

Assessing the Economic and Business Impact of the Proposed Gandy Connector



Executive Summary

The Tampa-Hillsborough Expressway Authority (THEA) is conducting an evaluation of a proposed Gandy Boulevard improvement project directed at serving regional traffic coming to and from the Gandy Bridge. The proposed build alternative considers an elevated structure connecting the Gandy Bridge with the western termini of the Selmon Expressway. While this solution is primarily intended to target regional traffic and reduce the level of local congestion, concerns about potential impacts on local businesses have been raised during the project advisory group presentations.

To this purpose, the THEA contracted the Center for Urban Transportation Research (CUTR) at the University of South Florida to conduct a study on the business impacts of the proposed Gandy Boulevard improvement project.

Research Approach

Researchers identified the section of the Gandy Boulevard where impacts are most likely to occur. The study area covers those businesses located on the section corresponding to the start point of the build alternative, located west of Westshore Boulevard and ending at the Gandy Boulevard-Dale Mabry Highway intersection.

The analysis estimates current levels of business activity by major industry sectors as classified by the North American Industrial Classification Code (NAICS). This gives a base case upon which to analyze the potential impacts associated with construction and operation of the proposed Connector. This study provides a picture of local economic activity levels prior to the current recessionary state of the economy and prior to any changes in business activity levels that might be associated with the Florida Department of Transportation reconstruction work of 2008-2009.

CUTR researchers developed an economic model of business activity specific to the study area that is consistent with economic impact analysis methods used to evaluate transportation infrastructure investments of this type.

Findings

CUTR estimated two distinct impacts associated with the proposed Connector. The first impact is associated with the reduction of regional or pass-through traffic on the Gandy Boulevard.

The second impact is related to accessibility improvements that the proposed connector will provide to the Gandy Boulevard.

Business Impact due Traffic Diversion

The study finds that businesses that depend mostly on regional or pass-through traffic will be negatively impacted by the Connector. These include gasoline stations, businesses providing food and accommodation services, and automotive repair and maintenance businesses. The combined reduction in gross sales for these sectors amounts to about \$1.9 million or about 1.4 percent of total gross sales within the study area.¹ Reduced economic activity in the above sectors will also translate into a transfer of about 13 jobs from the study area to other areas in Hillsborough County.

Business Impact due to Accessibility Improvements

This study finds that the diversion of regional traffic from the Boulevard at the surface level will improve average travel times and thus reduce the generalized cost of travel local customers will face when reaching businesses. Increased accessibility will positively impact businesses that depend on regular customers.

The study also finds that improved local accessibility will result in an annual increase of about \$800 thousand in gross sales and the generation of 5 additional jobs.² Estimated increases in gross sales vary from a minimum of \$500 thousand to a maximum of \$1.1 million.

Conclusions

In summary, the study predicts a net gross sales reduction of \$1.1 million or 0.8 percent of sales in the study area, a transfer of an estimated 13 jobs outside the area and a gain of 5 jobs. While the reduction of gross sales and jobs experienced by traffic-dependent businesses can be considered a transfer of resources within the area served by the Authority, the increase in gross sales and jobs can be considered as a net positive impact in business activity and employment for the whole Hillsborough County.

The estimates presented in the report represent average expected impacts and do not take into consideration the implications of specific actions directed at increasing the visibility of businesses to drivers as they approach the area. Studies have shown that actions such as placing appropriate signage at the point of entrance of the Connector from the Gandy Bridge and other initiatives directed at increasing the visibility of the study area can reduce the negative impacts on traffic dependent businesses.

¹ All monetary amounts are reported in 2009 dollars unless otherwise indicated.

² A job here refers to one person-year employment.

It is important to understand that this analysis does not take into consideration the regional economic benefits associated with the construction of the preferred alternative, rather its focus is on 1.45 miles of Gandy Boulevard and those businesses located there. These positive regional economic impacts include temporary construction employment and associated expenditures, permanent job creation (if any), direct user benefits including reduced travel time savings, and social benefits resulting from vehicle emission reductions. These estimates have been made outside of this study and will be presented at the public hearing on the preferred alternative.