

Economic Analysis

The economic impact of the intermodal facility project will be realized in two phases: (1) initial capital investment, which provides a one-time impact during the construction period, and (2) intermodal facility operations, which include the operations of Amtrak and bus services after the project is completed as well as commercial developments at the station. For both phases, the direct, indirect, and induced impacts in spending and job creation were estimated.

The initial investment would generate a sizable economic impact in the City of Roanoke. From 2016 to 2017, initial investment activities would generate a total economic impact (including direct, indirect, and induced impacts) of \$17.2 million that can support 114 cumulative jobs in the City of Roanoke. Among the total economic impact, \$10.9 million is derived from direct spending during the project development phase of intermodal facility. This spending can directly support 59 cumulative jobs in the region from 2016 to 2017. The indirect impact in the region during the development phase is \$4.1 million and 37 cumulative jobs from other industry support of the initial investment, such as equipment rental or truck transportation. The induced impact during the development phase is expected to be \$2.2 million, which can support 17 cumulative jobs—these jobs are expected to be concentrated in consumer service-related industries such as restaurants, hospitals, and retail stores. The annual average economic impact (including direct, indirect, and induced impacts) of project development activities is estimated to be \$8.6 million, which can support 57 jobs per year in the city from 2016 to 2017.

Figure 54:

Table 1: One-time Economic Impact from Roanoke MTC Development Activities

		Direct	Indirect	Induced	Total
Cumulative (2016-2017)	Spending (\$Million)	\$10.9	\$4.1	\$2.2	\$17.2
	Employment	59	37	17	114
Annual Average (2016-2017)	Spending (\$Million)	\$5.5	\$2.0	\$1.1	\$8.6
	Employment	30	18	9	57

Note: Numbers may not sum due to rounding

Source: Wendel and IMPLAN Pro 2013

The total annual operational impact (direct, indirect, and induced) of the Roanoke intermodal facility is estimated to be \$14.3 million in 2018, which can support 59 jobs in the city. Among those, direct revenues from the intermodal facility operation, Amtrak operation, bus service, taxi service, and other retail and food establishments are estimated to be \$9.8 million, which can support 48 jobs. The indirect impact is estimated to be \$2.6 million and 6 jobs, benefiting other businesses within the city that support all businesses at intermodal facility. The induced impact is estimated to be \$1.8 million and 5 jobs in the city, mostly benefiting consumer-related businesses such as retail shops, healthcare facilities, and restaurants.

Figure 55:

Table 3: Annual Economic Impact of Roanoke MTC Operation (2018)

		Direct	Indirect	Induced	Total Impact
Amtrak Operation	Spending (\$Million)	\$7.3	\$1.9	\$1.3	\$10.5
	Employment	3	2	1	6
Bus Operation	Spending (\$Million)	\$0.6	\$0.2	\$0.1	\$0.9
	Employment	3	1	0	4
Taxi Service	Spending (\$Million)	\$0.0	\$0.0	\$0.0	\$0.1
	Employment	1	0	0	1
Facility Support	Spending (\$Million)	\$1.5	\$0.4	\$0.3	\$2.1
	Employment	31	3	2	37
Retail and Food Service (including VA for Lovers Store)	Spending (\$Million)	\$0.5	\$0.1	\$0.1	\$0.7
	Employment	10	1	1	11
Total	Spending (\$Million)	\$9.8	\$2.6	\$1.8	\$14.3
	Employment	48	6	5	59

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2013 and Chmura

There are three broad user benefits estimated in this study. The first is travel time savings from congestion mitigation. Though using bus or rail service may increase travel time for commuters or rail passengers, it reduces the number of vehicles on area roads which provides traffic congestion relief for many drivers. The second benefit is motor vehicle-related cost savings. Individuals using rail or bus services will reduce their usage of vehicles, thus saving money on operational costs. The third benefit is safety. Fewer vehicles on the road can reduce both accidents and accident-related injuries. The safety benefit also reduces inconveniences and costs involved with both minor and major car accidents. Though not quantified in this study, the resulting decrease in automobile usage can help reduce greenhouse gas emissions.

In summary, total user benefits are estimated to be \$9.1 million per year if Amtrak services remain at the existing level in 2018.

The ongoing operation of the intermodal transportation facility can contribute \$63,068 in taxes per year to the City of Roanoke government, and \$177,377 in taxes to the state government in 2018.

Figure 56:

Table 6: Annual Tax Revenue From Roanoke Multimodal Transportation Center Operation (2018)

	City of Roanoke	State of Virginia
Sales Tax	\$4,760	\$20,467
Meals Tax	\$23,799	
BPOL Tax	\$34,479	
Individual Income Tax		\$136,913
Corporate Income Tax		\$19,996
Total Annual Taxes	\$63,038	\$177,377

Source: Chmura Economics & Analytics