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Freight Infrastructure Investment to Drive \$10 Billion in Economic Impact for St. Louis Region

[ST. LOUIS, MO/May 29, 2024] Infrastructure investment is vital to support a thriving region and is critical for moving freight to, from and through regions like St. Louis, the nation, and around the world. It also is a proven catalyst for additional economic impact, with every dollar invested in transportation infrastructure improvements delivering a return on investment of \$4 in economic development. The ripple effect of such investment and the importance of advocating as a region for funding for agreed upon priority projects were highlighted during the annual Freight Summit hosted by the St. Louis Regional Freightway on May 15 as part of FreightWeekSTL 2024.

The keynote conversation about infrastructure featured Shayne Gill, Program Director for Multimodal Transportation at the American Association of State Highway and Transportation Officials (AASHTO). AASHTO represents all 50 of the state departments of transportation (DOT), the District of Columbia and Puerto Rico, working with the DOTs to advocate for all modes of transportation.

“St. Louis really is the gateway for freight transportation,” said Gill. “You look at the movement not only east-west, but also north-south, and being in the central part of the country, the St. Louis region is key for multimodal freight connections. You are situated such that you're not reliant on one mode of transportation. I think that really sets you up for having better opportunities here for economic growth.”

Gill also said the collaborative efforts on both sides of the Mississippi River, fostered by the leadership of the St. Louis Regional Freightway, are helping to advance key projects. He cited as examples the partially funded \$2.8 billion investment that will create a new single terminal at St. Louis Lambert International Airport, continuing improvements on Interstate 270 (I-270) in both Missouri and Illinois, and the recently completed replacement of the Merchants Bridge and upcoming improvements to the MacArthur Bridge, both of which provide freight rail service across the Mississippi River in the downtown St. Louis area. All four projects are among the 27 on the St. Louis region's 2025 Priority Projects List.

He said the region is taking advantage of federal funding that has not been there before, with both states passing additional funding to support significant infrastructure improvements. “Basically, you have set yourself up in a great way to be able to take advantage of the new funding that's become available and to advance more projects faster than other parts of the country have been able to,” said Gill.

Gill also talked about the historic funding included in the Infrastructure Investment and Jobs Act (IIJA) and how AASHTO hopes to see federal funding at that level continue given the cost of inflation and the cost of construction projects going forward.

“What we are looking to advocate for is that the “historic” levels of funding really should be a baseline of funding moving forward,” Gill said. “And when we have these discretionary grants that come out and you're able to apply for those, having both states, both transportation departments, but also governors and elected officials all being supportive of those projects is key at the federal level when the US DOT is making those decisions. If they see a priority list, and know that the region is supportive of certain projects, it's easier for them to fund those types of projects than when you have differing priorities.”

He highlighted the role of infrastructure investment as an economic driver by sharing data from recent economic studies revealing that for every \$1 of investment in transportation, the return on investment is \$4 in economic development. Since the St. Louis region's Priority Projects List includes nearly \$2.3 billion in funded projects, that translates into close to \$10 billion in near-term economic impact coming to the St. Louis region as those projects advance. The total for all 27 projects on the list tops \$8 billion, which means completed, current and planned projects represent \$24 billion in economic impact for the bi-state region.

Gill said it is important that for every project on the region's Priority Projects List, the St. Louis Regional Freightway be able to tout how those investments are not only impacting the creation of jobs on the construction side, but also the businesses that want to locate in areas with improved infrastructure and their employees who will enjoy reduced commuting times, so they are able to spend more time with their families.

"It's just a ripple effect in the community that you're going to see continued growth in this area," said Gill.

Looking closer at the next reauthorization bill, Gill said AASHTO would like to see more money go into the formula programs so that states and local governments have a more predictable level of funding in order to plan for projects. He said having discretionary programs for some of the larger mega projects, such as the work on I-270 that has received historic funding from both states, can have a dramatic impact on accelerating projects that otherwise would have taken 20 years or so to secure funding and be completed.

When asked about trends impacting the freight industry, Gill mentioned low river levels and the pandemic, but zeroed in on public transportation and the vital role it played in serving people that needed to be at their jobs because working from home simply wasn't an option.

"If you have labor shortages or problems with getting people to work, you're going to have that ripple effect in the supply chain as well," said Gill.

He said companies such as Amazon, UPS and others are building warehousing facilities in places that they may not have thought of 10 years ago and the St. Louis region has benefitted from that shift.

During the Question and Answer portion of the summit, Gill was asked how to educate everyday people, so that they are advocating for the infrastructure investments that are so necessary. He said a lot of people do not realize how transportation does affect them on a daily basis until they're stuck in traffic for two hours. He added that understanding grows when they are having a package delivered from Amazon within one day, or they can be home 15 minutes earlier so they can tuck the kids in at night or be able to do some homework with them or just spend quality time with their dog.

"You need to be able to tell those individual stories, because transportation does have a daily effect in a lot of aspects of your life that maybe we don't, as professionals, share enough," said Gill. "I take that as a challenge to us as well to make sure that we're educating the public on the benefits that we're investing in. Sure, we can say trip times are down by 10 minutes or that you have another mode of transportation, but being able to tell those individual stories and how transportation is benefiting your life and how that has a ripple effect on society, I think then helps when we come to asking for additional funding or the need to just keep up with funding for projects."

Mary Lamie moderated the Freight Summit keynote conversation with Gill. Lamie is Executive Vice President of Multimodal Enterprises for Bi-State Development and head of the St. Louis Regional Freightway enterprise. She helped to provide additional context on the impact of the transportation network by sharing how she met with a significant manufacturing company in St. Charles County, Missouri, and learned how they were having issues with their morning shift often having to stay extra hours and be paid overtime because the second shift couldn't get to work on time.

“That's an inefficiency from a manufacturing perspective, and exactly the type of information that I need to share with IDOT and MoDOT and our elected leaders,” said Lamie. “That's a really good reason why we need help with funding projects like Interstate 270 and Interstate 70 in a sustainable manner.”

The conversation also touched on workforce development needs, and Gill talked about how important it is that today's youth see the exciting opportunities and new technologies in the current transportation arena. “We could have a lot of funding, but if we don't have the people that work in the industry, we're not going to be able to leverage those dollars as efficiently as we should.”

FreightWeekSTL is an annual week-long freight and logistic expo presented by the St. Louis Regional Freightway and Bi-State Development. To view a recording of the Freight Summit keynote conversation with Gill or any of other sessions for FreightWeekSTL 2024, visit <https://freightweekstl.com>.

About St. Louis Regional Freightway

A Bi-State Development enterprise, the St. Louis Regional Freightway is a regional freight district and comprehensive authority for freight operations and opportunities within eight counties in southwestern Illinois and eastern Missouri, which comprise the St. Louis metropolitan area. Public sector and private industry businesses are partnering with the St. Louis Regional Freightway to establish the bi-state region as one of the premier multimodal freight hubs and distribution centers in the United States through marketing and advocacy for infrastructure development that supports the movement of freight. To learn more, visit thefreightway.com.