

Economic Impact Analysis:

Future Use Scenarios developed by PORTSfuture Community
Visioning Teams

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Project Background

- U.S. Department of Energy, Office of Environmental Management, Portsmouth\Paducah Project Office funds PORTSfuture
- One of the PORTSfuture tasks involved a 15 month, broad-based public participation process in Pike, Scioto, Ross, and Jackson Counties to identify the community's future-use preferences for the U.S. Department of Energy's PORTS site located near Piketon, Ohio.
- Community participants included residents, economic development entities, environmental groups, nonprofits, and other stakeholders in the four counties.
- Future-use scenarios were developed by community members via County Visioning Teams & voted on by public-at-large at numerous public events and via the Internet.

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Purpose of Impact Estimates

Generate estimates of :

- jobs
- labor income
- value - added
- Provide the public with a meaningful basis for expressing preferences when comparing scenarios.

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Future Use Scenarios

(Ranked as per Community's Voting Preferences)

- Nuclear Power Plant
- Green Energy Production
- Industrial Park
- National Research & Development
- Warehousing, Distribution, & Transportation Hub
- Training & Education
- Metal Recovery
- Multi-use Southern Ohio Education Center
- Greenbelt

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Calculating Impact Estimates

Direct Impact



Additional Impacts



Total Economic Activity



New Business



Purchases of goods and services from other local businesses and increased household spending



Jobs, Wages, Tax Revenue, etc.

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Software and Data Resources

- Utilized IMPLAN – self-contained modeling package that includes needed data.
- Developed by MIG, Inc. (www.implan.com)
- IMPLAN creates a model of the local economy and then computes economic impacts stemming from a specific change in the economy.



Calculating Impact Estimates

IMPLAN uses data from:

- U.S. Bureau of Labor Statistics
- U.S. Bureau of Economic Analysis
- U.S. Census Bureau
- U.S. Department of Agriculture

IMPLAN is extensively used by:

- government agencies
- academic institutions
- private and public companies
- business development and community planning organizations



Components of the IMPLAN Model

- Labor income = wages, salaries, payments received by self-employed, persons & businesses that are not corporations.
- Labor income = wages, salaries, payments received by self-employed, persons & businesses that are not corporations.
- Value added = the economic contribution of an industry, sector, or company.
- Value added = labor income + corporate profits + indirect business taxes.



Categories of Impact Estimates

- Two Categories
 - Operational impacts
 - Calculated for fully-functioning scenarios
 - Construction impacts
 - Calculated for the construction phase of scenarios
- **Note:** Voting on PORTSfuture scenarios based ONLY on Operational Impacts

Operational Impacts

- Translated scenarios into concrete numbers.
- Translation done via extensive research examining data from U.S. Department of Energy, the U.S. Census Bureau, research institutions, trade publications, and private companies.
- Impact results represent a conservative estimates for each scenario and exclude impacts of construction.
- RESULTS

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Construction Impacts

- Translated scenarios into concrete numbers. This was done by determining the most likely type (office, warehouse, plant, etc.) and size of the facilities in each scenario.
- Using data from the U.S. Census Bureau, U.S. Department of Energy, research institutions and private companies dealing with construction, we then estimated construction costs as:



Construction Impacts

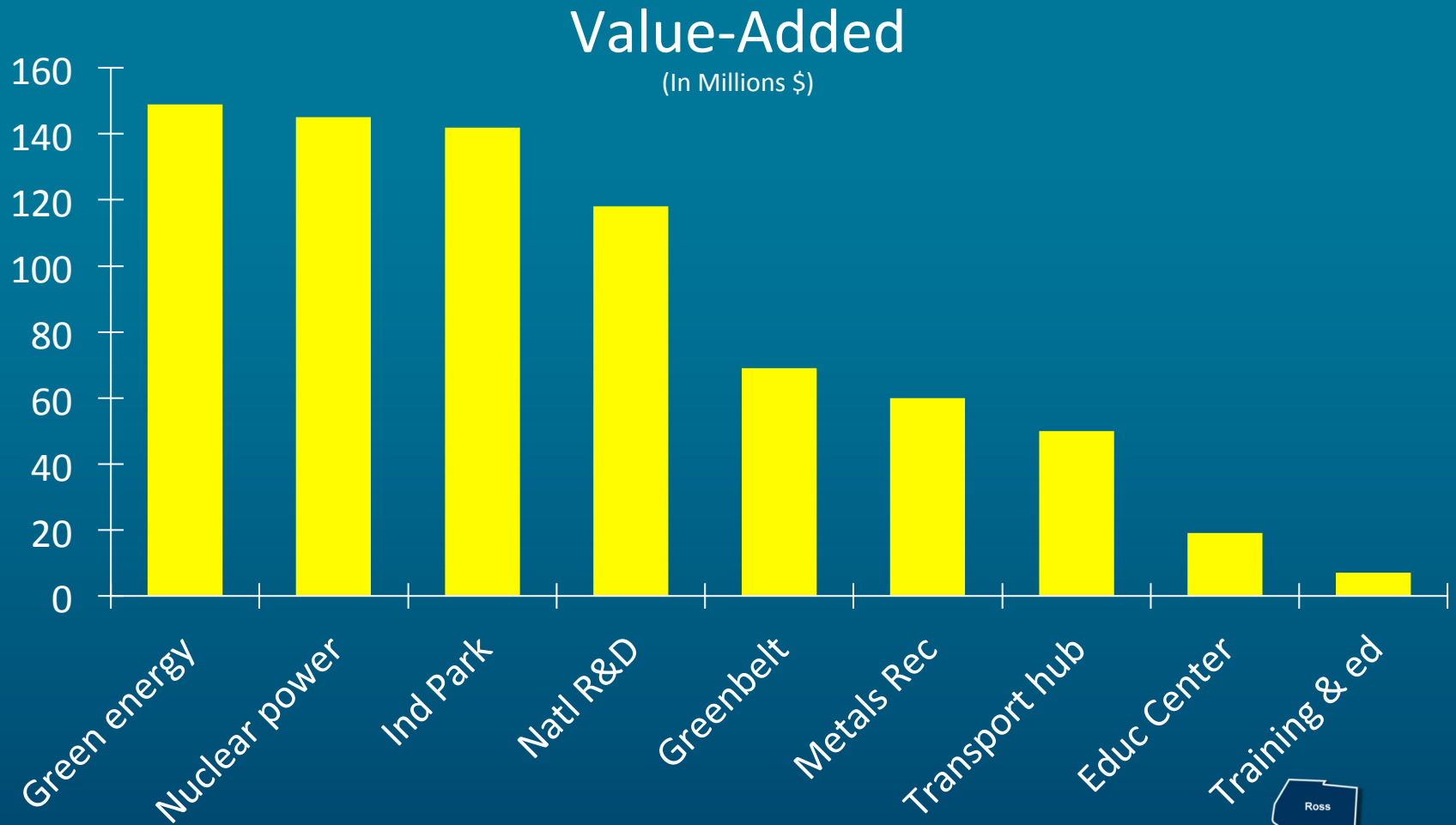
- Because the construction of nuclear energy and energy generating activities is so different from the most of facilities, these costs were calculated differently.
- For each scenario, we also include the costs associated with support infrastructure, utilities, and site development.
- For most scenarios a three-year construction period is assumed; a Local Purchase Percentage is applied; engineering and architectural fees are included.

- **RESULTS**

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Summary Results: Operational Impacts



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Conclusion

- The nine scenarios encompass a wide range of future-use scenarios.
- Economic impact results vary considerably due to:
 - direct inputs
 - structure of the economy
- Caution when interpreting results.



Conclusion

- Economic impacts together with descriptions of the scenarios were presented to the public.
- Public opinion from residents about preferred scenarios for the future use of the site were gathered:
 - Delivered over 1.6 million media impressions via multiple communication channels reaching over a thousand of residents.
- Nuclear power plant, green energy production, industrial park, are top three preferred options.

