



## Overview

January 2012

# Economic Impact Analysis of the Downtown Green Line Vision Plan and Georgia Multi-modal Passenger Terminal

## SUMMARY CONCLUSIONS

In 2040, if the Green Line Study area is fully built out, including construction of the Georgia Multi-modal Passenger Terminal (MMPT) and a representative sample of transit projects to serve it:

Economic impacts (including multiplier effects) resulting from the project could:

- Add nearly 44,500 jobs to the Georgia economy
- Increase the State's annual economic output by more than \$5.2 billion in 2011\$.
- Generate nearly \$3.1 billion in net additional investment/ building construction in "the Gulch" over 30 years

## Summary of Direct Effects

### A. Travel Savings

At completion, the MMPT and related transit investments are projected to:

- Generate 22.5 million annual transit trips
- Reduce annual automobile trips by 13.4 million
- Remove 568.1 million vehicle miles from area highways
- Reduce the time Atlanta commuters spend in automobiles by 77.6 million hours – mostly during periods of peak congestion
- Save truckers 7.1 million hours of travel time in and through the Atlanta Region
- Generate annual travel cost savings of nearly \$2.2 billion to residents and businesses including:
  - Annual trucking cost savings of nearly \$280 million
  - Total annual cost savings to businesses of \$1.1 billion

### B. Study Area Build-out Potential

The combined Study Area of the MMPT and Green Line plan (approx. 124 acres) has the physical potential to support 19.6 million SF of total buildings & structures

- 8.1 million SF exists today
- 10.98 million SF of total potential new building construction by 2040 (including the MMPT)
- 2.1 million SF additional parking structure
- 6.5 million SF of existing improvements

Office, retail and residential uses comprise the bulk of the potential build-out.

### C. Direct Downtown Redevelopment Effects

In comparison to the No Build Scenario, fully implementing the MMPT and associated amenities could:

- Increase investment in Downtown Atlanta by nearly \$3.1 billion
- Create nearly 15,700 more jobs within the Study Area
- Attract 8.6 million SF of additional development
- Produce \$65 million more in local annual tax collections by 2040

The terminal and associated public improvements represent less than 15% of the total net gain in investment (public and private) in this Scenario: (a 6:1 return)

## About the Study

The Economic Impact Analysis was commissioned by Central Atlanta Progress (CAP) in fall 2010. The study was funded through a Livable Centers Initiative 'Supplemental Study' grant from the Atlanta Regional Commission (ARC) with matching funds contributed by the Atlanta Downtown Improvement District (ADID). Work was conducted by a team led by the Bleakly Advisory Group with the Economic Development Research Group and Kimley-Horn & Associates. The objective of the study was to quantify the economic impacts one could expect from implementation of the CAP/ADID *Green Line* vision plan (2008), which includes construction of the Georgia Multi-modal Passenger Terminal (MMPT). A technical committee consisting of representatives from CAP/ADID, the City of Atlanta, MARTA, the ARC, the Georgia Regional Transportation Authority (GRTA) and Georgia Department of Transportation (GDOT) provided input into the analysis, which was completed prior to GDOT's approval in fall 2011 of a contract with a Master Developer team for MMPT planning activities.

## How are "economic impacts" defined?

Economic impacts refer to *changes* in a region's level of business activity and household income due to some investment or policy event compared to a **base case**, which assumes no change. These net *changes* or impacts are measured over specific intervals of time. Economic impacts include the sum total of **direct effects** and **multiplier effects**:

**Direct effects** specifically measure the alternative investment (build scenario) over a period of time, compared to what would have otherwise occurred in the base case (no change).

**Multiplier effects** represent the ripple consequences on the economy as a result of the direct investment. *Multiplier effects* are calculated using econometric models (in this case TREDIS®) and are comprised of *indirect* and *induced impacts*. The sum of the *direct, indirect, and induced impacts equals the total economic impact* of the project for a specific point in time.

- In the case of this study, economic impacts from temporary changes in regional construction spending are measured as the annual average construction spending over the study period (through 2040).
- For permanent changes to the economy, impacts are measured for two individual years – 2020 and 2040. Economic impacts for 2040 illustrate the permanent economic impacts of the project after completion of construction, in comparison to the base case.

This report expresses economic impacts using three separate measurements for the City of Atlanta, the Metro-Atlanta Region and the State of Georgia. These economic measures are:

- (1) Net total changes in *annual sales* or **output** among all industries in the respective regions;
- (2) Total changes in **jobs** provided by employers in the respective regions; and
- (3) The *local portion* of the annual sales impacts, called **value-added** or **gross regional product (GRP)**.

**Value added** or **GRP** is the most relevant monetary measurement of economic impact because it identifies only that net portion of measured changes in overall business activity which benefits the City of Atlanta, the rest of the Metro Area and the State of Georgia – as opposed to changes in impacts which primarily benefit residents and businesses in other States.

## How are "jobs" defined?

In the analysis, **jobs** are estimated based upon the measured changes in annual local wages or labor income generated in comparison to the base case. The econometric model converts changes in labor income to **jobs using average annual wages** across all industry sectors which are directly and indirectly impacted by the investment. Jobs supported by temporary changes in construction spending represent annual average employment across *all industries* which benefit from increased construction spending and should not be confused with "construction jobs".

## What is TREDIS?

TREDIS® is a model developed for analysis of economic impact and benefit-cost for transportation projects and programs. The system is comprehensive and covers passenger and freight transport via air, water and rail, as well as truck, car and bus travel. The model is designed to consider both: (1) transportation facility/system management and planning (including passenger and freight modes), and (2) economic development at local, regional, and state levels. The program has been used by state departments of transportation, cities and other public agencies to evaluate impacts of road, bus, rail, and aviation projects.

## What types/sources of direct effects associated with development of the MMPT were analyzed?

- a. Impacts of annual spending on construction of the MMPT, public amenities and regional transit systems that would be connected to the terminal;
- b. Impacts resulting from the redevelopment of property surrounding the MMPT;
- c. Permanent employment gains resulting from future occupancy of new commercial/office space in an expanded, revitalized Downtown Atlanta;
- d. Annual spending on the operations and maintenance of the MMPT and related regional transit services;
- e. Economic value resulting from travel efficiency gains accruing to both transit riders and highway users as a result of reduced congestion, improved mobility and access to employment centers.