Economic Impact of Capital Investments

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Sree Nampoothiri, PhD, AICP
Sr. Transportation Planner
Study Purpose

• Determine economic impact of NVTA capital investments, building upon prior studies.
• Include same benchmarks as before, including regional and statewide impacts.
• Support Five Year Strategic Plan Goals.
• Induce confidence in results by use of well recognized, transparent, repeatable modeling techniques and assessment tools.
Study Structure

• Study conducted by Chmura Economics & Analytics (Richmond, VA) using IMPLAN Pro, which is one of the most widely used economic impact assessment modeling systems.

• Study focused on the impact of the Authority’s project funding programs (70% funds) and revenue distribution (30% funds).
Study Perspective

- **$3.3 Billion in Investments** (70%/30%)
  - Impacts measured only on spending of project funds, not project use.
- **Direct Impact** is economic activity generated (materials, labor, equipment)
- **Indirect Impact** is secondary economic activity generated (rental equipment, design software, services)
- **Induced Impact** is payroll spending of people working on projects. (retail purchases)
### Economic Impact of NVTA

#### Total Investment ($3.3B)

<table>
<thead>
<tr>
<th>Spending</th>
<th>Direct</th>
<th>Indirect</th>
<th>Induced</th>
<th>Total</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOVA</td>
<td>$2.97B</td>
<td>$0.71B</td>
<td>$0.93B</td>
<td>$4.61B</td>
<td>140%</td>
</tr>
<tr>
<td>Virginia</td>
<td>$2.98B</td>
<td>$1.01B</td>
<td>$1.12B</td>
<td>$5.11B</td>
<td>155%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>Direct</th>
<th>Indirect</th>
<th>Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOVA</td>
<td>16,291</td>
<td>3,417</td>
<td>7,410</td>
<td>27,118</td>
</tr>
<tr>
<td>Virginia</td>
<td>16,328</td>
<td>4,363</td>
<td>9,561</td>
<td>30,253</td>
</tr>
</tbody>
</table>

Source: Chmura Report Dated March 22, 2021 (Page 7, Table 3.3)

ROI – Return on Investment
Fiscal Impact

- **Fiscal Impact** is tax revenue for local and state governments.
  - only tax revenue from the direct impact is estimated
  - average business, professional, and occupational license (BPOL) tax rate for the region is considered.

- Investment of $3.3B in projects is expected to generate:
  - **$4.3 million** in local taxes for **Northern Virginia**.
  - **$68.2 million** in state taxes for **the Commonwealth**.

Source: Chmura Report Dated March 22, 2021 (Page 8, Table 4.1)
Value of Time Impact

- Investment of $2.5B in 106 regional (70%) projects through 142 Standard Project Agreements (contracts) is expected to:
  - save **225 million hours** of congestion
  - with a $15/hr median wage, add $3.12B in value of time through 2030
  - bring in **130% ROI**

ROI – Return on Investment
Triggering Momentum

• Investment of $2.5B in 106 regional (70%) projects through 142 Standard Project Agreements (contracts) is:
  • triggering another $2.7B in additional funding (federal, state, local, private sources)
  • leveraging projects worth a total of $7.1B in the NOVA region*.

* Additional $1.9B future funding commitments expected
Return on Investment

Economic activities generated and value of time through travel time saved from investment of $3.3B give a

ROI of 250% for the Commonwealth

ROI – Return on Investment
Enhancements for Future

• Further examination of mobility benefits:
  • Safety
  • Environmental
  • Health
  • Vehicle operating cost savings

• Economic Impact of Funding Matches (currently $2.7B)
• Expanded employment opportunity analysis
• Opportunity impacts for the region (business startups, relocations)
• Expand local tax analysis (Real Estate, Personal Property, Sales)
• Other ideas? Examples from other studies.
Economic Impacts of $3.3 BILLION in Regional Funding through the NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

KEY TAKEAWAYS

CREATING JOBS
30,000 JOBS CREATED through NVTA project funding, 90% are staying in NoVa, adding to the tax base and ensuring the future growth and vitality of the region.

SAVING TRAVEL TIME
NVTA’s PROJECTS ARE EXPECTED TO SAVE VIRGINIA CITIZENS 225 MILLION HOURS of travel time by 2030, or $3.12 BILLION DOLLARS in monetary savings, giving the taxpayers more than 130% RETURN ON THE TAXES they entrust to NVTA.

TRIGGERING MOMENTUM
NVTA’S FUNDING OF $2.5 BILLION in 106 multimodal regional projects has triggered another $2.7 BILLION in additional committed investments, $1.9 BILLION in investments yet to be identified, = $7.1 BILLION in critical transportation projects to NoVa.

This study was completed by Richmond, VA-based Chmura Economics & Analytics.

1 NVTA FY2014-FY2025 Actual and Estimated Revenues

The taxes paid by Northern Virginians to NVTA, benefit the entire Commonwealth through increased economic activity.