

## **3.5 ECONOMICS**

This section provides background information for the project study area on the regional and Tooele County economic climate. Tooele County employment and unemployment trends, major employers, and government revenues are summarized. It also includes economic impacts of the Midvalley Highway alternatives, and recommended mitigation measures. Generally, improvements to the infrastructure, such as the Midvalley Highway, provide opportunities for increased development and employment.

### **3.5.1 Regulations and Methodology**

#### **3.5.1.1 Methodology**

Information has been collected to provide a description of existing baseline conditions for use in the discussion of potential effects. For the affected environment, information was obtained from the Economic Development Corporation of Utah (EDC Utah), the Utah Department of Workforce Services (UDWS), the Utah State Tax Commission, Utah Metro LLC, and the U.S. Census Bureau. The affected environment discusses the regional economics and the military and agricultural influences to provide a background for the Tooele County economic climate. To further define the economic climate within Tooele Valley, commerce, employment and local government revenues are discussed.

The environmental consequences section includes a qualitative analysis, which evaluated how the Midvalley Highway alternatives would directly influence the local economy of the Tooele Valley area.

### **3.5.2 Affected Environment**

Existing economic conditions within the Midvalley Highway project study area are described below.

#### **3.5.2.1 Background Economic Information**

##### **Regional Economics**

The Salt Lake City Metropolitan Statistical Area is comprised of Salt Lake, Tooele, and Summit Counties. The economy of this region has been strengthening with continued job growth and decreasing unemployment rates. In the first half of 2007, the State experienced a growth rate of about 4.5 percent (State of Utah, 2008). According to the UDWS, rapid job growth has led to low levels of unemployment, with a rate of 2.9 percent in 2007.

##### **Military and Agricultural Influence**

Both the military and agricultural industries have had a strong influence in the Tooele County economy. The close proximity of the Tooele Army Depot as well as the many acres of irrigated farmland and rangeland, have provided numerous jobs in these sectors of the economy.

The Tooele Army Depot, located directly adjacent to the project study area, had once been the backbone of Tooele County's economy. With recent defense downsizing, national defense has become a smaller part of the County's economic structure. Those who historically would have found employment in this sector have had to find jobs in other

industries, usually outside of Tooele County. Despite the downsizing, the U.S. Department of Defense is still a major employer in the County, providing over 1,000 jobs in 2007 (Utah Department of Workforce Services, 2007).

The 2002 Census of Agriculture stated that there were 380 farms and ranches in Tooele County. These farms and ranches occupied approximately 415,056 acres of land, of which 70,574 acres were used as cropland. In 2004, the County produced 38,000 tons of alfalfa hay, 8,000 tons of other hay, and 68,000 bushels of barley. In addition, as of 2004, the County had an inventory of 28,000 cattle and calves, 16,500 beef cows, and 5,300 sheep and lambs. The agricultural sector provides about 1,300 jobs in Tooele County (Utah State University, 2005).

### 3.5.2.2 Tooele County Economic Climate

#### Commerce and Employment

Table 3.5-1 illustrates the number of employed individuals in Tooele County by industry excluding agricultural employment which is discussed above. According to the UDWS, five industries account for 91 percent of employment in Tooele County, of which, government tops the list. Federal, state and local government account for 28 percent of the economy; trade, transportation, and utilities for 20 percent; services for 24 percent (education and health services, professional and business services, and other services); leisure and hospitality for 9 percent; and manufacturing for 10 percent. Other industries in Tooele County include natural resources and mining, construction, information, financial activities, and agriculture.

TABLE 3.5-1, TOOELE COUNTY NON-AGRICULTURAL EMPLOYMENT BY INDUSTRY, 2007

Industry Sector	Number of Employees	Percentage of Total Employment*
Natural Resources and Mining	15	0.1
Construction	758	5
Manufacturing	1,488	10
Trade, Transportation, Utilities	2,964	20
Information	221	2
Financial Activities	332	3
Professional and Business Services	2,285	16
Education and Health Services	927	6
Leisure and Hospitality	1,332	9
Other Services	300	2
Government	4,133	28
<b>Total</b>	<b>14,755</b>	

\*Total may exceed 100% due to rounding

Source: Utah Department of Workforce Services, Workforce Information, 2007

Utah's unemployment rate has been steadily decreasing as a result of job growth in recent years. The unemployment rate declined from 4.3 percent in 2005 to 2.9 percent in 2006, then to 2.7 percent in 2007. It is expected that the future unemployment rate would stay below 3 percent (State of Utah, 2008) for the foreseeable future. In 2006, the unemployment rate for Salt Lake County was the same as the State of Utah, while Tooele County had a slightly higher unemployment rate of 3.2 percent. The unemployment rates for Salt Lake County and Tooele County in 2007 were 2.4 percent and 2.8 percent, respectively. Both of these counties had lower unemployment rates in 2007, which shows the overall strength of the Salt Lake regional economy, including Tooele (State of Utah, 2008).

The current major employers in Tooele County are listed in Table 3.5-2. While Tooele County has participated more in regional employment over recent years, there have been fairly strong industry-specific employment opportunities located within the County. Major employers in Tooele County include the U.S. Department of Defense and companies related to this industry, such as EG and G Defense Materials and Energy Solutions. Companies related to the manufacturing industry, U.S. Magnesium and Detroit Diesel Company also employ a large number of people. Other major employers in the County include the Tooele School District, Wal-Mart, Mountain West Medical Center, and Tooele County.

The Utah Industrial Depot, located within Tooele City, has an ultimate goal of attracting a variety of manufacturing, commercial, office and distribution opportunities. As a result, jobs in these economic sectors have been increasing. Until recently, public sector jobs, especially related to the military, have been a vital part of Tooele County's economy.

TABLE 3.5-2, MAJOR TOOELE COUNTY EMPLOYERS, 2007

Company	Industry	Employment
U.S. Department of Defense	Federal Government	1,000-1,999
Tooele School District	Public Education	1,000-1,999
Wal-Mart	Discount Department Store	1,000-1,999
EG and G Defense Materials	Hazardous Waste Disposal	500-999
U.S. Magnesium	Primary Metals Manufacturing	250-499
Detroit Diesel Company	Machinery Manufacturing	250-499
Tooele County	Local Government	250-499
Mountain West Medical Center	Health Care	250-499
Energy Solutions	Hazardous Waste Disposal	250-499

Source: Utah Department of Workforce Services, Workforce Information, 2007

### Local Government Revenues

Sources of revenues for Tooele County's general fund include taxes, intergovernmental items, charges for services, fines and forfeitures, contributions/transfers, and miscellaneous items. Of these sources, both property and sales tax make-up 11.5% of the 30.7 million dollar budget (Tooele County, 2008).

Tooele County is comprised of 4,435,200 acres of land, of which 487,872 acres are privately owned and subject to property tax (Utah State University, 2005). Property tax accounts for \$1.6 million (5%) of the total \$30.7 million general fund revenues (Tooele County, 2008). Property tax for commercial and personal business properties are assessed 100 percent of fair market value, while residential properties are assessed at 55 percent of fair market value.

In addition to property tax, Tooele County collects \$2.0 million (6.5% from revenues) from sales and use taxes generated by businesses in the County. The County's sales and use tax is 6.3 percent (EDC Utah, 2008).

### **3.5.3 Environmental Consequences**

This section identifies potential adverse effects and benefits to the regional and Tooele County economic climate, major employers, employment and unemployment trends, and government revenues associated with the No Build Alternative and the Midvalley Highway alternatives. Effects and benefits are discussed in terms of long-term effects associated with the operation and maintenance of the facility or permanent changes resulting from construction of the project. Highways are generally considered a net economic benefit to the local community. This is due to increased and improved access, improved travel times, and a reduction of congestion on other roadways.

#### **3.5.3.1 No Build Alternative**

There would be no long-term effects on the regional and Tooele County economic climate including commerce and employment and local government revenues under the No Build Alternative. However, if the Midvalley Highway was not built, it is anticipated that SR-36 would become more congested. Additionally, the travel times for residents to reach local businesses or commute to Salt Lake for work would likely increase.

The local economy would most likely not grow at the same rate as it would with the Midvalley Highway alternatives. This is because the Midvalley Highway alternatives would provide an opportunity for increased development within an area that currently is land locked or difficult to access.

#### **3.5.3.2 Midvalley Highway East and Midvalley Highway West Alternatives**

There would be no long-term adverse effects on the regional and Tooele County economic climate including commerce, employment and local government revenues under the Midvalley Highway alternatives. In the short term, the loss of agricultural lands (see section 3.3 – Agricultural Lands) would cause a small decrease in property tax revenues. These impacts would be minor in comparison to the benefits of the Midvalley Highway which would improve access to land-locked parcels, improve travel times between much of Tooele Valley and I-80, and reduce congestion on SR-36.

In the long-term, highway facilities generally increase property values of adjacent commercial and industrial parcels. The property values of residential parcels immediately adjacent to the facility may decrease slightly; however, the values to residential parcels not immediately adjacent to the highway facility generally increase.

Improved mobility to and from the area would be a major benefit of the Midvalley Highway. The improved mobility would result in a reduction in commute times to the Salt Lake area,

where many jobs and commercial centers are located. The increased desirability of the area could potentially encourage further residential growth in Tooele County and could lead to an increase in local spending and employment. Better transportation of goods and materials due to improved north-south transportation facilities could also benefit many businesses within Tooele County. The Utah Industrial Depot and the Toole Army Depot would also benefit from a more direct route to their facilities, reducing the travel time for workers, as well as shipments of materials.

### **3.5.3.3 Indirect Impacts**

There would be no indirect impacts as a result of the Midvalley Highway alternatives. However, the Midvalley Highway alternative is intended as a bypass route of downtown Tooele City. As such, the Midvalley Highway would decrease the amount of traffic traveling on Main Street Tooele City which is SR-36. This decrease in traffic may result in an economic impact on some businesses along SR-36. This impact is intended to be minor since the Midvalley Highway will improve traffic operations on SR-36.

### **3.5.4 Mitigation**

Under either of the Midvalley Highway alternatives, there would be no adverse impacts. As a result, there would be no mitigation measures required.



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