

***The Economic Impact of  
Construction Outlays for the  
Capital Beltway HOT Lanes***

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# Project Costs and Categories of Economic Impact

**\$1.98 Billion**



## Excluded Categories of Cost

- Land Acquisition
- Cost of Financing
- Insurance
- Debt Service
- Related Reserves

## Spending with Local Economic Impact

- On-site Labor
- Off-site Labor
- Grading
- Landscaping
- Related Infrastructure
- Design
- Planning
- Engineering
- Professional Services
- Project Management

Source: Capital Beltway Express, GMU Center for Regional Analysis

■ Hard Costs

■ Soft Costs

# Distribution of Construction Outlays (2008 – 2013)

(dollars In millions)

Year	Outlay	Percentage	Distribution
2008	\$110.8	7.2	56.5%
2009	\$395.4	25.7	
2010	\$363.1	23.6	
2011	\$318.4	20.7	43.5%
2012	\$278.5	18.1	
2013	\$72.3	4.7	
<u>Total</u>	<u>\$1,538.5</u>	<u>100.0</u>	

Source: Capital Beltway Express, GMU Center for Regional Analysis

# Fairfax County Impact

(dollars in millions)

Sources	Direct Outlays	Total Output <sup>(1)</sup>	Personal Earnings <sup>(2)</sup>	Jobs Supported <sup>(3)</sup>
Soft Costs	\$94.8	\$148.5	\$39.4	821
Hard Costs	\$1,443.6	\$2,181.3	\$412.4	12,458
<b>Total Impact</b>	<b>\$1,538.4</b>	<b>\$2,329.8</b>	<b>\$451.8</b>	<b>13,279</b>

- The increase in personal earnings represents a full-time job equivalency of approximately 5,650 jobs at county income averages (950 new jobs per year for six years)

(1) The direct and indirect impact on the economy as a result of construction spending

(2) The additional personal earnings generated to the benefit of the jurisdiction's residents

(3) The off-site jobs supported in the jurisdiction and elsewhere in the national economy

# Washington Metro Impact

(dollars in millions)

Sources	Direct Outlays	Total Output	Personal Earnings	Jobs Supported
Soft Costs	\$94.8	\$164.5	\$69.5	1,962
Hard Costs	\$1,443.6	\$2,504.9	\$751.5	29,882
<b>Total Impact</b>	<b>\$1,538.4</b>	<b>\$2,669.4</b>	<b>\$821.0</b>	<b>31,844</b>

- As the respending of payroll dollars flowing from the direct outlays largely end in the retail sector (and retail services have a larger job-generation effect) the total number of jobs is significantly larger for the Washington Metro area

# Commonwealth Impact

(dollars in millions)

Sources	Direct Outlays	Total Output	Personal Earnings	Jobs Supported
Soft Costs	\$94.8	\$198.0	\$70.8	1,782
Hard Costs	\$1,443.6	\$3,267.9	\$863.3	27,428
<b>Total Impact</b>	<b>\$1,538.4</b>	<b>\$3,465.9</b>	<b>\$934.1</b>	<b>29,210</b>

- For every \$1 in direct spending for HOT Lanes construction, the Virginia economy will realize a total additional benefit of \$2.25

# Local Employment Impact

<b>Region</b>	<b>Local Jobs Created (2008 to 2013)</b>
<b>Fairfax County</b>	<b>5,650</b>
<b>Washington Metro Area</b>	<b>11,200</b>
<b>Virginia</b>	<b>16,550</b>

# Significance of the Economic Impacts

- The economic impacts of the jobs and income created by HOT Lane construction will stimulate the local economy's recovery
- For Fairfax County the approximately 5,650 jobs over the total construction period may account for:
  - As much as 10 percent of all new jobs in 2009
  - As much as 20 percent of the total economic growth in 2009

## Additional Economic Benefits

- Impact on Small, Women-owned and Disadvantaged Businesses:
  - 15% Disadvantaged Business Enterprise Goal
  - 25% Small, Women-owned and Minority Business Goal
- Impact of economy-wide and fiscal benefits resulting from the construction and operation of HOT Lanes

# Summary Economic Impact

(dollars In millions)

Sources	Total Output	Personal Earnings	Jobs Supported
Fairfax County	\$2,329.8	\$451.8	13,279
Washington Area	\$2,669.4	\$821.0	31,844
Virginia	\$3,465.9	\$934.1	29,210

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