



Economic Impact Study of the Ohio River Bridges Project

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1

INTRODUCTION

This report and its findings are offered in compliance with Indiana Code 8-15.5-4-1.5 requirement for an economic impact study for the Ohio River Bridges Project (“the Project”). The report addresses each of the provisions of the statute as cited below:

From Indiana Code 8-15.5-4-1.5

...The economic impact study must, at a minimum, include an analysis of the following matters with respect to the proposed project:

- (1) Economic impacts on existing commercial and industrial development.*
- (2) Potential impacts on employment.*
- (3) Potential for future development near the project area, including consideration of locations for interchanges that will maximize opportunities for development.*
- (4) Fiscal impacts on revenues to local units of government.*
- (5) Demands on government services, such as public safety, public works, education, zoning and building, and local airports.*

...

Some provisions of the statute involve analysis of interdependent aspects of Project impacts (such as provision 4 on the impact on revenues to local units of government and provision 5 on the demands on government services). For this reason, this report is organized to present the analysis and findings of each area required by the statute within the context of other relevant considerations. Table 1 below summarizes where within this document each of the statutory items is addressed.

Table 1: Statutory Compliance Lookup Table

Statutory Requirement	Chapter(s) of this Document
1. Economic impacts on existing commercial and industrial development	2 & 3
2. Potential impacts on employment	2
3. Potential for future development near the project area, including locations for interchanges that will maximize opportunities for development	2 & 3
4. Fiscal impacts on revenues to local units of government	4
5. Demands on government services, such as public safety, public works, education, zoning and building and local airports	4

The study includes quantitative modeling analysis of the overall regional impact of the Project for the five counties in the study region modeled in the environmental documentation. This includes the Indiana counties of Clark and Floyd as well as Bullitt County, Jefferson County and Oldham County in Kentucky. Impacts of the Project on the region's long-term employment, personal income and business output are reported. In addition to the regional impacts from construction, market access and enhanced transportation system efficiency, the employment analysis also assesses the specific land use impacts of Project "contingent development" in Floyd and Clark Counties on the regional economy.

The "contingent development" (or land use) impact in the Indiana counties represents the direct, induced and indirect employment in the region as a whole that is expected to be derived from the specific location of the Project in relation to developable land in Indiana, and the existing and potential future development affected by the Project.

Because the economic modeling and its findings are aggregate and regional in nature (consistent with the travel demand model on which it is based), the study goes on to analyze, for purposes of the Indiana statutory requirement, how the regional economic impacts are expected to be experienced at specific locations in Indiana. This analysis includes a more detailed assessment of how existing and potential future development at locations in Indiana near the Project area or otherwise sensitive to the Project will be positioned within the larger economic context described in the modeling. This is where the strategic effects of area access, localized development patterns and strategies, and the business outlook for specific areas affected by the Project are described in detail.

The study concludes with analysis of how the economic changes associated with the Project (both Indiana's share of the overall transportation impacts, as well as the effects of contingent development) are expected to affect county and local fiscal revenues as well as the demand for public infrastructure and services.

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POTENTIAL IMPACT ON EMPLOYMENT, PERSONAL INCOME AND OUTPUT

Applying a regional economic impact model to the five-county region provides a high-level quantitative understanding of the effects that the Ohio River Bridge Project (“the Project”) is expected to have on the overall regional economy. By providing an aggregate economic impact for the region affected by the Project, the analysis is intended to fully satisfy the second statutory requirement (*potential impacts on employment*) and to provide context for fully addressing the first and third requirements (*impacts on existing commercial and industrial development, and potential for future development near the Project area*). It is understood that fully addressing the first and third requirement entails a more detailed analysis of specific development areas and impacts in the direct Project area, which is thus covered in detail in **Chapter 3** of this report.

The findings of the Ohio River Bridges Project’s impacts on employment, personal income and business output are based on the results of the regional travel demand model in combination with the findings of a site visit made to Clark and Floyd Counties in February, 2012. The analysis relies on the synthesis of these elements in EDR Group’s Transportation Economic Development Impact System (TREDIS), which uses transportation cost factors from USDOT to monetize transportation performance improvements, and uses an input-output framework from the Minnesota IMPLAN Group (MIG) to derive direct, indirect and induced economic impacts.¹ Full documentation of the TREDIS methodology is available from www.tredis.com.

The impacts are experienced in terms of jobs, personal income (wages earned from jobs) and output (the value of goods made and sold by businesses). Overall, from 2012 to 2042, the Project is expected to generate an average of 17,796 jobs per year and a cumulative total of \$27.3 billion in personal income and \$78.0 billion in economic output (in constant 2012 dollars) in the regional economy. These changes are pertinent to existing, near-term, and long-term potential of new development throughout the region.

¹ IMPLAN® (IMpact analysis for PLANning) is an economic impact modeling system used to create complete, extremely detailed Social Accounting Matrices and Multiplier Models of local economies. See www.implan.com for more information.

Key Drivers of Regional Impact

The regional economic impacts of the Project are driven by five key factors:

- Construction
- Market Access
- Transportation Efficiency/Operations
- Tolls
- Land Use

Construction

Construction Impact is the activity in the region that is expected to be generated directly by construction outlays for the Project (including the costs of operation and maintenance). These impacts include the jobs and income of people involved in constructing and maintaining the facility and the output of firms employed constructing and maintaining the facility, as well as the induced (employee spending in the regional economy) and indirect effects (supplier purchases of materials). These impacts tend to peak during the construction period, and decline once the facility is fully built. These impacts are reflective of the total Project cost under the currently assumed phasing pattern from 2012 through 2019.

Market Access

Market Access Impact is the increased productivity businesses enjoy when their region is accessible to a larger market area or to other metropolitan areas. In the case of the Ohio River Bridges Project, easier access to the interstate system enhances access to the surrounding trade centers (Indianapolis, Indiana; Frankfort, Kentucky; Columbus, Ohio; and Cincinnati, Ohio), expanding the range of goods and services available to businesses and households in the region as well as the market for regional businesses. The productivity of this improved access is reported as “Market Access” impacts in the region. The impacts include the increased output of firms benefitting from better matching of employees and businesses, shared inputs, knowledge spill over, and overall economies of scale. The improvement in these categories are expressed in increased jobs and income from surrounding firms as the induced (employee spending in the regional economy) and indirect (supplier purchases of materials) effects that occur in the regional economy.

Transportation Efficiency/Operations

Transportation Efficiency/Operations Impact is the increased productivity and reduced costs that businesses and households enjoy due to lower travel times or travel costs from less congested roads, as well as the lower costs and reliability risk associated with operating vehicles under congested conditions. In the case of the

Ohio River Bridges Project, the transportation efficiency/operations impact is derived from the change in the overall regional vehicle miles and vehicle hours of travel (and the share of traffic occurring under congested conditions) based on the travel demand modeling conducted in the NEPA process. The impact includes increased output of firms and households benefitting from transportation efficiency savings and the jobs and income created by these savings as well as the induced and indirect effects that occur when transportation savings are spent in the regional economy.

Tolls

Toll Impact is the adverse impact of tolling on the regional economy. The toll impact is a function of the overall amount of toll revenue which is generated from the share of trips paying the toll that are expected to be based within the region. The direct incidence of the toll is assumed to be shared between the transportation industry (trucking) and households in proportion to the relative shares of passenger cars and commercial trucks paying the toll (based on their share of VMT using the facility and their toll rates for cars and trucks, respectively).

The impact includes reduced output and consumption of firms and households accruing as cost of tolls are passed through the economy, and the adverse effect on jobs and income created by these costs, as well as the induced and indirect effects that occur when toll costs are spent in the regional economy. The analysis assumes that without tolling, the Project (and its associated positive impacts) will not occur. If the Project were financed through some mechanism other than tolling, then in lieu of tolling impacts, the adverse impacts of whatever taxes, fees or reductions in other programs were used to fund the bridges would have been modeled.

Just as construction outlays have a positive impact on the regional economy by “putting money into” the economy, if the toll revenue from households or businesses in the region is used to fund the construction, the positive impacts of the Project may offset the revenues and associated output and employment “taken out” of the economy due to tolling. The adverse impact of tolling can be seen as the “price paid” for the positive impacts of the Project. It is expected that the positive impacts of other types should offset the adverse impacts of tolling (resulting in a positive overall economic impact).

Land Use

Land Use Impact is the impact of strategic development in the area that occurs because of how *specific* land uses or development processes near the Project are affected by the nature of the Project. Unlike the other drivers of impact, the Land Use Impact can be understood as impact that is not caused directly by the performance of the transportation infrastructure, but rather by the degree to which the area in which the Project is implemented is sensitive to a particular connection, resource or amenity provided by the Project. In the case of the Ohio River Bridges Project, the direct land use development impact (or “contingent development” because it is dependent on the

Project) associated with the Project is based on the site visit to Clark and Floyd Counties in February, 2012.

Based on the site visit and the observations further reported in **Chapter 3**, the Project can be expected to directly result in an estimated 9,342 Indiana jobs in the 30-year analysis period. The 9,342 jobs estimate is based on the size of developable land that will be made accessible by the Project, the industries expected to occupy that land and the average jobs per square foot for development of this type in the industries anticipated to be attracted. These jobs are the “direct” jobs that are expected to be attracted to the Indiana portion of the study area over a 30-year period. As a result of these 9,342 “direct” jobs, by 2030 an additional 10,548 jobs will result from the increase in population and the increased consumption of local goods and services associated with the establishments and people that these 9,342 “direct” jobs bring to the region. Table 2 shows the total number of average annual jobs (19,890 by full build out) that will result from this initial attraction of 9,342 by the Project itself. (The scope of this study only assesses the contingent impact in Indiana, although it is understood that further study may also find contingent development impacts in Kentucky).

The majority of the contingent development impacts in Indiana will be located in eastern Clark County in the vicinity of the Port of Indiana and the River Ridge Commerce Center. The planned East End Bridge will directly serve these two unique facilities. The Port provides multimodal transportation services including rail, river barge and highway, making it attractive to businesses that rely on a range of transportation modes for shipping and receiving goods. The planned East End Bridge will enhance the highway network available to multimodal businesses, will open markets to the south, and will better connect to a fourth mode – the Louisville, KY International Airport (SDF). Based on interviews with economic development officials and businesses, as well as a review of recent industry trends in the region, existing businesses that are likely to expand because of the planned new bridge include: transportation providers (stevedores², rail, trucking & warehousing), fabricated metal manufacturers, and food processing companies.

River Ridge currently has over 3,000 acres of land within an existing commerce park and expects to add 2,700 additional acres over time. This park is unrivaled in size in the region and in the nation. It can provide businesses with access to the port facilities as well as accommodating businesses that need very large tracts of land. The planned East End Bridge will enhance the marketability of the site for national and international businesses that need large development sites, access to multimodal transportation, and access to markets throughout the United States. The River Ridge Development Authority believes that the Ohio River Bridges Project will lead to the development of an additional 2 million square feet of new space per year. To

² “One who works at or is responsible for loading and unloading ships in port.” Source: *Merriam-Webster Dictionary*

determine the contingent benefits of this area, a conservative growth estimate of 25% was assumed. Industries likely to benefit include food production (because of proximity to the barge facilities at the river port), fabricated metals, machinery manufacturing, computer and electronic equipment manufacturing, transportation, and mail/package delivery/warehousing. These industries are expected to grow based on observations of the mix of current businesses using the facility, a review of recent industry trends, and discussions with developers and economic development officials about the types of businesses that are showing interest in the property. Included in the employment estimate is the new Amazon.com facility (estimated 2,600 employees), which noted the importance of the planned East End Bridge in its location decision.

The employment estimates also include some small increases in educational services based on discussions with the two colleges in the study area, as well as some increase in waste management, based on survey responses. The total land use impact reported includes the direct 9,342 jobs, the induced and indirect effects, as well as the construction impacts funded by toll revenues in the regional economy. **Chapter 3** of this report describes in detail the basis for the contingent development assumption in Indiana associated with the Ohio River Bridges Project.

Magnitude and Timing of Impact

Over the 30-year analysis period of the economic model (2012-2042), construction impacts accrue the most rapidly (as they begin immediately when Project construction begins). The operating, market access and contingent development impacts occur more gradually as the Project is fully completed and becomes fully operational. Table 2, Table 3 and Table 4 show the magnitude of the economic impact during the construction period and in twelve year increments thereafter.

Table 2: Employment Impact by Category

Employment (average jobs per time period)	2012-2018	2019-2030	2031-2042	30-Year Annual Average (All Periods)
Construction Spending	4,118	835	721	1,532
Enhanced Market Access	0	1,768	3,266	1,950
Transportation Efficiency/Operations	0	1,529	1,672	1,279
Impact of Tolls	0	-1,887	-2,064	-1,578
Impact of Land Use	0	14,420	19,890	14,614
Total Economic Impact	4,118	16,665	23,485	17,796

Table 3: Personal Income Impact by Category

Labor Income (In \$M's)	2012-2017	2018-2030	2031-2042	30-Year Cumulative Total
Construction Spending	\$1,381	\$494	\$428	\$2,303
Enhanced Market Access	\$0	\$1,069	\$1,974	\$3,043
Transportation Efficiency/Operations	\$0	\$802	\$877	\$1,679
Impact of Tolls	\$0	-\$1,056	-\$1,155	-\$2,211
Impact of Land Use	\$0	\$9,452	\$13,037	\$22,489
Total Economic Impact	\$1,381	\$10,760	\$15,162	\$27,303

Table 4: Business Output Impact by Category

Output (In \$M's)	2012-2017	2018-2030	2031-2042	30-Year Cumulative Total
Construction Spending	\$3,414	\$1,236	\$1,074	\$5,724
Enhanced Market Access	\$0	\$2,635	\$4,869	\$7,504
Transportation Efficiency/Operations	\$0	\$2,022	\$2,212	\$4,234
Impact of Tolls	\$0	-\$2,665	-\$2,915	-\$5,580
Impact of Land Use	\$0	\$27,781	\$38,319	\$66,100
Total Economic Impact	\$3,414	\$31,010	\$43,559	\$77,983

It should be noted in Table 2, that the average annual impacts tend to understate the actual impacts accruing for many of the specific expenditure types. For example, most of the construction jobs are created from 2012 to 2017, with relatively few generated after 2017, making the 30-year average significantly lower than the average during the construction period. The same is true with market access efficiency and land use impacts, for which the 30-year average is much lower than the annual impact accruing during the periods when the Project is open and generating impacts.

The above described impacts reflect a quantification of the regional economic impact of the Project on the five-county region. The construction spending, enhanced market access, transportation efficiency and toll impacts are directly associated with the transportation performance characteristics of the Project that have been modeled and studied for engineering purposes as well.

However, the manner in which these regional impacts is expected to affect existing and future potential development specifically in the Indiana counties and how the Project is expected to create the jobs associated with the land use impact (as contemplated by the Indiana statute) requires further analysis, as provided in the following chapter.

3

ECONOMIC IMPACTS ON INDIANA'S EXISTING AND FUTURE COMMERCIAL AND INDUSTRIAL DEVELOPMENT

A thorough strategic analysis of the specific business environments in Indiana areas directly affected by the Ohio River Bridges Project has been conducted to provide the detailed findings required by the first and third statutory requirements (*impacts on existing commercial and industrial development and potential for future development near the Project area, including locations for interchanges that will maximize opportunities for development*). Whereas the modeling analysis in **Chapter 2** entailed a large, regional “systems” view of the Project, the development analysis entails a more micro-level qualitative and strategic analysis of how Indiana’s existing development and future commercial and industrial development patterns are likely to respond to the changed business environment resulting from the Project. Floyd and Clark Counties, as well as the municipalities within their borders, are positioned to realize substantial economic impacts from the Project. This chapter provides a narrative description of these potential impacts on the counties and several jurisdictions within these counties.

The analysis of the economic impacts of the Project on Floyd and Clark Counties relies on several sources. The research team conducted on-the-ground site reconnaissance to gain an understanding of the current economic base of the region, including the existence of businesses and their locations in relation to the Project, the access changes that will occur as a result of the Project, and the characteristics of development sites within the region. As part of the site reconnaissance, the team conducted interviews with 29 individuals representing businesses, local and state governments, colleges and universities, and economic development agencies to discuss potential Project impacts.

The 29 individuals interviewed for the project were chosen to provide a range of geographic and industry perspectives of the potential impacts of the Project on the Indiana economy. Through a web search, the consultant team identified key groups including business associations and chambers of commerce, tourism organizations, and elected officials who could provide a broad perspective on project impacts and could suggest additional people to interview. Telephone contacts were made with these groups to set up interviews. Each person was asked to recommend additional individuals to interview and to bring additional people to the scheduled interview to

help facilitate additional contacts. One Southern Indiana also provided a list of potential interviewees, including representatives of the development community, which was used to schedule additional interviews. During the interview process, the consultants asked for additional contacts for follow-up questions.

In addition, an online business survey provided input from 81 respondents. The survey was used to supplement the interviews, allowing the consultant team to collect information on potential project impacts from a wider range of participants. Notice of the survey was sent to more than 2,000 members of the business community, with 81 people responding by the survey deadline. The team also reviewed recent trends (2001-2009) in employment by industry from IMPLAN, projected growth by industry from Moody's/Economy.com, and data on retail sales and employment for select subareas within the counties from ESRI Business Analyst Online.

Floyd County

Floyd County occupies the western portion of the Indiana study area. In 2010, the population was 74,578.³ In 2010, there were an estimated 24,167 jobs in the County.⁴ Its largest city is New Albany (discussed separately below). Smaller municipalities include Georgetown and Galena.

Existing Businesses

The economic impact of the Project on most parts of Floyd County is expected to be minimal. The County's industrial parks are at capacity, and the County is focusing efforts on attracting high-tech businesses that can utilize its highly educated workforce and the access to high capacity data lines put in place to serve Indiana University Southeast (IUS) in New Albany. Most existing businesses use the Sherman Minton Bridge to go to Kentucky, and will use the new planned bridges on a limited basis. Tolling will have a limited impact on existing businesses.

New Development

Floyd County is expected to see an increase in housing development as a result of the Project. The Knobs, an area of higher end housing that includes parts of New Albany (Silver Hills), Georgetown, and unincorporated Floyd County (the Floyd Knobs), has experienced growth in recent years and is forecasted to grow in population in response to the Project. Areas within the County to the north and west of New Albany are also expected to see an increase in population in response to the improved

³ US Bureau of the Census, 2010

⁴ US Bureau of the Census, County Business Patterns 2009

access to Louisville provided by the Project.⁵ New retail and service businesses will follow this population increase. Most new retail in the County is expected to be in New Albany.

New Albany

The economy of New Albany includes growing retail and food services sectors, as well as established industrial and commercial office areas. Retail and dining is concentrated in the downtown, along Charlestown Road, and on Grant Line Road. Downtown New Albany has experienced a renaissance in recent years, with new restaurants and specialty retail establishments opening and succeeding. With the temporary closing of the Sherman Minton Bridge in the fall of 2011, New Albany braced for a downturn in business activity in the downtown. Instead, through creative marketing and advertising, many of the shops and restaurants experienced an increase in activity as residents of Floyd and Clark Counties chose to remain on the Indiana side of the river for dining and shopping.

Existing Businesses

There is limited space available for new industrial development in New Albany. The City's two industrial parks are near capacity. Existing businesses in the parks generally use the Sherman Minton Bridge for access to the south. The Project should increase the labor market from which these businesses can draw employees by opening access to Oldham and Shelby Counties. The majority of existing businesses are not likely to be affected by the Project except insofar as the bridges open up labor markets to the east of Louisville.

Downtown businesses likely will benefit from the Project as some traffic is diverted to the Sherman Minton Bridge to avoid tolls. This will funnel new traffic into the downtown area, creating more awareness of the opportunities for shopping and eating in the area.

Retail establishments along Charlestown Road and Grant Line Road may see some loss of sales as retail shifts to the east along Route 62 between Jeffersonville and Charlestown to better serve the expanding business base in the area of the Port of Indiana and River Ridge Commerce Center, the increased population in eastern Clark County, and the access to new markets on the Kentucky side of the river that are opened because of the planned East End Bridge. This potential shift in retail activity should be somewhat mitigated by new customers (derived from the expected increase in population in Floyd County and western Clark County). Access to existing customers living in the western areas of Louisville will not be changed. These

⁵ This study relies on the projected population growth by TAZ described in the Project Supplemental Environmental Impact Statement for conclusions about how the Project will affect population growth within Southeast Indiana

customers will retain access across the Sherman Minton Bridge, although they may face some degree of increased congestion as travelers avoid tolls on the new I-65 bridge. Any shift in retail is not expected to result in a net loss of retail sales or establishments in Indiana.

New Albany is home to Indiana University Southeast (IUS). IUS has a reciprocal agreement with six Kentucky counties, allowing students from these counties to attend at in-state tuition. There is a master plan for the campus that projects expansion over the next decade. One new technology and education building has been approved. The University also expects to grow in response to the Project. The planned East End Bridge will help the university grow in two ways. First, development generated by the Project in Clark County will increase the pool of potential applicants for the university. Second, it will improve access to a broader geographic area, further increasing the pool of potential students and faculty.

The Paul Ogle Cultural and Community Center at the university offers arts and cultural events which are open to the public. The University believes the new bridges would open up a broader market area for this resource.

Purdue University has an incubator building in New Albany on Charlestown Road and I-265. It is for technology and research firms. All of Purdue's programs in southeastern Indiana are housed here. When the new technology building is built at IUS, the Purdue Research program is also expected to grow. The bridges will also help Purdue grow in New Albany, and will allow their course offerings at IUS to grow, due to the increased population of students to which the bridges will provide access. University officials do not believe tolls will be a significant deterrent for attracting students, faculty or visitors.

New Development

The city of New Albany does not expect to compete with River Ridge Commerce Center, Northport Commerce Center and the other commerce parks in eastern Clark County. Instead, it has focused its economic development efforts on attracting high-tech businesses and office development to the city, with an emphasis on attracting businesses that can utilize the high capacity data lines installed along I-64 to the west.

Downtown New Albany should benefit from the additional traffic that uses the Sherman Minton Bridge. This will help with the continued redevelopment of the downtown, potentially supporting additional shops and restaurants. Additional housing development is projected for the Silver Springs area of the city.

Clark County

In 2010, the population of Clark County (including the incorporated areas) was 110,232.⁶ The County was home to 42,629 jobs in 2010.⁷ Cities include Clarksville, Jeffersonville, Charlestown and Sellersburg, each of which is discussed separately below.

Existing Businesses

The construction of the planned East End Bridge will impact 53.14 acres of prime agricultural land in Clark County.⁸ The average receipts per acre in Clark County in 2007 were \$274.02. The takings will result in an annual decrease in agricultural receipts in the County of \$14,561.42 (\$2007). The Project will likely also result in the development of some agricultural land into housing, further reducing agricultural receipts in the County over time. At the same time, residential development will support new jobs in the retail and personal service industries.

Clark County is rich in limestone and has the most limestone quarries of any county in the State of Indiana. The quarry operators expect to reap substantial benefits from the Project, both during construction and afterward, as new growth at the commerce parks, new commercial/retail developments, and new housing developments increase demand for crushed stone and asphalt. An interview with one of the quarry operators revealed that the company has been increasing its production capabilities for the past seven years in anticipation of the Project. It expects to quadruple production and sales as the Project is built, and then scale back to double its current capacity in the following years. Additional survey respondents in the construction industry expect similar expansion opportunities. The planned East End Bridge will also expand the market area in which these companies can compete.

Based on survey results, the majority of business sectors expect to benefit from the Project. Almost all businesses involved in the following industries expressed a belief that the bridges will help them expand operations and/or reduce costs: manufacturing, construction, financial services, specialty services and retail, personal services, and transportation. These industry representatives felt that the improved access to a broader market, reduced travel time, and reduced accidents outweigh any negative impact of tolling. The businesses most concerned about negative impacts are retailers and eating and drinking establishments, which rely on discretionary trips for business (discussed in more detail by municipality, below).

⁶ US Bureau of the Census, 2010

⁷ US Bureau of the Census, County Business Patterns 2009

⁸ *Supplemental Draft Environmental Impact Statement – Louisville Southern Indiana Ohio River Bridges Project*, Table 5.2-1 Acres of FPPA Farmland/LESA Evaluation Rating, p. 5-38.

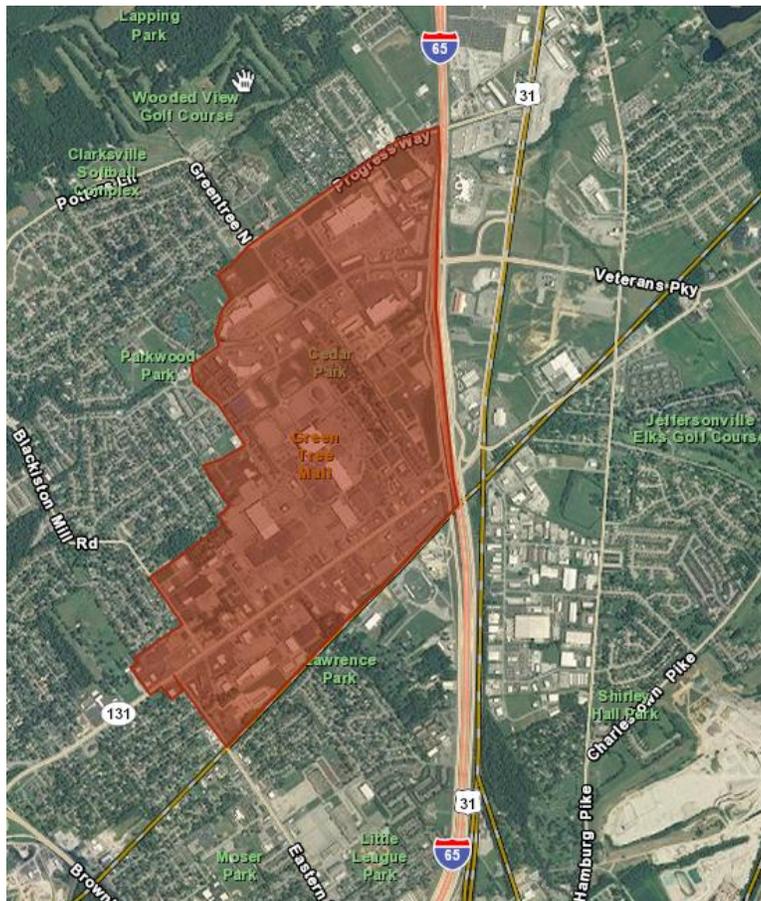
New Development

Unincorporated areas of Clark County and its smaller municipalities are forecasted to see an increase in population, and thus housing development, as a result of the Project. This increase in population will also spur supporting retail and service development, with much of this focused on the Route 62 corridor.

Clarksville

The Veterans Highway retail area (see Figure 1) is a destination retail area for southeastern Indiana as well as western Louisville. The area grew up in direct response to the access created by the interchange at exit 5 on I-65, and is a good example of how highway access can spur retail development. The area is anchored by several chain retailers and restaurants, such as Target, Walmart, the Bass Pro Shop, Olive Garden, Dick's Sporting Goods, and Red Lobster. In 2010, this area realized an estimated \$316,646,719 in retail sales (3.4% of the total sales in the five-county Project region) and an additional \$73,070,722 in sales at eating and drinking establishments (3.4% of the total regional sales in this industry).⁹ The area attracts customers from southern Indiana, as well as the Louisville Area. In particular, it serves as the retail center for western Louisville, a lower income area that has not attracted chain retailers.

⁹ ESRI Business Analyst Online and Economic Development Research Group



Credit: ESRI Business Analyst Online

Figure 1: Veterans Highway Retail Area

Existing Businesses

There may be some loss of retail sales in this area as retail competition locates in eastern Clark County along Routes 62, 3, and 403 in response to Project-induced new population and employment growth in Clark County, as well as improved access to the eastern suburbs of Louisville. Importantly, this will not be a net loss of retail sales to Indiana, but rather a potential shift in sales from one area of Indiana to another. This shift should be somewhat mitigated by increases in population in Floyd and western Clark Counties anticipated as a result of the Project. Retailers have some concern that Kentucky customers will choose to shop elsewhere due to the tolls on the Kennedy Bridge north. This impact, however, should be mitigated by the access provided by the Sherman Minton and Clark Memorial Bridges.

Jeffersonville

Jeffersonville's economy is anchored by a quaint, waterfront downtown retail and restaurant district in the west, and an industrial/warehouse area around the port and

the commerce parks in the east. The Project will affect each area and in very different ways.

Existing Businesses - Downtown

The development of the new bridge parallel to the existing Kennedy Bridge and the redevelopment of the Kennedy Bridge will result in the relocation of seven downtown businesses. These businesses are listed in Table 5. Total employment in these businesses is estimated at 130 jobs.¹⁰ Since all of these businesses are expected to be relocated within Jeffersonville or within the two-county region, their relocation will not result in a loss of jobs to southern Indiana, but may result in a shift of these jobs out of downtown Jeffersonville. Until these businesses are relocated, the impact on downtown employment cannot be precisely estimated.

Table 5: Business Relocations

Business	Bldg. SF
McDonald's	5,046
Waffle House	2,232
Freserius Medical Care/ Southeast Indiana Dialysis	12,870
Lifespring House	7,756
Token Club	6,060
Storage Express	31,948
VFW	7,924

Many customers who patronize shops and restaurants in downtown Jeffersonville access the area from I-65 via exit 0 (see Figure 2). Coming from Louisville, customers use both the Kennedy and Clark Bridges, which empty into the downtown area approximately 1,000 feet apart. In 2010, the area shown in Figure 2 accounted for an estimated \$40,133,924 in retail sales (0.4% of the sales in the five-county Project region) and \$18,079,028 in sales at eating and drinking establishments (1.1% of the region's total).¹¹

Through both in-person interviews and the business survey, several businesses in downtown Jeffersonville expressed concern that the Project will have negative impacts on their businesses. Of the nine survey respondents that provided comments that the Project would negatively impact their businesses, five were located in Jeffersonville, and the majority of them were either retailers or restaurant operators. Their own estimates ranged from a 15% to 50% reduction in business as a result of the Project.

¹⁰ Jobs were estimated based on the square footage of each business and factors for employees per 1000 sf of space for different types of establishments from the ITE Trip Generation Manual, the Urban Land Institute and the US Energy Information Administration.

¹¹ Ibid.

I-65 will need to exit at Stansifer Avenue and travel by access roads and surface streets to get to these businesses. Patrons who miss this exit would have to travel across the Kennedy Bridge and return via either the new bridge or the Clark Bridge. This will have the greatest effect on pass-through traffic that might visit the area, but who miss the exit and choose to forego the trip. Residents likely will adjust to the change over time. Signage will be important for mitigating this impact, with signs north of the exit announcing the availability of shops and restaurants in downtown and on the waterfront via the Stansifer Avenue exit. Signage on the local streets guiding patrons to downtown and the waterfront can also help. New traffic to the area from diverted trips across the Clark Bridge may also help mitigate this impact by bringing new customers to the area.

Third, merchants, restaurants and hotels are concerned that tolls on the new bridge will dissuade people from Kentucky or visitors to Louisville from patronizing their businesses. An adverse impact from tolling could occur in the first several months after the bridges are built, as some patrons from Kentucky avoid the bridges because of the tolls. This impact likely will dissipate over time for several reasons. The Clark Bridge will provide toll-free access to downtown Jeffersonville, helping to alleviate the impact of tolls. In addition, over time, local travelers will become accustomed to the toll and to the extent there was any drop-off in use at the outset will return to using the bridge, based on experience elsewhere in the country when new toll bridges are introduced.. Further, the hotels in Jeffersonville attract visitors from out-of-town who want to be located near downtown but do not want to pay downtown hotel prices. Most visitors will not be aware of the toll when they reserve a hotel, so tolls will not factor into the decision of where to stay. Most hotel visitors will not be making multiple trips across the bridges each day. Thus, the toll should be not significant enough to make these hotels uncompetitive with hotels on the Kentucky side of the river, especially because the location directly across the river from downtown Louisville is more desirable than price-competitive hotels located south of downtown Louisville. Finally, many patrons of the waterfront restaurants in Jeffersonville are attracted to these establishments because of the superior view that diners can enjoy from the restaurants.

Overall, it is possible that some more marginal businesses in downtown Jeffersonville may lose enough sales in the short term, as a result of the tolls, to cause them to close. Many of the businesses may suffer a short-term loss in sales, but will recover over time. Negative impacts can be reduced through good signage and a marketing campaign that reminds people that these areas are accessible from the Sherman Minton and Clark Bridges. It is noteworthy that many of the survey respondents involved in financial services and specialty retail/services believe that their businesses will benefit from the Project.

IUS's MBA program is housed at the McCauley Nichols Center at the corner of Southern Indiana Avenue and North Shore Drive in Jeffersonville. The University believes that the Project will help their students, many of whom work in Louisville and attend night classes at the McCauley Nichols Center.

Existing Businesses - Eastern Jeffersonville

Easternmost Jeffersonville is characterized by farmland and several industrial and commerce parks. This area is poised to attract significant economic growth as a result of the Project.

The improved highway access will supplement the multimodal attractiveness of the Port to businesses that receive production supplies and ship products using different modes of transportation. Current industries at the port that are likely to experience growth due to the planned East End Bridge access include transportation (such as stevedores, trucking and the railroad industry), fabricated metals manufacturers, and food processors. One metals manufacturer noted that the wider lanes on the bridges will improve safety when shipping wide loads, and will make the Indiana location more attractive for expansion in products that require large pieces of metal. Others noted that the travel time saving, fuel cost savings, and improved reliability created by the new bridges will more than offset the impact of tolls on their businesses. According to several businesses at the existing commerce parks and the port, the planned East End Bridge will help them expand their businesses, by opening up new markets, improving safety, and increasing access to a broader workforce.

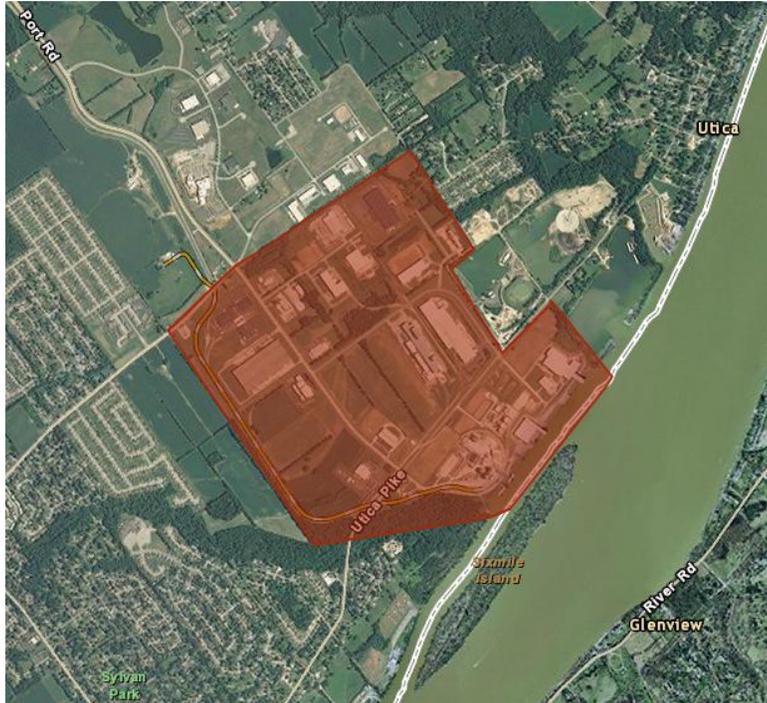
Northport and Bridgeport are established parks with limited additional development area. These parks house a diverse group of industries, ranging from a call center, distribution facilities, and manufacturers making products including billiard tables, fabricated metal products, medical instruments, circuit boards and furniture finishes. The planned East End Bridge is expected to decrease shipping costs by reducing travel times and fuel consumption for existing businesses.

New Development

The planned East End Bridge will provide direct access from I-265 in Kentucky to four major commercial/industrial development sites in Indiana, and will complete the connection with I-265 north. Specific sites where development is likely to occur include Northport Business Center, Bridgeport Business Center, the Port of Indiana, and River Ridge Commerce Center. The planned new bridge access should make available sites within these parks more marketable.

Plans for Northport Commerce Center call for retail development along Port Road. This type of development will be supported by the new employment and population that will be attracted to eastern Clark County in conjunction with the Project. The Port of Indiana and the River Ridge Commerce Center will each realize significant benefits from the improved access provided by the planned East End Bridge. The 1,000 acre Port of Indiana (see Figure 3) is already a multimodal facility that provides rail and river transportation to its 26 tenants, who occupy 623 acres and

employ a total of 1,350 people.¹² If developed at current densities, the remaining 327 vacant acres at the Port can support 656 employees.

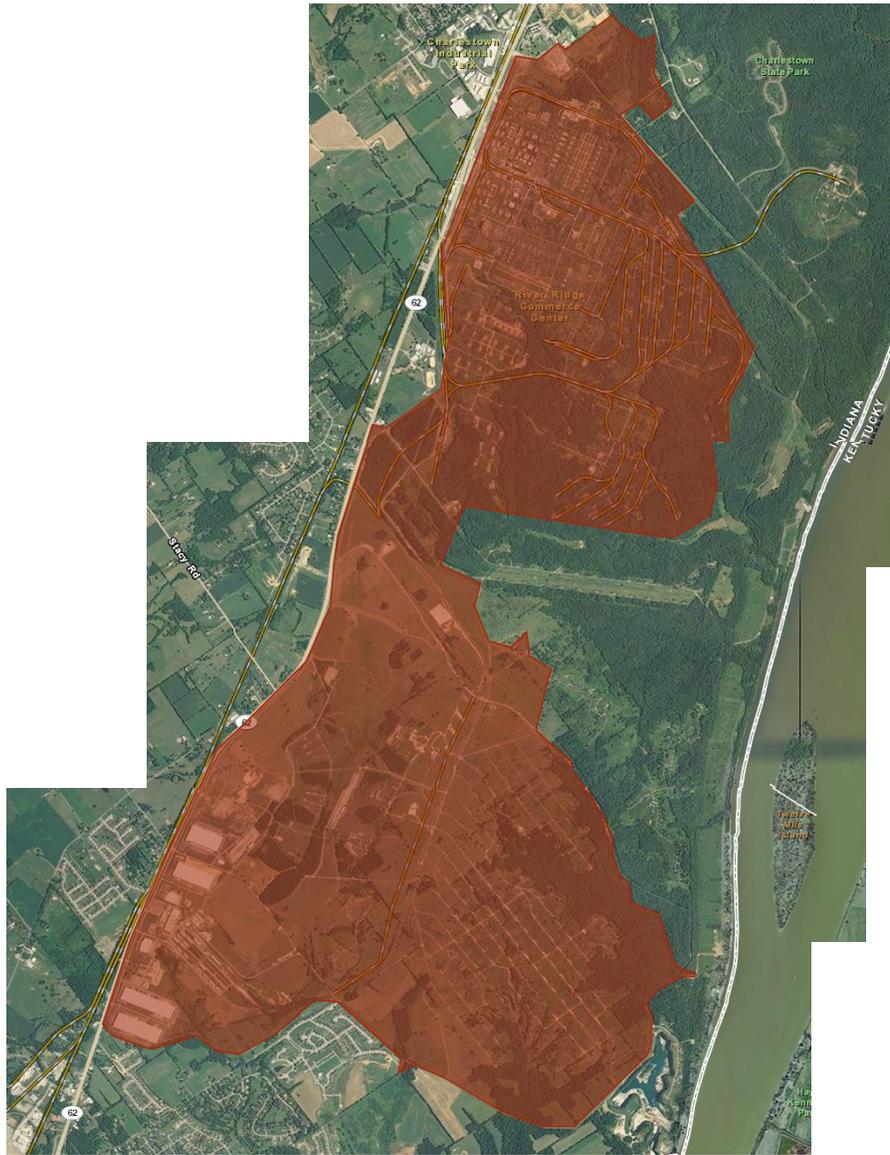


Credit: ESRI Business Analyst Online

Figure 3: Port of Indiana

The River Ridge Commerce Center, shown in Figure 4, is a unique development opportunity that will attract businesses from around the United States. The current business center comprises 3,126 acres, of which 335 have been developed with 3 million square feet of manufacturing and warehouse space. This development supports 2,850 jobs at a density of 0.95 jobs per 1,000 square feet. An additional 2,700 acres of land will be transferred to the commerce center in the future, but must undergo an environmental cleanup before the transfer can occur..

¹² Scott Stewart, Director, Port of Indiana



Credit: ESRI Business Analyst Online

Figure 4: River Ridge Commerce Park

Interest in sites at the River Ridge Commerce Center has intensified recently as the prospect of the construction of the planned East End Bridge has become more likely. Most notably, Amazon.com recently purchased land at the facility and is constructing a 1 million square foot warehouse and distribution center that will employ 2,600 people. According to the owner of the River Ridge property, the planned new bridge figured prominently in Amazon's decision to locate at the site. The same land owner has 250,000 square feet of space available within the park, and four businesses are actively interested in the site because of its proximity to the proposed new bridge. These businesses include a food processor and three distribution firms.

The River Ridge Development Authority, which is governed by a five-member board of directors, appointed by the City of Jeffersonville, the City of Charlestown, Clark County, the Town of Utica and the Port of Indiana, believes the new bridges will result in substantial development at River Ridge. The long-term plan for the park is shown in Table 6. Representatives from the Development Authority estimate that the bridge could spur up to 2 million square feet of development per year because of the improved access to I-265 and I-65, as well as to the Louisville International Airport and the UPS facility in Louisville. Industries that are likely to find the site attractive, as a result of the new access, include: transportation, warehousing and distribution, food processors, machinery manufacturing, fabricated metals, computers and electronic equipment, and instruments manufacturing. These may include suppliers to the large auto and appliance manufacturers already in the region.

Table 6: River Ridge Commerce Center Long Term Plan

Development Type	Acres
Retail	105
Office	187
Industrial	2,602
Light Industrial / Warehouse	1,189
Mixed Industrial / Office	1,286
Sewage Treatment Plant	54
City of Charlestown municipal site	123
Green Space	65
Drainage Easement	19

Source: River Ridge Commerce Center Long Term Plan

The River Ridge Commerce Center will need to make infrastructure investments, including roads, sewer, and a rail connection to the Port, to fully benefit from the new bridges.

Charlestown

From 1940 through the early 1970s, Charlestown’s economy was directly tied to the army ammunition facility that is now home to River Ridge Commerce Center and the Charlestown State Park. When the facility was built in 1940, the City’s population was 935, and it increased to 14,000 shortly thereafter. The population is currently 8,500. At its height, the ammunition facility employed 29,000 and many workers lived in modest housing in Charlestown, built to house army personnel.

The closure of the facility in 1976 hit Charlestown hard, leaving many people out of work and leading to deterioration of the housing stock and the downtown economy. Despite this decline, the City’s industrial park has been able to attract businesses and

is currently at capacity. In addition, efforts by the local government to increase the number of students attending college have met with great success, with the percent of high school graduates attending college rising from 27% four years ago to 77% in 2011. The City currently has a strip shopping mall and a Save-a-Lot grocery store.

Speculation about the planned bridge has already had an impact on Charlestown. The City has been planning for 12 years, including building some new infrastructure at River Ridge. In 2002-2003, the City began attracting the development of higher end homes around the outskirts of the City. To encourage this development pattern, the City rezoned parts of the City for larger lots to accommodate larger homes. The City did commercial rezoning and created a defined commercial district along the Highways 3, 403 and 62 corridors. In 2001, the City built a new sewer plant that will allow it to more than double in size.

Existing Businesses

The Project will benefit existing retail establishments in Charlestown, as the population and employment base in the area is projected to surge, adding to the customer base. Existing businesses at the industrial park should benefit from reduced travel times, improved reliability, and access to a broader labor market.

New Development

The planned East End Bridge should create an economic stimulus for Charlestown, due to its proximity to both the bridge itself and to vacant development sites at the Port, River Ridge and the other commerce parks in eastern Clark County. New industrial and commercial jobs created at the commerce parks and port, as well as the improved access to jobs in downtown Louisville and the Kentucky side of the river, will support the development of new homes in Charlestown for residents of all income levels. Route 62 is poised to capture a significant amount of new retail/commercial development, and the City has rezoned for commercial development along this corridor as well as Routes 3 and 403. This retail area will support new residents and employees, attract shoppers from the eastern suburbs of Louisville, and also customers from existing residents of both Clark and Floyd Counties. It is likely that some of the new retail along the Route 62 corridor will compete directly with the existing Veterans Parkway retail district in Clarksville.

Sellersburg

The small community of Sellersburg is home to Ivy Tech Community College, as well as some manufacturing and retail, and serves as a bedroom community for the larger cities in the metropolitan area.

Existing Businesses

Ivy Tech Community College sits on 90 acres of land in Sellersburg, and has room for expansion. Current enrollment is approximately 6,000 students, and the college needs to add space to accommodate additional enrollment. The college expects to add a new 40,000 square foot building within the next five years. Until then, it is using off-site facilities for additional classrooms.

The College expects the Project to increase its marketability in a broader geographic area. Access provided by the planned East End Bridge would make the campus more accessible to students throughout the region. The college also believes that the new access provided by the bridges would be beneficial to many of its students who participate in clinicals at downtown Louisville hospitals, and many of its graduates who take jobs in Louisville.

The College noted that tolls will increase the cost of their programs to students who use the bridges to commute to school. However, they do not expect the tolls to be a deterrent to student enrollment.

New Development

The City is expected to see an increase in population as a result of the Project. This will occur both because of improved access to the Kentucky side of the river with the opening of the planned East End Bridge, and because of the growth in industrial, commercial and retail businesses in eastern Clark County in the vicinity of the Port, River Ridge Commerce Center, and the Route 62 corridor. Some additional retail activity will follow the population growth.

4

FISCAL IMPACTS ON REVENUES TO LOCAL UNITS OF GOVERNMENT AND DEMANDS ON GOVERNMENT SERVICES

A fiscal analysis of Indiana jurisdictions affected by the regional economic growth occurring in the area because of the Ohio River Bridges Project entails analysis of both the revenues generated from project-associated economic growth (based on the findings in **Chapter 2** of this report) and the government service requirements associated with such growth in the Indiana jurisdictions.

By providing an aggregate economic impact for the region affected by the Project, the analysis is intended to fully satisfy the second statutory requirement (*potential impacts on employment*), and to provide context for fully addressing the first and third requirements (*impacts on existing commercial and industrial development* and *potential for future development near the Project area*). It is understood that fully addressing the first and third requirements entails a more detailed analysis of specific development areas and impacts in the direct Project area, which was, therefore, covered in detail in **Chapter 3** of this report.

This chapter evaluates the net impacts to local government revenues and expenditures resulting from the Ohio River Bridges Project. The analysis covers fiscal impacts to county and sub-county budget units within the study area of Clark and Floyd Counties, including cities, towns, townships and special purpose districts (with the exception of those funded on a fee-for-service basis, as discussed below or school districts which are assumed to be funded by the state).

The Ohio River Bridges Project is expected to have the following impact on fiscal revenues and expenditures:

- Increases in fiscal revenues, which occur as a result of population growth, new jobs, project operation and maintenance, and economic activity—occurring as a result of improved market access. Decreases in revenues are the result of property acquired for project construction as well as businesses displaced either by construction or by the resulting change in travel patterns.
- Increases in fiscal expenditures, which are driven by population growth and added jobs—necessitating additional government services, including: fire and police protection. While increases in school children are expected, these are

assumed to be covered by state revenues and not part of the local fiscal impact¹³.

Summary of Fiscal Impacts

Table 7 presents a summary of fiscal impacts from all revenue and expenditure streams affected by the Ohio River Bridges Project. Fiscal impacts resulting from the Project begin with construction, and both costs and revenues increase over time as the Project is completed and the market access and transportation benefits phase in, attracting jobs and population to the study area.

The figures reported in Table 7 represent annual impacts for a single year, 2028, reported in 2012 dollars. This single analysis year (10 years post-project completion), is intended to capture net fiscal impacts in a representative year once Project impacts have largely phased in. As the table shows, Project operation and maintenance, and economic activity occurring as a result of improved market access is expected to generate approximately \$1.3 million per year in local tax revenues. This includes vehicle license taxes, business and personal income taxes, local option sales taxes, property taxes and other taxes and fees paid to local governments.

Properties acquired for right-of-way for Project construction would be removed from local property tax rolls, resulting in an annual loss of approximately \$39,300 in property tax revenues to local government units.

The Project is expected to generate \$10.7 million in new non-residential property taxes from businesses and an additional \$911,800 in residential property taxes from new population. The Project would also generate nearly \$2.5 million in other tax revenues due to increased business activity, and \$99,000 from new residents.

The Project would also result in almost \$11.6 million in local government expenditures due to business activity and nearly \$970,000 to serve new population.

¹³ Population growth resulting from the Project is expected to add new students to local school districts, resulting in additional school expenditures of nearly \$4.5 million (not including capital expenditures related to the construction of new schools, if necessary). School expenditures were estimated using information reported in the 2011 Annual Performance Reports for each of the four school districts in the study area. Figures for total enrollment and expenditure per pupil were used to calculate weighted average expenditure per pupil. Population and K-12 school population data from the US Census bureau was used to calculate the average number of K-12 students per capita in Clark and Floyd Counties. 90 percent of these students are assumed to attend public schools (private schools students do not utilize public funds and are omitted from this analysis). This average number of school children per population was applied to the population generated by the Ohio River Bridges Project to yield school children resulting from the Project. The average expenditure per pupil was then applied to estimate total school cost.

The result is a net impact of an additional \$2.9 million to county and sub-county budget units.

The following section describes the methodology used to make the estimates shown in Table 7.

Table 7: Summary of Annual Fiscal Revenues, Expenditures and Net Fiscal Impact at Full Build Out in 2030 (Numbers are in constant 2012 dollars)

Fiscal Impact of Project Operation, Maintenance and Market Access Benefit			
Annual Local Taxes due to Project Operation, Maintenance & Market Access			\$1,308,304
Fiscal Impacts due to Property Acquisition for Right of Way			
Value of Acquired Properties			(\$24,296,550)
Property Tax Levy per \$1,000 AV			\$1.62
Property Tax Impact			(\$39,300)
Fiscal Impact of Population Change and Contingent Development			
Change in Jobs/Population	Jobs	Population	School Children
	Due to Subject Project - Net	9,342	2,588
Per Capita Impact Factors	Per Job	Per Population	Per Student
	Revenue Impact Factors -		
Property Tax Revenues (1)	\$1,150	\$352	n/a
Other Tax Revenues	\$263	\$38	n/a
Expenditure Impact Factors -			
School Cost	n/a	n/a	n/a
Other Expenditures	(\$1,238)	(\$373)	n/a
Estimated Impacts	Due to Jobs	Due to Population	Due to School Children
	Revenue Impacts -		
Property Tax Revenues (1)	\$10,740,585	\$911,779	n/a
Other Tax Revenues	\$2,454,580	\$99,038	n/a
Expenditure Impacts -			
School Cost	n/a	n/a	n/a
Other Expenditures	(\$11,563,285)	(\$966,494)	n/a
Total Revenues from All Sources	\$15,474,986		
Total Expenditures from All Sources	-\$12,529,779		
Net Fiscal Impact	\$2,945,207		

Source: Indiana Department of Local Government Finance, Indiana Department of Education, and US Census Bureau with EDR Group Calculations.

Basis of Fiscal Impacts

This analysis employs a per capita multiplier method for both revenues and expenditures.

Education expenditures (reported in footnote 13, and assumed not to accrue at the county or local level per the state funding formula) were estimated directly based on population changes, the observed rate of school children per capita, and district-reported expenditures per pupil.

For all county and local revenues and expenditures, budget data was obtained from the Indiana Department of Local Government Finance (DLGF) and through the Indiana Gateway—a data clearinghouse developed by Indiana University's Indiana Business Research Center in cooperation with DLGF. The data covers the 2012 adopted budgets, the most recent year for which approved budget data is available.

Budget units that operate on a fee-for-service basis (such as water/sewer districts) and budget lines for services provided on a cost recovery basis were omitted from this analysis as, by definition, they have a net neutral budget impact. To avoid double counting, transfers between local government units (such as aid from the county to a locality) were omitted.

Revenue and expenditure streams generally not affected by the Ohio River Bridges Project were also excluded¹⁴. Excluded revenue streams include: fines and forfeitures, rental of county/municipal property, federal/state grants, and interest on investments. Excluded expenditures include: debt service, dues and subscriptions, and major capital projects such as the Clark County Aviation Department's runway extension. Capital expenditures that represent ongoing maintenance or routine increases in capacity that may be affected by changes in activity as a result of the Ohio River Bridges Project were included.

Specific data sources and assumptions for each revenue and expenditure stream are detailed below.

Fiscal Impacts of Project Operation, Maintenance and Market Access Benefit

The portion of the regional economic benefits from project operation, maintenance and improved market access that accrues to Clark and Floyd Counties will generate fiscal revenues for those county and sub-county governments. These fiscal impacts were quantified using TREDIS, which incorporates the IMPLAN fiscal model.

¹⁴ The analysis assumes no significant population changes apart from existing trends and impacts due to the Ohio River Bridges Project. If other significant factors affect the population, tax base and revenue trend, such factors would require separate analysis.

Detailed information on the model’s fiscal impact methodology can be found on IMPLAN’s website (www.implan.com, see “Tax Impacts”, Aaron Alward, Tuesday, 14 December 2010).

IMPLAN/TREDIS output combined state and local impacts. The local portion was netted out using assumptions regarding the proportion of each of the IMPLAN/TREDIS output line items (income tax, property tax, vehicle tax/license fees, etc.) attributable to local taxes. For example, property taxes were allocated entirely to the local level, social insurance taxes were considered entirely state-level, while income tax was allocated between state and local based on CAGIT/COIT¹⁵ tax rates. The resulting local revenue shares were then summed.

Next, it was necessary to determine the share of fiscal impacts that would accrue specifically within Clark and Floyd Counties from the regional model. This was done by allocating fiscal impacts due to businesses based on Clark/Floyd’s share of total regional employment (16 percent), and allocating fiscal impacts due to households based on Clark/Floyd’s share of total regional population (17.4 percent).

Impacts to Property Taxes due to Acquisition for Project Construction

The Ohio River Bridges Project will result in the removal of a number of currently taxable properties from local property tax rolls. The loss of property tax revenue was estimated using the acquisition cost of the properties from the Final Environmental Impact statement (FEIS) (Table 5.17) and multiplying it by the property tax levy per \$1,000 of assessed value. The property values from the FEIS were based on fair market values in 2000 and have not been re-valued to reflect today’s market conditions. The market value of \$18.6 million in 2000 dollars was adjusted for inflation, equaling \$24.3 million in 2011 dollars. It is assumed that this fair market value approximates assessed value.

Property tax levy per \$1,000 of assessed value was calculated using the 2011 total assessed value for Clark and Floyd Counties, as well as all sub-county budget units within those counties, divided by the total property tax levy in the same jurisdictions and budget year. The result was a property tax levy of \$1.62 per 1,000 of assessed valuation. Applied to the assessed valuation expressed above, the total property tax impact due to acquisition for Project construction is estimated at approximately \$39,000.

¹⁵ CAGIT = County Adjusted Gross Income Tax, COGIT = County Option Income Tax

Fiscal Impacts of Population Change and Contingent Development

New jobs and population will contribute to an increase in property tax revenues as undeveloped land is developed for residential and business uses.¹⁶ To estimate impacts to property taxes from new businesses, current non-residential property tax revenues (as of 2011) for all study area budget units was divided by the total number of jobs in Clark and Floyd Counties, resulting in a non-residential property tax impact factor of \$1,150 per job. This per-job impact factor is based on the assumption that as companies add new employees, new commercial/industrial/retail space must be developed to accommodate them.

Similarly, the residential property tax impact factor of \$352 per capita was developed by dividing the residential share of property taxes by total population.

Impacts to Other Tax Revenues

To estimate other tax revenue sources, detailed revenue data for all study area county and sub-county budget units was obtained from DLGF (DLGF reports property tax levy data separately from other sources of revenue). The data was scrutinized to identify all revenue sources that would be affected by the Ohio River Bridges Project. Then each relevant revenue source was proportionally allocated to either business or population based on assumptions regarding the distribution of revenue generation. For example, 100% of commercial vehicle license taxes were allocated to business uses, while regular vehicle license taxes were to residential and business based on known proportions of licenses. CAGIT, COIT and CEDT (County Adjusted Gross Income Tax, County Option Income Tax, and County Economic Development Tax) revenues were allocated entirely to jobs, as they are levied on employment income or otherwise related to business activity.

Impacts to Other Tax Expenditures

As with other tax revenues, corresponding data covering government unit expenditures were scrutinized to identify those that would be affected by new population and/or businesses, and those expenditures were allocated to either business or residential. All relevant expenditures, which are generated by services to both residents and businesses, were allocated based on proportions of property assessed valuation for residential and non-residential. This assumption is intended to reflect their basic relative level of activity and demand on public services.

¹⁶ The Ohio River Bridges Project may also cause changes to the value of existing residential and business properties; however it was not possible to quantify this potential impact due to data limitations.

5

CONCLUSION

Overall, the Ohio River Bridges Project is expected to have a positive impact on the overall five-county study region, allowing the regional economy to generate significantly greater jobs, personal income and business output than could occur without the Project. Furthermore the positive impacts of the Project's economic impact from construction jobs, market access, transportation efficiency and land use impacts far outweigh any adverse regional economic effects of tolling. The overall land use impacts on development near the Project will be positive and are expected to lead to a gain of over 9,000 direct new jobs in Indiana over the life of the Project as well as the induced and indirect (multiplier effects) of this new employment on Indiana's economy. Land use impacts in Kentucky are not addressed as part of this study.

Other changes in the Indiana business environment include changes in the access to downtown Jeffersonville, both during and after construction. Marketing and appropriate signage will be key success factors for enabling Jeffersonville's downtown business environment to adjust to these changes.

Because of the amount of additional economic growth that is enabled in Indiana as a result of the Project, significant increases in population and employment are anticipated with the associated increases in government revenue, and corresponding demand for government infrastructure and services. By full build-out of the land use impact in 2030, all of the cost of county and local services needed to accommodate this growth is anticipated to be covered by tax revenue generated by Project-related growth, leaving a local fiscal annual surplus of just over \$2.9 million (\$2012) annually (at full build-out) in 30 years.

APPENDIX

Sources:

Contributing Entities

Bass Pro Shops
City of Charlestown
Clark-Floyd Counties Convention & Tourism Bureau
City of Clarksville Redevelopment Agency
Clarksville Town Council
Crossdock Development
Downtown Jeffersonville merchants
Floyd County Board of Commissioners
Greater Louisville, Inc.
Indiana Department of Transportation
Indiana University Southeast
Ivy Tech Community College
Jeffersonville Main Streets
MainSource Banking
City of New Albany
Ohio River Metal Services- Eagle Steel
One Southern Indiana
Port of Indiana-Jeffersonville
River Ridge Development Authority
Rocky's and Buckheads
Schimpff's Confectionery
Sellersburg Stone Company

Additional Contacts

Jim Henkel, Indiana Department of Transportation

Craig Moore, Parsons Transportation Group

Jim Hilton, Community Transportation Solutions

Documents

Supplemental Draft Environmental Impact Statement – Louisville Southern Indiana Ohio River Bridges Project

River Ridge Commerce Center Long Term Plan

Data Sources

ESRI Business Analysts On-Line

ITE Trip Generation Manual

Urban Land Institute

US Energy Information Administration

TREDIS

US Census Bureau, 2010 Decennial Census

US Census Bureau, County Business Patterns, 2009