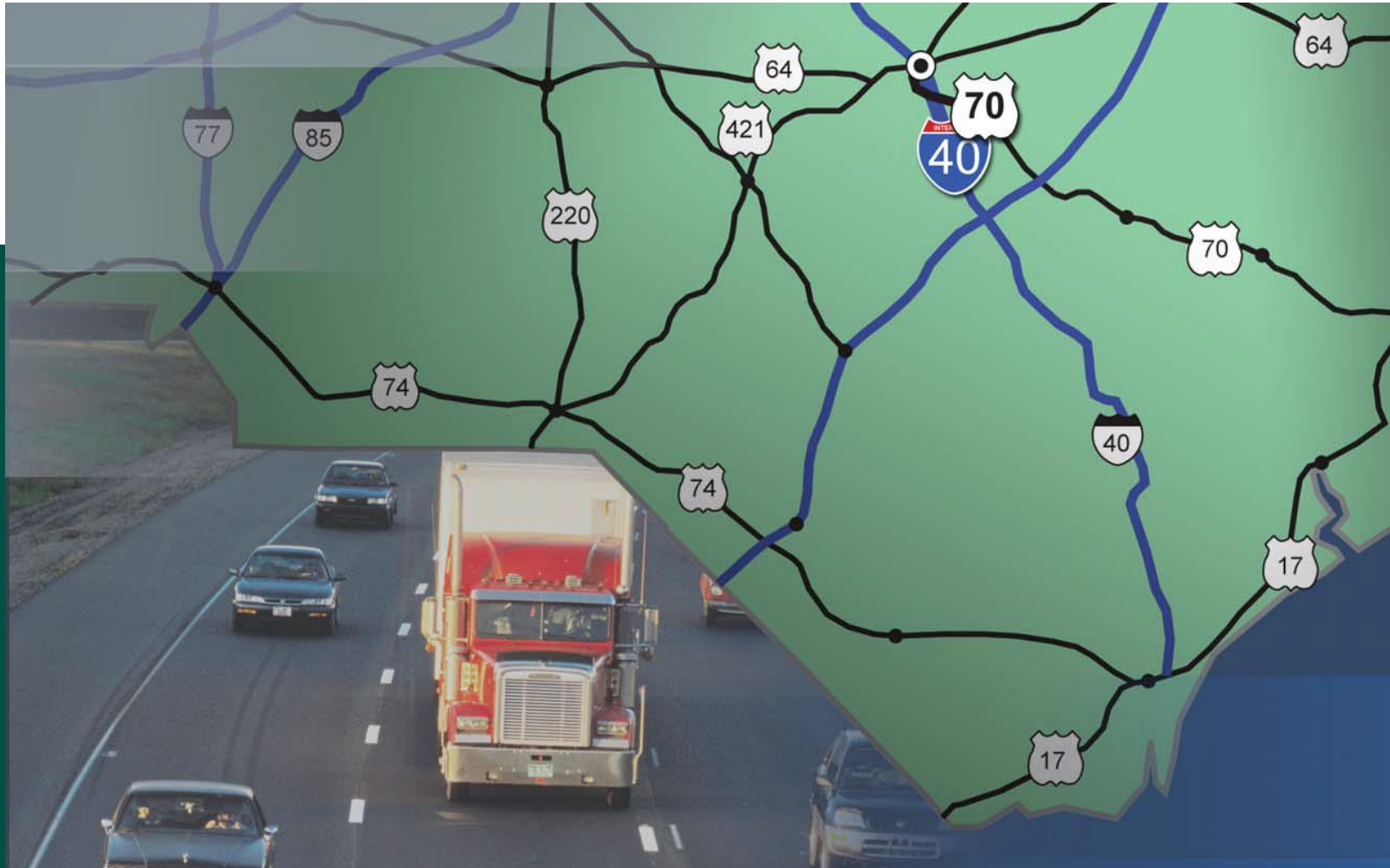


U.S. 70 Corridor Economic Assessment



prepared for

U.S. 70 Corridor Commission and NCDOT

prepared by

Cambridge Systematics, Inc.

with

Sanford Holshouser Economic Development Consulting

March 07, 2014

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report

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Executive Summary

Access for the regional, interstate and international movements of goods, services and people directly impacts long-term economic vitality. This is especially true along the U.S. 70 corridor from Raleigh to Morehead City. The U.S. 70 corridor serves key industries and economic centers, connecting the Raleigh, Smithfield, Goldsboro, Kinston, Havelock, and Morehead City areas. With a major deep-water port located in Morehead City and connectivity to I-95, the corridor is heavily used for freight movement. The Global Transpark, an air-truck transfer facility that also serves as a commercial service airport, is situated just north of the corridor in Kinston. The U.S. 70 corridor provides for emergency routing, serves as a local commute route for urban areas along the corridor and is the gateway into the state for millions of visitors each year. Additionally, two military bases are located just off U.S. 70 - Seymour Johnson Air Force Base in Goldsboro and Cherry Point Marine Corps Air Station in Havelock. Recognizing the corridor's vital role to the State, North Carolina Department of Transportation has developed a program of improvements to maintain and enhance the performance and integrity of the facility over the coming decades.

The U.S. 70 Corridor Commission commissioned an economic assessment of the U.S. 70 corridor to examine the impacts of investing in a series of bypass and upgrade projects along the corridor as well as the implications of not making the improvements. Understanding and quantifying the economic and strategic importance of the corridor to businesses, residents and communities along the corridor will allow the Commission to demonstrate the economic return on investment accruing from investments as well as the economic cost associated with not completing the system of bypasses.

The purpose of the U.S. 70 Economic Assessment is to examine the economic impacts and opportunities arising from investing in a fully controlled access facility connecting Raleigh to Port of Morehead. The analysis is comprised of two primary components - assessing the economic impact of the improved corridor for existing businesses and residents and estimating the new or induced development that may occur as a result of the improved corridor.

Traffic forecasts for the build and no-build or business as usual (BAU) scenarios are consistent with the forecasts provided by NCDOT. Under the no-build or BAU, average daily traffic along the corridor is projected to reach as much as 82,000 vehicles on the busiest sections by 2040. Under the build scenario, the bypasses will provide significant relief allowing for a safer, more efficient travel on both the existing corridor and the new bypasses. The final set of BAU and Build volumes are illustrated in Figures E.1 and E.2.

Market Access and Competitive Potential. The dependence on U.S. 70 as it relates to economic development possesses many aspects. Industry is

unquestionably tied to U.S. 70 in order to get raw materials into plants and finished product out to customers. Another aspect on which industry depends on U.S. 70 is to get their employees to and from the employment centers. Completion of the improved Corridor will improve safety of those employees, reduce congestion, and potentially reduce commute times. In addition, as has been found in Johnston County, the completion of the improvements and bypass can expand the labor pool and access to new markets. With travel time measured in time not miles, workers can now commute further distances in the same amount of time; greatly increasing the area from which companies can draw from. This is also the case with companies receiving or delivering products used in manufacturing. Table E.1 shows the potential time savings for businesses and commuters to key destinations along the Corridor.

Figure E.1 Traffic Forecasts for Western Portion U.S. 70

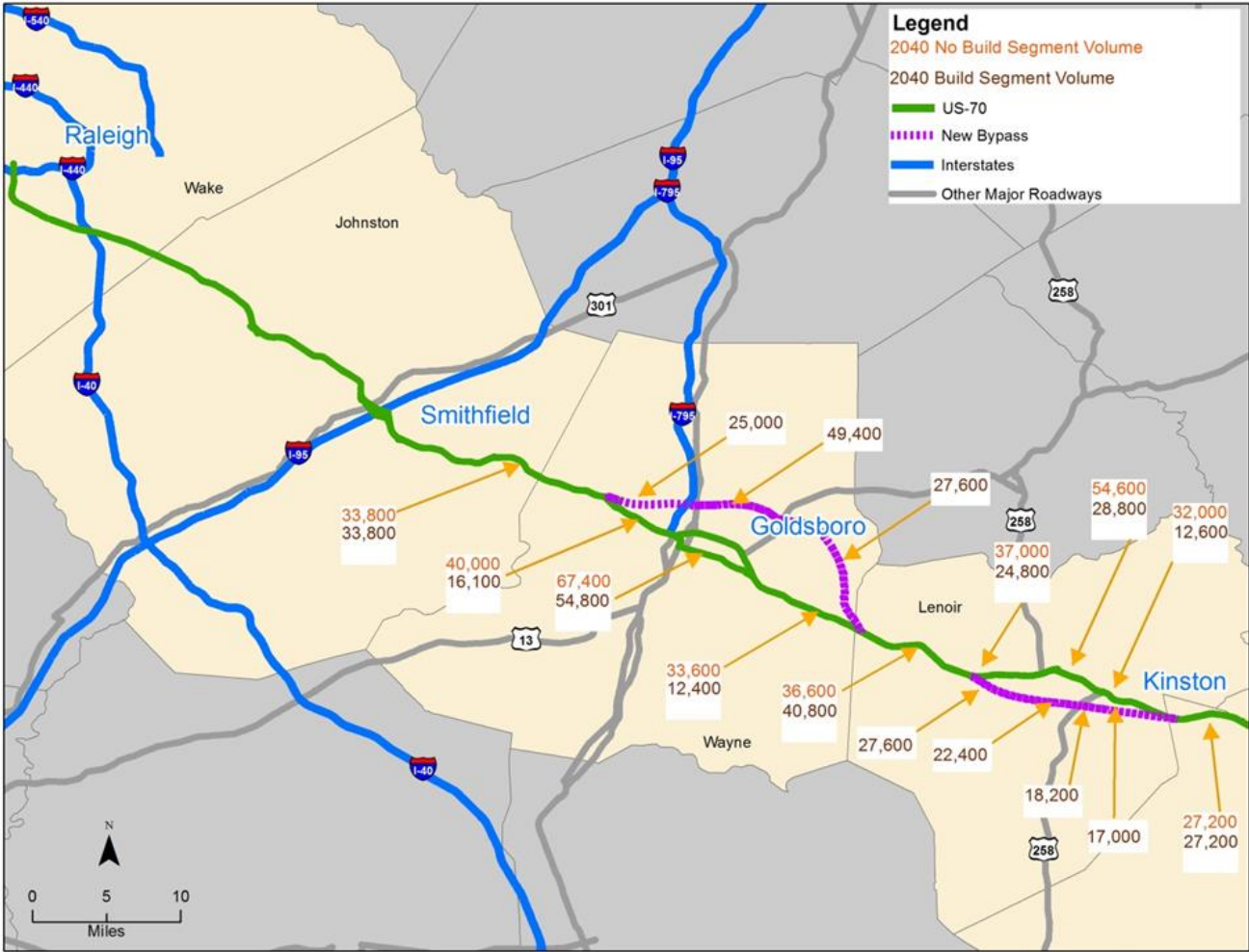


Figure E.2 Traffic Projections for Eastern Portion U.S. 70

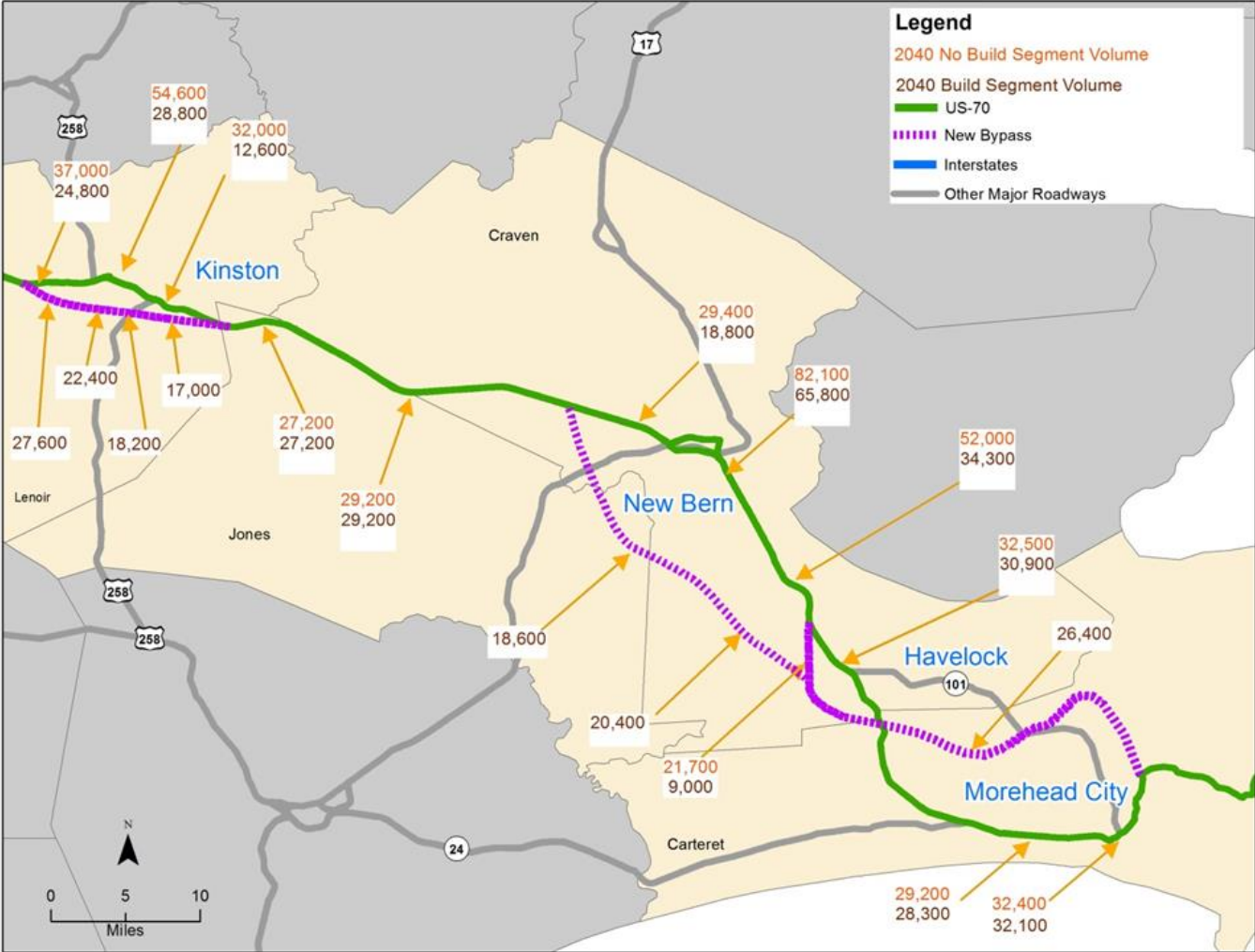


Table E.1 Potential Time Savings for Key Market Access Routes

Route	Distance (miles)	Current Day Travel Times	2040 No build Travel Times (minutes)	2040 Build Travel Times Build (minutes)	Time Savings in 2040
Global TransPark to Raleigh	81.5	91	126	70	56
Global TransPark to Port of Morehead	76.3	88	86	60	26
Global TransPark to I-95	54	60	65	50	15
Port of Morehead to Raleigh	147	152	198	130	68
Port of Morehead to I-95	116	122	135	90	45

Source: Google Maps and Cambridge Systematics, Inc. calculations using travel skims from the NS Statewide model. Build scenario speed limit is assumed as 65 mph.

Unencumbered access to the Global TransPark, Port of Morehead City, and I-95, which are the key drivers of freight traffic, will reduce logistics costs in the region and enhance its competitiveness. The improvements along U.S. 70 could lead to time savings of more than an hour between key economic development assets along the Corridor.

For each scenario, summary impacts for existing business and residents provided include:

- Business transportation costs – Travel time cost plus vehicle operating costs without tolls;
- Gross Regional Product (GRP) – Total value of economic output and general measure of the size of a region’s economy;
- Personal Income – Value of wages, salaries and proprietor’s income; and
- Jobs – Measured in average annual full-time equivalent jobs.

In addition to evaluating the impacts to existing businesses and residents, the study also examined the impact of improved travel times and lower transportation costs on the region’s ability to attract additional businesses and residents. Summary findings of the economic impact arising from improved travel conditions for traffic currently projected to travel the U.S. 70 corridor as well as the impact of closing the job growth gap when compared to other expressway corridors are presented in Table E.2.

Table E.2 Summary of Incremental Economic Impacts of U.S. 70 Corridor, 2014 to 2040

Source of Impacts	Travel Efficiencies		Induced Traffic from	Total Impacts
	Existing Traffic		Closing Employment Gap	
Metric	No Build	Build	Build	Build
U.S. 70 Corridor				
Business Transportation Costs (\$ Billions)	\$0.35	(\$0.56)		(\$0.56)
Gross Regional Product (\$ Billions)	(\$0.80)	\$1.20	\$1.35- \$2.60	\$2.55 - \$3.80
Personal Income(\$ Billions)	(\$0.61)	\$0.90	\$1.00 - \$1.95	\$1.90 - \$2.85
Jobs (average annual full-time)	(350)	550	600 – 1,350	1,150 – 1,900
Rest of North Carolina				
Gross Regional Product (\$ Billions)	(\$1.08)	\$1.40		\$1.40
Personal Income(\$ Billions)	(\$0.89)	\$1.05		\$1.05
Jobs (average annual full-time)	(450)	600		600

Source: Cambridge Systematics analysis using a REMI economic model and employment data from NC Department of Commerce

Key takeaways include:

- Not making the improvements along U.S. 70 will result in slower economic growth along the corridor in the order of 350 fewer jobs per year and \$800 million less in GRP and \$610 million less in personal income between 2014 and 2040.
- A fully controlled access highway would give rise to significant travel efficiencies for existing business and residents. These include \$56 million in business cost savings, \$1.2 billion in GRP and over \$900 million in additional personal income between 2014 and 2040. This translates into nearly 550 additional jobs on average per year along the corridor when compared to business as usual. Statewide, the investment is projected to lead to an average of an additional 1,150 jobs annually.
- An interstate quality highway could also help the region be more competitive in inducing additional business and populations. If the corridor could match the growth rates of the similar corridors in eastern

North Carolina, that could translate into 600 to 1,350 additional jobs per year along U.S. 70.

- In total, the upgrading the entire U.S. 70 corridor could give rise to an additional 1,150 to 1,900 jobs per year for communities that rely on the corridor and an additional 600 jobs annually for the rest of North Carolina for a total potential of 1,750 to 2,500 additional jobs annually for the State.