

## 6-Step Economic Effects Analysis Process

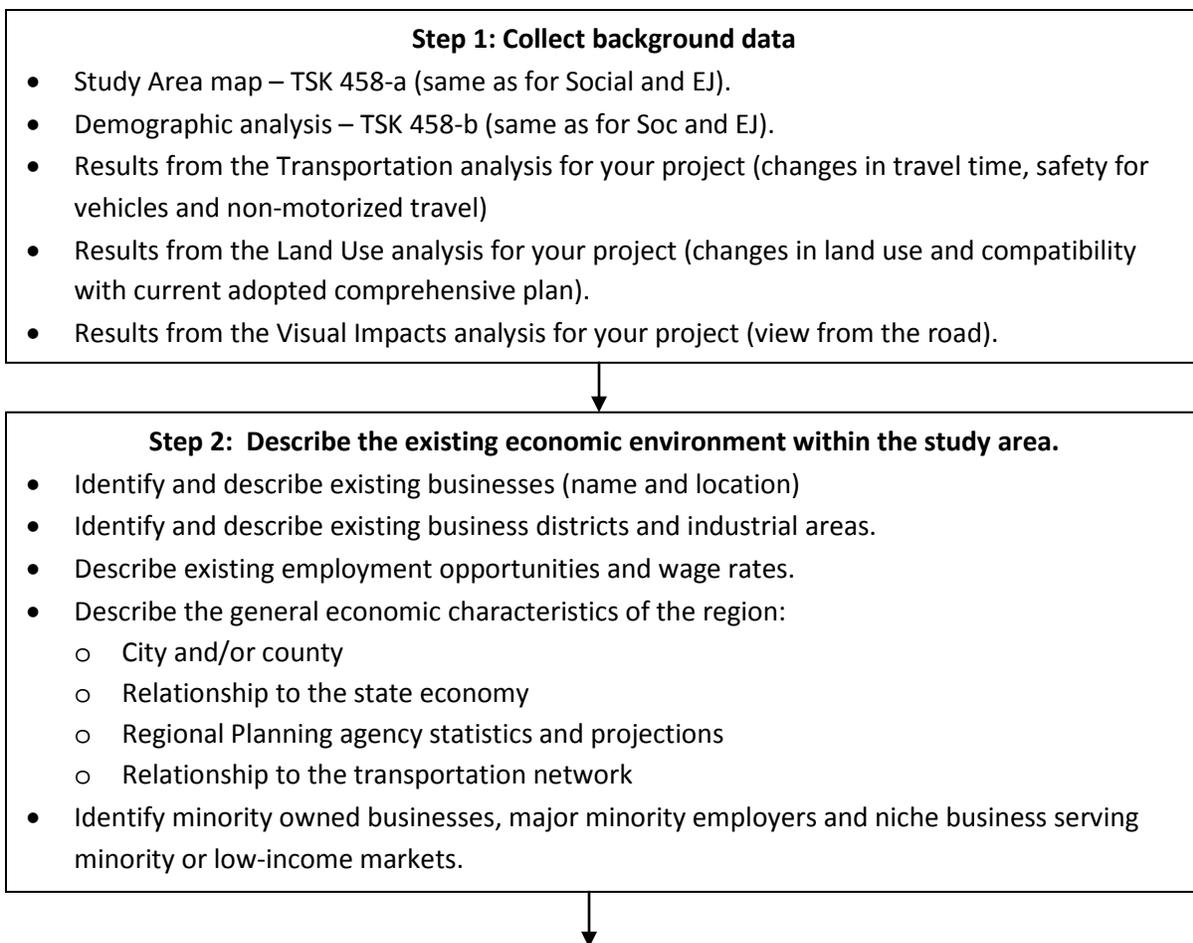
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The study area should be the same as selected for the Social and Environmental Justice analysis.

You will also need at least preliminary results from the Land Use, Transportation, and Visual Impacts analysis. The Economic analysis should include an evaluation of the positive and negative effect of temporary and permanent impacts of the project for all alternatives, including the no-build.

Scale the level of effort to reflect the size and complexity the project and the severity of the impacts. [NCHRP Report 456](#) describes eleven factors that may affect the economy of a neighborhood in various ways. The report offers 4 analysis methods that may be used for each element. Focus your efforts on the issues of greatest local interest based on feed-back from interviews with local officials and business leaders. Be careful to avoid double counting effects when selecting elements for analysis.

The analysis for each element must be conducted separately and results combined to provide a qualitative measure of effectiveness because the units of measurement are not consistent or directly comparable across all elements.





### Step 3: Evaluate the effect of changes in Transportation

Use data collected from the Transportation analysis.

- Changes in **travel time** effects:
  - The ability to receive and distribute goods and services.
  - The ability of employees to get to work, and the size of the available labor pool.
- Changes in **travel patterns** effects:
  - The viability of vehicle-dependent businesses adjacent to the project (drive in banks, convenience stores, gas stations).
  - The impact on existing business districts (both diversion of traffic to new routes or increasing congestion or freight traffic on existing routes).
- **Safety** effects –unpredictable delay cause by accidents. Safety data is available from the Transportation analysis or [WSDOT Statewide Travel and Collision Data Office](#).
- Changes in **vehicle operating costs** – for fleet operation due to congestion or travel time.



### Step 4: Evaluate effect of changes in Land Use

Use data collected from the Land Use analysis.

- Changes in **individual business viability**
  - Due to relocation or displacement
  - Due to change in access (number and location of driveways)
- Changes in **economic development** effects:
  - Tax base through business start up, attraction, and retention.
  - Direct effects on business competitiveness.
  - Direct effect on business expansion.
  - Estimated Indirect and induced effects on economic development
- Changes in **property values**



### Step 5: Evaluate the effect of changes in Visual Quality

Use data collected from the Visual Quality analysis.

- Changes on individual **business vitality due to visibility** from the highway.



### Step 6: Evaluate the temporary construction effects on the economy.

- Changes in travel patterns due to **detours**.
- Temporary effect on business vitality due to noise and air quality (dust). Use results from the Noise and Air Quality analysis for your project.





**Step 7: Evaluate cumulative economic effects on the study area.**

Not all projects will require analysis for cumulative effects. Refer to Chapter 412 of the Environmental Procedures Manual for guidance.



**Step 6: Combine scores and document conclusions**

- Write report. State conclusions in clear, defensible language. Include enough detail so the reader can clearly understand effects. Support your conclusions. Issues with a higher level of controversy should be discussed in more detail.
- Develop graphics to illustrate findings.
- Document sources and methodology.