

Ohio River Bridges Economic Impact Analysis

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Objectives

1. Assess the impact of the Ohio River Bridges Project on existing commercial and industrial development.
2. Quantify the impact of the bridges on regional employment (and associated earnings, value added and output).
3. Assess the impact on future employment (and associated earnings, value added and output).
4. Quantify fiscal impacts on local government revenues, and the demand for local services.

Scope

1. Regional Modeling of Economic Impact on the Overall Region
2. Strategic Analysis of Effects on Indiana Business Environment
3. Analysis of Fiscal implications for Indiana Communities

Regional Modeling

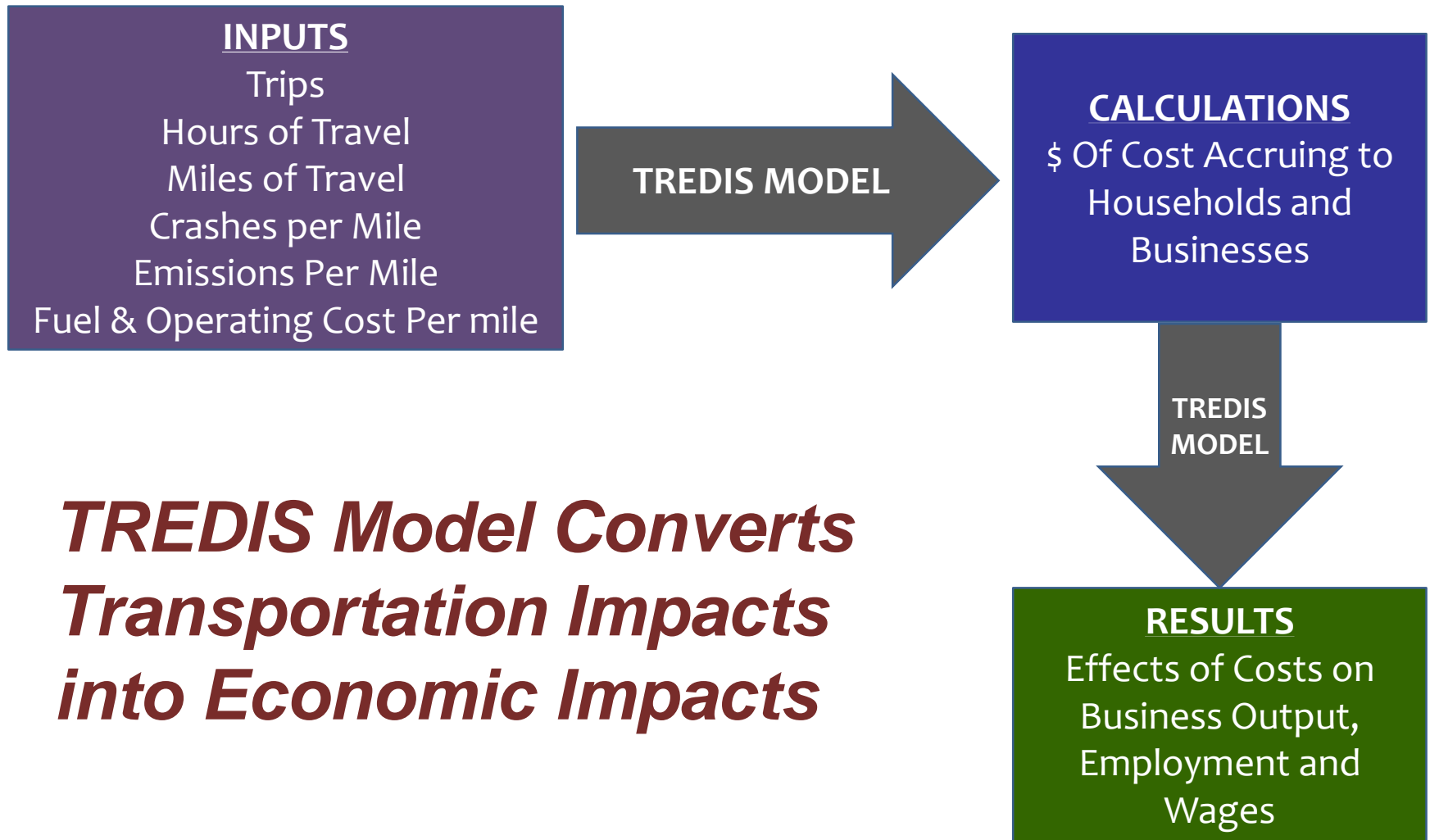
1. Transportation Regional Economic Information System (TREDIS) Model Used

- ❖ Standard model used in all parts of the US and by the Federal government
- ❖ Built using data from BEA, USDOT and Minnesota IMPLAN Group

2. Inputs are Specific to Ohio River Bridges Project

- ❖ Construction outlays
- ❖ Number of Trips
- ❖ Miles and hours of travel affected by the bridges,
- ❖ travel time to major surrounding cities (Frankfort, Cincinnati, Lexington and Others)

Regional Modeling



TREDIS Model Converts Transportation Impacts into Economic Impacts

Model Results

Impact Type	Cumulative Earnings (\$M)	Cumulative Output (\$M)	Average Annual Employment Level
Construction Spending	\$2,303	\$5,724	1,532
Enhanced Market Access	\$3,043	\$7,504	1,950
Transportation Efficiency/Operations	\$1,679	\$4,234	1,279
Impact of Tolls	-\$2,211	-\$5,580	-1,578
Impact of Land Use	\$22,489	\$66,100	14,614
Total Economic Impact	\$27,303	\$77,983	17,796

Source: EDR Group

Strategic Analysis

1. Qualitative Analysis to assess considerations beyond the resolution of regional modeling:

- ❖ Changes in specific business environments
 - Construction Area
 - Establishments with high levels of pass-through business
 - Bridge Approaches
 - Developable Land made Accessible by Bridges
- ❖ Effects on business viability and location decisions
 - Descriptive analysis to identify strategic issues
 - 29 interviews with business community stakeholders
 - Interviewees selected to be representative of affected business environments
- ❖ Local Economic Development Strategies and Land Use Effects
 - Viability of businesses in affected areas
 - Capacity and likelihood of build out in new areas

Strategic Analysis

2. Site visit to all Indiana areas directly affected by the project:

- ❖ Floyd County
- ❖ New Albany
- ❖ Clark County
- ❖ Clarksville
- ❖ Jeffersonville
- ❖ Charlestown
- ❖ Sellersberg

3. Online Survey of Business Stakeholders

- ❖ Distributed to over 4,000 businesses by e-mail
- ❖ 81 responded

Fiscal Analysis

- Government Expenses Based on:
 - ❖ Average use of services per-person or per-job
- Government Revenues Based on:
 - ❖ Anticipated Change in Property Development
 - ❖ Anticipated Change in Jobs
 - ❖ Associated Change in Population
 - ❖ Tax Rates per Job, Per Person

Fiscal Analysis

- Results of Fiscal Analysis:
 - ❖ \$15.4 Million Additional Revenues
 - ❖ \$12.5 Million Additional Expenses
 - ❖ \$2.9 Million Net Local Government Surplus by Full Build Out
- Key Assumptions/Caveats
 - ❖ All School Expenditures Accrue to State Level
 - ❖ Only Impacts Associated with the Ohio River Bridges are assumed