

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. Economic effects are considered as part of the overall factor "Protection of Community and Neighbourhood Characteristics."

How the Analysis was Done

The purpose of the economic impact analysis is to identify the potential economic effects of the various access road, plaza and crossing alternatives on businesses and the overall local and broader economic area. A detailed analysis of the economic impact of the access roads and plaza and crossing alternatives can be found in the *Economic Impact Practical Evaluation Working Paper*, May 2007.

The focus of the economic impact analysis is on assessing the economic impacts to businesses along, and in close proximity to, the proposed access road, plaza and crossing locations, within the overall Area of Continued Analysis (ACA) and, in turn, the associated impacts on the overall economy. 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.

Several methods were used to assess potential impacts to economic conditions both within and beyond the ACA. These include:

- Business surveys
- Municipal business directories
- Municipal property assessment data
- Meetings with local business owners
- Traffic forecasts
- Other field analysis.

Assessing Economic Impacts Within the Area of Continued Analysis (ACA)

Economic impacts within the ACA include the number of businesses displaced and the number of businesses disrupted. The displacement of a business located within the ACA refers to the physical removal of a business from its current location due to the alignment of the access road, plaza, or crossing. Disruption of a business is defined as the alignment of the access road, plaza or crossing physically impeding on a business's property, decreasing the amount of passing car and/or truck traffic, and altering the access and/or visibility for traffic. The economic impacts connected to business displacement are easily determined, as there is no judgment made as to the degree of impact – the business is either displaced or it is not. The economic impacts associated with business disruption are entirely a matter of degree, and do not lend themselves to precise quantitative measure.

The principle considerations in assessing the degree of the direct economic impacts are:

- Number of employees affected
- Gross revenues
- Impact on municipal tax base
- Reliance of business on non-local traffic
- Ability of business to move to alternative location
- Potential for loss of businesses to be off-set by gains in competing business.

Assessing Economic Impacts Beyond the Area of Continued Analysis (ACA)

Economic impacts beyond the ACA are impacts to businesses and economic activities located outside of the ACA as a result of either the displacement or disruption to businesses within the ACA or as a result of the various proposed access road and plaza-crossing alternatives. Associated economic impacts were assessed for three specific areas:

- Businesses located north of the E.C. Row Expressway, along Huron Church Road
- Other businesses located outside of the ACA, primarily in the City of Windsor and the Towns of LaSalle and Tecumseh
- The broader economic area.

Findings to Date

Practical Alternatives

- 119 businesses are assessed within the ACA. The 119 businesses do not include businesses within Ambassador and Del Duca Industrial Parks because there are no economic impacts on any of these businesses within these business parks.
- 85 businesses are located along the access road alternatives, the majority of which are highway-commercial oriented, including restaurants, accommodation, retail and gas stations. Other retail businesses are located along the access road alternatives, including national chain stores.
- 26 to 45 businesses are displaced along the access road alternatives.
- 36 to 57 businesses are disrupted along the access road alternatives.
- The displacement of businesses along the proposed access road will have limited overall economic impact. Despite the immediate loss of revenue and employment, the loss of businesses will be offset by gains in other businesses, or the displaced businesses will relocate to other suitable areas.
- Depending on the alternative selected, a loss of between 200 and 335 employees, gross revenue lost of \$20 to \$40 million and estimated assessed property value loss of between \$13 to \$27 million is estimated.
- From an economic impact perspective, Alternative 2A alignment Option 1 has the least business displacements and limits the degree of disruption associated with visibility and access, since the access road is at-grade rather than below-grade or tunnelled.
- Alternative 3 has the highest degree of disruption associated with visibility and access, since the access road is underground.

Plaza and Crossing Alternatives

- 34 businesses are located within the plaza-crossing alternatives and are predominantly industrial.
- Within the plaza-crossing alternatives, between one and six businesses are displaced.
- Up to five businesses are disrupted within the plaza-crossing alternatives.
- A loss of between five to 260 employees and estimated assessed property value loss of between \$125,000 and \$7 million is estimated.
- Business displacement within the plaza-crossing alternatives will have a minor economic impact. Similar to businesses along the access road, despite immediate loss of revenue and employment, loss of business will be offset by gains by competitors or by displaced businesses relocating to other suitable sites. However, due to the scale and the specific locational needs of some of the displaced businesses, some negative impacts may result.
- The economic impacts associated with the disrupted businesses within the plaza-crossing alternatives are minor. Due to the current design of the plaza-crossing alternatives and the nature of the businesses disrupted, almost all businesses in the area will be able to operate in the same manner with no economic impact.
- Plaza A-Crossing A has the least business displacements while Plaza C-Crossing C displaces the greatest number of businesses in the industrial area of Windsor

Potential Impacts Beyond the Area of Continued Analysis (ACA)

- There is no difference between the various access road and plaza-crossing alternatives in terms of economic impacts beyond the ACA. The impacts are associated with the overall effects of building a new border crossing and access road compared to “do-nothing” alternatives, not the alignment or design of the various alternatives.
- For the commercial and travel-tourism businesses located along Huron Church Road, north of the E.C. Row Expressway, the impacts are expected to be nearly neutral. This is for two principle reasons:
 1. The dramatic decline of truck traffic is of no consequence as businesses along this section of Huron Church Road do not rely on truck traffic for business.
 2. The loss of international car traffic is likely to be more than balanced by increased opportunities for sales to local traffic.
- For Huron Church Road north of E.C. Row Expressway, traffic forecasts indicate a decline in passing international automobile traffic after the completion of a new crossing, but recovering somewhat later in the forecast period. Local automobile traffic increases throughout the forecast period more than compensates for the loss of international automobile traffic. International truck traffic decreases significantly as a result of the new crossing and access road, while local truck traffic increases marginally over the forecast period.
- Impacts to other business beyond the ACA are likely to be largely positive. This is for two reasons:
 1. The business activity lost within the ACA is likely to be largely reflected in increases in similar businesses outside of the ACA.
 2. The improved transportation network, less traffic congestion and increased highway capacity will improve the movement of goods for industrial users and increase the amount of non-local customers travelling into and out of the area for commercial and travel-tourism businesses.

- The effects on the broader economic area will be entirely positive, as the new border crossing and access road will support increased trade, create greater opportunity for development along Highway 401, and significantly increase the amount of people travelling in the area, enhancing businesses and future opportunities for commercial and travel-tourism related businesses.

Remaining Activities

As a result of declines in passenger traffic volumes, as well as reduced visibility and/or modified access, some businesses along the access road will be negatively effected, especially those that rely on non-local customers. The ability to address these changes through alternative access and signage will be considered once a technically and environmentally preferred alternative is chosen and the project proceeds to the detailed design phase. Opportunities to enhance visibility and signage will be part of the overall design of the new access road alternative.

In addition, an assessment of the impacts to the economy associated with the Parkway alternative is not yet completed.

The evaluation of crossings, plazas and access roads by the economic impact discipline will be incorporated into the multi-disciplinary evaluation of Practical Alternatives. If necessary, an economic impact assessment will be performed once a technically and environmentally preferred alternative is selected.