Texas I-27 South Extension Advocacy Brief

Proposed extension to the Rio Grande Valley

The supplied analysis examines an estimated 113-mile extension of I-27 toward the Rio Grande Valley. The proposal would improve connections among South Texas communities, freight routes and border gateways as part of a broader north south corridor. These results apply to the extension scenario alone; they should not be confused with the separate analysis of the combined Texas corridor.

66,932	$13.03B	$7.24B	$520M
total jobs	economic output	state GDP	state tax revenue

The economic case for action

Construction investment

- A roughly $5.51 billion construction investment is projected to generate $13.03 billion in statewide output.
- The construction phase supports $7.24 billion in GDP and approximately $5.85 billion in personal income.
- The 66,932 jobs supported include 31,478 direct, 4,542 indirect and 30,911 induced jobs.

Benefits develop over time

- In 2055, modeled annual output is $1.95 billion below baseline, with 5,115 fewer jobs.
- By 2070, annual output is $2.32 billion above baseline; it reaches $4.22 billion in 2080.
- By 2080, jobs rise 2,641 above baseline; cumulative 2055–2080 tax revenue is $320 million.

Why the corridor matters

- A more dependable link could strengthen freight access to South Texas border gateways.
- Improved connections may lower transportation costs for manufacturers and other businesses.
- Route development can address safety, local access and resilient travel.

What policymakers can do

- Complete route and port-connection studies with community input.
- Advance feasible segments through environmental review and engineering.
- Sequence investments to deliver useful connections and test economic timing assumptions.

Why the extension matters

South Texas trade gateways and fast-growing communities need dependable routes to markets farther north. An Interstate-quality extension could improve access to ports of entry and regional freight facilities while providing a more reliable connection to the established Ports-to-Plains system. The final alignment and connections should be evaluated through project planning and community engagement.

Advance a practical delivery pathway

Study the proposed route, border-port connections, freight demand, safety, right-of-way and community impacts. Advance feasible segments through environmental review and preliminary engineering, then phase construction with state and federal partners. The modeled early decline in mobility effects underscores the importance of evaluating timing and the sequence of completed connections.

Cost methodology. The approximately $48.8 million per mile figure and $5.51 billion investment are preliminary planning assumptions supplied by the Ports-to-Plains Alliance, not REMI model outputs. They reflect upgrading existing two-lane and four-lane routes to Interstate standards, with base costs escalated by 3 percent annually over an assumed 25-year construction period. Actual costs will vary by segment.

About the analysis. The attached one-pager covers only the proposed I-27 extension. It separates construction effects from modeled transportation-efficiency effects, including negative effects in 2055. REMI provides economic modeling tools; North Dakota State University's Upper Great Plains Transportation Institute supplied HERS transportation data. Construction output is in fixed 2024 dollars, construction tax in fixed 2022 dollars, and operating impacts in fixed 2025 dollars.

Ports to Plains Corridor — Texas

Extension of I-27 to the Rio Grande Valley

Construction Phase

Static impact

The I-27 extension to the Rio Grande Valley in Texas spans an estimated 113 miles, a total investment of roughly $5.51 billion. This delivers $13.03 billion in total economic output and 66,932 jobs across the state economy, including 31,478 direct construction jobs and 35,453 supported indirectly through suppliers and household spending. Each direct job generates an additional 1.13 jobs statewide, and each dollar of direct output generates an additional $1.41 in statewide output. This construction phase generates a total of $520 million in tax revenue for the state.

Cost per mile ($48.8 million) is a preliminary planning assumption supplied by the Ports to Plains Alliance for this corridor scope, not a REMI model output. Actual costs will vary by segment based on existing highway configuration, structures, interchanges, right-of-way, utilities, environmental requirements, and urban conditions.

$520M	2.41×	66,932	$13.03B	$48.8M	113.00
TOTAL TAX REVENUE fixed 2022 dollars	OUTPUT MULTIPLIER total ÷ direct output	TOTAL JOBS SUPPORTED direct + indirect + induced	TOTAL ECONOMIC OUTPUT fixed 2024 dollars	COST PER MILE corridor construction	CORRIDOR MILES I-27 extension

Impact Channel	Employment (jobs)	Economic Output ($M)	Description
Direct	31,478.46	5,410.37	Construction activity itself
Indirect	4,542.40	1,455.17	Supplier & supply-chain purchases
Induced	30,910.72	6,159.81	Household re-spending of wages
Total Impact	**66,931.58**	**13,025.35**	**All channels combined**

Gross Domestic Product: $7,236.94M (millions of fixed local 2024 dollars) · Personal Income: $5,852.66M (thousands of current dollars, shown in millions)

Operations Phase — Transportation Efficiency

2055–2080 · 25-year horizon

Expanding the highway system increases transportation access and lowers transportation costs for businesses and residents of Texas, supporting a wide range of industries and employment opportunities. Economic output declines by $1.95 billion in 2055 as employment and output initially fall relative to baseline, then turns positive, reaching $2.32 billion in gains by 2070 and $4.22 billion in gains by 2080. Employment reaches 2,641 sustained jobs by 2080, and population grows to 23,985 residents. Cumulative tax revenue reaches $320 million over the 25-year horizon.

$320M

Total Tax Revenue

2055–2080, fixed 2025 dollars

Sustained Gain for Texas, Over Baseline	2055	2070	2080	Peak
Total Employment (jobs)	−5,115	1,257	2,641	2,641 (2080)
Population (persons)	−1,163	17,357	23,985	23,985 (2080)
Economic Output ($B, fixed 2025)	−1.945	2.316	4.217	4.217 (2080)
Total Tax Revenue ($M/yr, fixed 2025)	**−78**	**42**	**87**	**87 (2080)**

Employment Distribution — Operations Phase



Highway Economic Requirements System (HERS) data provided by the NDSU Upper Great Plains Transportation Institute.