor E is rural, characterized by picturesque views, small towns, and rich natural resources. The three-county population totaled about 250,000 in 2023, up slightly from 228,000 when the corridor was complete in 1991. Cumberland, the largest city along the Corridor, has a population of about 19,000. The city recently completed a \$17 million downtown renovation that transformed a former pedestrian

mall and introduced a refreshed aesthetic to the historic core.¹⁹ The investment has revitalized the area, creating momentum for new restaurants, coffee shops, and retail and helping attract visitors to downtown.

The real (inflation adjusted to dollar year 2024) median household income around the time the corridor was complete was about \$62,500, substantially lower than the state median of \$94,500 at the time. Since the completion of the highway corridor, real income in the three western counties increased faster than the rest of the state (by 14 percent compared to 11 percent elsewhere in the state), helping to close the income gap.



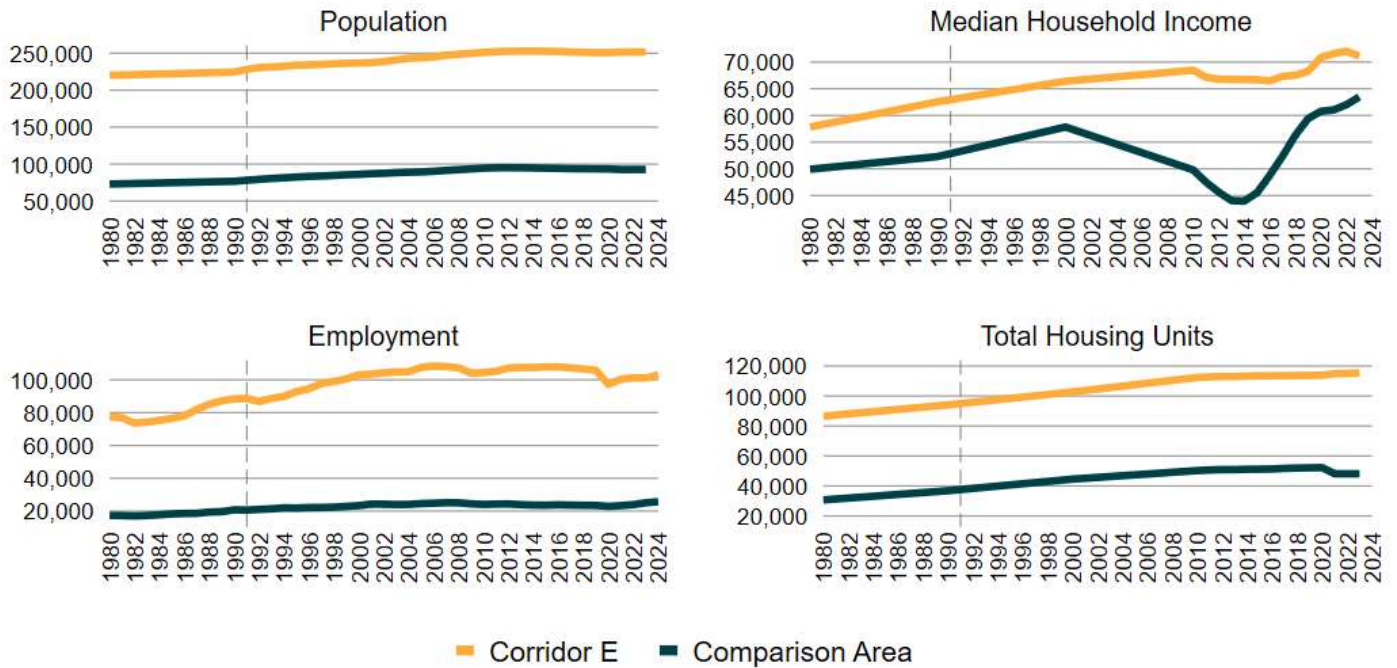
Image of Cumberland, MD.

Source: GAP Trail, Where to Go. <https://gaptrail.org/amenities/cumberland-maryland/>.

As shown in Figure 3.2.2, trends in population and housing unit production around the corridor largely match that of the comparison area (see Figure 3.2.1 for reference map). However, median household income in Corridor E rose steadily over time, with only modest softening around the Great Recession and strong recovery afterward while the comparison area shows much greater volatility, including steady decline in the early 2000s and a pronounced decline in the 2008 to 2014 period. Further, employment in Corridor E increased substantially from the early 1980s through the mid-2000s, followed by stabilization and a modest recent dip around the Covid-19 pandemic in 2020. The comparison area has substantially fewer jobs than the corridor, and has not seen growth substantial enough to close the gap, a potential indicator of the highway corridor's positive impact on economic development.

¹⁹ LeGrand, Marty. 2025. Baltimore Magazine. Now is the Time to Plan a Trip to Cumberland, Maryland. <https://www.baltimoremagazine.com/section/travel/cumberland-maryland-travel-guide-historic-downtown-renovation-food-drink-arts-outdoor-sights/>.

Figure 3.2.2 Demographic Indicators for Corridor E and the Comparison Area



Sources: US Census Bureau Total Population and American Community Survey and Bureau of Labor Statistics Quarterly Census of Employment and Wages.

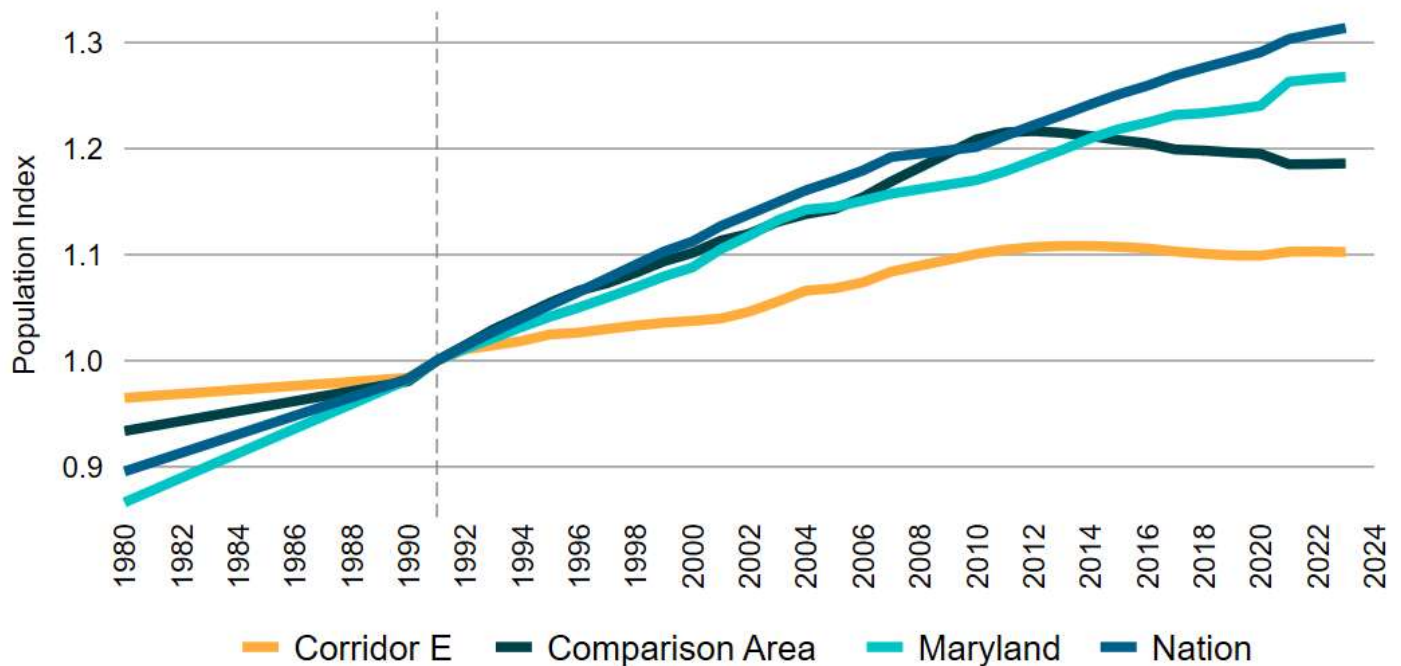
Note: Median household income is inflation adjusted to 2024 dollars using the CPI.

For a more detailed assessment of population trends in the case study area, Figure 3.2.3 compares population change across several geographies. The chart indexes total population to 1991, the year the corridor was completed, to illustrate relative growth rates over time. As seen in the graph, western Maryland underperformed other areas in terms of population growth rates after the I-68 corridor was completed, growing at a rate of about 10 percent compared to about 20 to 30 percent in the comparison geographies. Several factors may help explain the three-county area’s relatively slower population growth:

- **Broader Appalachian trends:** Much of Appalachia has historically lagged behind the nation in population growth due to long-term structural challenges, including industrial decline, out-migration of younger residents, and an aging population.
- **Scale effects in growth rates:** While the case study area’s growth rate was slower than that of the comparison area, the absolute population increase was larger. Between 1991 and 2024, the case study area added approximately 23,400 residents, compared to about 14,600 in the comparison counties, reflecting the case study area’s larger population base.
- **Lack of housing:** Population growth depends on a sufficient housing supply to support demand. Some workers in the area struggle to find adequate and affordable housing in western Maryland. As a result,

many people commute from outside the three-county area; in 2023, almost half (47 percent) of the jobs in western Maryland were filled by people living outside the region.²⁰

Figure 3.2.3 Population Index for Corridor E and Comparison Areas



Sources: US Census Bureau Total Population and American Community Survey.

The majority of the corridor sits in Allegany and Garrett Counties, an area steeped in an economic history of manufacturing, natural resource production, and tourism. During the mid-1900s, the region suffered from jobs losses in some of its key sectors, including manufacturing and coal and timber production. The 1991 completion of Corridor E helped the region adapt to these losses by providing access to population centers such as Washington DC, Baltimore, and Pittsburgh. The improved highway access both:

- **Invigorated the tourism industry**, taking advantage of the areas public lands and natural beauty.
- **Revived manufacturing in western Maryland**, providing easy truck transportation opportunities for inbound and outbound shipments.

Frostburg State University is located one mile from I-68, a fact that many believe has been critical to its success. The majority of the student body originates from the Baltimore-Washington area, which is only about a 2.5 hour drive thanks to the high-speed travel that I-68 affords.²¹ Over two-thirds of the university's undergraduate enrollment is from in-state students, many of whom use the I-68 corridor to travel home.

²⁰ US Census LEHD. Accessed through OnTheMap. <https://onthemap.ces.census.gov/>.

²¹ USDOT Federal Highway Administration. 2008. Economic Development History of Interstate 68 in Maryland. https://www.fhwa.dot.gov/planning/economic_development/studies/i68md.cfm.



Image of Frostburg State University Campus.

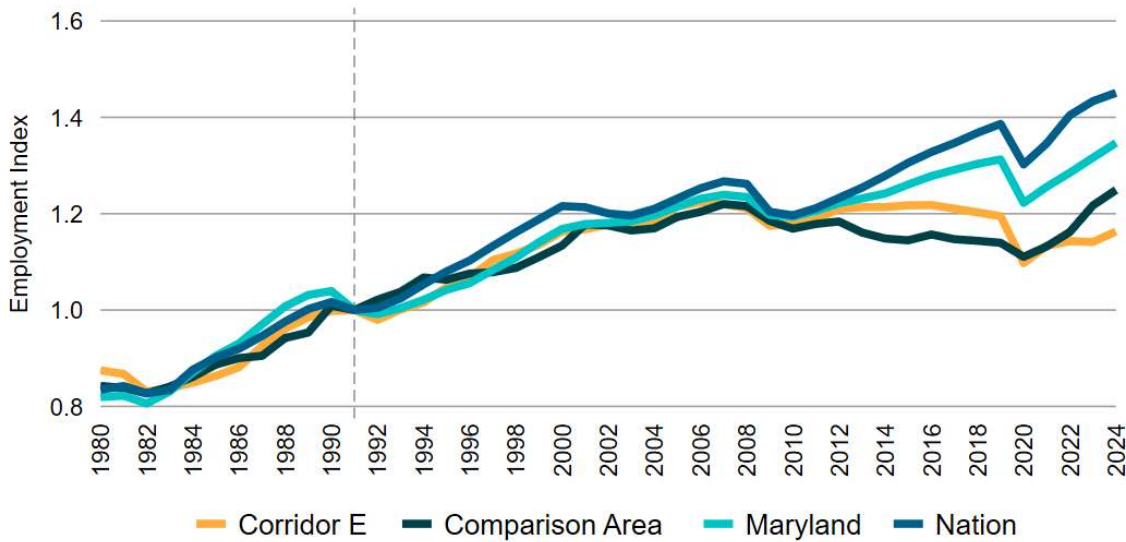
Source: Frostburg State University. <https://www.frostburg.edu/news/>.

On a large scale, highway access can impact overall employment and wages of an economy. Figure 3.2.4 and Figure 3.2.5 compares trends in employment and wages in the corridor to trends in other areas, including the comparison area, state, and nation overall. This analysis highlights the relative performance of the corridor compared to the other areas, focusing on the growth rate and normalized to the year the corridor was complete (1991).

As shown in Figure 3.2.4 western Maryland's employment growth generally tracked the comparison geographies both before and after the highway's construction, up until the Great Recession around 2009. Following the financial downturn, the case study area and the comparison counties, like much of Appalachia, lagged behind the state and national recovery. In the subsequent years, however, the case study area outperformed the comparison counties until the onset of the COVID-19 pandemic in 2020. That year, western Maryland experienced a sharper employment decline than the comparison areas, likely reflecting its reliance on tourism, and its recovery since then has been relatively slow. A 2005 EconWorks analysis of the corridor also shows modest employment growth, estimating at about 800 to 1,000 new jobs in manufacturing, tourism, and highway-related services as a result of the highway.²²

²² EconWorks. Case Study: Interstate 68.

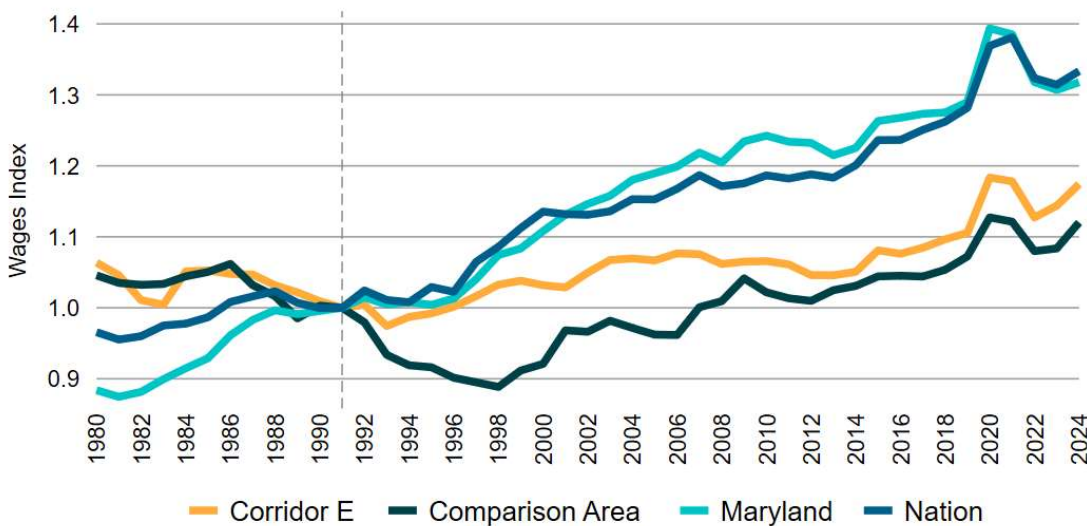
Figure 3.2.4 Employment Index for Corridor E and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

While this comparative analysis does not demonstrate strong employment effects of the highway, the evidence is strong that the highway corridor supports higher paying jobs. As shown in Figure 3.2.5, real wages in both Corridor E and the comparison area were on a similar downward trend prior to the construction of I-68 in 1991. After the highway completion, the case study area quickly reversed that trend, outperforming the comparison area every year since, suggesting that improved accessibility contributed to higher-value economic activity even if it did not translate into faster job growth overall.

Figure 3.2.5 Real Wages Index for Corridor E and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Note: The wage index is calculated based on real (income-adjusted) dollars.

Corridor E Traffic Trends

In 2014, the mean Average Annual Daily Traffic (AADT) for Corridor E was about 21,500, including 3,500 trucks (16 percent of all traffic). By 2024, the AADT increased to 25,200 and truck traffic increased to almost 4,100, still making up about 16 percent of all traffic.²³

As shown in Figure 3.2.6, Allegany County sees the most total traffic, totaling 28,200 in 2024. The county is home to the busiest section of the corridor around Cumberland which saw 54,900 AADT in 2024. In 1980, prior to the highway corridor construction, the AADT in Cumberland was 24,600, less than half of today.²⁴ This increase in traffic flow through Cumberland is important because many passersby are drawn to the city's picturesque skyline (Cumberland is known as the City of Steeples) and decide to pull off to explore, either on that trip or on a return visit. For Cumberland, and many other stretches of the scenic highway, I-68 serves as an important billboard, showcasing the rivers, mountains, and quaint small towns to passing travelers.

Comparatively, Garrett and Washington Counties have relatively less AADT than Allegany County, totaling about 20,400 and 18,300 in 2024, respectively. That said, these two counties have seen dramatic increases in traffic volumes compared to 1980, prior to highway construction, when the AADT was 5,500 in Garrett County and 7,300 in Washington County.²⁵ The increases in overall traffic volumes on Corridor E since completion are an indication of the success of the highway in fulfilling its vision to support local connectivity and provide a more direct option for longer-distance truck and personal travel.

At the same time, Allegany County tends to have a smaller share of truck traffic (Average Annual Daily Truck Traffic or AADTT) than the other counties. In 2024, truck traffic made up 15 percent of Allegany County's total AADT but 20 percent of traffic in the other two counties. Truck traffic appears to have increased substantially in Garrett County between 2023 and 2024, from 2,700 to 4,100. However, this sharp increase is due to missing counter information at busy corridor segments from 2021 to 2023 and the actual trend in the county's truck traffic was likely substantially smoother (though still decidedly upward).

Some of the traffic on I-68, and particularly truck traffic, is east-west through traffic avoiding tolls on I-70 and I-76. A passenger car riding the two-hour stretch of I-70/I-76 from Breezewood, PA (where I-70 links with I-76 just north of Hancock, MD) to Washington, PA (just south of Pittsburgh, PA) would pay \$10.41 in tolls.²⁶ The I-68 corridor offers a toll-free alternative, as well as a scenic route. Toll costs for trucks are even higher, leading many long-distance carriers to opt for I-68 despite the additional travel time of about 30 minutes.

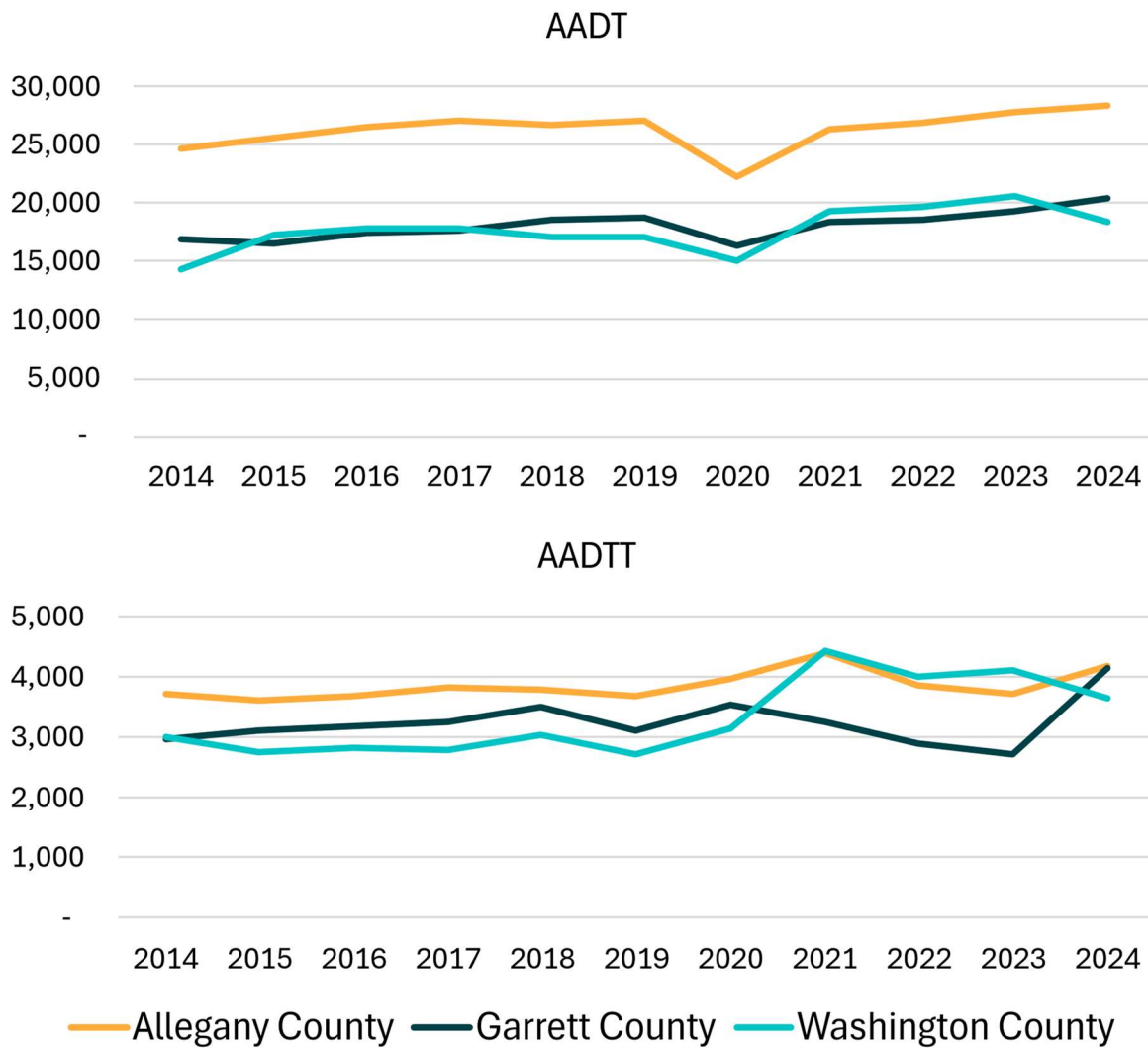
²³ Maryland DOT Traffic Monitoring Systems.

²⁴ USDOT Federal Highway Administration. 2008. Economic Development History of Interstate 68 in Maryland.

²⁵ USDOT Federal Highway Administration. 2008. Economic Development History of Interstate 68 in Maryland.

²⁶ Toll Guru. <https://tollguru.com/toll-calculator>.

Figure 3.2.6 Average Annual Daily Traffic (AADT) and Average Annual Daily Truck Traffic (AADTT) on Corridor E



Source: Maryland DOT Traffic Monitoring Systems.

Economic Development Themes

Aligned with the I-68 Regional Economic Partnership’s 2018 Cluster Target Industry Study, the region’s **industrial manufacturing** and **outdoor recreation tourism** sectors are recognized as key strengths and strategic priorities for future growth.

Industrial Manufacturing and Logistics

Like much of the US, western Maryland saw a decline in manufacturing in the mid-20th century. This, along with the decline in coal mining (a key industry in the region), left much of the rural tri-county area in economic distress. The I-68 corridor construction reinvigorated manufacturing investment in the region, taking advantage of the underemployed former mining workforce.

The corridor is home to numerous business and industrial parks, including:

- **Upper Potomac Industrial Park** in Cumberland, MD about one mile from I-68.
- **North Branch Industrial Park**, the largest business park in Allegany County, located in Cumberland about 7 miles south of I-68, with a connection via Route 51.²⁷
- **Northern Garrett Industrial Park** located directly off I-68 in Grantsville, MD.
- **Keyzers Ridge Business Park** near Grantsville, MD and located on 214 acres about 0.5 miles from I-68.²⁸

Without I-68 and the connectivity it provides, western Maryland's industrial and business parks would not have achieved their current level of success. Today, these parks are home to anchor businesses and major employers, including:

- **Kingspan Roofing + Waterproofing**, which took over a 348,000 square feet (SF) facility in the North Branch Industrial Park in 2024. The company plans to hire about 100 full-time employees over the next five years.²⁹
- **WebstaurantStore Distribution Center**, which operates a 525,000 SF facility located in the North Branch Industrial Park.³⁰ The online retailer provides food service equipment, cookware, janitorial supplies, and more to the restaurant industry.
- **Total Biz Fulfilment Center**, profiled in more detail below, with four locations along I-68, three of which are located in business or industrial parks. Across the four locations, the company employs almost 200 people.
- **American Woodmark**, a cabinet maker with a national presence. When deciding where to open a new manufacturing and distribution facility, the company said that I-68 was the main reason they chose to locate in Cumberland.
- **Amazon Distribution Center**, located at Keyzers Ridge Business Park, which opened in November 2025 and is now hiring employees to staff the facility.³¹
- **Beitzel Corporation**, an industrial energy and mining and related construction and manufacturing company founded in Grantsville in 1974. Last year, the company moved its operations to the Northern Garrett Industrial Park adjacent to I-68. The company employs 650 people, 550 of whom are located in the Grantsville park, where the company owns about 250,000 SF. At any given time, Beitzel Corporation has over 300 vehicles on the road, including 10 of their own freight vehicles, that rely on I-68.

²⁷ Brief Economic Facts, Allegany County Maryland. 2022.

²⁸ Garrett County Department of Business Development. Keyzers Ridge Business Park.

<https://properties.zoomprospector.com/MARYLAND/broker/25997/seo-key/property/U.S.-Route-40-&-I-68-Grantsville-Maryland/25C629CC-CFD0-4C9E-B09C-C981CAAF6F87>

²⁹ Maryland Department of Commerce. 2024. Governor Moore Announces Kingspan Group to Open Operations in Allegany County. <https://commerce.maryland.gov/media/governor-moore-announces-kingspan-group-to-open-operations-in-allegany-county>.

³⁰ Maryland Department of Commerce. 2014. WebstaurantStore Opens Western Maryland Distribution Center, Plans to Add 150 Jobs. <https://commerce.maryland.gov/media/Pages/PressReleases/WebstaurantStore-Opens-Western-Maryland-Distribution-Center-Plans-to-Add-150-Jobs.aspx>.

³¹ Garrett County Business Development Annual Report. 2025.

<https://business.garrettcounty.md.gov/sites/business.garrettcounty.md.gov/files/2025-11/FY%202025%20Garrett%20County%20MD%20Business%20Development%20Annual%20Report.pdf>



Photo of Beitzel Corporation headquarters.

Source: Ruggiero, Brenda. 2024. The Garrett County Republican. Beitzel Corporation celebrates 50 years in business.

https://www.wvnews.com/garrettrepublican/news/beitzel-corporation-celebrates-50-years-in-business/article_e7a11f12-ca9e-11ee-ac2f-47a886434654.html.

Countless other companies outside of business or industrial parks also benefit from the I-68 connectivity. For example, **FireFly Farms**, an artisan cheese producer located about 5 miles south of I-68 in Accident, MD could not have found the success they did without highway access. What used to take 5.5 hours on the winding two-lane road now takes 2.5 hours, making it possible to transport the farm's renowned cheese to distributors all over the country. The company's weekly, or sometimes twice weekly pick-ups in box trucks are made possible by the highway infrastructure. Further, FireFly Farms is able to quickly access raw milk from 17 farmers within a 40-mile radius, as well as other inputs like packaging materials, because of the I-68 access. The company has 16 employees and 4,000 SF at its manufacturing business and up to six employees (depending on the season) and 4,500 SF at their retail location.

For each of these companies and many more, the east-west transportation access I-68 provides is critical for day-to-day operations. The corridor has facilitated the resurgence of western Maryland's manufacturing sector by providing a four-lane, highway-grade corridor that efficiently moves inputs, outputs, and workers.

Business Spotlight: Total Biz Fulfilment

Founded in 1994, Total Biz Fulfilment is a father-and-son, omnichannel logistics and distribution company specializing in toys and gifts. The company manages more than 30,000 Stock Keeping Units (SKUs) for 67 domestic and international manufacturers, serving independent specialty retailers across the US, Canada, and the Caribbean, as well as mid-tier national chains such as Hobby Lobby, Walmart, and Target. Total Biz Fulfilment also ships directly to consumers through e-commerce.

With approximately 2,000 inbound containers annually, 95 percent of which move through the Port of Baltimore, reliable and efficient highway access is critical to operations. The company selected its initial location largely for its east-west freight connectivity via I-68, a decision that continues to shape its growth strategy.

Since opening with 60,000 square feet and eight employees, Total Biz Fulfilment has expanded to four western Maryland locations, all with access to I-68. Today, the company operates roughly 500,000 square feet and has nearly 200 employees. The four facilities in Grantsville, Frostburg, Oakland, and Westernport are all tied to the I-68 corridor, with three sites located in industrial parks, including the Northern Garrett Industrial Park, Southern Garrett Industrial Park, and Frostburg Industrial Park underscoring the corridor's role in supporting long-term business growth and logistics efficiency.



Source: Total Biz Fulfilment. <https://www.totalbizfulfillment.com/about-total-biz-fulfillment/>.

Outdoor Recreation and Tourism

Western Maryland provides a wide variety of outdoor recreation assets including long-distance bike trails, state parks, lakes, hiking, skiing, and other amenities. And the development of Corridor E (I-68) boosted western Maryland's tourism and recreation market, making Baltimore, Washington, D.C., and Pittsburgh reachable in less than three hours via the four-lane highway. In fact, the area touts being within a three-hour

drive of 17 percent of the US population, or an eight-hour drive of one-third of the population. This proximity, combined with the rich natural resources and vast public lands, makes western Maryland a destination for more than two million visitors each year.³²

The proximity to major markets is also important because Allegany County tourist surveys show that the average visitor to the region makes the decision to come fairly last minute: 55 percent plan their trip less than four weeks before traveling and 34 percent plan the trip less than two weeks before departing.³³ The close proximity as a result of the I-68 highway makes this kind of spontaneous weekend getaway possible. The survey also revealed that many tourists are repeat visitors, with almost half of respondents visiting five or more times in the past three years.

One of the survey's key findings was the importance of I-68 in Allegany County tourism. The artery serves as the main east-west travel corridor connecting to other major interstate systems. Hoteliers repeatedly mentioned that much of their business comes from travelers passing through on I-68 taking advantage of the convenient, off-highway accommodations.



Photo of Rocky Gap State Park.

Source: Ron Cogswell (Flickr) accessed through Interstate Commission on the Potomac River Basin.
<https://www.potomacriver.org/news/about-the-basin-rocky-gap-state-park/>.

The area's primary draw is outdoor recreation, with Garrett and Allegany County offering over 170,000 acres of public land, accounting for about a third of all public land in Maryland. These public lands are home to over

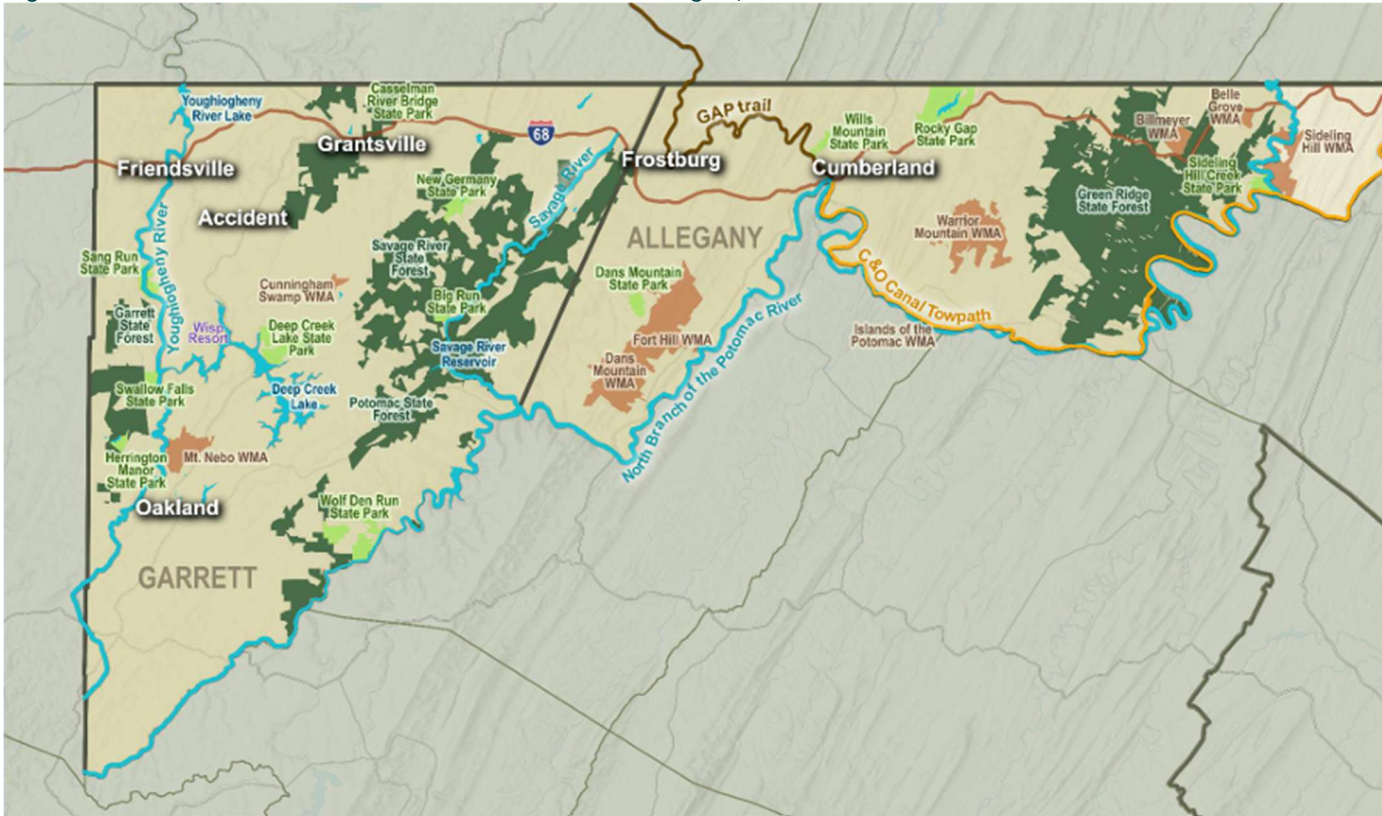
³² Downstream Strategies. 2023. Tourism and Business Expansion Analysis. <https://makeitinthemountains.com/wp-content/uploads/TourismAnalysis-FINAL-6-30-2023.pdf>.

³³ Allegany County Visitor Profile Study. 2021.

https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/alleganymd/AlleganyCoMD_Visitor_Profile_Final_Report_v2_17d3c7e7-d159-47e7-808b-a5a6750c01ed.pdf.

500 miles of developed trail systems, multiple access sites to the Potomac River, three state forests, and 12 state parks (see Figure 3.2.7).³⁴

Figure 3.2.7 Outdoor Recreation Assets in Garrett and Allegany Counties



Source: Downstream Strategies. 2023. Tourism and Business Expansion Analysis. <https://makeitinthemountains.com/wp-content/uploads/TourismAnalysis-FINAL-6-30-2023.pdf>.

Key outdoor recreation attractions and assets in the area include:

- **Green Ridge State Forest**, the largest contiguous public land in Maryland with 49,000 acres, offering hiking, mountain biking, horseback riding, hunting, camping, and fishing.
- **Rocky Gap State Park**, which offers 3,000 acres of public land, including 243-acre Lake Habeeb, known for having the bluest water in the state. The park offers camping, hiking, boating, fishing, hunting, and more. During the busy summer weekends and holidays, the park often turns visitors away due to capacity limits.³⁵

³⁴ Downstream Strategies. 2023. Tourism and Business Expansion Analysis. <https://makeitinthemountains.com/wp-content/uploads/TourismAnalysis-FINAL-6-30-2023.pdf>.

³⁵ Maryland Department of Natural Resources. Maryland Park Service. <https://dnr.maryland.gov/publiclands/pages/western/rockygap.aspx>.

- **Deep Creek Lake**, the state's largest freshwater lake and a popular tourist destination offering boating, swimming, and fishing. Several lakeside restaurants have docks allowing boaters to stop for a bite to eat or a drink.

- **The Great Allegany Passage (GAP) Trail** and the **Chesapeake and Ohio (C&O) Canal Towpath**, which meet at Canal Place in Cumberland and connect Pittsburgh, PA with Washington, DC. Combined the two trails create a 330-mile continuous route for hikers, bikers, and other trail users. In 2021, approximately 78,000 people used the GAP trail in Cumberland, and approximately 72,000 people used the GAP trail in Frostburg. In 2019, approximately 131,000 visitors of C&O Canal Towpath visited Cumberland, and approximately 24,000 visited Frostburg.³⁶ In the Allegany County visitor survey, 19 percent of respondents cited the GAP trail as the main reason for their visit.

- The **Western Maryland Scenic Railroad** offers a more relaxed way to enjoy the area's scenery. The year-round 16-mile scenic train ride travels from Cumberland on a historical locomotive built in 1949. The train also offers fine dining and special events or routes, like the Murder Mystery Dinner Train, Winter Express, and Frostburg Flyer, which includes a 90-minute stop in Frostburg.³⁷



Photo of the Western Maryland Scenic Railroad.
Source: Western Maryland Scenic Line. <https://wmsr.com/>.

³⁶ Downstream Strategies. 2023. Tourism and Business Expansion Analysis. <https://makeitinthemountains.com/wp-content/uploads/TourismAnalysis-FINAL-6-30-2023.pdf>.

³⁷ Western Maryland Scenic Line. <https://wmsr.com/>.

- **Wisp Resort**, the only downhill ski resort in Maryland, also offers other seasonal activities, including whitewater rafting, kayaking, and golfing, making it a year-round destination.³⁸ The resort employs about 200 people.³⁹



Photo of Wisp Resort.

Source: Railey Vacations: Wisp Resort Basics. <https://www.deepcreek.com/wisp-resort-basics>.

The vibrant outdoor tourist market stimulated business growth in other types of attractions, including the **Rocky Gap Casino Resort**, an award-winning AAA four-diamond resort with a 24-hour casino, spa, restaurant, and Jack Nicklaus golf course. About 20 percent of the Allegany County visitor survey visited the casino resort as part of their trip. Dining, shopping, museums, and church tours, particularly in downtown Frostburg and Cumberland, are also popular activities for visitors. About 37 percent of Allegany County tourists surveyed visited downtown Frostburg and 55 percent visited Cumberland. University and college events, such as homecoming, graduation, sporting events, parents' weekend, and more also drive tourism in the region.

In Western Maryland, tourism is not only an economic engine but is also closely tied to quality of life and serves as a foundational asset for workforce and business retention. The region's mountains, rivers, state parks, trails, and historic downtowns provide year-round recreational and cultural amenities that benefit residents as much as visitors. Assets like the GAP Trail and C&O Towpath, Rocky Gap State Park, Deep Creek Lake, and the Potomac River corridor enhance everyday livability while strengthening the region's appeal to workers seeking outdoor access and small-town character. These quality-of-life advantages help local employers attract and retain talent, support entrepreneurship and hospitality jobs, and reinforce western

³⁸ Downstream Strategies. 2023. Tourism and Business Expansion Analysis. <https://makeitinthemountains.com/wp-content/uploads/TourismAnalysis-FINAL-6-30-2023.pdf>.

³⁹ Garrett County Business Development Annual Report. 2025.

<https://business.garrettcounty.md.gov/sites/business.garrettcounty.md.gov/files/2025-11/FY%202025%20Garrett%20County%20MD%20Business%20Development%20Annual%20Report.pdf>

Maryland's identity as a place to live, work, and invest, not just a place to visit. Several local organizations are helping the region to capitalize on its natural resource assets and translate them into economic growth:

- **Make It! In the Mountains** is an initiative focused on attracting outdoor recreation and lifestyle manufacturing companies to Allegany and Garrett Counties and positioning the region as a hub for these industries. The region's natural assets are central to its strategy for attracting private investment.⁴⁰
- **Frostburg Outdoor Recreation Economy Institute** focuses on empowering communities to foster economic growth by leveraging its natural beauty. The organization provides economic and community development services, support and training for the outdoor economy, and academic research in support of the outdoor recreation industry.⁴¹

Recreation Development Spotlight: River Park at Canal Place

River Park at Canal Place is a three-phase project to transform 1.5 miles of the Northern Branch of the Potomac River in downtown Cumberland into a family-friendly water park facility. When completed, likely around 2030, the park is anticipated to attract one million additional visitors to Allegany County, almost doubling the current visitation and supporting 2,900 new jobs. In total, the project is projected to generate \$307 million in annual economic benefit and \$42 million in state and local tax revenue.

The park will offer swimming, fishing, floating, kayaking, and surf-style whitewater as well as expanded land-based trails. The trails seamlessly connect to downtown Cumberland and the GAP Trail and C&O Towpath for easy walkability and multi-modal access. The project is also expected to improve water quality and advance wildlife passage by removing an old industrial dam.

“If we want population growth, if we want new jobs, and if we want outside business investment, we must consider what life is like after the 9 to 5.”

- Ashli Workman, Tourism Director, Allegany County

I-68 goes directly over the River Park location, effectively serving as a highly visible billboard that will showcase the park to thousands of passing motorists each day. The park will help business owners like Mandela Echefu, owner of Wheelzup Adventures, who is already thinking about expanding to accommodate water sports demand when the River Park project is complete.

“The River Park is a top priority for Allegany County. Not only will it be transformational for the downtown but it will continue our growing synergy around outdoor recreation.”

- Bill Atkinson, County Commissioner, Allegany County

Source: Passages of the Western Potomac Heritage Area. The River Park at Canal Place. <https://passagesofthepotomac.org/the-river-park-at-canal-place/>.

⁴⁰ Make it In the Mountains. <https://makeitinthemountains.com/>.

⁴¹ Frostburg Outdoor Recreation Economy Institute. <https://www.frostburg.edu/forei/index.php>.

Looking Forward

Corridor E has played a meaningful role in revitalizing manufacturing and driving strong growth in tourism across western Maryland, helping to attract significant private and public investment in both industrial facilities and business parks as well as tourism and recreation assets. These investments have supported higher-paying jobs and enhanced quality-of-life for residents, while steadily increasing traffic volumes along I-68 continue to reinforce the corridor's role in supporting visitation and regional tourism. Much of the economic development gains in these sectors in western Maryland would not have been possible without the I-68 corridor.

However, despite these economic and activity gains, the corridor's benefits have not translated into sustained population growth compared to other areas, highlighting the ongoing challenge of converting economic momentum into long-term demographic growth. A major challenge in the area has been providing sufficient housing supply to support the demand and allow for population growth. Several housing projects are underway to help alleviate these barriers and support population growth, particularly among working age people. Ongoing housing projects include 63 new units at Hemlock Grove in Grantsville,⁴² and 65 new homes on the former Allegany High School site in Cumberland.⁴³ Continued investment in housing development in western Maryland will be necessary to ensure adequate workforce housing and enable long-term population growth.

By the early 2030s, another major 4-lane connection will be made via US-219 (also known as ADHS Corridor N), creating a critical north-south connection in Grantsville. This connection will provide another link with I-76 in Pennsylvania and further enhance western Maryland's connectivity and create new economic development opportunities for the area. By reducing travel times, improving freight and commuter mobility, and creating new connections to major interstate corridors, US- 219 will build on and amplify the economic and transportation benefits already generated by I-68.

⁴² Garrett County Development Corporation. Hemlock Grove. <https://www.garrettcountyliving.com/phase-i-grantsville>.

⁴³ Allegany County Economic and Community Development. **New Middle-Market Housing is Coming to Cumberland**, <https://www.alleganyworks.org/article/new-middle-market-housing-is-coming-to-cumberland>.

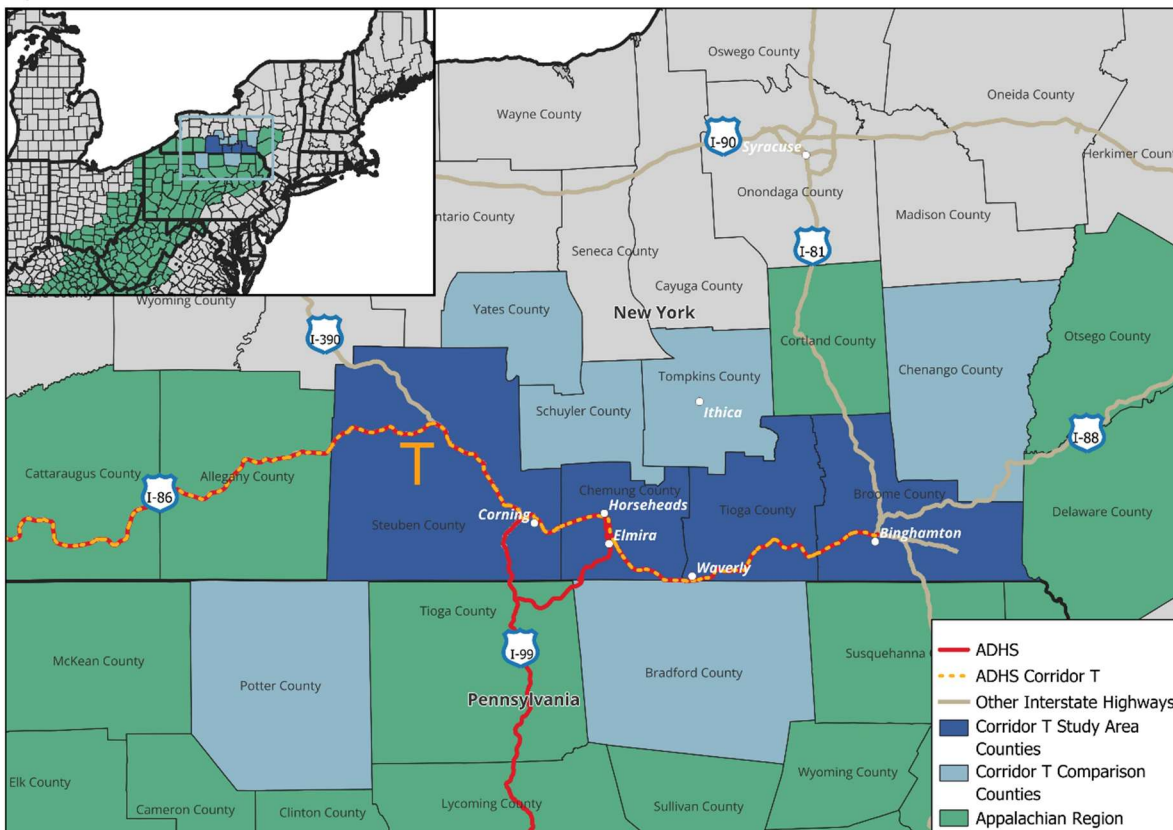
3.3. Corridor T (I-86) in New York

Corridor Overview

Corridor T in New York state is approximately 185 miles and extends from the border with Pennsylvania (just east of Erie, PA) to Binghamton, NY. This highway corridor, often referred to as the Southern Tier Expressway, was upgraded to a four-lane, limited access highway along Route 17. Construction activity initiated in the 1970s but it took decades to complete the entire corridor, with the construction largely completed by 2004. As part of this corridor development effort, the highway has steadily been enhanced to interstate highway standards with segments from west to east being designated as I-86. Consequently, it's difficult to pinpoint an exact date for when the corridor was 'completed' but based on local stakeholder input, and for purposes of this study, 1999 is the year chosen when the highway corridor was fully functional and open to traffic (even though I-86 interstate designations came later).

As shown in Figure 3.3.1, this study focuses on four counties of Corridor T in New York: Broome, Tioga, Chemung and Steuben. This set of counties was chosen as it represents a region that includes the corridor's largest city (Binghamton) and a diverse set of manufacturing, distribution and warehousing, tourism, and retail industries with a significant presence along the corridor. Corridor T provides numerous points of highway connectivity including linkages to I-88 heading east towards the Albany area; to I-81 running north-south through Binghamton; to I-99 traveling south from Corning; to I-90 near Erie, PA; and to Corridor U traveling south into Pennsylvania.

Figure 3.3.1 Corridor T Overview Map

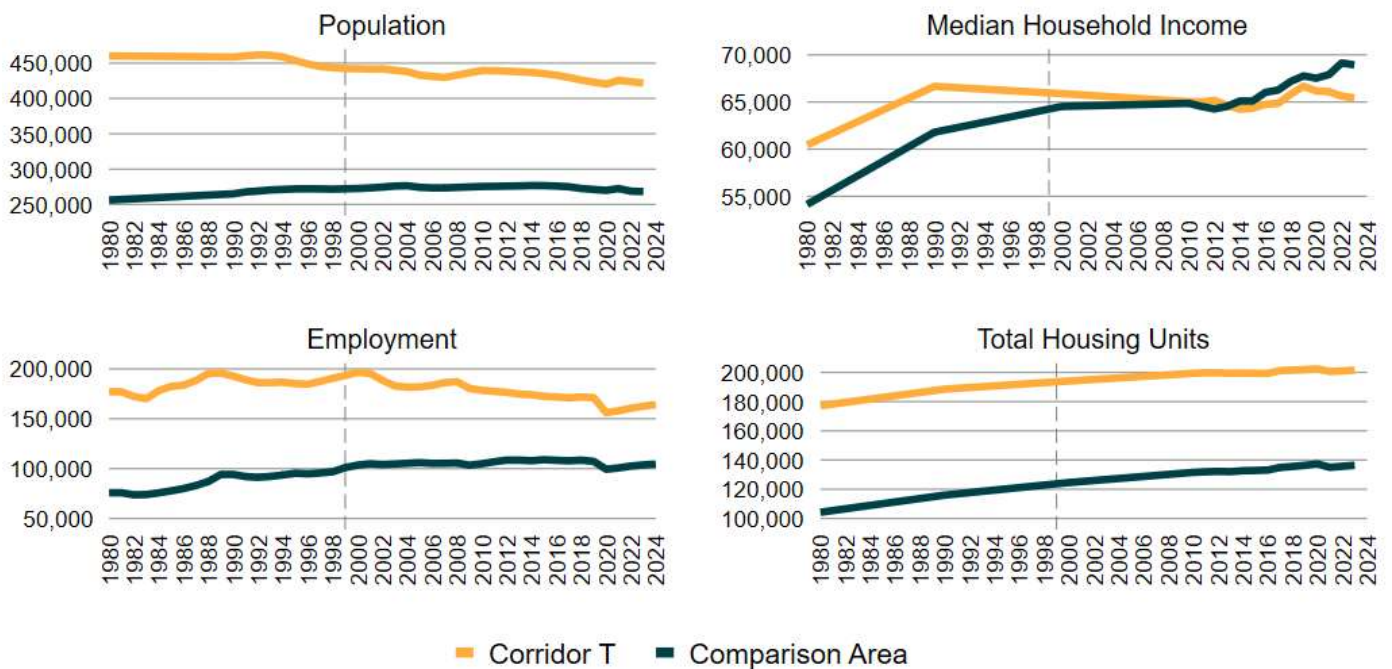


Socioeconomic Profile of Corridor T

The four-county region has a population of about 422,000. Like many rural areas in the US, this value represents a slight decline from previous decades; the population exceeded 460,000 dating back to 1980 (an 8 percent decrease since then). To assess the corridor’s trends and potential impacts of the highway, a set of comparison counties was identified in New York and Pennsylvania. These counties, which do not have an interstate or ADHS corridor, are even more rural and have a smaller total population, with just over 256,000 residents spread across six counties. The comparison counties saw a small increase in population over the time period, growing by 5 percent. Median household income in the corridor counties is approximately \$65,000, slightly lower than in the comparison areas.

The employment trends largely mirror population trends with a little over 164,000 total jobs in the corridor, slightly lower than earlier time periods. As discussed below, the gradual and then complete loss of IBM (established and long headquartered near Binghamton) led to more than 18,000 direct jobs lost, not including the spillover effects related to a business contraction of that magnitude. Total housing units demonstrate a steady upward trend which reflects the fact that average household size is lower today than it used to be (i.e., more housing units are needed per person). These demographic and economic trends, which do not show clear benefits from highway expansion, suggest that a range of other factors may have outweighed the potential advantages of improved highway connectivity.

Figure 3.3.2 Demographic Indicators for Corridor T and the Comparison Area

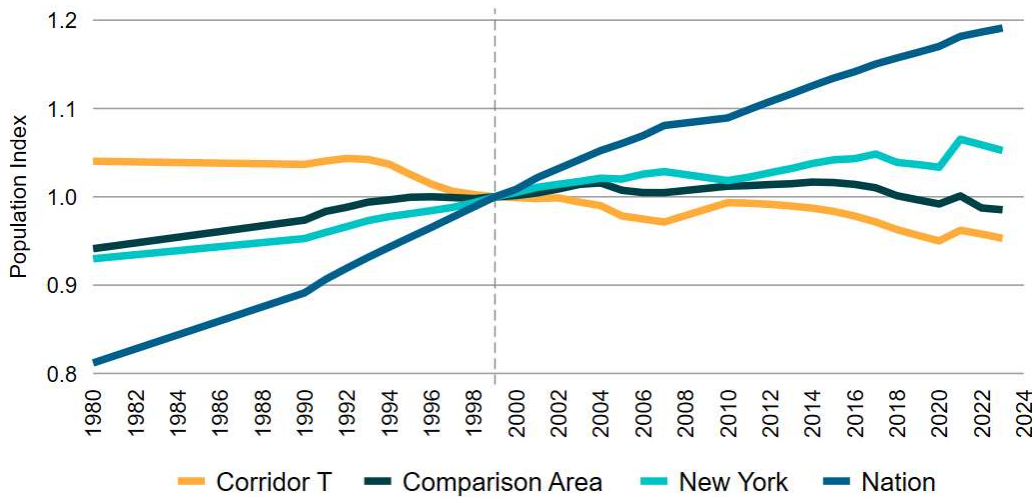


Sources: US Census Bureau Total Population and American Community Survey and Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Note: Median household income is inflation adjusted to 2024 dollars using the CPI.

For a more detailed look at the population trends in the case study area, Figure 3.3.3 compares population change across several geographies. The chart indexes total population to 1999, the year the corridor was open for traffic, to illustrate relative growth rates over time. As seen in the graph, the counties along corridor T experienced population decline, whereas the comparison counties had slightly more stable population trends. Alternatively, the state had some population growth over the period, and the nation experienced steady growth, growing by almost 20 percent between 1999 and 2023.

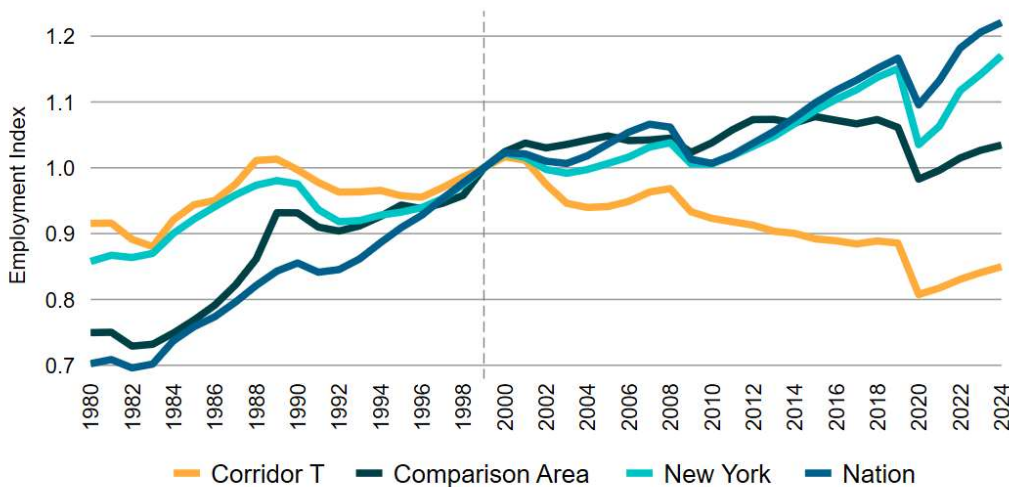
Figure 3.3.3 Population Index for Corridor T and Comparison Areas



Sources: US Census Bureau Total Population and American Community Survey.

Similarly, employment along the corridor has also declined since 1999, shrinking from over 193,000 to 164,000 in 2024. Alternatively, other areas experienced employment growth during the period (see Figure 3.3.4).

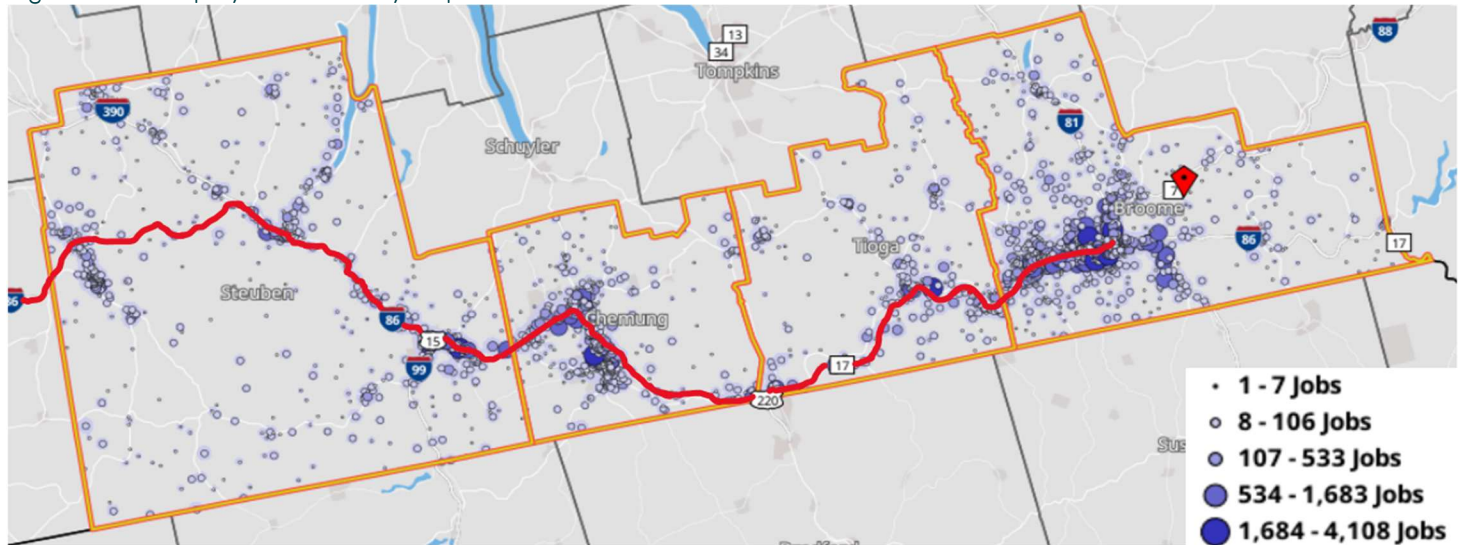
Figure 3.3.4 Employment Index for Corridor T and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Despite the lack of employment growth impacts after highway completion, jobs in the four-county region are heavily clustered around the corridor, particularly in Steuben, Chemung and Broome counties (see Figure 3.3.5). This finding suggests that the corridor has played an important role in concentrating economic activity and supporting access to employment centers, even if it has not independently driven measurable job growth.

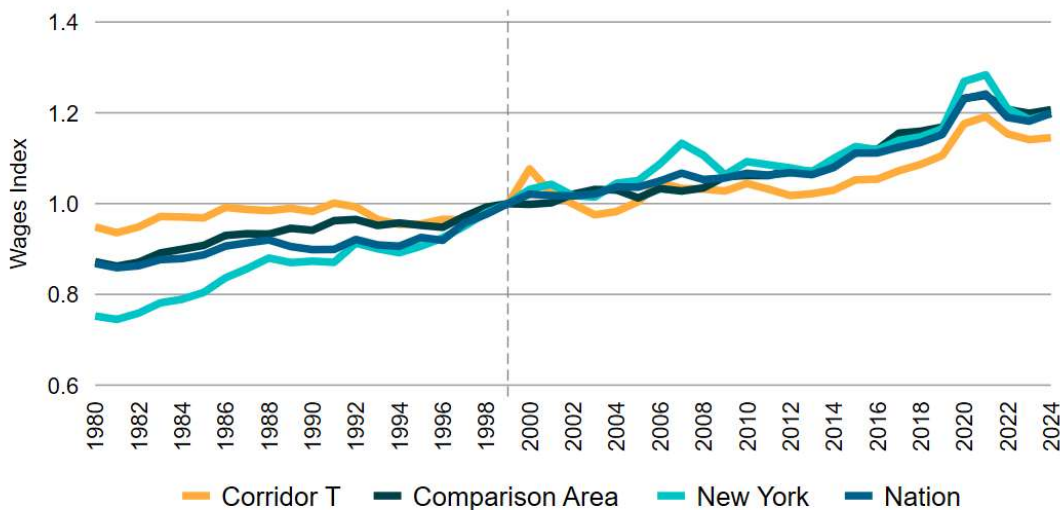
Figure 3.3.5 Employment Density Map



Source: US Census LEHD. Accessed through OnTheMap. <https://onthemap.ces.census.gov/>.

Real (inflation adjusted) wages in the study area grew by about 15 percent between 1999 and 2024, averaging about \$64,000 in 2024. Despite this growth, the Corridor T study area underperformed wage growth in comparison areas, which grew by about 20 percent or more.

Figure 3.3.6 Real Wages Index for Corridor T and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Note: The wage index is calculated based on real (income-adjusted) dollars.

Economic Development Themes

With the completion of Corridor T as a continuous four-lane highway and its later designation as an interstate highway (I-86), three economic development themes emerged as central to the corridor's identity:

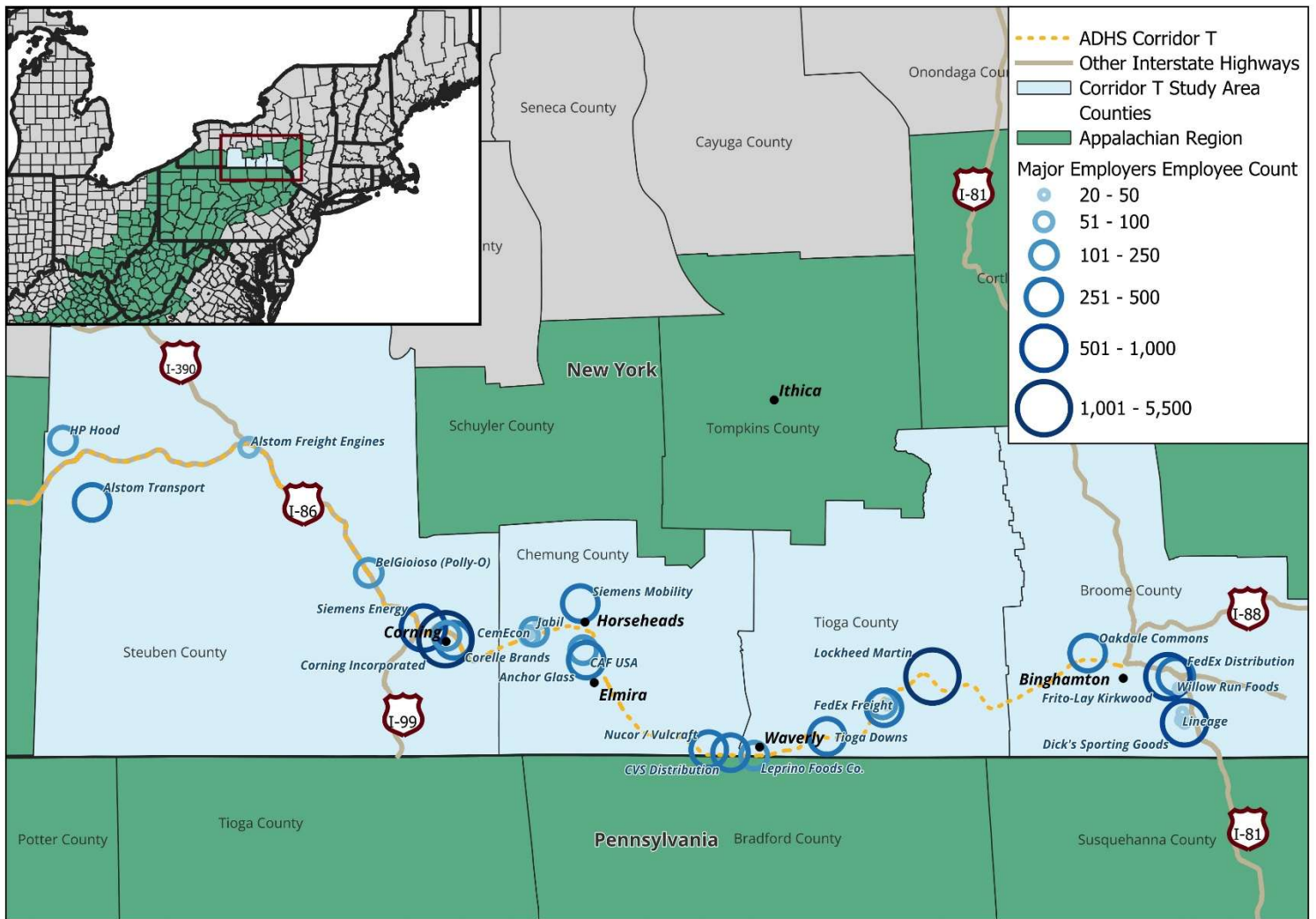
- 1) **Manufacturing**, including a major cluster of rail transit manufacturing;
- 2) **Enhanced market access**, logistics, and distribution; and
- 3) **Tourism**, travel and functioning as a regional hub for retail.

Manufacturing

While New York state has experienced a long-run decline in manufacturing employment, the construction of Corridor T and the more recent upgrade to full interstate highway has helped the Southern Tier retain traditional manufacturing companies, including those in glass and dairy industries, and evolve into a hub for advanced manufacturing in one of the most rural areas of New York. As an example, manufacturing employment comprises 14.7 percent of all jobs in Chemung County and 12.8 percent of jobs in Steuben County compared to just 4.4 percent of all jobs across New York state.

Much of counties' manufacturing and distribution employment is located along Corridor T. Figure 3.3.7 showcases the large number of major employers that are clustered near the corridor. The 34 businesses profiled in the figure provide over 15,000 jobs, including at least 23 industrial companies with 100 or more employees.

Figure 3.3.7 Major Employers Located Along I-86 in the Southern Tier



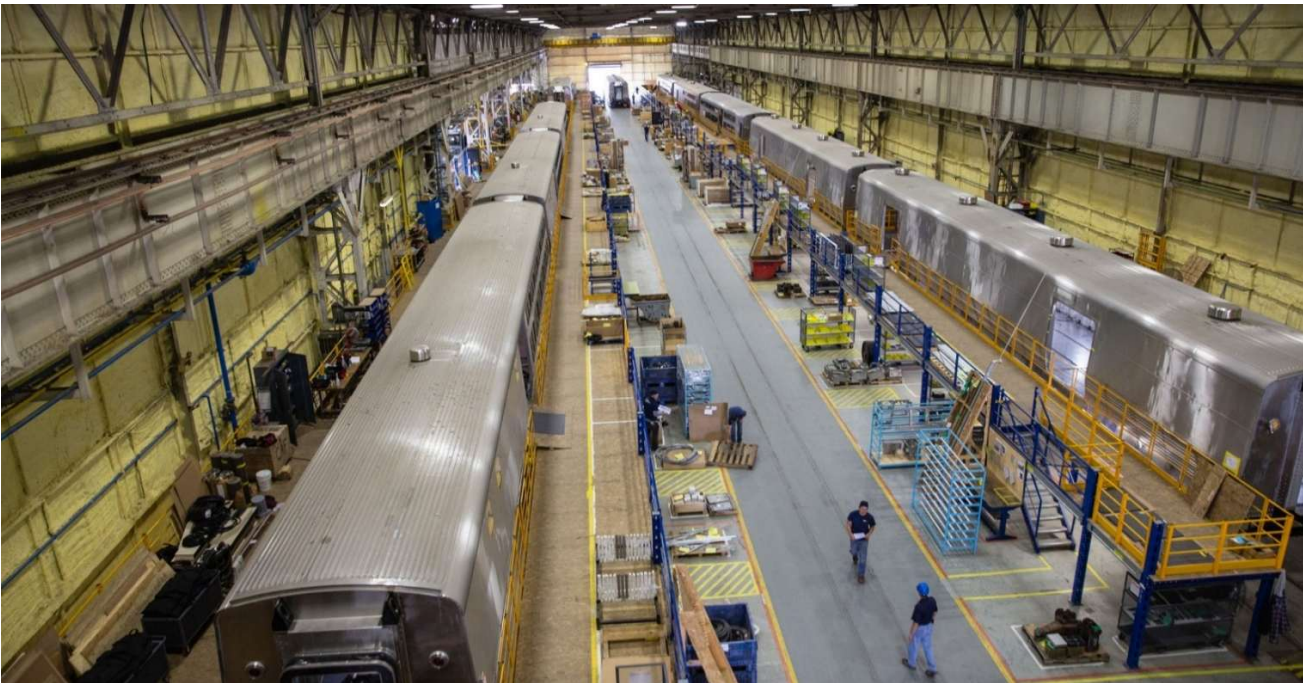
Manufacturing companies along the corridor specialize in three industry groups: rail and advanced manufacturing; food and dairy products; and glass.

Rail and advanced manufacturing. One of the most impressive aspects of the evolving manufacturing sector in this region of New York is the presence of multiple world-class rail and transit vehicle manufacturing companies, including CAF USA with about 200 jobs and Siemens Mobility with 300 jobs in Chemung County. The Siemens Mobility project to build high-speed rail trains has been recently announced as locating in the Southern Tier Business Logistics Park in a 300,000 SF building, supported by \$55 million in investment.⁴⁴

⁴⁴ WENY News. 2026. Siemens Mobility facility in Horseheads to be complete this Fall. https://www.weny.com/news/local/siemens-mobility-facility-in-horseheads-to-be-complete-this-fall/article_8a51d456-b651-47e5-a41c-303270bafd41.html

In Steuben County, Alstom provides over 500 jobs in rail manufacturing, including a \$75 million investment in Hornell, NY which opened their latest, state-of-the-art plant in 2025.⁴⁵ In addition, Lockheed Martin's defense sector advanced manufacturing plant in Tioga County provides over 2,300 jobs.

Regional economic development leaders are quick to point out that an advanced, higher-wage manufacturing cluster like this would not have been possible without Corridor T. As one county official stated, the designation to an interstate was a "game changer" to help market the region, and that the region's highway system (including access to I-99, I-390 and I-81) "puts our region at the table for site selection for attracting new companies." Indeed, the development of industrial sites has largely followed the highway corridor.



Source: PR Newswire. 2013. Amtrak Previews New Long Distance Cars. <https://www.prnewswire.com/news-releases/amtrak-previews-new-long-distance-cars-229099711.html>.

Food and dairy products. The Corridor T region in New York is also home to a variety of food-related manufacturing, with a concentration in dairy and cheese products such as:

- Lepirino Foods cheese manufacturing in Tioga County – 235 jobs
- Crown Cork & Seal beverage packaging in Tioga County – 294 jobs
- Frito-Lay Kirkwood chip manufacturing in Broome County – 575 jobs
- HP Hood dairy manufacturing in Steuben County – 175 jobs
- BelGioioso (Polly-O) cheese manufacturing in Steuben County – 225 jobs
- DeMets Candy in Chemung County – 100 jobs

⁴⁵ Alstom. 2025. Alstom opens new state-of-the-art plant 4 facility in Hornell, NY, boosting U.S. rail manufacturing. <https://www.alstom.com/press-releases-news/2025/6/alstom-opens-new-state-art-plant-4-facility-hornell-ny-boosting-us-rail-manufacturing>



Source: Leprino. <https://leprino.com/locations/waverly-ny/>.

Glass. The region's largest private sector employer and the only Fortune 500 company based in upstate New York is Corning Incorporated, which is famous worldwide for its Corning glass kitchen-related products. Building on this regional specialty, and the Corning Museum of Glass is a top tourist attraction in the region (more on this below). With multiple facilities including corporate headquarters and manufacturing, Corning provides about 5,500 jobs based in Steuben County. In addition, the corridor region boasts other glass manufacturing companies, such as:

- Emhart Glass in Chemung County
- Anchor Glass in Chemung County
- Corelle Brands (dishes and dinnerware) in Steuben County

Market Access, Logistics, and Distribution

Corridor T and its eventual upgrade to interstate status helped the Southern Tier region, from Binghamton (in the east) to the Pennsylvania border (near Erie, PA), position itself with market access as a strength. As an example, the Steuben County Industrial Development Agency touts its market access as a key regional amenity, as shown in Figure 3.3.8. As shown in the map, this corridor connects to major north-south corridors, such as I-81, and provides one-day travel access to other New York metro areas, Toronto, Canada, Philadelphia, Washington DC, Baltimore, and multiple other populated areas in Pennsylvania and eastern Ohio, which all fall within a 250-mile radius of Steuben County.

Figure 3.3.8 Market Access - Steuben County example



Source: Steuben County Industrial Development Agency. <https://steubencountyida.com/>.

Distribution centers. With highway access now a strength in the region, the Southern Tier has been able to attract a number of major warehouse and distribution centers, especially in Broome and Tioga counties. For major distributors, strong highway connections and easy access to both east-west and north-south corridors is a prerequisite for site selection. Regional examples of distributions centers that enjoy this access include:

- Best Buy in Tioga County – about 200 jobs
- FedEx Freight in Tioga County – about 35 jobs
- Dick’s Sporting Goods in Broome County – about 500 jobs
- FedEx Distribution in Broome County – about 400 jobs
- Four to five other warehousing distribution facilities (Amazon, Willow Run Foods, Lineage) in Broome County – about 50 jobs each
- CVS Distribution in Chemung County – about 400 jobs

Business Park Spotlight: Southern Tier Logistics Business Park

Just north of Elmira and along I-86, the village of Horseheads, NY, is home to multiple global companies, including Nucor / Vulcraft (steel manufacturing) with 300 jobs. Perhaps the largest industrial site in the area is the Southern Tier Logistics Business Park (STL), covering 190 acres. This industrial park has been in existence for decades, but recently was bought by [Ohio Logistics](#) with the ambition to fully build-out and occupy the land and buildings for manufacturing and warehousing with world-class logistics services.

The site is just two miles north of I-86 and benefits from the connector road from Rt. 13 provides strong highway accessibility to the business park. The STL's logistics assets include:

- Class 1 railroad service via Norfolk Southern which has a main line freight rail corridor running next to the business park, with rail spurs into STL.
- Easy access to the Elmira Corning Regional Airport, which is only 12 minutes and 6 miles away (directly off I-86).
- Foreign trade zone (FTZ) designation, along with fully bonded space.
- Full utilities and infrastructure connections (electricity, gas, water/sewer), and environmental assessment completed.

As of today, the business park is about 60 percent occupied with traditional industrial tenants (salt, bulk sand, storage) and other industrial companies such as MRC and Chewy.com. Most recently, a major win for the STL was Siemens Mobility's selection of the site for its high-speed rail manufacturing facility, where the company is investing \$55 million in a 300,000-square-foot building expected to generate 300 jobs.

Significant investment and site preparation has already occurred to make STL 'market ready' for new tenants. Recognizing this work, STL was awarded platinum site readiness via the Site Selectors Guild as a REDI site. STL's owner/developer emphasizes that 'location was critical' when deciding to invest in this business park and that the highway, airport and rail access are essential to the recent and future success of this industrial development asset.



Source: RLB Holdings. Southern Tier Logistics Business Park. <https://rlb-holdings.com/southern-tier-logistics-business-park/>.

Tourism, Travel and Retail Hub

Beyond helping to facilitate industrial activity, Corridor T (I-86) is also critical for the region's tourism and travel markets, and allows the Southern Tier to be a regional retail hub, attracting major national chains that would likely never invest in the region otherwise. To highlight some of these regional assets and connectivity:

- **Corning Museum of Glass:** According to local stakeholders, this is the third most visited tourism destination in New York state, trailing New York City and Niagara Falls. Attracting over 300,000 visitors per year, this museum benefits from its location just off I-86 and employs between 140-170.



Source: Peter Lam Photography. <https://peterlamphotography.com/2016/07/20/3500-years-of-glass-artistry-cmog/>.

- **Elmira Corning Regional Airport:** Multiple stakeholders in the corridor region highlighted the importance of this regional airport, which provides a range of direct flights to Florida, Atlanta, and Detroit (among others), supported by a \$17 million state investment in the airport. The airport also provides air freight services, including a FedEx operation, and easy access just off I-86 makes this the airport of choice for many in the region.
- **Regional retail hub:** Throughout the corridor, there are major retail hubs located close to I-86 that act as a regional asset in this mostly rural part of New York. Examples include the Oakdale Commons shopping mall and the Dick's Sporting Goods House of Sport in Binghamton, numerous hotels, and Southern Tier Supercenter area which includes a Wegman's, Walmart, etc.
- **Tioga Downs Casino Resort:** This facility employs over 440 in the region and is located just off I-86 in Nichols, NY. It includes a full range of gaming, hotel and conference facilities, entertainment, golf, horse racing, and dining.
- **Fingers Lakes and Watkins Glen:** Just to the north of the Southern Tier, I-86 provides the preferred travel route for many visitors to access the Finger Lakes, including Watkins Glen at the southern tip of Seneca Lake, and Ithaca at the southern end of Cayuga Lake. These are two of the most visited areas of the Finger Lakes, and Watkins Glen is also home to Watkins Glen International – one of the northeast's largest speedway and auto racing facilities, which hosts NASCAR races annually (among other events).

Looking Forward

The Southern Tier of New York has faced some significant economic development challenges over the past few decades, including the overall trend of declining manufacturing employment. It also has experienced the gradual loss of IBM (pictured), which was founded in the village of Endicott and once employed about 18,000 in the corridor region. As of 2023, IBM's physical presence ended in the region.⁴⁶



Source: North, Dan. Spectrum News 1. <https://spectrumlocalnews.com/nys/binghamton/news/2018/03/09/old-ibm-facility>.

These challenges are generally reflected in the long-term employment and population declines experienced in the Southern Tier region. That said, Corridor T and the progression towards full interstate designation of I-86 have been a bright spot. In countless interviews with local development leaders and employers, the presence of I-86 has been a major contributing factor to much of the industrial development and tourism success of the region over the past 25 years. As demonstrated above, most of the major employers are located within two miles of I-86, and there are industry successes in relatively rural areas that simply would not be possible without the highway corridor.

In particular, the growing presence of rail/transit manufacturing and distribution centers are evidence of this impact throughout the corridor. Moving forward, one of the potential opportunities is to fully leverage the rail manufacturing sector by expanding the number of suppliers to this industry to further grow the employees and business investment connected to this emerging industry cluster. Economic developers in the Southern Tier are already focused on prepping sites and buildings near I-86 to help realize that opportunity.

The industrial transition that the region has been experiencing also provides an opportunity for productive re-use of brownfield sites (often formerly used for industrial purposes that are now outdated). One example of proactive brownfield redevelopment near I-86 is in Binghamton for the Brandywine Corridor Brownfield Opportunity Area.⁴⁷ Another redevelopment effort near I-86 is the planning for revitalization of the Binghamton Plaza, which is now a closed shopping center along the Chenango River, just south of I-86.⁴⁸

Finally, the Southern Tier has become a leader in renewable energy in New York state, stretching back to 2009 when the first wind farm started operating in Steuben County. According to the Steuben County Industrial Development Authority (IDA): "Since then, over 500 MW of power through wind and solar development have been added to the state's power grid. Biodigesters and renewable natural gas projects have also been built to clean methane for reuse as natural gas. Future projects in the pipeline will add another 800 MW of power to the grid."⁴⁹ For example, the Baron Winds project in 2021 and 2022 employed about 300 workers and helped make Steuben County the largest onshore generator of wind energy in New York state, producing enough green electricity to power 50,000 homes.⁵⁰ While these projects are scattered throughout the county and region, I-86 is the major transportation route to ship equipment and wind farm components to the Southern Tier.

⁴⁶ <https://spectrumlocalnews.com/nys/central-ny/news/2023/05/03/ibm-to-close-office-in-endicott-after-nearly-100-years>

⁴⁷ <https://broomecountyny.gov/planning/brandywine>

⁴⁸ <https://www.binghamton-ny.gov/Home/Components/News/News/578/15>

⁴⁹ <https://steubencountyida.com/leading-the-way/>

⁵⁰ <https://www.mottmac.com/en-us/projects/making-new-yorks-steuben-county-1-for-wind-energy/>

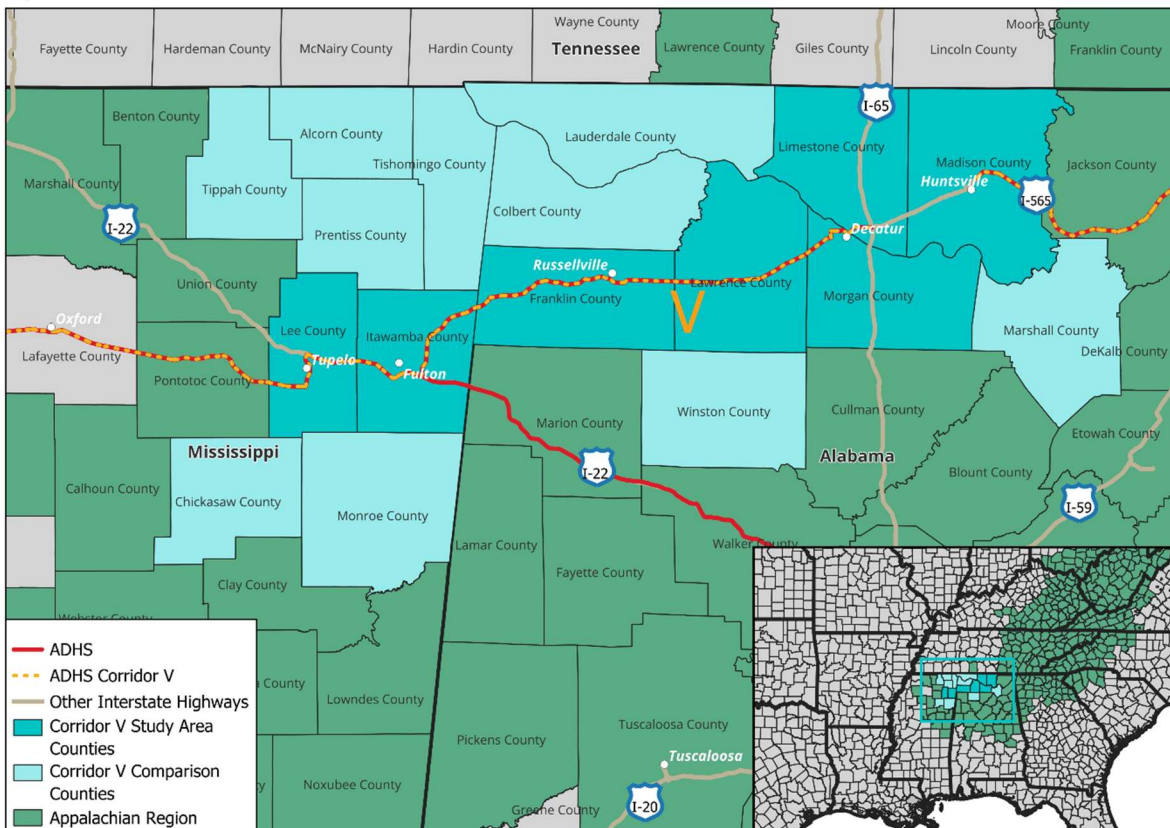
3.4. Corridor V in Alabama and Mississippi

Corridor Overview

Corridor V is approximately 248 miles and extends from Batesville, Mississippi to I-24 just west of Chattanooga (TN) covering 145 miles in Alabama and 119 miles in Mississippi. Like many ADHS corridors, this highway was constructed over decades, with the final sections in Mississippi not completed until 2023. The Corridor V miles in Alabama were completed over the past couple of decades with the final miles completed after 2013. In Mississippi the majority of miles were completed prior to 2013 with the remaining mileage open to traffic in 2023. The corridor includes a mix of highway characteristics, including four-lane limited access and interstates.

As shown in Figure 3.4.1, this study focuses on the sections of Corridor V roughly between Tupelo, MS and Huntsville, AL. This area was chosen as it connects the two largest markets in the corridor, which share similar industry strengths in advanced manufacturing, auto assembly and parts, and the defense and cybersecurity sectors. This corridor also connects to multimodal transportation assets such as the Port of Huntsville (airport, intermodal rail), and inland waterways (Tennessee River and Tennessee-Tombigbee Waterway). Unlike the other corridors in this report, Corridor V's recent completion means that there is limited data available after the corridor became fully operational. However, the economic development success already observed along the highway route and the potential that is now being realized as a result of the faster and safer connection between Tupelo and Huntsville demonstrate the economic opportunities that ADHS corridors can facilitate.

Figure 3.4.1 Corridor V Overview in Alabama and Mississippi

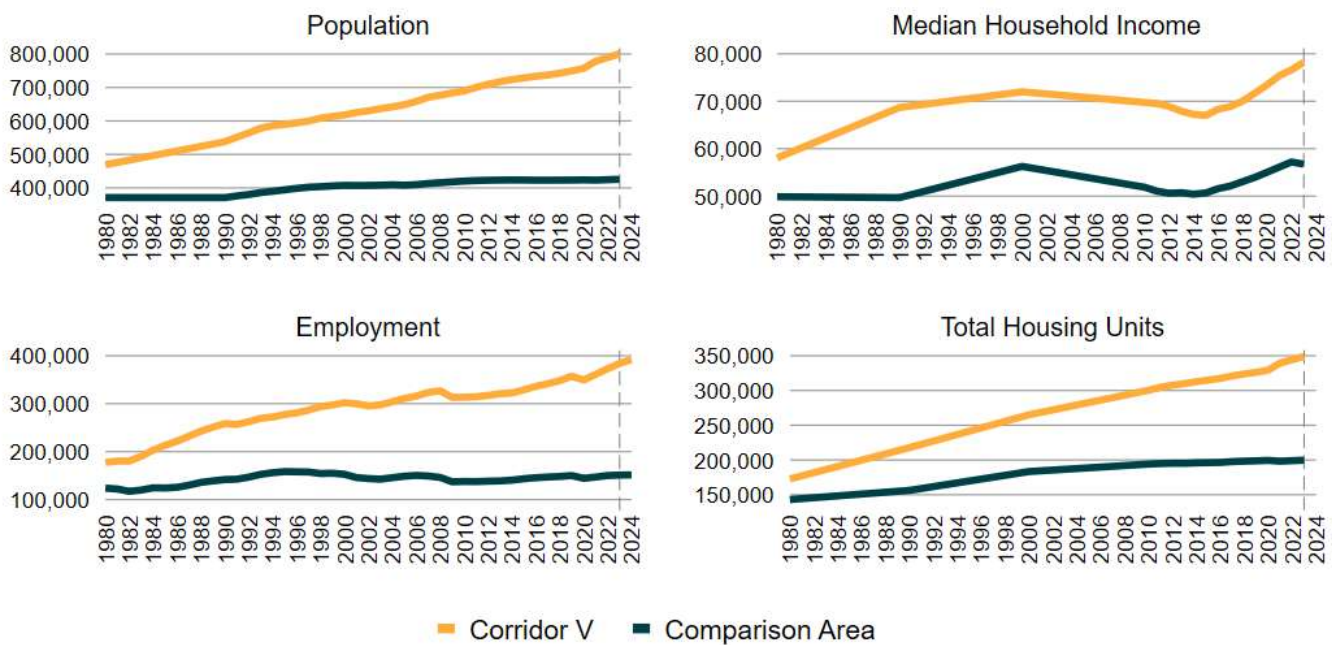


Socioeconomic Profile of Corridor V

Figure 3.4.2 shows historical trends in population, household income, employment, and total housing units. Unlike other case studies, before/after analysis is not possible for corridor V given how recently the highway corridor was completed. It is apparent, however, that the study area corridor outperformed the nearby comparison counties across all metrics, with strong growth in population, housing, and employment and relatively high median household incomes. In 2023, the study corridor population reached almost 801,000 with a median household income of \$78,000. The area supported over 384,000 jobs, resulting in a jobs to total population ratio of 48 percent, substantially higher than the comparison area’s ratio of 35 percent, indicating that Corridor V is an employment hub for the region.

While it is difficult to fully attribute this growth and success to highway access, the study region benefited from increased highway connections over the last decade as the corridor was constructed. Further, the study area also benefits from other highway linkages, including I-22 and I-65, while the comparison counties do not have any direct access to major four-line highways or interstates.

Figure 3.4.2 Demographic Indicators for Corridor V and the Comparison Area



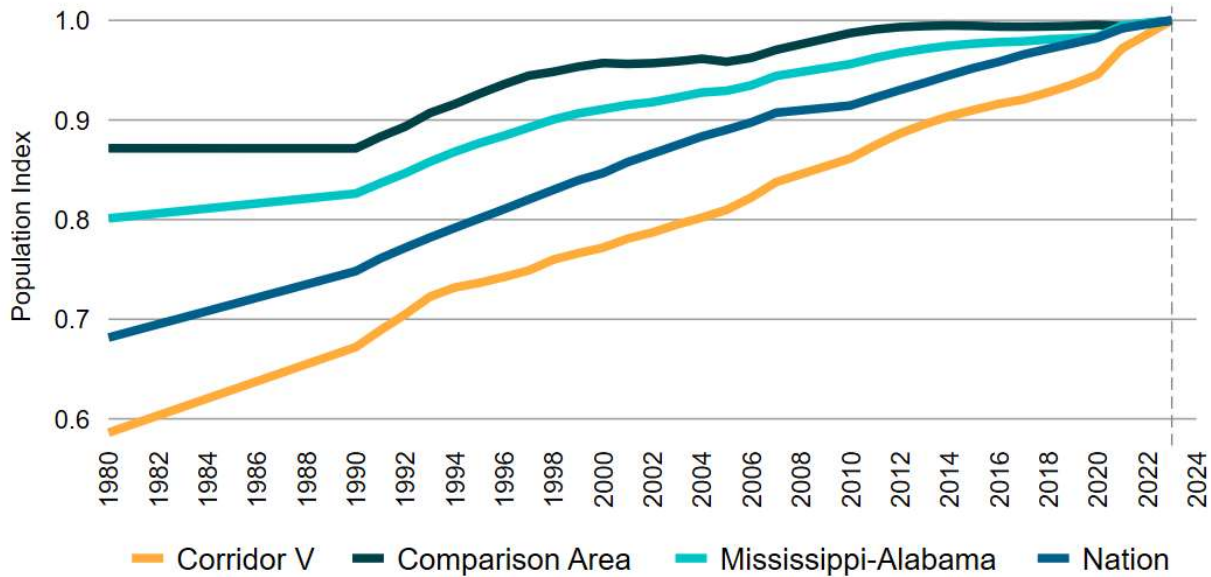
Sources: US Census Bureau Total Population and American Community Survey and Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Note: Median household income is inflation adjusted to 2024 dollars using the CPI.

As shown in Figure 3.4.3 and Figure 3.4.4, population and employment in the corridor area grew at a faster pace than the comparison area as well as the state and nation, as evidenced by the steepness of the line. While growth in the comparison areas was relatively flat, counties along Corridor V grew rapidly, increasing population by 70 percent and employment by 121 percent since 1980. The relatively strong pace of employment growth relative to population further demonstrates the economic success along the highway corridor.

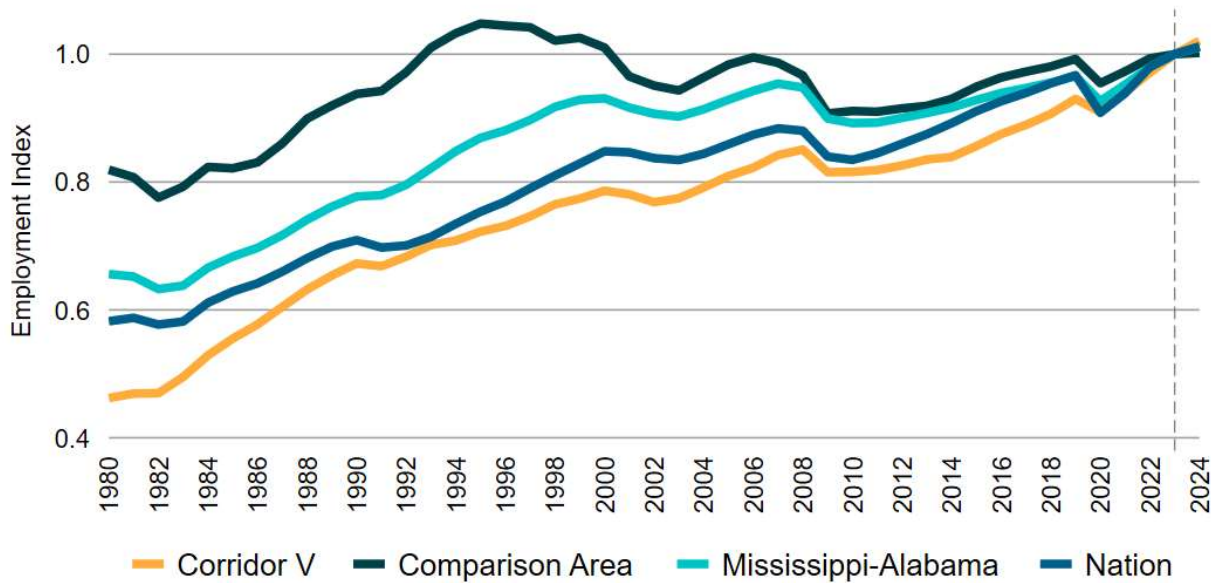
Alternatively, wage growth in the region was more in line with surrounding and comparison area, with real wages growing by about 34 percent between 1980 and 2024 (see Figure 3.4.5).

Figure 3.4.3 Population Index for Corridor V and Comparison Areas



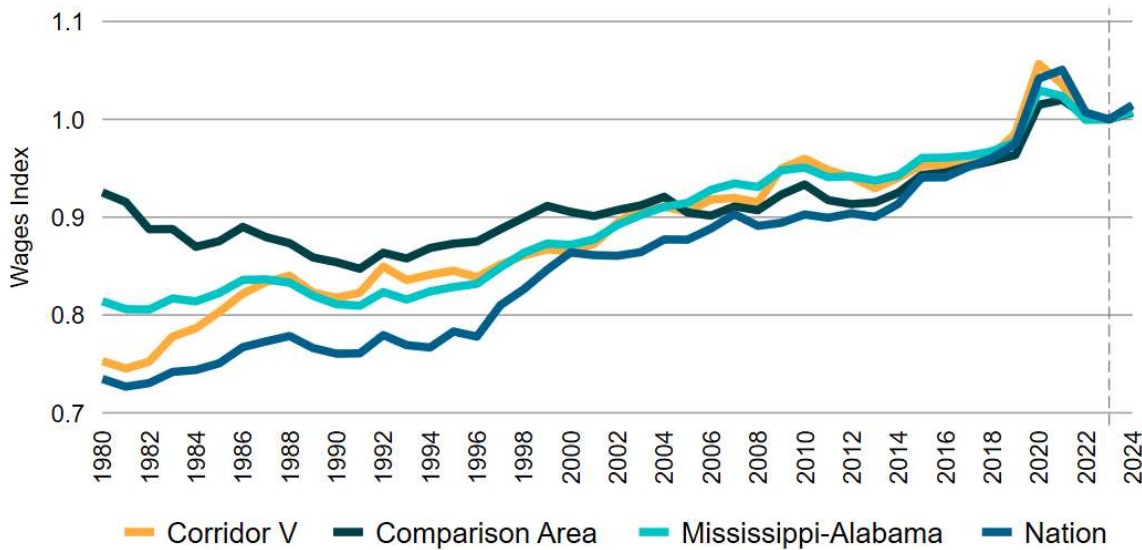
Sources: US Census Bureau Total Population and American Community Survey.

Figure 3.4.4 Employment Index for Corridor V and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Figure 3.4.5 Real Wages Index for Corridor V and Comparison Areas



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages.
 Note: The wage index is calculated based on real (income-adjusted) dollars.

Economic Development Themes

Desktop research and numerous conversations with local stakeholders revealed two key economic development themes along Corridor V:

- 1) Success in the auto assembly and supplier industry; and
- 2) Multimodal transportation options supporting industrial development in the region.

Auto Industry - Assembly and Suppliers

The most prominent economic development connection along Corridor V is the growing presence of auto assembly and auto parts suppliers, anchored by two major assembly plants at either end of the corridor. These facilities serve as powerful economic anchors, helping to attract a network of suppliers, logistics providers, and related advanced manufacturing firms to locations along the corridor.

- **Mazda Toyota Manufacturing (MTM):** Highlighted in the business spotlight below, this facility, located in Madison, Alabama, is one of the most significant recent industrial investments in the state and a notable example of cross-company collaboration in advanced manufacturing.
- **Toyota Motor Manufacturing Mississippi (TMMMS):** located in Blue Springs, MS, this plant was opened in October 2011 and produces 130,000 to 190,000 Toyota Corollas each year. The plant, which is located just off I-22 and about 16 miles northwest of Tupelo, was built with \$1.3 billion in initial investment and another \$400 million as a follow-up investment (\$1.7 billion total). The plant employs about 2,400 workers and helped support the location of 13 Tier 1 and 2 suppliers within 90 miles.



Photo of Toyota Motor Manufacturing Mississippi (TMMMS) in Blue Springs, MS.

Source: US Department of Energy, Better Plants.

https://betterbuildingsolutioncenter.energy.gov/sites/default/files/attachments/2021_Better_Plants_Progress_Update.pdf.

In addition to these major auto assembly plants at either end of the corridor, there are also numerous auto parts and supplier manufacturers located near Corridor V. These facilities include:

- **Auto Parts Manufacturing Mississippi (APMM):** in Guntown, MS, is located north of Tupelo and about 30 minutes from the Blue Springs assembly plant. Opening in 2011, this facility is Tier 1 supplier of multiple parts including resin and welded parts. The facility also manufactures front and rear bumpers for Corollas and rear axles for the Toyota Cross. APMM is part of the partnership with Mazda-Toyota and send several shipments each day along Corridor V to Huntsville. They operate out of a 500,000 SF building and employ about 550 workers.

APMM is a significant beneficiary of highway investment and access as they have a constant stream of truck deliveries (about every 45 minutes or 12-13 trucks per shift) to the Blue Springs plant. The plant benefited from the completion of Corridor V which reduced travel time to Huntsville created smoother operations for 18-wheeler trucks. APMM stakeholders also note that many of their workers commute from an hour or more each day and that Corridor V completion helped to shorten commute times and increase workforce access for their business.



Source: APMM. About. <https://www.apmmguntown.com/aboutapmm>.

- **MTM Auto Suppliers:** Both on-site and near their Greenbrier Parkway facility, Mazda-Toyota's massive assembly plant supports significant auto supplier businesses. For example, one reason that the Huntsville area was chosen for the assembly plant was because of the existing presence of a major engine plant ([Toyota Motor Manufacturing Alabama](#)) about 15 minutes away that employs 2,400 people at 1.3 million SF facility. In addition, MTM partnered with key suppliers to locate on-site for ease of logistics and assembly. These on-site suppliers include Nippon Express, DaikyoNishikawa, and Y-tec Keylex Toyotetsu, which add significant capacity and about 3,500 workers across 13 different companies.

Business Spotlight: Mazda Toyota Manufacturing (MTM)

The Mazda Toyota Manufacturing plant, located in Madison, AL, represents a unique collaboration to build the Mazda CX-50 and Toyota Corolla Cross. The facility was built with a \$2.3 billion initial investment, which made it the largest ever industrial development project in Alabama at the time. The plant assembles about 300,000 vehicles per year with 4,000 MTM workers and another 3,500 on-site employees via partners and suppliers.

The MTM plant is located on Greenbrier Parkway, just north of I-565 and only 10 miles from Huntsville International Airport and International Intermodal Center (IIC). This site was specifically chosen because of the combination of industrial prowess and assets in the greater Huntsville area, along with the opportunity to share parts suppliers and assembly capabilities with TMMMS in Blue Springs. MTM's buildings total about 2.5 million SF on 2,500 acres, and they began operations under the leadership of team members from the Blue Springs, MS plant, who would drive back and forth along Corridor V.

The MTM plant also values its relationship with the Port of Huntsville and is the third largest user of the intermodal rail facility (IIC). Inbound shipments of components and parts arrive via container to the intermodal rail center, and outbound shipments depart via both truck and rail, with distribution supported by a major logistics facility in Atlanta. Finally, the majority of MTM workers are hired locally and fully trained by MTM, providing access to high-paying jobs that do not require higher education or special workforce training.



Economic development leaders in the region envision that completion of Corridor V, combined with the growing automotive business partnership between the Tupelo and Huntsville areas, will create additional opportunities to attract and expand auto supplier businesses throughout the corridor. Improved connectivity is expected to strengthen supply chain integration between the two major markets, making corridor communities more competitive for future supplier investment.

Multimodal Transportation Supporting Industrial Development

While Corridor V plays a critical role in supporting industrial development from Tupelo to Huntsville, many stakeholders emphasized that the region's ability to realize broader industrial opportunities also depends on its strong multimodal transportation system. Corridor V helps support these opportunities by improving connections to key freight assets, including rail, air cargo, and other multimodal facilities across the region.

Port of Huntsville

The Port of Huntsville is a major inland intermodal logistics hub that integrates air cargo, rail, and highway access to support regional and national freight movement. The port's mission statement is closely tied to its role in regional economic development, stating that its mission is "to provide quality multi-modal transportation services to a diverse regional customer base and to stimulate the economic growth and development of the Tennessee Valley region." The Port of Huntsville comprises about 8,000 acres and is host to a few key functions and facilities:

- **Huntsville International Airport (HSV)**, which has five operating commercial airlines, serving over 15 non-stop destinations.
- **Huntsville International Intermodal Center (IIC)**, which includes both an intermodal rail facility served by Norfolk Southern for moving containers between truck and rail (and ultimately to/from seaports), and air cargo facilities such as a 436,000 SF air cargo terminal plus cold storage and US Customs and Border Protection on-site.
- **Jetplex Industrial Park**, which sits on 2,800 acres with existing tenants and buildings and room for growth, and over 70 companies.⁵¹



Source: PR Newswire. <https://www.prnewswire.com/news-releases/the-port-of-huntsville-marks-another-year-of-growth-in-intermodal-transportation-302101696.html>.

⁵¹ Port of Huntsville. Tenant. <https://portofhuntsville.com/jetplex-industrial-park/tenants/>

According to the Port of Huntsville, the port generates an estimated \$1.8 billion in annual regional economic impact, supports more than 6,000 direct jobs, and contributes to a total statewide impact of over 16,000 jobs associated with approximately \$705 million in wages. Through its facilities and operations, located just south of I-565 and approximately 12 miles from downtown Huntsville, the port supports regional business vitality in multiple ways, including:

- **Providing intermodal rail (container) service for inbound and outbound shipments** for local businesses to connect to global markets via ports like Savannah, GA to the east and Los Angeles, CA to the west. The IIC has seen an uptick in freight rail lifts (the number of containers lifted from trains to truck via cranes, or vice versa), with the 22,210 lifts per year in 2022 growing by 52% to 33,745 lifts in 2024.
- **Offering world-class air cargo service** with the 21st largest air cargo hub in the continental US, including major air freight carriers serving domestic destinations such as Louisville (UPS), Memphis (FedEx), and Miami, with international air cargo shipments to/from Mexico, Brazil, Argentina, Luxembourg, Hong Kong, and Korea.
- **Connecting business and visitor travel via commercial passenger air service** as northern Alabama’s largest airport, including non-stop service to major markets such as Washington, DC; Chicago, IL; New York, NY; Denver, CO; Dallas, TX; Atlanta, GA; Houston, TX; and Miami, FL.
- **Supporting the region’s industrial economy** with the JetPlex Industrial Park that provides pre-permitted sites and buildings with world-class transportation logistics facilities at their doorstep. The economic and industrial prowess of the Huntsville–Madison County area is further highlighted by the below list of industrial companies with 1,000 or more employees (provided by the Huntsville–Madison County Chamber):

**2025 Leading Industrial Employers
Huntsville/Madison County, Alabama**

Company	Industry	Employees
Mazda Toyota Manufacturing USA, Inc.	Automotive, Mfg	4,000
The Boeing Company	Research & Development	3,411
Northrop Grumman Corporation	Research & Development	3,215
Leidos	Research & Development	2,843
SAIC	Research & Development	2,746
Toyota Alabama	Automotive Engine, Mfg	1,994
Polaris Industries, Inc.	ATV, Mfg	1,932
Lockheed Martin Corporation	Research & Development	1,638
Blue Origin	Rocket Engine, Mfg	1,235
Amazon	Distribution Center	1,100
Sanmina/SCI	Electronics, Mfg	1,100

Morgan County – Industrial Manufacturing and Multimodal Transportation

About 14 miles to the west of the Port of Huntsville, and on the other side of the Tennessee River lies Decatur, AL, a clear example of industrial manufacturing success supported by a strong multimodal transportation system. The city is located on the south side of the Tennessee River, at one of its widest points. Stemming

back to the Tennessee Valley Authority (TVA) Act in the 1940s, the Tennessee River was transformed into a navigable inland waterway with connections northwest to the Mississippi River and the Tennessee-Tombigbee Waterway (leading south to Mobile, AL). Decatur is now the busiest port on the Tennessee River in terms of tonnage handled.

Decatur also benefits from having two Class 1 railroads: CSX which runs freight rail service north-south and Norfolk Southern providing east-west freight rail, each with freight rail yards in Decatur. In addition to Corridor V highway connections, Decatur also benefits from other nearby highways, including proximity to I-65 (north-south) just to the east which links the region to Nashville to the north, and Birmingham to the south.

Leveraging all this transportation capacity, across all modes, Morgan County and the City of Decatur in particular, are now home to about 140 manufacturers and 11 Fortune 500 companies. The area has particular strengths in steel processors (Nucor, Magin Steel), as well as food manufacturing and power-related

companies. As shown in the image below, Decatur has a dense clusters of these types of businesses, located near the river, rails and highways, including 25 companies with 140 or more employees.⁵²

Morgan County's manufacturing sector employs about 14,000 workers, accounting for over a quarter (26 percent) of all jobs in the county. This figure compares to less than 14 percent manufacturing share of all jobs in Alabama, and just 8 percent of all jobs in the US. The higher concentration of manufacturing employment in Morgan County results in a manufacturing location quotient of approximately 3.25 (where 1.0 represents correspondence with the US average). Importantly, this success is closely tied to the region's multimodal transportation system, including highways, rail, air, and inland waterways, which enables efficient movement of goods and materials and expands access to labor markets through regional commuting networks.



Source: Port of Decatur. <https://www.portofdecatur.net/maps>.

⁵² See here for a list of top manufacturing companies: <https://www.mceda.org/facts-maps/top-employers>

Decatur, AL Industrial Map



Looking Forward

Corridor V serves as a critical economic development spine between Huntsville, AL, and Tupelo, MS, strengthening regional connectivity and supporting a growing concentration of manufacturing, logistics, and supplier industries. By improving highway efficiency and reducing travel times, the corridor enhances access to key labor markets, industrial sites, and multimodal freight facilities, including rail, air cargo, and inland waterways. This improved connectivity helps firms operate more efficiently while also making the region more attractive for new investment, particularly in automotive and advanced manufacturing sectors. While much of Corridor V has been completed for years and industrial development is already well established, the full completion of the corridor, along with other planned highway improvements, has the potential to generate even greater economic impacts, as illustrated by several examples:

- **First, the completed corridor supports technology-focused business opportunities**, such as defense and cybersecurity throughout the corridor. One example is [Circadence based in Tupelo](#), a tech-based firm specializing in string code and software engineering for the defense sector and cybersecurity simulation and training. While the company has had a presence in Tupelo since 2005, the completion of Corridor V in

2023 had a significant impact on the travel speed and safety of the four to eight trips their staff make to Huntsville and Redstone Arsenal every month. According to Circadence, the prior road could be dangerous and winding, whereas the new corridor saves at least 15 minutes each way. They added that the improved road has made a big difference for their operations, highlighting that employees use the airport in Huntsville for flights to key destinations such as other offices in Colorado and Washington, DC.

- **Second, the completed corridor, along with other connecting highway improvements like the Greenbrier Parkway, are leading to other large-scale developments.** Most prominent is the announced [Eli Lilly \\$6 billion investment in Huntsville](#). This project will be Alabama's largest economic development investment of all time and will be located near the Mazda-Toyota plant. The pharmaceutical manufacturing plant will be constructed on a 260-acre site and is estimated to provide 450 high-value, high-wage jobs once operational.

"Huntsville's track record of high-tech innovation, supported by advanced manufacturing expertise and a skilled workforce, makes Alabama an ideal location for Lilly to expand domestic manufacturing capacity for next-generation medicines," said David A. Ricks, Lilly chair and CEO. In addition, "expanding Lilly's US manufacturing presence in Alabama will boost the Huntsville economy. For every dollar Lilly invests there, it estimates up to four dollars in additional local economic activity. Also, for each manufacturing job created, several more will be generated in related sectors like supply chain, logistics and retail."⁵³

- **Third, regional stakeholders are hoping to further improve highways east of Huntsville towards Chattanooga and fully realize opportunities for an "auto alley."** As of now, Corridor V east of Huntsville becomes Rt. 72 (whereas it is I-565 west of Huntsville) and local development experts would like to see improved highway conditions (including interstate standards) to help realize development opportunities in that part of the state. For example, the presence of a major auto assembly plant (Volkswagen) in Chattanooga could further boost efforts to locate auto suppliers and parts companies from one end of Corridor V (near Tupelo) all the way to Tennessee. There are industrial parks and land primed for industrial development along this corridor that would likely benefit from this investment, similar to how I-565 boosted industrial growth in and west of Huntsville.

⁵³ <https://investor.lilly.com/news-releases/news-release-details/lilly-build-6-billion-facility-manufacture-active-pharmaceutical>

4 Summary of Findings

High quality, four-lane and interstate-grade highways play a critical economic development role by opening up new opportunities in manufacturing, logistics, tourism, and related sectors.

Interstate designation, in particular, provides an added economic development advantage by increasing visibility, strengthening marketing efforts, and improving competitiveness in site selection processes. In many cases, improved highway access effectively “puts communities at the table” for industrial recruitment and private investment decisions.

At the same time, evidence from the case study highway corridors suggests that **major highway investments do not always directly translate into measurable increases in population or total employment.** A

consistent finding across case studies is that highway infrastructure alone may not be sufficient to reverse long-term structural economic decline. Large-scale forces such as industrial consolidation, demographic shifts, and sectoral decline (particularly in mining) can outweigh the effects of transportation investment in isolation. This underscores the risks of overreliance on single-industry economies and highlights the importance of pairing infrastructure with complementary strategies, including workforce development, entrepreneurship support, community revitalization, and targeted economic development marketing.

While not always associated with significant demographic and socioeconomic shifts, **these highway improvements can still generate meaningful economic benefits for surrounding regions.** In particular, improved highway access has been associated with higher-quality employment opportunities and, in some cases, increased wages for residents, even in cases where broader demographic trends remain unchanged.



Source: Appalachian Regional Commission <https://www.arc.gov/appalachian-development-highway-system/>.

These results highlight that highway impacts are often more nuanced than simple growth metrics suggest. Even where population growth or employment expansion has been limited, improved access has frequently contributed to higher-quality jobs, stronger wages, improved resilience, and greater competitiveness. In other words, the benefits of transportation investment are often reflected not only in growth, but in enhanced economic performance and opportunity.

The effectiveness of highway investment is also closely tied to broader transportation connectivity. Case studies consistently emphasize the importance of linking highways to multimodal infrastructure, including rail corridors and facilities, inland waterways, and airports, as well as ensuring strong connections between regional highway networks themselves. Together, these linkages enhance freight efficiency and expand market reach and make the area more competitive for new investment.

Another key factor is the importance of site readiness. **Communities that succeed in attracting investment typically maintain “market-ready” industrial parks with pre-installed infrastructure and utilities, allowing them to respond quickly to business location opportunities.** This readiness, combined with highway access, is particularly important for attracting advanced manufacturing sectors such as automotive production and rail equipment manufacturing.

The Purpose of the ADHS

The 1964 Report to Congress explained the purpose of the ADHS as:

*“To provide access between these isolated areas and the corridors of the Interstate System, the Commission's highway team, in cooperation with the highway departments of the Appalachian States, has evolved a design for the type of a development highway system which is needed. **This system is based upon criteria different from those normally employed. Instead of upgrading or expanding the most heavily traveled routes, a development system seeks to stimulate the flow of people and goods to and through remote areas which have a developmental potential; it seeks, in short, to create traffic and to open up areas where commerce and communication of people with people have been sorely inhibited by lack of ready access.**”*

Looking ahead to the completion of remaining ADHS corridor segments and other future highway investments in Appalachia, it is important to reaffirm the original objectives of the ADHS and effectively communicate them to decision-makers. To best achieve those goals, this study suggests:

- Pair highway investments with targeted economic strategies (e.g., workforce development, entrepreneurship support, and sector diversification) to translate improved access into sustained growth and resilience.
- Invest in site readiness and industrial competitiveness by maintaining market-ready sites with utilities and infrastructure in place, enabling communities to respond quickly to site selection opportunities.
- Strengthen multimodal connectivity and regional integration to maximize the economic value of highways by linking them with rail, ports, and airports, expanding market reach and freight efficiency.
- Leverage expanded labor sheds to support talent attraction, tourism, and industry recruitment, using improved access to market the region and connect employers to a broader workforce.

Highways also have a significant impact on labor markets by expanding commuting ranges, often increasing viable workforce catchment areas to 60–75 miles and beyond. This effect is especially important in rural regions, where access to larger labor pools can determine whether industrial investments are feasible.

Finally, **highway investments often support unique, place-specific economic development outcomes**. Examples include enabling outdoor recreation economies in Maryland and Kentucky, including along the well-known Country Music Highway, as well as strengthening retail and service hubs that serve surrounding rural communities by improving access and increasing visitor and customer flows. Improved highway visibility and branding also play an important role in tourism marketing, helping regions package and promote themselves as accessible destinations. By creating recognizable travel corridors and reducing perceived distance between attractions, highways can enhance regional identity and support coordinated marketing efforts that attract visitors, extend stays, and increase tourism-related spending.

Together, these cases illustrate that while outcomes vary by region, ADHS corridors provide a foundational platform for diversified and opportunity-driven economic development.