

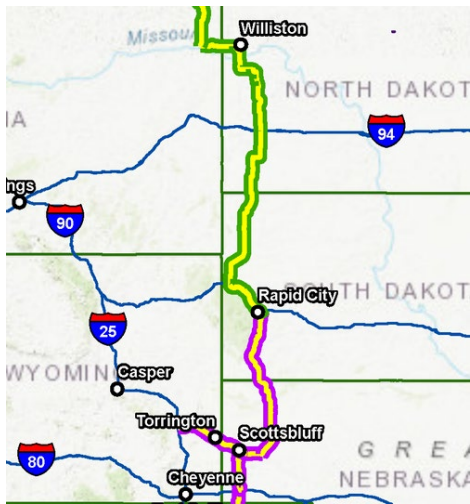
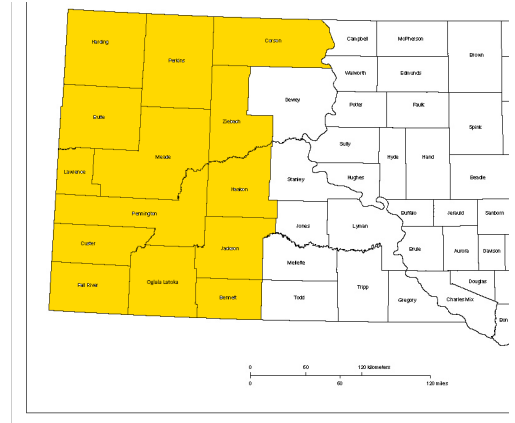
The Heartland Expressway (HE) and Theodore Roosevelt Expressway (TRE)

What drives South Dakota's economy?

“Agriculture is the foundation of South Dakota's economy and our number one industry, by a significant margin.” – Governor Kristi Noem¹

“The travel sector is an integral part of the South Dakota economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of South Dakota's future. How critical? Tourism represents 5.1% of South Dakota's economy and supports 8.7% of all jobs in the state.”²

The Corridor Counties include the counties which the HE and TRE pass through plus counties within 100 miles of the primary corridor.



As with the State of South Dakota, this region also has a strong agriculture economy. The Corridor Counties account for \$186.4 million in sales of crops³ that provide 1,653 jobs⁴ in these counties. The sales of livestock are even greater at \$727.3 million⁵ accounting for 6,807 jobs⁶ in the Corridor Counties.

Travel spans nearly a dozen sectors including lodging, retail, real estate, air passenger transport, food and beverage, car rental, taxi services, travel agents, and recreation (including museums, theme parks, sports events and others). The Black Hills is a major tourist destination, but tourism impacts each county in the region. Within the Corridor Counties, Visitor Direct Spending is \$1.38 billion or nearly 42 percent of visitor spending in South Dakota. The Direct Visitor Spending creates Direct Employment of 14,062 or 38% of statewide tourism employment providing \$397.81 million in Direct Earnings. Additionally, revenue to state and local governments was \$146.90 million over 53 percent of statewide tourism tax revenue.⁷

The HE and TRE Corridor in South Dakota provides the only major north-south corridor in this region. The improved four-lane divided highway can provide a safer, more efficient system to move agriculture products, tourists, and the citizens of this region.

¹ **Advancing Agriculture**, South Dakota Governor, <https://governor.sd.gov/priorities/advancing-agriculture.aspx#:~:text=Agriculture%20is%20the%20foundation%20of,industry%2C%20by%20a%20significant%20margin.>

² **Economic Impact of Tourism in South Dakota 2021**, Prepared for: South Dakota Department of Tourism, <https://sdvisit.com/research-reports/econ/2021-economic-impact-report>

³ **2017 Ag Census Reports for South Dakota**, USDA, National Agriculture Statistics service, https://www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/County_Profiles/South_dakota/

⁴ **2021 Economic Contribution Study of South Dakota Agriculture, Ethanol and Forestry**, South Dakota Department of Agriculture and Natural Resources, <https://danr.sd.gov/AboutDANR/docs/2021AgEcStudy.pdf>

⁵ **2017 Ag Census Reports for South Dakota**

⁶ **2021 Economic Contribution Study of South Dakota Agriculture, Ethanol and Forestry**

⁷ **The Economic Impact of Tourism in South Dakota – County Analysis 2021**, South Dakota Department of Tourism, <https://sdvisit.com/research-reports/econ/2021-economic-impact-report>

What is the value of the Ports-to-Plains Trade Corridor (P2P) to South Dakota?

The HE and TRE in South Dakota provide a key role in the Ports-to-Plains Alliance Corridor. P2P runs south connecting Nebraska goods and travelers to Colorado, Oklahoma, New Mexico and Texas as well as the key land ports connecting Nebraska goods to Mexico. P2P runs north connecting Nebraska goods and travelers with Wyoming, North Dakota, and Montana as well as land ports connecting to Canada.

The 2,300-mile Ports-to-Plains Alliance Corridor runs from Mexico to Canada through nine rural states and serves several major international border crossings, including Laredo, Texas. The Corridor includes three congressionally designated High Priority Corridors on the National Highway System (NHS): • Ports-to-Plains Trade Corridor #38 • Heartland Expressway #14 • Theodore Roosevelt Expressway #5.

Approximately 1,100 of the 2,300-mile corridor or 47% is upgraded to four-lane or better. In South Dakota, the Corridor has been upgraded to four-lane divided highway or better from the Nebraska/South Dakota State Line through Rapid City continuing until just north of Belle Fourche. Approximately 88 miles of two-lane highway remains to be expanded from north of Belle Fourche to the South Dakota/North Dakota State Line.

USDOT's Freight Analysis Framework 5 showed that Nebraska exported by truck \$5.91 billion in goods to the other eight states along the Corridor in 2020. By 2050, those exports by truck will grow to \$10.30 million, an increase of \$3.5 million for a 98.5 percent increase. The leading exports in both 2020 and 2050 include cereal grains, other ag products, live animals/fish, and animal feed.

The HE and TRE connect to international markets in Canada and Mexico. The value of Truck Exports to Canada is projected to grow from \$397.9 million to \$1.1 billion, an increase of \$692.3 million for a 174.1% increase between 2020 and 2050. Leading commodity exports to Canada by truck in both 2020 and projected in 2050 include animal feed and meat/seafood. Animal feed exported to Canada by truck totaled \$89.6 million in 2020, growing to \$241.6 million in 2050. \$40.1 million of meat/seafood in 2020 and \$122.0 million in 2050 is exported by truck to Canada.

The value of Truck Exports to Mexico is projected to grow from \$130.2 million to \$420.3 million, an increase of \$290.1 million for a 222.8% increase between 2020 and 2050. The leading commodity exports by truck also include animal feed and meat/seafood in both 2020 and 2050. Animal feed exported to Mexico by truck totaled \$8.8 million in 2020, growing to \$23.1 million in 2050. \$92.4 million of meat/seafood in 2020 and \$242.3 million in 2050 is exported by truck to Mexico.

Why should South Dakota invest in the P2P Trade Corridor?

This corridor connects to significant east-west highways including I-90 at Rapid City, U.S. 18, U.S. 16, U.S. 385, Highway 34, U.S. 212, Highway 168, and Highway 20.

The corridor is an important connection between the beef production, feedlots, and processing facilities from Canada to Mexico, but especially with Nebraska, Colorado and Texas.

Within the economy of South Dakota, agriculture and tourism are major economic sectors, but especially so in these Corridor Counties which rely upon agriculture and tourism as the economic base. The corridor connects major tourism destinations in SD and ND. It connects the Black Hills, Mt. Rushmore, and the Badlands in SD with Theodore Roosevelt National Park and the Future Theodore Roosevelt Presidential Library in ND. I-90 provides a significant resource to attract tourists moving east-west. The HE/TRE Corridor in South Dakota, along with its connections on the entire P2P Corridor, provides a significant opportunity to add to the tourists moving north-south in North America.

The P2P Alliance urges South Dakota to initiate planning for the expansion to four-lane of U.S. 85 north to Belle Fourche. The Alliance urges you to communicate the importance of this planning to the Governor, Legislature, and SDDOT. Completing the four-lane divided highway is good for the region and the state, and good for business.

