

# MOBILITY AND ECONOMIC IMPACTS DUE TO BRIDGE CONSTRUCTION

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*for Livable Communities*





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- Economic Impact on Surrounding Businesses
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# Introduction

- There are approximately 600,000 bridges in the United States; however, about 25% of them are structurally deficient or functionally obsolete. Hence, they require rehabilitation, repair or total replacement (FHWA 2017).
- Accelerated bridge construction (ABC) methods are implemented over conventional construction (CC) to reduce mobility impact time.
- Time metrics for ABC based on mobility impact time (FHWA 2017):

Tier	Mobility Impact Time
1	1 – 24 hours
2	1 – 3 days
3	3 days – 2 weeks
4	2 weeks – 3 months
5	More than 3 months



# Introduction



Mobility impact time of PBES  
is in **months**

Mobility impact time of SPMT  
is in **weeks**

Mobility impact time of SIBC  
is in **days**

Mobility impact time decreases

Initial project cost increases  
(The ABC costs are 6% to 21% higher than CC due to  
site complexities, time constraints, and perceived risks.)

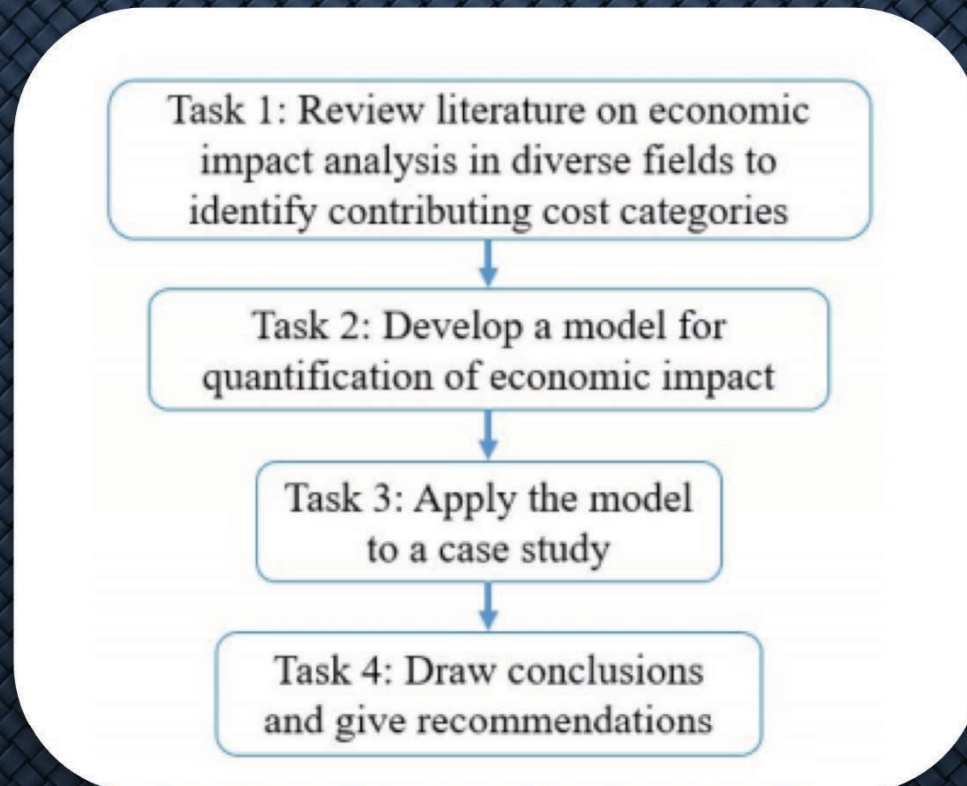
- Traditionally, user cost from reduced mobility impact time ( $T_M$ ) is used to justify additional cost of ABC. However, there are other inconveniences on neighboring communities and businesses which can be quantified as economical impacts.



# Objective and Methodology

**Objective:** To develop and implement a model to quantify economic impact on surrounding communities and businesses from a bridge construction project.

## Methodology:

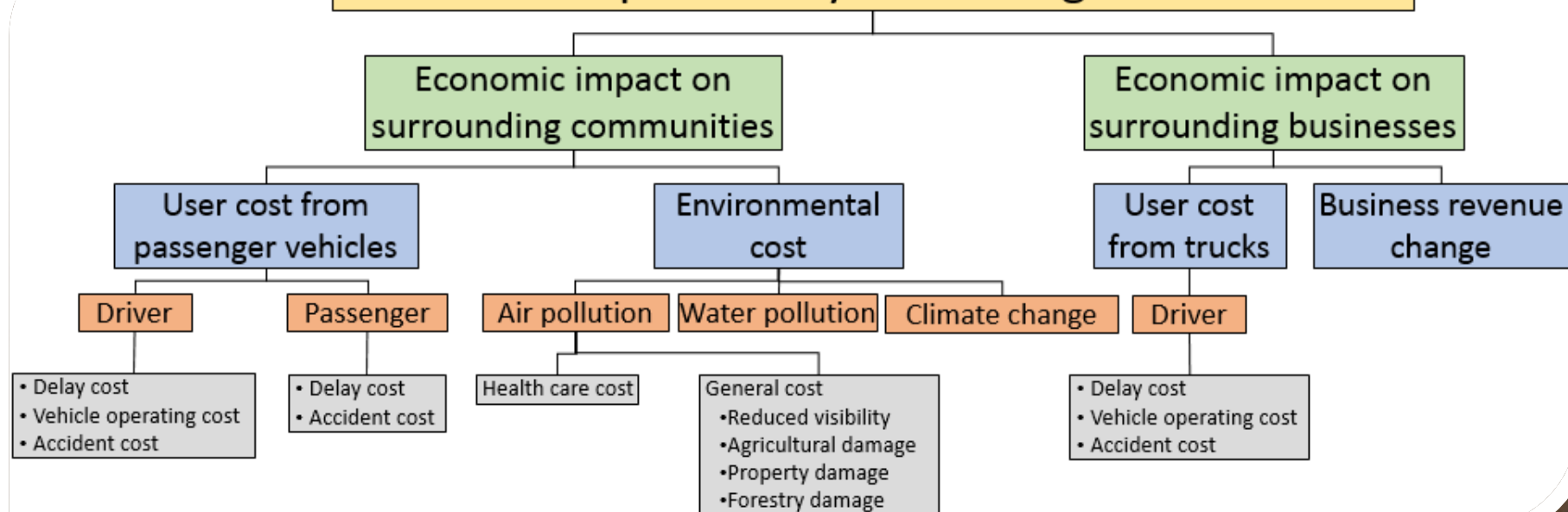




# Cost Categories

- The project impacts are grouped under three major cost categories (a) user cost, (b) environmental costs, and (c) business revenue change (Aktan and Attanayake 2015; Metthews et al. 2014; Islam et al. 2014; Ferguson 2012; the Swiss Federal Office for Spatial Development 2010; Allouche and Gilchrist 2004; Delucci 2000; the Federal Highway Administration 1997).

## Economic Impact Analysis of Bridge Construction





# Economic Impact on Surrounding Communities

## User Cost

- User cost from passenger vehicles within work zone:
  - Driver delay cost:  $DDC = [L/S_a - L/S_n] \cdot ADT_{pv} \cdot N \cdot w_{pvd}$
  - Vehicle operating cost:  $VOC = [L/S_a - L/S_n] \cdot ADT_{pv} \cdot N \cdot r_{pv}$
  - Accident cost:  $AC = L \cdot ADT_{pv} \cdot N \cdot (A_{apv} - A_{npv}) \cdot C_a$

$L$  = length of the affected roadway due to bridge construction (i.e., work zone length)

$S_a$  = work zone speed limit

$S_n$  = normal speed limit of the roadway

$ADT_{pv}$  = average daily passenger vehicle traffic

$N$  = duration of construction in days affecting the work zone

$w_{pvd}$  = hourly rate for passenger vehicle drivers

$r_{pv}$  = average hourly vehicle operating cost for passenger vehicles

$A_{apv}$  = accident rate per vehicle-mile due to work zone

$A_{npv}$  = normal accident rate

$C_a$  = average cost per accident



# Economic Impact on Surrounding Communities

## User Cost

- User cost from passenger vehicles within work zone:
  - Passenger delay cost:  $PDC = [L/S \downarrow a - L/S \downarrow n] \cdot ADT \downarrow pv \cdot N \cdot w \downarrow p \cdot (AVO - 1)$
  - Passenger accident cost:  
 $PAC = L \cdot ADT \downarrow pv \cdot N \cdot (A \downarrow apv - A \downarrow npv) \cdot C \downarrow ap \cdot (AVO - 1)$

AVO = average vehicle occupancy

$w_p$  = hourly rate for passenger

$C_{ap}$  = average medical cost per accident per person (accident cost excluding cost of damages to the vehicle)



# Economic Impact on Surrounding Communities

## User Cost

- User cost from passenger vehicles due to detour:
  - Driver delay cost:  $DDC = (T_{Dpv} - T_{WZpv}) \cdot V_{pv} \cdot T_M \cdot w_{pv}$
  - Vehicle operating cost:  $VOC = (T_{Dpv} - T_{WZpv}) \cdot V_{pv} \cdot T_M \cdot r_{pv}$
  - Accident cost:  $AC = (L_{Dpv} - L_{WZpv}) \cdot V_{pv} \cdot T_M \cdot A_{npv} \cdot C_a$
  - Passenger delay cost:  $PDC = (T_{Dpv} - T_{WZpv}) \cdot V_{pv} \cdot T_M \cdot w_p \cdot (AVO - 1)$

○ Passenger accident cost:  
 $T_{Dpv}$  = time to travel via detour for passenger vehicles

$T_{WZpv}$  = time to travel at the normal posted speed along a distance equal to the road segment that is closed due to construction

$T_M$  = mobility impact time

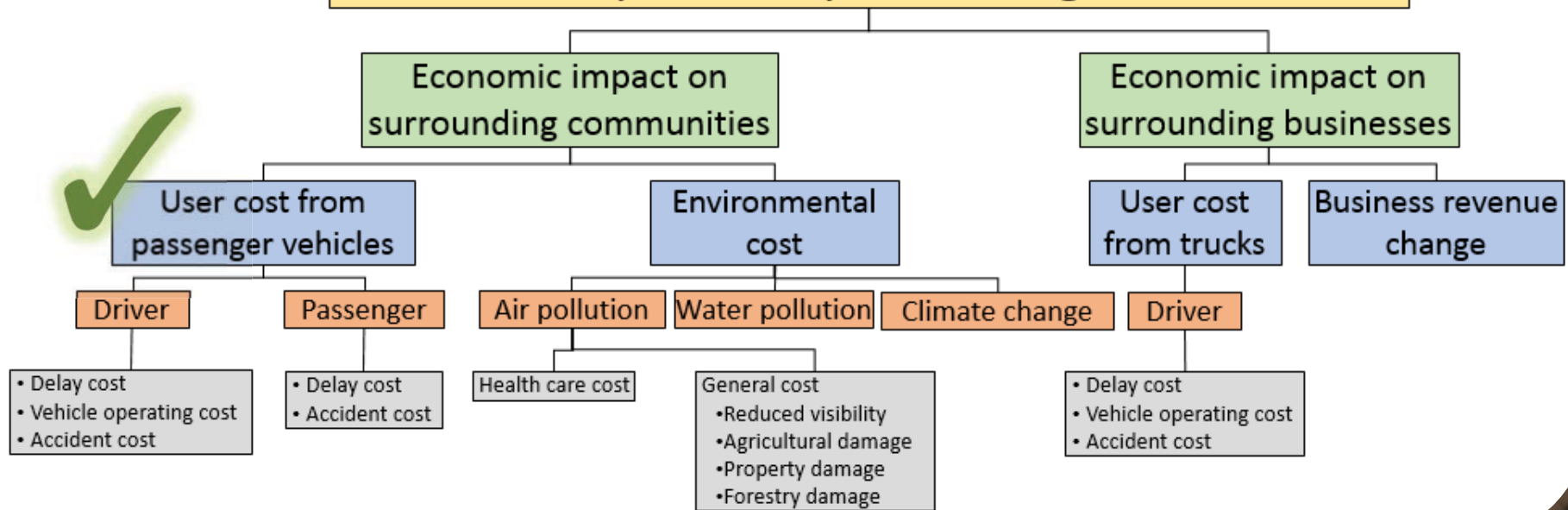
$V_{pv}$  = volume of passenger vehicle traffic on the roadway to be closed during construction

$L_{Dpv}$  = the length of detour for passenger vehicles

$L_{WZpv}$  = length of the road segment closed to passenger vehicles during construction



# Economic Impact Analysis of Bridge Construction





# Economic Impact on Surrounding Communities

## Environmental Cost

- **Environmental cost from air pollution**
  - Health care cost is calculated based on treatment cost since air pollution caused by the following pollutants affects human health:
    - Carbon monoxide (CO)
    - Nitrogen dioxide (NO<sub>2</sub>)
    - Volatile organic compound (VOC)
    - Particulate matter less than 2.5 microns in aerodynamic diameter (PM<sub>2.5</sub>)
    - Particulate matter between 2.5 microns and 10 microns (PM<sub>10</sub>)



# Economic Impact on Surrounding Communities

## Environmental Cost

- Health care cost from a pollutant within work zone:
  - For passenger vehicles:  $CP = UC_{\downarrow p} \cdot E_{\downarrow pv} \cdot ADT_{\downarrow pv} \cdot N \cdot L \cdot (SCF_{\downarrow NSpv} - SCF_{\downarrow WZpv})$
  - For trucks:  $CP = UC_{\downarrow p} \cdot E_{\downarrow t} \cdot ADTT \cdot N \cdot L \cdot (SCF_{\downarrow NSt} - SCF_{\downarrow WZt})$
- Health care cost from a pollutant due to detour:
  - For passenger vehicles:

$$CP = UC_{\downarrow p} \cdot E_{\downarrow pv} \cdot V_{\downarrow pv} \cdot T_{\downarrow M} \cdot (L_{\downarrow Dpv} \cdot$$

$$SCF_{\downarrow Dpv} - L_{\downarrow WZpv} \cdot SCF_{\downarrow NSpv})$$

CP = health care cost from pollutant

$UC_p$  = unit cost of health treatment when exposed to a pollutant

$E_{pv}$  = emission amount of a pollutant from a passenger vehicle

$E_t$  = emission amount of a pollutant from a truck

ADTT = average daily truck traffic

$SCF_{NSpv}$  and  $SCF_{NSt}$  = the speed correction factors for normal speed limit within the road segment with no construction for passenger vehicles and trucks, respectively

$SCF_{WZpv}$  and  $SCF_{WZt}$  = the work zone speed correction factors for passenger vehicles and trucks, respectively

$SCF_{Dpv}$  and  $SCF_{Dt}$  = the detour speed correction factors for passenger vehicles and trucks, respectively



# Economic Impact on Surrounding Communities

## Environmental Cost

- Health care cost from passenger vehicles:

$$HC\downarrow_{pv} = CP\downarrow_{CO} + CP\downarrow_{NO2} + CP\downarrow_{VOC} + CP\downarrow_{PM2.5} + CP\downarrow_{PM10}$$

- Health care cost from trucks:

$$HC\downarrow_t = CP\downarrow_{CO} + CP\downarrow_{NO2} + CP\downarrow_{VOC} + CP\downarrow_{PM2.5} + CP\downarrow_{PM10}$$

- Total health care cost:

$$HC = HC\downarrow_{pv} + HC\downarrow_t$$



# Economic Impact on Surrounding Communities

## Environmental Cost

- **Environmental cost from air pollution**
  - General cost categories are:
    - Reduced visibility: established by the decline in the asset value of homes
    - Agricultural damage: established by crop shortfalls
    - Property damage: established by discoloration and building façade damage
    - Forestry damage: established by the decline in timber growth
  - General cost categories are defined as a percentage of total health care cost;

General Cost Category	General Cost (% of Health Care Cost)
Reduced visibility	14.5
Agricultural damage	8.5
Property damage	4.0
Forestry damage	1.0



# Economic Impact on Surrounding Communities

## Environmental Cost

- **Environmental cost from water pollution**

- Fuel and chemical spill contaminate the watershed and impact human health and wild life.

- Water pollution damage from passenger vehicles due to detour:

$$WP\downarrow pv = UC\downarrow wpv \cdot V\downarrow pv \cdot T\downarrow M \cdot (L\downarrow Dpv - L\downarrow WZpv)$$

- Water pollution damage from trucks due to detour:

$$WP\downarrow t = UC\downarrow wt \cdot V\downarrow t \cdot T\downarrow M \cdot (L\downarrow Dt - L\downarrow WZt)$$

- Total water pollution damage

$$WP = WP\downarrow pv + WP\downarrow t$$

$UC_{wpv}$  = unit cost of water pollution from per mile travel of passenger vehicle

$UC_{wt}$  = unit cost of water pollution from per ton-mile travel of passenger vehicle



# Economic Impact on Surrounding Communities

## Environmental Cost

- **Environmental cost from climate change**
  - Transportation activities contribute to climate change with emissions of green house gases (GHG):
    - Carbon dioxide (CO<sub>2</sub>) from tailpipe
    - Methane (CH<sub>4</sub>) from tailpipe
    - Nitrogen oxide (N<sub>2</sub>O) from tailpipe
    - Chlorofluorocarbons (CFCs) from leaking air conditioners
  - To express the global warming contributions of different GHGs, global warming potential (GWP) concept is used.

Greenhouse Gases (GHGs)	Global Warming Potential (GWP)
Carbon Dioxide (CO <sub>2</sub> )	1
Methane (CH <sub>4</sub> )	28
Nitrous Oxide (N <sub>2</sub> O)	298
Chlorofluorocarbon (CFCs)	1,430



# Economic Impact on Surrounding Communities

- **Environmental cost from climate change**

- Impact to climate change within work zone:

- For passenger vehicles:

$$CC\downarrow pv = SC\downarrow CO_2 \cdot E\downarrow pv \cdot ADT\downarrow pv \cdot N \cdot L \cdot (SCF\downarrow NSpv - SCF\downarrow WZpv)$$

- For trucks:  $CC\downarrow t = SC\downarrow CO_2 \cdot E\downarrow t \cdot ADTT \cdot N \cdot L \cdot (SCF\downarrow NSt - SCF\downarrow WZt)$

- Impact to climate change due to detour:

- For passenger vehicles:

$$CC\downarrow pv = SC\downarrow CO_2 \cdot E\downarrow pv \cdot V\downarrow pv \cdot T\downarrow M \cdot (L\downarrow Dpv \cdot SCF\downarrow Dpv - L\downarrow WZpv \cdot SCF\downarrow NSpv)$$

$SC_{CO_2}$  = unit social cost of  $CO_2$

$E_{pv}$  = equivalent amount of total  $CO_2$  emission from passenger vehicles

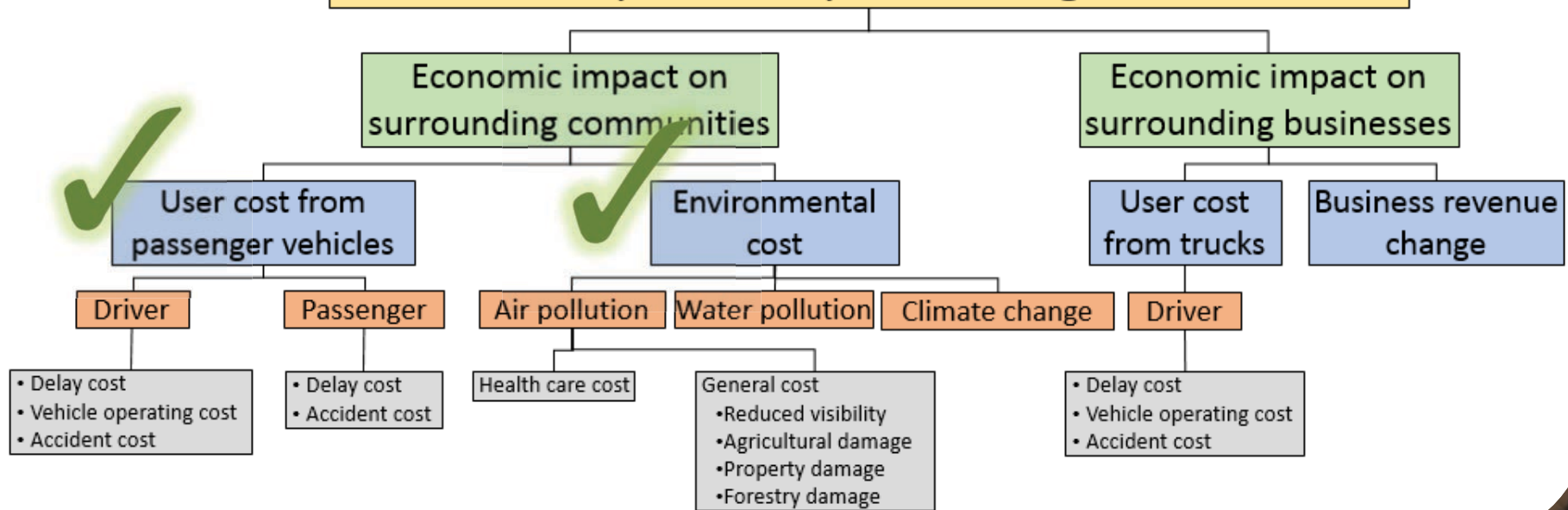
$E_t$  = equivalent amount of total  $CO_2$  emission from trucks

- For trucks:  $CC\downarrow t = SC\downarrow CO_2 \cdot E\downarrow t \cdot V\downarrow t \cdot T\downarrow M \cdot (L\downarrow Dt \cdot SCF\downarrow Dt - L\downarrow WZt \cdot SCF\downarrow NSt)$

- Total impact to climate change:



# Economic Impact Analysis of Bridge Construction





# Economic Impact on Surrounding Businesses

## User Cost

- User cost from trucks within work zone:
  - Driver delay cost:  $DDC = [L/S_{\downarrow a} - L/S_{\downarrow n}] \cdot ADTT \cdot N \cdot w_{\downarrow t}$
  - Vehicle operating cost:  $VOC = [L/S_{\downarrow a} - L/S_{\downarrow n}] \cdot ADTT \cdot N \cdot r_{\downarrow t}$
  - Accident cost:  $AC = L \cdot ADTT \cdot N \cdot (A_{\downarrow at} - A_{\downarrow nt}) \cdot C_{\downarrow a}$

$w_t$  = hourly rate for truck drivers

$r_t$  = average hourly vehicle operating cost for trucks

$A_{at}$  = accident rate per truck-mile due to work zone

$A_{nt}$  = normal accident rate for trucks



# Economic Impact on Surrounding Businesses

## User Cost

- User cost from trucks due to detour:
  - Driver delay cost:  $DDC = (T_{Dt} - T_{WZt}) \cdot V_t \cdot T_M \cdot w_t$
  - Vehicle operating cost:  $VOC = (T_{Dt} - T_{WZt}) \cdot V_t \cdot T_M \cdot r_t$
  - Accident cost:  $AC = (L_{Dt} - L_{WZt}) \cdot V_t \cdot T_M \cdot A_{nt} \cdot C_a$

$T_{Dt}$  = time to travel via detour for trucks

$T_{WZt}$  = time to travel at the normal posted speed along a distance equal to the road segment that is closed due to construction

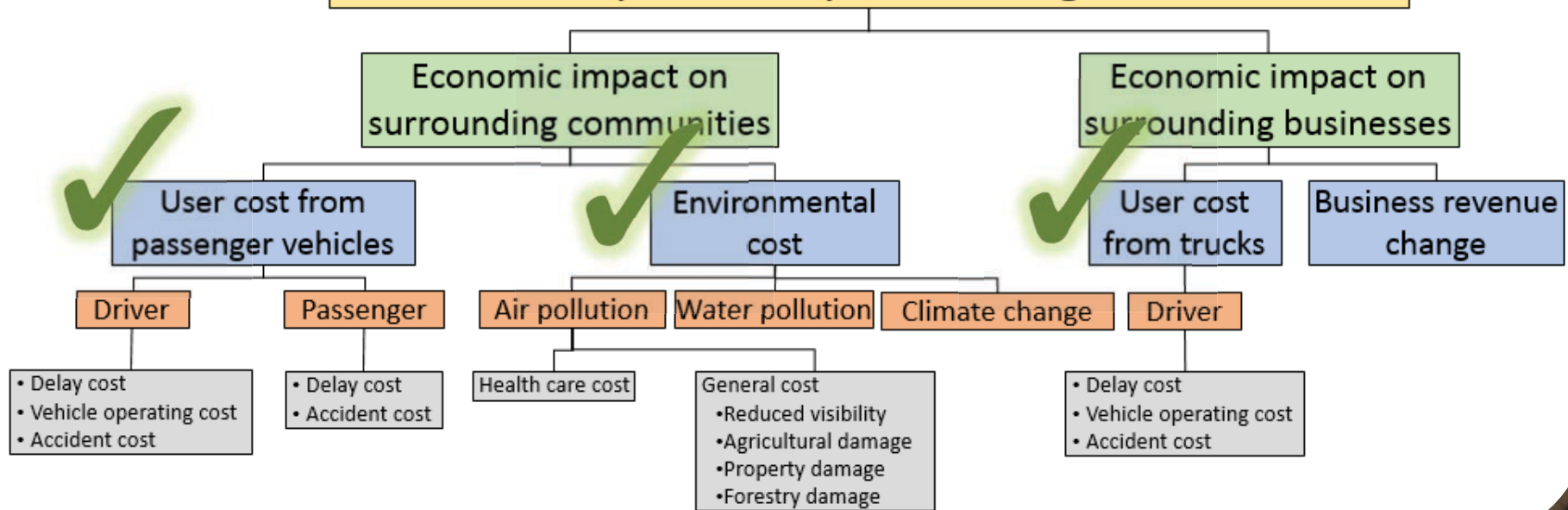
$V_t$  = volume of truck traffic on the roadway to be closed during construction

$L_{Dt}$  = length of detour for trucks

$L_{WZt}$  = length of road segment closed to trucks during construction



# Economic Impact Analysis of Bridge Construction





# Economic Impact on Surrounding Businesses

## Business Revenue Change

- Bridge construction disrupts traffic and customer flow to surrounding businesses
- The change in regular flow of customers could result in either an increase or a loss in business revenue.
- Business revenue change ( $\Delta R$ ) is a function of change in number of customers ( $\Delta C$ ), average expenditure per household (AE), and mobility impact time ( $T_M$ ):

$$\Delta R = AE \cdot \Delta C \cdot T_M$$

- $\Delta C$  is a function of number of households without direct access (HWA) to surrounding businesses during mobility impact time:

$$\Delta C = HWA \cdot P \cdot F$$

P = % influence area with access limitations

F = customer frequency of patronizing a specific business



# Economic Impact on Surrounding Businesses

## Business Revenue Change

- Households without direct access: area where the access to the influence area is limited during bridge construction
- Influence area: commercial area with access limitations due to bridge construction project
  - Traffic demand models (large urban areas)
  - Analysis of road network (rural areas)



# Economic Impact on Surrounding Businesses

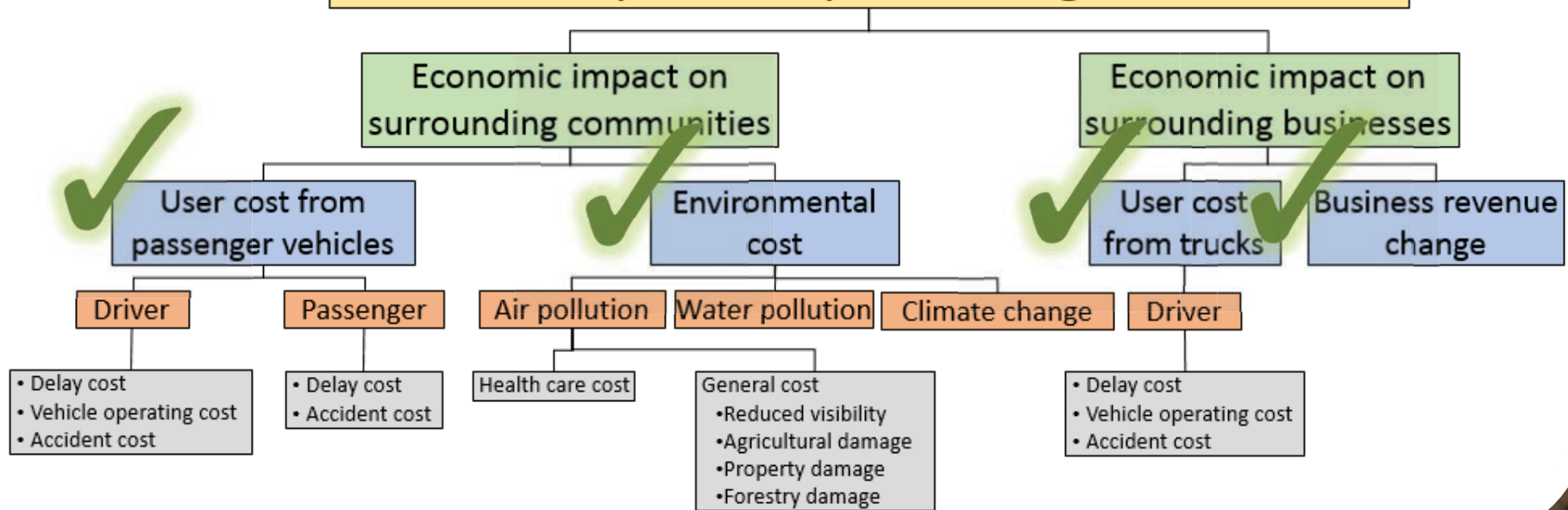
## Business Revenue Change

- Rational quantification of business revenue loss requires determining site specific P and F. Hence a community survey can provide data to determine site specific P and F. Also, survey can be a tool to create user awareness on the ABC project:
- If the bridge is closed to traffic for \_\_\_\_\_ days, would you still travel to the area influenced by the construction for your routine shopping, eating, etc.?
- If your answer to the above question is NO, what type of business/store (gas station, party store, grocery store, pharmacy, auto repair, etc.) located within the influenced area would you still make an effort to access?
- Before the construction, how often do you go to the following businesses/stores?

Restaurants:	per week
Party/liquor Store:	per week
Gas Stations:	per month
Pharmacy:	per quarter
Auto Repair:	per quarter



# Economic Impact Analysis of Bridge Construction





# Case Study – Pottersville, MI



Source: Google map





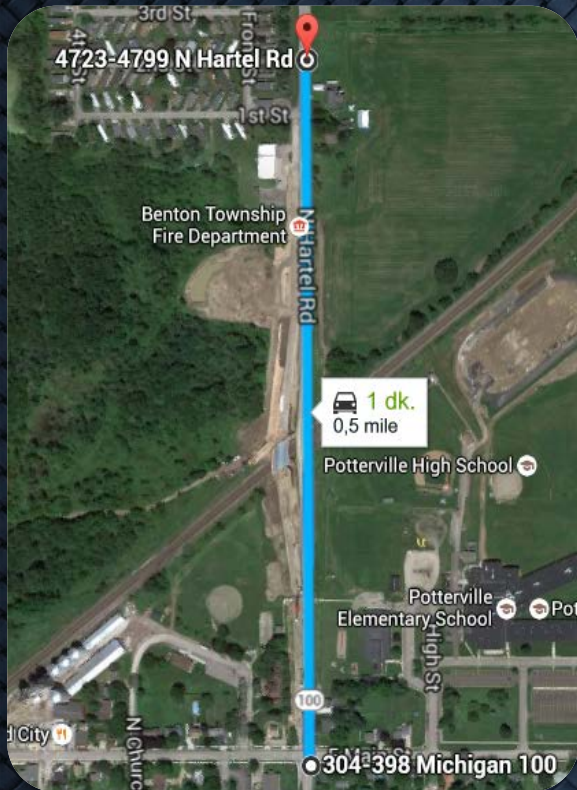
# Case Study – Potterville, MI

Parameters	SIBC	CC
$T_M$	2 days	180 days
N	237 days	-
L	0.5 mile	-
$ADT_{pv}$	5045 vehicles/day	5045 vehicles/day
ADTT	190 vehicles/day	190 vehicles/day
$S_a$	25 mph	-
$S_n$	55 mph	-
$L_{WZpv}$	1.6 mile	1.6 mile
$V_{WZpv}$	55 mph	55 mph
$T_{WZpv}$	0.029 hr	0.029 hr
$L_{Dpv}$	4.5 mile	4.5 mile
$V_{Dpv}$	35 mph	35 mph
$T_{Dpv}$	0.129 hr	0.129 hr
$L_{WZt}$	8.5 mile	8.5 mile
$V_{WZt}$	55 mph	55 mph
$T_{WZt}$	0.141 hr	0.141 hr
$L_{Dt1}$	9.8 mile	9.8 mile
$L_{Dt2}$	3.6 mile	3.6 mile
$V_{Dt1}$	60 mph	60 mph
$V_{Dt2}$	55 mph	55 mph
$T_{Dt}$	0.229 hr	0.229 hr



# Case Study – Potterville, MI

Work zone length



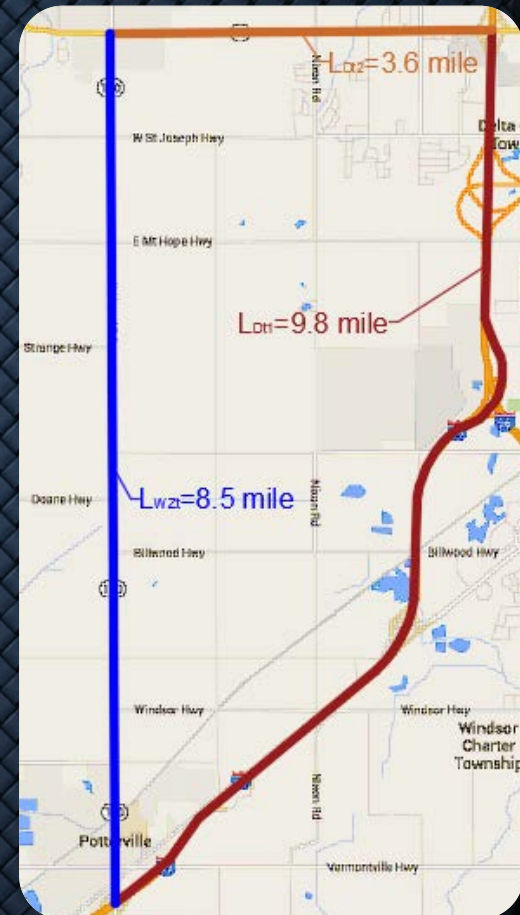
Source: Google map

Detour route for  
passenger vehicles



Source: Google map and TMP

Detour route for  
trucks



Source: Google map and TMP



# Case Study – Potterville, MI

## Economic Impact on Surrounding Communities – User Cost

- Cost parameter databases and user cost parameters are:

Databases	Parameters	SIBC	CC
USDOT 2014	$w_{pv}$	\$12.67/vehicle/hr	\$12.67/vehicle/hr
USDOT 2014; Litman 2013	$w_p$	\$8.87/vehicle/hr	\$8.87/vehicle/hr
AAA 2015	$r_{pv}$	\$31.90/vehicle/hr	\$31.90/vehicle/hr
OHSP 2014; MDOT 2016	$A_{npv}$	4.21 accidents/10 million veh-mile	4.21 accidents/10 million veh-mile
FHWA 2014	CMF	1.77	-
OHSP 2014; MDOT 2016; FHWA 2014	$A_{apv}$	7.45 accidents/ 10 million veh-mile	-
Kostniuk et al. 2011	$C_a$	\$43,501/accident	\$43,501/accident
Kostniuk et al. 2011	$C_{ap}$	\$38,579/accident	\$38,679/accident
NHTS 2009	AVO	1.67	1.67
Project data	$V_{pv}$	5,235 vehicles/day	5,235 vehicles/day



# Case Study – Potterville, MI

## Economic Impact on Surrounding Communities – User Cost

Cost category	Travelling thorough	SIBC	CC
DDC	Work zone	\$165,263	-
VOC	Work zone	\$416,091	-
AC	Work zone	\$8,426	-
PDC	Work zone	\$77,517	-
PAC	Work zone	\$5,007	-
DDC	Detour	\$12,718	\$1,144,586
VOC	Detour	\$32,020	\$2,881,790
AC	Detour	\$536	\$48,230
PDC	Detour	\$5,965	\$536,871
PAC	Detour	\$318	\$28,658
	<b>Total</b>	<b>\$723,861</b>	<b>\$4,640,135</b>

- The most significant criterion are :  $N$  while travelling through work zone;  $L_{Dpv}$  and  $T_M$  while travelling through detour.



# Case Study – Potterville, MI

## Economic Impact on Surrounding Communities – Environmental Cost

- Cost parameter databases and environmental cost parameters are:

Databases	Parameters	SIBC	CC
EPA 2008	$E_{pv}$ (VOC)	$2.2708 \times 10^{-3}$ lbs/mile	$2.2708 \times 10^{-3}$ lbs/mile
EPA 2008	$E_{pv}$ (CO)	$20.7235 \times 10^{-3}$ lbs/mile	$20.7235 \times 10^{-3}$ lbs/mile
EPA 2008	$E_{pv}$ (NO <sub>2</sub> )	$1.5278 \times 10^{-3}$ lbs/mile	$1.5278 \times 10^{-3}$ lbs/mile
EPA 2008	$E_{pv}$ (PM <sub>2.5</sub> )	$0.0090 \times 10^{-3}$ lbs/mile	$0.0090 \times 10^{-3}$ lbs/mile
EPA 2008	$E_{pv}$ (PM <sub>10</sub> )	$0.0097 \times 10^{-3}$ lbs/mile	$0.0097 \times 10^{-3}$ lbs/mile
EPA 2015; Highway Statistics 2013	$E_{pv}$ (CO <sub>2</sub> )	0.736 lbs/mile	0.736 lbs/mile
EPA 2008	$E_t$ (VOC)	$0.9855 \times 10^{-3}$ lbs/mile	$0.9855 \times 10^{-3}$ lbs/mile
EPA 2008	$E_t$ (CO)	$5.0949 \times 10^{-3}$ lbs/mile	$5.0949 \times 10^{-3}$ lbs/mile
EPA 2008	$E_t$ (NO <sub>2</sub> )	$18.9884 \times 10^{-3}$ lbs/mile	$18.9884 \times 10^{-3}$ lbs/mile
EPA 2008	$E_t$ (PM <sub>2.5</sub> )	$0.4453 \times 10^{-3}$ lbs/mile	$0.4453 \times 10^{-3}$ lbs/mile
EPA 2008	$E_t$ (PM <sub>10</sub> )	$0.4828 \times 10^{-3}$ lbs/mile	$0.4828 \times 10^{-3}$ lbs/mile
EPA 2015; Highway Statistics 2013	$E_t$ (CO <sub>2</sub> )	7.65 lbs/mile	7.65 lbs/mile
McCubbin and Delucci 1999	$UC_p$ (VOC)	\$0.4935 per pound	\$0.4935 per pound
McCubbin and Delucci 1999	$UC_p$ (CO)	\$0.0395 per pound	\$0.0395 per pound
McCubbin and Delucci 1999	$UC_p$ (NO <sub>2</sub> )	\$7.2850 per pound	\$7.2850 per pound
McCubbin and Delucci 1999	$UC_p$ (PM <sub>2.5</sub> )	\$66.9325 per pound	\$66.9325 per pound
McCubbin and Delucci 1999	$UC_p$ (PM <sub>10</sub> )	\$56.6405 per pound	\$56.6405 per pound
EPA 2016	$SC_{CO_2}$	\$18.665E-03 per pound	\$18.66E-03 per pound
EPA 2001	$SCF_{WZpv}$ (CO)	1.01	-
EPA 2001	$SCF_{WZpv}$ (NO <sub>2</sub> )	1.02	-
EPA 2001	$SCF_{NSpv}$ (CO)	1.34	1.34
EPA 2001	$SCF_{NSpv}$ (NO <sub>2</sub> )	1.16	1.16
EPA 2001	$SCF_{Dpv}$ (CO)	1.02	1.02
EPA 2001	$SCF_{Dpv}$ (NO <sub>2</sub> )	0.96	0.96
Delucci and McCubbin 2010	$UC_{wvpv}$	\$0.075 per mile	\$0.075 per mile
Delucci and McCubbin 2010	$UC_{wt}$	\$1.499 per mile	\$1.499 per mile



# Case Study – Potterville, MI

## Economic Impact on Surrounding Communities – Environmental Cost

Cost category	SIBC	CC
<b>Air pollution</b>		
Health care cost	\$1,163	\$67,354
Reduced visibility	\$169	\$9,766
Agricultural damage	\$99	\$5,725
Property damage	\$47	\$2,694
Forestry damage	\$12	\$674
<b>Water pollution</b>	\$4,998	\$449,794
<b>Climate change</b>	\$736	\$66,268
<b>Total</b>	<b>\$7,222</b>	<b>\$602,276</b>

- The most significant criterion are :  $N$  while travelling through work zone;  $L_{Dpv}$  and  $T_M$  while travelling through detour for all pollution types.
- SCF can become indicative for air pollution and climate change while truck weight is and indicative for water pollution.



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – User Cost

- Cost parameter databases and user cost parameters are:

Databases	Parameters	SIBC	CC
USDOT 2014	$w_t$	\$24.82/vehicle/hr	\$24.82/vehicle/hr
ATRI 2014	$r_t$	\$59.18/vehicle/hr	\$59.18/vehicle/hr
OHSP 2014; MDOT 2016	$A_{nt}$	1.30 accidents/100 million veh-mile	1.30 accidents/100 million veh-mile
FHWA 2014a	CMF	1.77	-
OHSP 2014; MDOT 2016; FHWA 2014	$A_{at}$	2.30 accidents/100 million veh-mile	-
Project data	$V_t$	190 vehicles/day	190 vehicles/day



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – User Cost

Cost category	Travelling thorough	SIBC	CC
DDC	Work zone	\$12,192	-
VOC	Work zone	\$29,071	-
AC	Work zone	\$10	-
DDC	Detour	\$700	\$63,020
VOC	Detour	\$1,670	\$150,263
AC	Detour	\$1	\$73
	<b>Total</b>	<b>\$43,644</b>	<b>\$213,356</b>

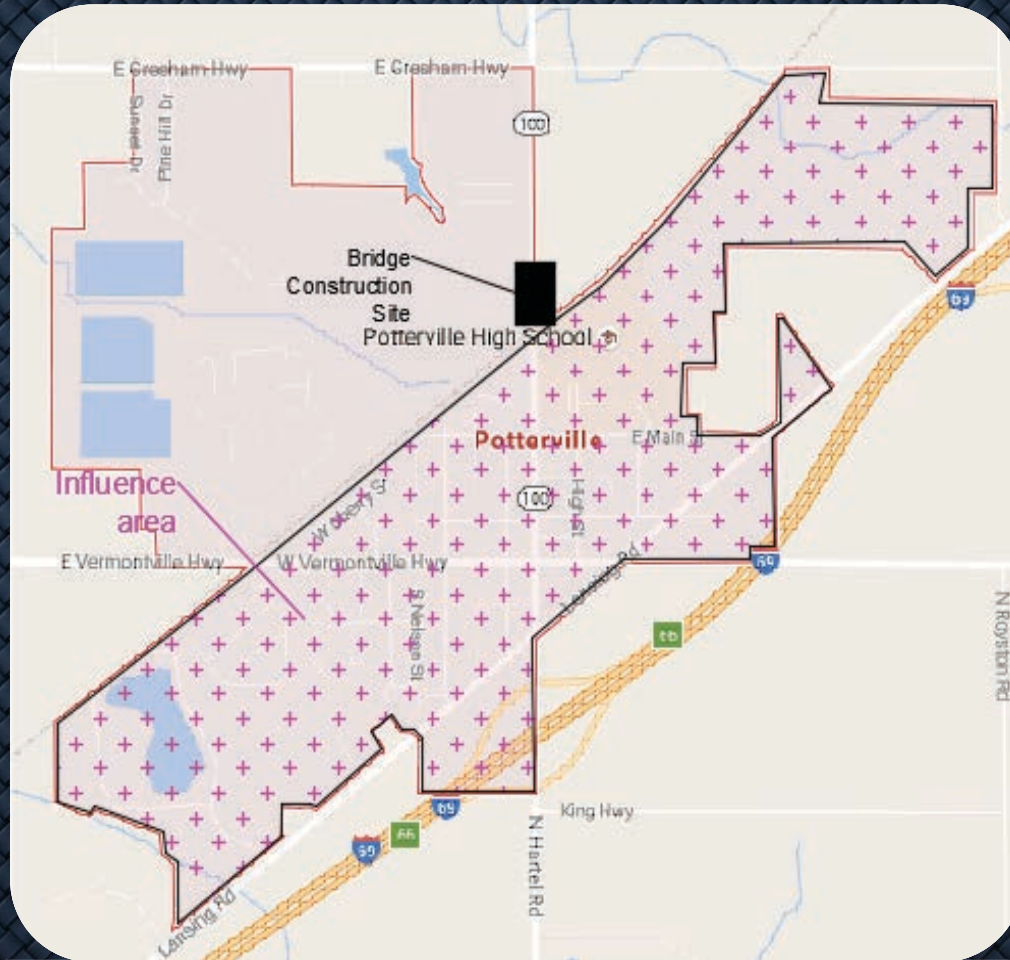
- The most significant criterion are :  $N$  while travelling through work zone;  $L_{Dt}$  and  $T_M$  while travelling through detour.



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

Influence area



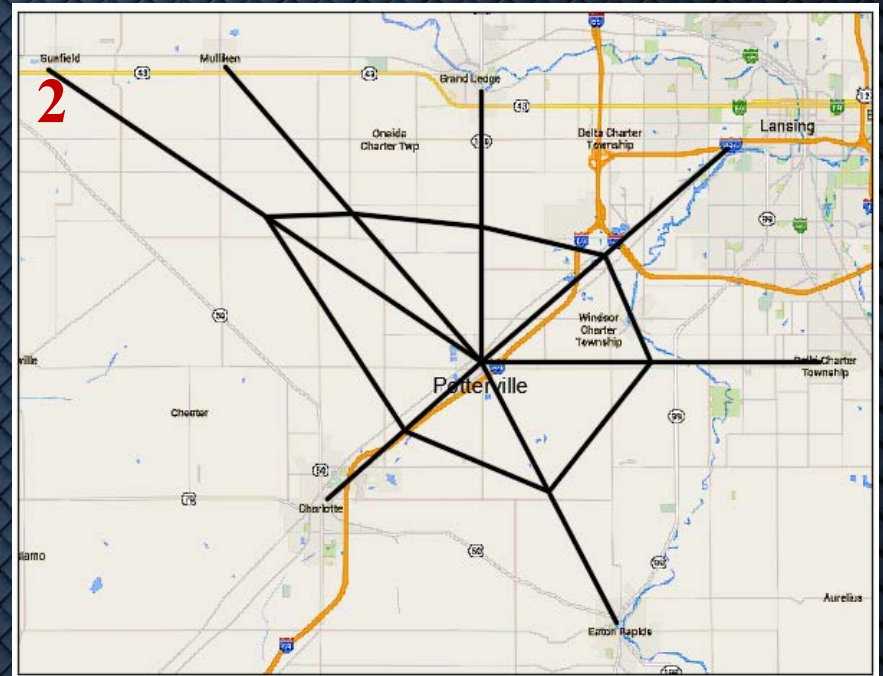
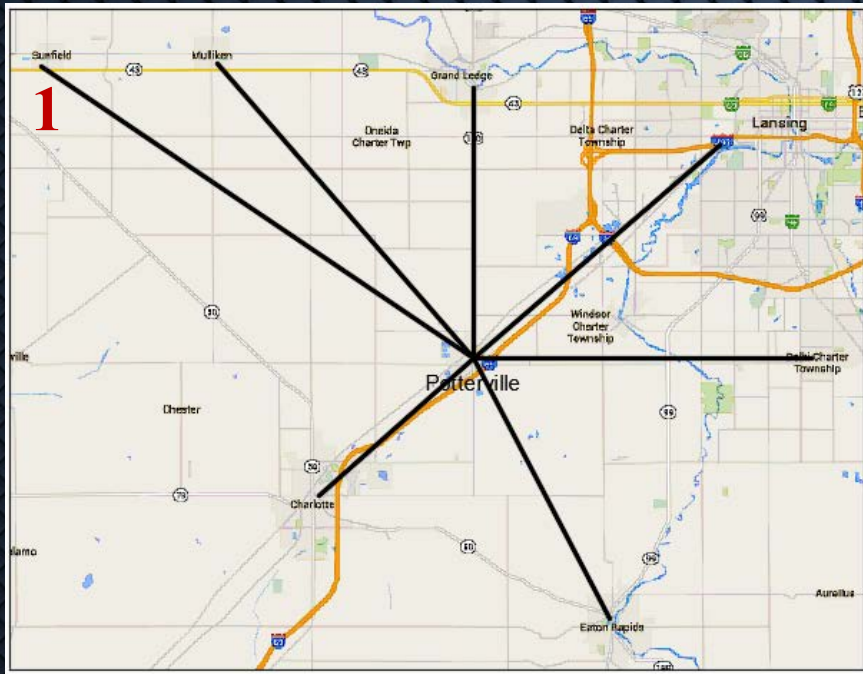
Source: Google map



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

Households without direct access

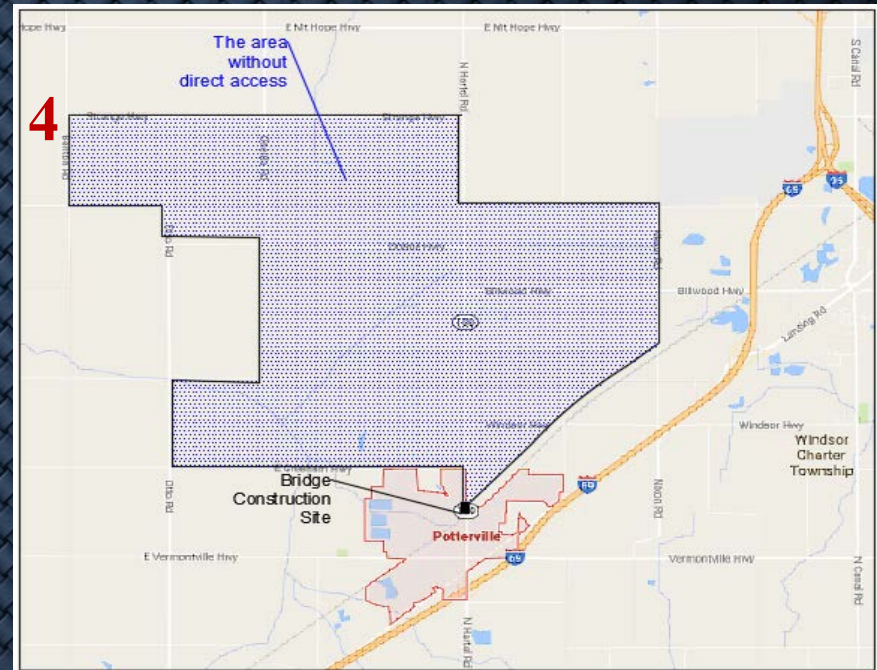
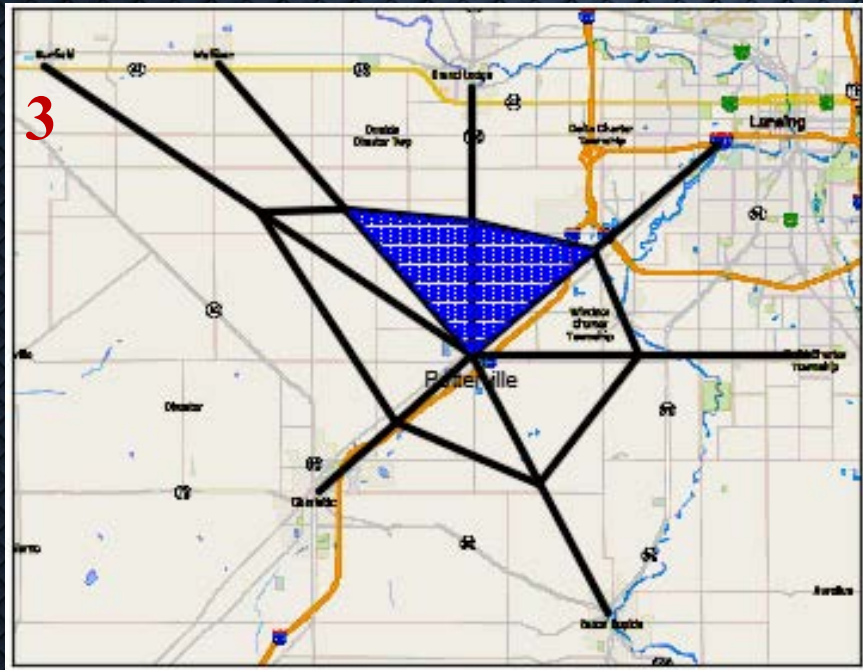




# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

Households without direct access

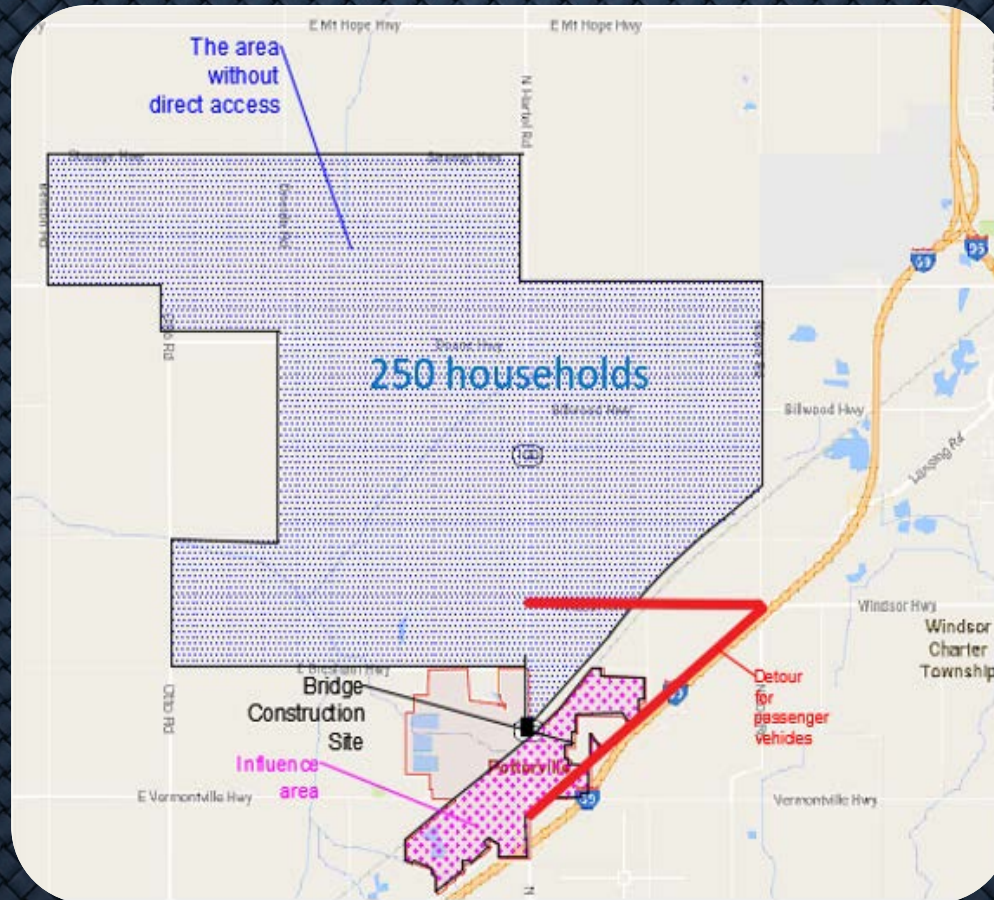




# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

Area without direct access and Influence area



Source: Google map



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

- Cost parameter database is published by *DemographicsNow* tool (GALE 2016) which is accessed through WMU Library Services.
- Business revenue change parameters are:

Databases	Parameters	SIBC	CC
Maps	HWA	250 households	250 households
Assumption	F (to auto repair shop)	1 visit/90 days	1 visit/90 days
Assumption	F (to party/liquor store)	1 visit/7 days	1 visit /7 days
Assumption	F (to restaurant)	1 visit /7 days	1 visit /7 days
Assumption	F (to gas station)	1 visit /30 days	1 visit /30 days
Assumption	F (to pharmacy)	1 visit /30 days	1 visit /30 days
<i>DemographicsNow</i>	AE (to auto repair shop)	\$42/household/visit	\$42/household/visit
<i>DemographicsNow</i>	AE (party/liquor store)	\$3/household/visit	\$3/household/visit
<i>DemographicsNow</i>	AE (to restaurant)	\$23/household/visit	\$23/household/visit
<i>DemographicsNow</i>	AE (to gas station)	\$235/household/visit	\$235/household/visit
<i>DemographicsNow</i>	AE (to pharmacy)	\$39/household/visit	\$39/household/visit
Assumption	P	100%	100%



# Case Study – Potterville, MI

## Economic Impact on Surrounding Businesses – Business Revenue Change

Business category	SIBC	CC
Auto repair shop	\$232	\$20,875
Party/Liquor Store	\$211	\$19,038
Restaurant	\$1,655	\$148,970
Gas Station	\$3,925	\$353,250
Pharmacy	\$646	\$58,125
<b>Total</b>	<b>\$6,669</b>	<b>\$600,258</b>

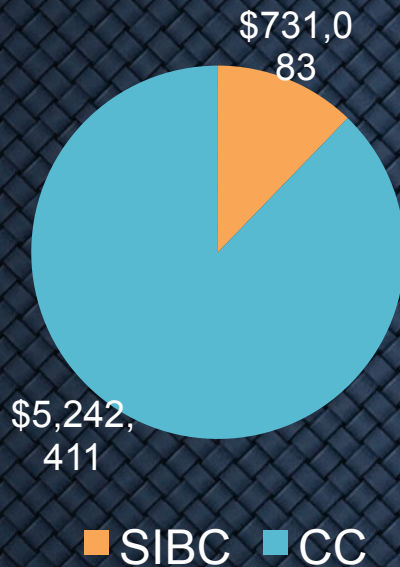
- Each parameter contributing to quantification of business revenue change is significant and necessary.



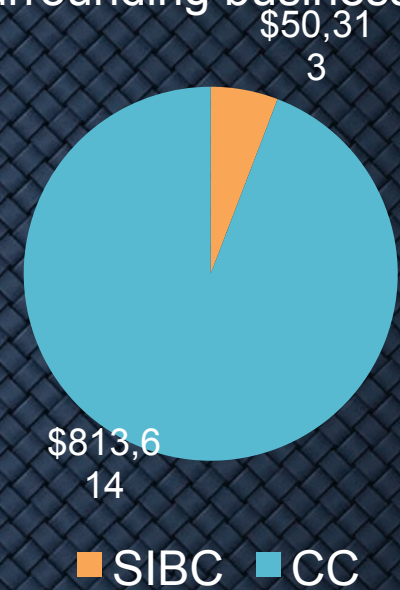
# Case Study – Potterville, MI

## Economic Impact on Surrounding Communities and Businesses

Economic impact on  
surrounding communities



Economic impact on  
surrounding businesses



	SIBC	CC
Economic impact on surrounding communities	\$731,083	\$5,242,411
Economic impact on surrounding businesses	\$50,313	\$813,614
<b>Total</b>	<b>\$781,396</b>	<b>\$6,056,025</b>



# Conclusions

		Contribution percentage	
	Cost category	SIBC	CC
Economic impact on surrounding communities	User cost	99%	89%
	Environmental cost	1%	11%
Economic impact on surrounding communities	User cost	87%	26%
	Business revenue change	13%	74%

- Environmental cost can be eliminated from economic impact on surrounding communities depending on the road network.
- User cost and business revenue change are two necessary categories to quantify economic impact on surrounding communities.



# Future Research

- Several assumptions are incorporated, hence site specific data on those assumptions ( $V_{pv}$  and  $V_t$ ) should be collected through installing traffic count devices.
- Speed measurements can be conducted both within work zone and travelling through detour.
- Travel demand models can be employed to capture network based impact depending on the complexity of the road network.
- More accurate values on % influence area with access limitations (P), and customer frequency of patronizing a specific business (F) can be calculated through surveys.
- Surveys can be upgraded to automated surveys utilizing mobile devices.
- Aggregate unit daily cost for economic impact analysis can be developed if large sample of case studies for statistical accuracy is achieved.



**THANK YOU!**



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