

## **Protection of Community and Neighbourhood Characteristics: Economic Impact Assessment**

As part of the Detroit River International Crossing (DRIC) Environmental Assessment, the potential economic impacts of the access road, plaza and crossing alternatives are being assessed.

### **Purpose of The Economic Impact Analysis**

The purpose of the economic impact analysis is to identify the potential positive and negative economic affects of a new border crossing and Highway 401 extension to the local and regional economies of the Windsor area.

The focus of the economic impact analysis is on assessing economic impacts to businesses along, and in close proximity to, the access road, plaza and crossing alternatives, within the Area of Continued Analysis (ACA). Economic impact data generated from this assessment will be used in conjunction with data from other disciplines, in the overall evaluation of the Practical Alternatives.

### **How the Analysis was Done**

Over the past six months, several methods of data collection and analysis were used. These included:

- business surveys
- municipal business directories
- municipal property assessment data
- meetings with local business owners
- traffic forecasts
- other field analysis.

The principle considerations in assessing the degree of economic impact are:

- number of employees affected
- gross revenues of affected businesses
- impact on municipal tax base
- reliance of business on non-local traffic.

### **Results To Date**

A substantial amount of analysis has been conducted regarding local business operations in Windsor and the potential impacts of the new highway access road and new international crossing.

Three areas of impact were identified:

- along the proposed highway access road
- within the plaza and crossings
- outside of the ACA.

Some of the preliminary findings include:

### **Commercial**

- Approximately 83 businesses exist today along the proposed access road, not including businesses within designated industrial parks. The majority of these businesses are highway-oriented, including restaurants, accommodation, retail and gas stations. The largest concentration of businesses is found in the Windsor Crossing Premium Outlets, with 45 businesses.
- Between 25 and 45 businesses along Highway 3/Huron Church Road will be displaced by any option. Other remaining businesses will likely be disrupted through property infringement and/or by a reduction in traffic access or visibility.
- The displacement and disruption of commercial businesses is estimated to result in a loss of revenue of approximately \$10 million and approximately 100 jobs.
- The nature of the retail businesses affected is such that this economic activity and the jobs lost will likely be replaced elsewhere in the Windsor area through both existing and new developments.
- There are notable differences among the various access road alternatives in terms of economic impact. The tunnel option (Alternative 3) is considered to have the highest impact to local businesses. In addition to the number of businesses and the volume of business activity displaced – 44 businesses which is higher than some of the options – there will be substantial disruption to the majority of the remaining businesses, especially as a result of loss of highway visibility. The at-grade freeway option with adjacent 2-way service roads comprised mostly of the existing Huron Church Road (Alternative 2A) displaces the fewest number of businesses relative to the rest of the alternatives and is expected to create the least economic disruption with less obstruction to both access and visibility.

### **Industrial**

- Businesses in the area of the crossings and Plazas B and C are predominately industrial in nature. These businesses are some of Windsor's largest employers.
- Economic impact varies greatly between each of the potential locations of the crossings and plazas. Preliminary economic impacts from displacement/dislocation within certain crossing and plaza locations can result in approximately 100 job losses and a loss of revenue close to a \$100 million.
- These impacts to industrial businesses are more directly associated with displacement and property infringement. Access and visibility are less of a concern for such businesses.
- With Crossing A connecting to Plaza A, no businesses are expected to be displaced or substantially disrupted. Crossing B connecting to Plaza A is very similar with limited business disruption expected.
- All options that involve Crossing C displace at least five businesses and disrupt several more. The businesses that are displaced and disrupted are all significant industrial businesses.

### **Outside of the ACA**

- Regional economic impacts, beyond the ACA, are mostly positive. Industrial businesses, especially those close to the proposed crossing and access route, will be positively affected as a result of less local traffic congestion and improved transportation for the movement of people goods, as a result of less local and border traffic congestion and increased highway capacity and speed.
- Commercial businesses, including those that are tourism based, will also benefit from less traffic congestion for tourists travelling through the region.
- Businesses likely to be negatively affected are those businesses that are highway dependant; namely, those that rely on heavy volumes of non-local traffic i.e. restaurants, accommodation, and gas stations. These affects can be mitigated depending on degree of access provided with new access road and associated signage.

## Interpretation

The economic impact assessment has led to two preliminary conclusions:

- 1) The negative economic impacts are expected to be almost entirely locally oriented, affecting businesses within the ACA and some within close proximity.
- 2) The positive economic impacts that the proposed access road and new international crossing will have in Southern Ontario and the greater Windsor region, including the city of Windsor and the towns of LaSalle and Tecumseh will be substantial. International exports account for \$225 billion in provincial GDP, this represents over 40% of Ontario's GDP. It is estimated that the Windsor-Essex County area accounts for over 3%, \$7.5 billion, of Ontario's international export GDP. Given the economic scale, any improvement to the speed and efficiency of goods and services crossing the border will have a tremendous impact on the economies of both Ontario and the Windsor-Essex County area. In addition, there is expected to be greater opportunity for industrial and large-scale commercial development along Highway 401 within the Windsor-Essex County area. The region will become more attractive for tourists from the United States to travel into the Windsor area and the reduction of traffic along local streets will, in many cases, assist local businesses.

## Remaining Activities

Businesses that have not completed a survey will be contacted for their input in order to allow as many businesses as possible to be accounted for and heard from in the analysis. This information will be used to update and refine the data collected to date and incorporated in the assessment of Practical Alternatives.