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5.5 Economic Impacts

Since the Draft Environmental Impact Statement (DEIS), the following substantive changes have been made to this section.

- Direct forest land impacts have been updated for Alternatives C1 through C4 and added for the Refined Preferred Alternative (RPA) (**Section 5.5.3.1**).
- Farm income losses have been updated for Alternative C4 and added for the RPA (**Section 5.5.3.2**).
- Project spending has been updated to include the cost of the RPA (**Section 5.5.3.3**).
- Highway user costs have been added for the RPA (**Section 5.5.3.4**) and adjusted for the other alternatives based on modeling refinements made after the DEIS was published.
- Business relocations have been added for the RPA (**Section 5.5.3.5**).
- Impacts to the value of property on the tax rolls and local property tax receipts have been provided for the RPA (**Section 5.5.3.6**).

5.5.1 Introduction

This section addresses the economic impacts of I-69 Section 6 by providing a qualitative analysis of positive and negative economic impacts anticipated to result from the alternatives. Impacts are quantified where the necessary information is readily available.

The localized impacts discussed here need to be viewed against the backdrop of the overall economic benefits which would accrue for all south central and southwest Indiana once I-69 is completed between Evansville and Indianapolis. These project-specific benefits are documented in the Tier 1 FEIS (Section 3.4.4, *Economic Development Indicators*). In addition, the I-69 Section 6 project will result in significant economic benefits to the four-county area of Morgan, Johnson, Hendricks, and Marion counties. **Table 3-1** shows that over the 20-year period following completion of the I-69 Section 6 project, these counties will realize an additional $1.7 billion in employee wages and an additional $2.4 billion in regional domestic product.

The methodology for analyzing economic impacts is documented in **Section 5.5.2. Section 5.5.3** documents the positive and negative economic impacts of I-69 Section 6. The following impacted resources were evaluated:

- Timber income,
- Farm income,
- Project spending,
- Highway user costs and benefits,
- Business and employment impacts,
- Local property tax impacts, and
- Local property values.

Section 5.5.4 discusses mitigation measures to address negative economic impacts and **Section 5.5.5** presents a summary of the economic impacts of I-69 Section 6.

Both direct and indirect impacts are referenced in this section, defined as follows.

- **Direct impacts** are defined by the Council of Environmental Quality (CEQ) Regulations as those projects which are caused by the action and occur at the same time and place effects that are a clear and immediate result of implementing the project.
- **Indirect impacts** are defined by the CEQ Regulations as "effects which are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable" (40 CFR §1508(b)). They may include growth inducing changes in the pattern of land use, population, and employment.

The section also discusses reasonably foreseeable future economic growth and associated indirect economic impacts. Indirect economic impacts are estimated using forecasts of increased economic activity produced from the TREDIS model. TREDIS is a suite of economic forecasting tools that provide benefit-cost analysis, economic impact analysis, and financial impact analysis for transportation projects. Documentation of the TREDIS model is provided in **Appendix Y**.

Economic effects are regional in that they would occur beyond the immediate area surrounding I-69. For most of the analyses in **Section 5.5**, the study area is the four-county purpose and need study area of Hendricks, Morgan, Marion, and Johnson counties.

5.5.2 Methodology

5.5.2.1 Timber Income

The loss of timber income is a direct impact of the project. Owners of tracts of forested land have the option to harvest trees and sell their timber for commercial use. To determine the impacts to timber resources, GIS analysis was utilized to calculate the total acres of forest land that would be purchased for the project right of way and subsequently converted to the project roadway and/or adjacent project right of way. Such analyses were conducted for each of the build alternatives, including the RPA.

Although direct changes to the amount of timber available for sale could occur with the build alternatives, they are likely to be small due to the small amount of forest land being acquired for the I-69 Section 6 project. Timber harvesting can occur on privately owned forested land at any point in time. If it were possible to reasonably predict timber harvesting patterns, a net present value of the timber resources could be calculated. However, considering the comparatively limited impact to forested lands, lack of information on the suitability of impacted forests for commercial harvesting, and the inability to forecast when landowners otherwise would choose to harvest forest for timber income, no present values for timber resources are provided.

GIS analysis and site observations were used to identify the size and shape of forested land that would be directly impacted by the project and could be used for timber harvesting. This determination of forested land gave no consideration as to the potential for cutting timber, other than confirming that it was land on which timber harvesting could occur. These lands excluded state parks, nature preserves, and similar properties.

5.5.2.2 Farm Income

The loss of farm income is a direct impact of the project. To determine lost farm income, farmland acreage impacts are multiplied by average crop production rates reported by the U.S. Department of Agriculture (USDA). The quantity of each crop taken out of production is multiplied by the average commodity price for Indiana. Crop production at the county level was obtained from USDA National Agricultural Statistical Service for the period 2011 to 2013. Agricultural pricing data was obtained from a 2014-2015 USDA Annual Statistical Bulletin. **Section 5.4** details calculations of loss of farmland due to conversion to I-69 right of way in Morgan, Johnson, and Marion counties. Hendricks County is not included in this analysis since no right of way is taken there.

5.5.2.3 Project Spending

Design and construction of I-69 Section 6 would include costs for preliminary engineering, right of way and relocations, mitigation, construction, utility relocation and contract administration. **Section 6.3.3** discusses project cost estimates in detail. Estimates of project cost in year of expenditure dollars assume design-bid-build construction beginning in 2020 and ending in 2026.

5.5.2.4 Highway User Costs and Benefits

Overall highway user impacts are estimated based on the total projected vehicle hours traveled (VHT) and the total projected vehicle miles traveled (VMT) in Johnson, Marion, Hendricks, and Morgan counties under the no-build scenario and build alternatives. These measures are determined through application of the I-69 Corridor Travel Demand Model, which simulates travel on local roads and state highways throughout the study area. Preliminary studies for I-69 Section 6 show time savings in the range of 20 to 25% for users of SR 37 (see **Appendix EE**), but differences in total vehicle hours of travel over a large four-county area are less pronounced.

The higher capacity and travel time advantages of I-69 between Martinsville and Indianapolis would provide clear benefits for those who currently use SR 37. Congestion would be greatly reduced by eliminating access driveways, at grade intersections, and traffic signals. Travel time would be improved for all users. These benefits would be so attractive that many motorists would divert from alternate routes to the new I-69, even if the trip is longer than the one they would otherwise use. These longer trips increase the VMT in the larger network. Even short trips are attracted if the route is convenient. Traffic from developments that occur in response to the improved accessibility of I-69 would also use the facility. Some long-distance trips from outside

the four-county study area would divert to I-69 due to the attractiveness of the facility, which would increase both VHT and VMT.

For current users of the corridor, the benefits of improved efficiency, travel time, and safety of upgrading SR 37 to a freeway with the I-69 Section 6 project would be achieved, consistent with the project purpose and need. These benefits may not be apparent in the four-county measures of VHT and VMT, but these are the appropriate measures for evaluating the net impact on overall user costs for the region.

Highway user costs include the cost of operating a vehicle, such as fuel, maintenance, and insurance; the cost of travel time; and the cost of crashes. Operating costs are directly related to the distance traveled. User time costs are directly related to the time required to make a trip. Highway user costs are also incurred due to crashes, which result in property damage and frequently in injuries or fatalities.

VMT and VHT estimates were developed with the use of POST-ALT Travel Model Post-Processer. Crashes were calculated using the FHWA Interactive Highway Safety Design Model (IHSDM). IHSDM is a suite of software analysis tools that evaluate the safety and operational effects of design decisions on highways. This analysis compares the layout and access features of each alternative, with SR 37 as the no-build scenario. Modeling refinements made after the DEIS was published (see **Section 5.6.2.1**) also resulted in adjustments to the travel and crash costs.

5.5.2.5 Business and Employment Impacts

Direct business impacts include the number of businesses relocated under each alternative. GIS analysis identified the businesses that could be relocated under each of the five build alternatives. Indirect employment impacts include added activity from businesses which choose to expand or relocate to the project area. The TREDIS model forecasts the number of jobs added to the four-county purpose and need study area as a result of the project. These jobs are added in response to reduced business costs and increased accessibility due to the highway.

This project has the potential for indirect land use impacts. New highway access often spurs land use changes, such as new businesses/industries that create job opportunities and that, in turn, attract employees to an area, spurring residential development. These changes in land use are anticipated in areas that are currently undeveloped. This development is reasonably foreseeable in response to the project.

To gain an understanding of potential impacts to businesses in the study area, a survey was distributed to businesses within 1 mile on either side of existing SR 37. Responses were received from 115 of the 1,435 businesses. This resulted in an 8-percent survey participation rate. SurveyGizmo, an online resource for surveying, notes that a typical participation rate is 10 to 15 percent for external surveys. While 8 percent is just short of this average rate of participation, the 115 responses provide a profile of project impacts to businesses within and near the study area. Documentation of the business survey and its results are provided in **Appendix A**.

5.5.2.6 Local Property Tax Impacts

The purchase of right of way for the build alternatives would convert taxable, privately owned land to a tax-exempt status, reduce the local property tax base, and decrease the property tax revenue generated for local government. **Section 5.5.3.6** presents the estimated value of the property acquired and the changes in the property tax base for each build alternative. Improvements on the land were determined from real property parcel data provided by Johnson, Marion, and Morgan county assessors, and tax rates provided by STATS Indiana.

5.5.2.7 Local Property Values

Impacts of the project on future property values were considered using accepted land use and development principles related to major transportation projects and by applying these principles to I-69 Section 6.

5.5.3 Analysis

5.5.3.1 Timber Income

Direct forest land losses (see **Table 5.20-5**) are estimated to be 138 acres for Alternative C1, 148 acres for Alternative C2, 103 acres for Alternative C3, 146 acres for Alternative C4, and 160 acres for the RPA. Indirect losses of timber land to forest land caused by induced growth from the I-69 Section 6 project (see **Table 5.3-1**) are anticipated to be 63 acres for Alternatives C1, C3, C4, and the RPA; and 66 acres for Alternative C2.

Landowners potentially affected by the I-69 Section 6 project may choose to accelerate harvesting timber on their land because harvestable timber is not valued when land is appraised for purchase as right of way. This behavior was observed in the course of obtaining right of way for other sections of I-69. In those instances, it was generally understood that since compensation for project land purchases did not account for the value of timber, landowners harvested standing timber to maximize their revenue from the transfer of their land to INDOT. The short-term increase in available timber supply could affect the price of timber in the local marketplace. Timber salvage from the I-69 Section 6 construction project could also affect the local area timber supply and market price.[1] There is great uncertainty in the many factors influencing how and when timber harvesting occurs. No attempt is made to assess either timber harvest revenues or the effect of the magnitude and timing of these revenues in this section.

INDOT recognizes that the loss of forested lands can have negative impacts on bat populations and discourages accelerated timber harvesting in advance of land transfers. FHWA and INDOT

[1] *Salvage represents timber recovery as construction occurs and forested land is cleared for the project. Timber salvage, if determined feasible by the contractor, would occur during construction and would be conducted by construction contractors.*

propose to develop a voluntary agreement with landowners, such as a "right of entry" agreement or other type of covenant, to pay landowners to limit the time of year in which they harvest their property. This time period would be limited to the late fall and winter when Indiana bats are not present in the forested areas. **Section 5.17** provides additional information.

5.5.3.2 Farm Income

Section 5.4 describes the impact of this project on farmland. **Table 5.4-4** provides estimated losses in receipts for harvest of corn, soybeans, wheat, and hay. The estimated annual market value of total crop loss, as shown in **Table 5.4-5,** is $172,140 for Alternative C1, $234,287 for Alternative C2, $164,925 for Alternative C3, $216,464 for Alternative C4, and $239,605 for the RPA. This corresponds to a loss of total agricultural crop receipts in Johnson, Marion, and Morgan counties of 0.10 percent for Alternative C1, 0.14 percent for Alternative C2, 0.10 percent for Alternative C3, 0.13 percent for Alternative C4, and 0.14 percent for the RPA. **Table 5.4-3** provides total acres of harvested cropland in these three counties. **Table 5.4-4** provides 3-year averages of crop receipts for the three counties.

5.5.3.3 Project Spending

Estimated project spending is listed below.

- Alternative C1: $1.65 billion
- Alternative C2: $1.43 billion
- Alternative C3: $1.35 billion
- Alternative C4: $1.48 billion
- RPA: $1.58 billion (see **Section 6.4.3** regarding RPA estimated probable cost)

Local economic impacts of construction activity would include direct and indirect positive impacts and induced effects as described below. It should be noted that comparable effects would be expected to occur if a similar level of construction expenditures occurred in another geographic area.

- **Direct positive impacts,** including wages and local purchases of building materials.
- **Indirect positive impacts**, such as increases in employment in the construction support services.
- **Induced effects**, such as construction staff purchasing more goods and services from local businesses. These purchases may include expenditures by highway construction workers temporarily living in the project area for an extended period of time. This would result in the purchasing of overnight accommodations, food, gasoline, etc.

5.5.3.4 Highway User Costs and Benefits

Generally, the construction of I-69 Section 6 would improve overall accessibility and safety within the region, with more trips being made on a limited access, multilane interstate highway. Average travel speeds would be higher and crash rates would be lower on I-69 than on existing SR 37. Due to access restrictions, there are localized situations where access control restrictions and local service road configurations would result in longer trips. In both cases, user costs would change within the corridor.

The total VMT, VHT, and crashes expected in Johnson, Marion, Hendricks, and Morgan counties in an average year has been forecasted for the no-build scenario and the build alternatives in Year 2045. This information is used to estimate changes in user costs. **Table 5.5-1** and **Table 5.5-2** compare the average daily vehicle operating cost and average daily user time cost for each alternative within this four-county area. Values provided in these tables reflect refinements made to traffic forecasts subsequent to publication of the DEIS. Traffic engineering staff of INDOT, FHWA, and the project team determined that some base year traffic counts used in modeling I-465 were taken during periods of nearby road construction and resulted in artificially low volume forecasts on I-465. Base year and future year volumes on I-465 were adjusted to reflect more recent and appropriate traffic counts, and traffic forecasts were adjusted for the no-build scenario and all alternatives, including the RPA. See **Appendix Y** for a description of traffic forecast refinements.

Table 5.5-1: Year 2045 Average Daily User Costs by Vehicle-Miles Traveled

Location	No-Build	Alt C1	Alt C2	Alt C3	Alt C4	RPA
Auto						
Vehicle Miles Traveled (1,000s)[1]	40,378	41,036	41,017	41,012	41,028	41,006
Operating Cost (1,000s)[2]	$11,669	$11,859	$11,854	$11,852	$11,857	$11,851
Truck						
Vehicle Miles Traveled (1,000s)[1]	4,227	4,328	4,329	4,328	4,328	4,327
Operating Cost (1,000s)[2]	$4,282	$4,385	$4,386	$4,385	$4,385	$4,383
Total	**$15,951**	**$16,244**	**$16,240**	**$16,237**	**$16,242**	**$16,234**

*1. VMT values shown in DEIS for Alternatives C1-C4 are adjusted based on refined traffic forecasts. See **Section 5.6.2.1**.*
2. Daily operating cost per 1,000 mi = $289 for auto and $1,013 for truck.
Source: POST_ALT Travel Model Post-Processer (Daily VMT and VHT), TREDIS Model (cost/mile), adjusted per note 1.

Table 5.5-2: Year 2045 Average Daily User Costs by Vehicle-Hours Traveled

Location	No-Build	Alt C1	Alt C2	Alt C3	Alt C4	RPA
Auto						
Vehicle Hours Traveled (1,000s)[1]	1,189	1,197	1,197	1,198	1,198	1,198
Time Cost (1,000s)[2]	$20,206	$20,355	$20,350	$20,358	$20,358	$20,361
Truck						
Vehicle Hours Traveled (1,000s)[1]	104.1	104.3	104.2	104.3	104.3	104.5
Time Cost (1,000s)[2]	$3,019	$3,025	$3,022	$3,025	$3,025	$3,031
Total	**$23,225**	**$23,380**	**$23,372**	**$23,383**	**$23,383**	**$23,391**

*1. VHT values shown in DEIS for Alternatives C1-C4 are adjusted based on refined traffic forecasts. See **Section 5.6.2.1**.*
2. Daily time cost per hour = $17 for auto and $29 for truck.
Source: POST_ALT Travel Model Post-Processer (Daily VMT and VHT), TREDIS Model (cost/hour), adjusted per note 1.

Table 5.5-3 and **Table 5.5-4** present the average annual crash costs projected within the I-69 Section 6 corridor in the year 2045 for the no-build scenario and each build alternative. Crashes and crash costs are provided on an annual basis. Crashes were calculated using the FHWA Interactive Highway Safety Design Model (IHSDM).[2] IHSDM is a suite of software analysis tools that evaluate the safety and operational effects of design decisions on highways and provide a relative comparison of crash prediction by alternative. This analysis compares the layout and access features of each build alternative with the no-build scenario. See **Section 5.6.4**.

Table 5.5-3: Year 2045 Annual Crash Costs – Alternatives C1 through C4 and No-Build

	Property Damage		Fatal/Injury		Total	
	Crashes	Cost	Crashes	Cost	Crashes	Cost
No-Build	453	$1,903,000	237	$74,655,000	690	$76,558,000
Alt C1	383	$1,609,000	181	$57,015,000	564	$58,624,000
Alt C2	387	$1,625,000	191	$60,165,000	578	$61,790,000
Alt C3	397	$1,667,000	196	$61,740,000	593	$63,407,000
Alt C4	385	$1,617,000	186	$58,590,000	571	$60,207,000

*Sources: Crash Forecasts - FHWA Interactive Highway Safety Design Model (IHSDM), see **Table 5.6-5**; Crash Costs - TREDIS Model*

[2] http://www.fhwa.dot.gov/research/tfhrc/projects/safety/comprehensive/ihsdm

Table 5.5-4: Year 2045 Annual Crash Costs – RPA and No-Build

	Property Damage		Fatal/Injury		Total	
	Crashes	Cost	Crashes	Cost	Crashes	Cost
No-Build (Adjusted)[1]	572	$2,407,000	286	$90,090,000	858	$92,497,000
RPA[1]	502	$2,108,000	236	$74,340,000	738	$76,448,000

*[1] Crashes for the adjusted no-build scenario and the RPA are based on a larger study network and updated I-465 traffic forecast developed after the DEIS was published. See **Section 5.6.2.1** and **Table 5.6-6**.*

Sources: Crash Forecasts - FHWA Interactive Highway Safety Design Model (IHSDM); Crash Costs - TREDIS Model

The crash analyses performed for the RPA and the no-build scenario shown in **Table 5.5-4** reflect the adjusted traffic forecasts on I-465 made after the DEIS was published. The roadway network is larger than that used for Alternatives C1 through C4 to capture the larger area of the RPA. Since predicted crashes for Alternatives C1-C4 are nearly equal, and the design features of the RPA are a refinement of Alternative C4, crash numbers and costs would be very similar for either alternative if the roadway network for Alternative C4 were expanded, as it was for the RPA.

Overall, user costs within the four-county study area are forecasted to increase by about two percent with the build alternatives. The higher cost primarily reflects the increase in through traffic from outside of the area that would be attracted to I-69 Section 6. These trips would be made on a route outside the four-county area if I-69 Section 6 were not built. As a result of these additional trips, the overall VMT and VHT on the road network in the four-county area in the year 2045 would increase along with the associated user costs. There would be a corresponding decrease outside the four-county area. See **Section 5.5.2.4**.

All build alternatives, including the RPA, would provide a safety improvement over the no-build scenario. Among the alternatives analyzed in the DEIS, Alternative C1 would have the fewest crashes and Alternative C2 would have the most. The RPA is forecasted to result in approximately 120 fewer crashes in 2045 in the SR 37/I-69 corridor, resulting in a crash cost savings of approximately $16 million.

5.5.3.5 Business and Employment Impacts

There will be both direct and indirect impacts to businesses and employment as a result of I-69 Section 6.

All I-69 Section 6 alternatives, including the RPA, would result in the relocation of businesses. The number of businesses and institutions relocated would be 84 for Alternative C1, 80 for Alternative C2, 91 for Alternative C3, 80 for Alternative C4A, 96 for Alternative C4B, and 76 for the RPA (see **Section 5.2.3.2**). Each business and institution would be offered relocation benefits which would allow operations to be reestablished in another location. Some existing employees may not choose to relocate with these businesses, though this would provide opportunities for others in the workforce.

The potential business relocations within the Martinsville area are highway commercial establishments, restaurants, gas stations, retail, and related businesses. The middle section of the project area is rural, and potential relocations there are commercial or industrial facilities. The northern section of the project area near Indianapolis has mixed use development. Potential relocations are highway commercial and industrial development and higher density residential development. The area near I-465 is characterized by truck stops, truck maintenance/repair facilities, overnight accommodations, restaurants, and retail.

The results of the business needs survey (**Appendix A**) and the availability of relocation options suggest that most of these businesses would be able to relocate within Johnson, Marion, or Morgan counties. Permanent direct impacts associated with job and tax revenue loss would therefore be small.[3] Commercial property is available for sale or lease in the project vicinity in sufficient quantity and in potentially desirable locations to accommodate businesses affected by the project (see **Section 5.2**). Hendricks County is not included in this discussion of direct impacts, since the project does not relocate any businesses in Hendricks County.

Section 5.24 provides a summary of indirect land use changes, and explains the methodology and analysis in greater detail. **Table 5.24-3** documents the changes in land use in each county due to induced growth, as summarized below. These land use changes total 272 to 273 acres, depending upon the breakdown between forest and farmland in Morgan County.

Farmland Converted to Developed Land

- Hendricks County – 25 acres
- Johnson County – 35 acres
- Marion County – 66 acres
- Morgan County – 81 acres (Alternative C2) or 83 acres (Alternatives C1, C3, C4, and RPA)

Forested Land Converted to Developed Land

- Hendricks County – 6 acres
- Johnson County – 6 acres
- Marion County – 7 acres
- Morgan County – 44 acres (Alternatives C1, C3, C4, and RPA) or 47 acres (Alternative C2)

[3] *See **Section 5.2.5,** which documents that there are approximately 10 commercial or industrial properties for sale or lease within Morgan, Johnson, and Marion counties for each business relocation.*

The TREDIS analysis (**Appendix Y**) forecasts economic benefits listed below in the four-county study area over a 20-year period[4] beginning with an assumed opening to traffic in 2026 for I-69 Section 6. The TREDIS analysis considers regional cost savings for businesses and regional accessibility improvements for business customers, suppliers, and markets. All alternatives, including the RPA, would perform essentially the same compared to the no-build scenario.

- Added jobs by Year 2045: 1,400
- Added population by Year 2045: 1,700 to 1,800
- Added business output over 20 years (in Year 2015 dollars): $3.8 billion
- Added wage income over 20 years (in Year 2015 dollars): $1.6 billion

The added business output and wage income over this 20-year period includes permanent growth due to the long-term benefits of I-69 Section 6, and does not reflect construction-related economic activity.

5.5.3.6 Local Property Tax Impacts

Table 5.5-5 shows the estimated value of the property acquired for the I-69 Section 6 project and the changes in the property tax base estimated for each build alternative. Land improvement values were determined from real property parcel data provided by county assessors, and tax rates provided by STATS Indiana.

The potential annual loss in property tax revenue would be $1.90 million for Alternative C1, $2.64 million for Alternative C2, $1.48 million for Alternative C3, $2.68 million for Alternative C4, and $2.15 million for the RPA. This decrease is associated with the loss of $88 million in total assessed property value from the tax base with Alternative C1, $121 million with Alternative C2, $72 million with Alternative C3, $125 million with Alternative C4, and $97 million with the RPA. Although the RPA requires more acres of new right of way than other alternatives, the effect on assessed valuation is reduced since the new local service roads pass primarily through farmland rather than the developed properties impacted by other alternatives.

In the longer term, there is projected to be new residential and commercial development induced by the project, as discussed in **Section 5.24.** These improvements would cause these properties to increase in assessed value, adding to the local tax base. Also, some properties located near the proposed new I-69 interchanges are likely to become more valuable. The resulting increases in assessed valuation are expected to offset tax base losses due to the acquisition of right of way for the highway, as discussed below.

[4] *The TREDIS analysis assumed construction over a 4-year period (2022 through 2025). Economic activity resulting from the project was measured over the 20-year period between 2026 and 2045. The same assumptions were used in the TREDIS analyses comparing both the preliminary and reasonable alternatives. Benefits to all alternatives were measured using the same assumptions about construction period and period of user benefit from the completed project. See* ***Section 3.4.2*** *for details about evaluation of preliminary alternatives. See* ***Appendix Y*** *for detailed tables comparing the TREDIS results.*

Table 5.5-5: Impacts on Local Property Tax Base

Alternative / County	Potential Partial Acquisition Total ($)	Potential Full Acquisition Total ($)	Total, Partial and Full Acquisitions	Ave Tax Rate (per $100 of Assessed Value)	Assessed Value x Rate
Alternative C1					
Johnson Co.	$3,972,000	$9,012,000	$12,984,000	2.29	$297,000
Marion Co.	$5,399,000	$30,332,000	$35,731,000	2.97	$1,061,000
Morgan Co.	$7,374,000	$32,122,000	$39,496,000	1.36	$537,000
Alt C1 Total	**$16,745,000**	**$71,466,000**	**$88,211,000**		**$1,895,000**
Alternative C2					
Johnson Co.	$4,667,000	$12,446,000	$17,113,000	2.29	$392,000
Marion Co.	$5,024,000	$46,481,000	$51,505,000	2.97	$1,530,000
Morgan Co.	$8,529,000	$44,045,000	$52,574,000	1.36	$715,000
Alt C2 Total	**$18,220,000**	**$102,972,000**	**$121,192,000**		**$2,637,000**
Alternative C3					
Johnson Co.	$9,539,000	$3,515,000	$13,054,000	2.29	$299,000
Marion Co.	$8,630,000	$15,155,000	$23,785,000	2.97	$706,000
Morgan Co.	$25,006,000	$9,890,000	$34,896,000	1.36	$475,000
Alt C3 Total	**$43,175,000**	**$28,560,000**	**$71,735,000**		**$1,480,000**
Alternative C4					
Johnson Co.	$4,066,000	$9,508,000	$13,574,000	2.29	$311,000
Marion Co.	$4,455,000	$48,199,000	$52,654,000	2.97	$1,564,000
Morgan Co.	$7,269,000	$51,611,000	$58,880,000	1.36	$801,000
Alt C4 Total	**$15,790,000**	**$109,318,000**	**$125,108,000**		**$2,676,000**
Refined Preferred Alternative (RPA)					
Johnson Co.	$4,728,000	$9,011,000	$13,739,000	2.29	$315,000
Marion Co.	$4,072,000	$39,026,000	$43,098,000	2.97	$1,280,000
Morgan Co.	$4,709,000	$35,834,000	$40,543,000	1.36	$551,000
RPA Total	**$13,509,000**	**$83,871,000**	**$97,380,000**		**$2,146,000**

Source: Lochmueller Group 2013 tax assessor data.

Note: Assessed values provided by county assessors are an approximation of market values that have been uniformly applied to all properties for all alternatives.

Median tax rates are from STATS INDIANA website, http://www.stats.indiana.edu/dms4/propertytaxes.asp, for Johnson, Marion and Morgan Counties.

TREDIS forecasts total increases in state and local tax revenues that relate to added population and employment resulting from the project. TREDIS forecasts indicate that during a 24-year period (a four-year construction period plus a 20-year forecast period, beginning with assumed construction in 2022), state and local tax revenues would increase by $145 million due to induced development. The 24-year period was used since significant property tax impacts are realized from the beginning of the construction project. Using the 24-year time period allows for

comparison of future property tax revenue increases and property tax revenue forfeited as a result of properties being taken off the tax rolls to support the project. This analysis reflects changes in motor fuel and vehicle license taxes, state and county income taxes, sales taxes, business personal property taxes, residential and business property tax payments and other fees and taxes.

5.5.3.7 Local Property Values

Property values in the short term within the corridor would for the most part be unaffected by the project and/or could experience a temporary decrease in the near term immediately following construction of I-69 Section 6. For instance, some commercial properties would lose direct access to traffic or would be affected by a reduction in pass-by traffic. This reduction in traffic has the potential to result in a reduction in sales, which could lower the sale or lease value of a specific location and therefore the valuation of the real estate.

Over time there is the potential for a positive change in property values near the proposed interchanges. Owners of land currently used for agriculture or forest may be approached to sell or lease property for commercial purposes. These changed uses would command a higher value for the land than its value as farmland or forest. This would be especially true in the areas where major roads and highways intersect I-69, including at SR 252/Hospital Road, Henderson Ford Road, SR 144, Smith Valley Road, County Line Road, and Southport Road. In these areas, improved access to I-69 would likely cause an increase in residential and commercial development resulting in increased property values.

Property values within the purpose and need study area would likely increase over time as demand for land to accommodate housing and commerce increases. Long-term changes in land use and potential development induced by the project are described in the discussion of indirect and cumulative impacts in **Section 5.24**.

5.5.4 Mitigation

5.5.4.1 I-69 Community Planning Program

A commitment was made in Tier 1 to develop a Community Planning Program (CPP) for the I-69 project. The program was developed to establish a regional strategy and to provide resources to local communities to manage growth and development associated with I-69. The program provided grants to local communities (cities, towns, and counties) to prepare land use plans, transportation plans, zoning and subdivision ordinances, special highway corridor overlay zones, and other local planning initiatives to manage new developments or to stimulate economic growth along the I-69 corridor.

The I-69 CPP was a two-phase effort. Phase 1 activities included the development of a community planning “toolbox” as a resource for local planning and established the framework for the Phase 2 program. The Phase 2 program provided grants of up to $50,000 for communities

to develop planning programs to help capture economic benefits and manage associated growth. The intent was to encourage positive growth while protecting sensitive environmental resources which potentially could be impacted by development induced by the I-69 project. Neighboring communities could apply for joint grants.

CPP grants to local communities totaled $1,500,000 for the entire Evansville to Indianapolis corridor. Five communities in the vicinity of I-69 Section 6 received grants. The City of Martinsville, Town of Mooresville, and Morgan County opted to team together in their planning efforts and used a $150,000 grant to develop the SR 37/SR 144 Corridor Plan (2010), comprehensive plan updates for Morgan County and Martinsville, and a comprehensive plan and zoning ordinance update for Mooresville. Johnson County and Greenwood received $100,000 to develop a new comprehensive plan that framed challenges and opportunities associated with I-69. **Section 7.2** and **Appendix R** describe the I-69 Community Planning Program.

5.5.5 Summary

This analysis presents the economic impacts of I-69 Section 6 within the corridor and the four-county area surrounding the project. Some of the identified impacts include:

- Total crop production losses would be $172,140 for Alternative C1, $234,287 for Alternative C2, $164,925 for Alternative C3, $216,464 for Alternative C4, and $239,605 for the RPA.
- Total construction costs would range from $1.35 billion for Alternative C3 to $1.65 billion for Alternative C1. The cost of the RPA is $1.57 billion. These cost estimates include preliminary engineering, design, construction, right of way, relocation, environmental mitigation, utilities, and construction administration.
- The number of businesses and institutions that would be relocated are estimated to be 84 for Alternative C1, 80 for Alternative C2, 91 for Alternative C3, 80 for Alternative C4A, 96 for Alternative C4B, and 76 for the RPA.
- Indirect economic impacts would result from the inducement of economic activity because of the improved access in the area. This development is forecasted to result in an additional 1,400 jobs and 1,700 to 1,800 residents in the four-county area by 2045. This would result in the development of 272 to 273 acres of farmland and forest land in the four-county area.
- The business needs survey and availability of relocation options suggests that most these businesses would be able to relocate within Johnson, Marion, or Morgan counties, so that permanent direct impacts associated with job and tax revenue loss would be minimal.
- Acquiring taxable land for public right of way would remove that land from the tax base and, in the short term, reduce the taxes collected. However, induced development and improved access to existing development is anticipated to increase property values and offset the short-term loss in tax base. In addition, the induced development is forecasted to result in about $145 million in increased state and local taxes over a 24-year period.