

Appendix J
Socioeconomic Analysis



Socioeconomic Analysis

BNSF Sandpoint Junction Connector Project

BNSF Railway Company

June 27, 2019





BNSF Sandpoint Junction Connector Project

Project No.: W3X76600
Date: June 27, 2019
Client Name: BNSF Railway Company
Authors(s): Maggie Buckley

Jacobs Engineering Group Inc.
1100 112th Avenue NE, Suite 500
Bellevue, Washington 98004
425.453.5000
www.jacobs.com

© Copyright 2018 Jacobs Engineering Group Inc. (Jacobs). The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright.

Limitation: This document has been prepared on behalf of, and for the exclusive use of, Jacobs' client and is subject to, and issued in accordance with, the provisions of the contract between Jacobs and the client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this document by any third party

TABLE OF CONTENTS

| | |
|--|-----------|
| ACRONYMS AND ABBREVIATIONS | iv |
| 1 INTRODUCTION..... | 1 |
| 1.1 REGULATORY CONTEXT | 1 |
| 1.2 METHODOLOGY..... | 1 |
| 2 AFFECTED ENVIRONMENT | 1 |
| 3 ENVIRONMENTAL CONSEQUENCES | 4 |
| 3.1 OPERATIONAL IMPACTS..... | 4 |
| 3.2 CONSTRUCTION IMPACTS | 5 |
| 3.2.1 Jobs..... | 5 |
| 3.2.2 Housing | 6 |
| 3.2.3 Business Revenue | 6 |
| 3.2.4 Community | 7 |
| 4 MINIMIZATION AND MITIGATION MEASURES..... | 9 |
| 5 REFERENCES..... | 10 |

TABLES

| | |
|---|---|
| Table 1: Social and Economic Characteristics..... | 2 |
| Table 2: Job Creation..... | 5 |
| Table 3: Housing Vacancy Status | 6 |

ACRONYMS AND ABBREVIATIONS

| | |
|---------|--------------------------------------|
| BNSF | BNSF Railway Company |
| CFR | Code of Federal Regulations |
| City | City of Sandpoint |
| County | Bonner County |
| EA | Environmental Assessment |
| EIS | Environmental Impact Statement |
| FHWA | Federal Highway Administration |
| ITD | Idaho Transportation Department |
| Jacobs | Jacobs Engineering Group Inc. |
| LPO | Lake Pend Oreille |
| NEPA | National Environmental Policy Act |
| Project | Sandpoint Junction Connector Project |
| ROW | right-of-way |
| US 95 | U.S. Highway 95 |

1 INTRODUCTION

As part of the Sandpoint Junction Connector Project (Project), BNSF Railway Company (BNSF) proposes to build new railroad bridges across Lake Pend Oreille (LPO) and Sand Creek in Bonner County (County), Idaho. The intent of the Project is to reduce railroad delays that occur near Sandpoint due to the convergence of three rail lines that utilize existing, single-track bridges across these waters. The purpose of this report is to examine the potential socioeconomic effects of the Project, which consists of the construction of a second main line track connection between BNSF's Algoma main line track and the Sandpoint Junction, where BNSF and the Montana Rail Link main line tracks converge.

1.1 REGULATORY CONTEXT

The National Environmental Policy Act (NEPA) requires that environmental considerations, including social and economic impacts of a project, are given due weight in the decision-making process (42 U.S. Code 4321 et seq., with federal implementing regulations in Part 771 of Title 23 of the Code of Federal Regulations [23 CFR 771] and 40 CFR 15001508).

1.2 METHODOLOGY

To determine a socioeconomic study area, a quarter-mile radius was drawn around the Project's limits of disturbance. The study area was determined based on a combination of the limits of construction activities, access to and from the construction site, and adjacent services and facilities that could be directly impact by the Project. The limits of disturbance include all areas of potential ground disturbance, work in and over Sand Creek and LPO, construction staging areas, and access roads. Five U.S. Census Bureau tract block groups intersect the study area: Tract 9502 Block Groups 2 and 6, Tract 9503 Block Group 4, and Tract 9509 Block Groups 1 and 3. U.S. Census Bureau data for these five block groups, the City of Sandpoint (City), and the County are used to describe the social and economic characteristics of the study area. The City and County are also utilized in the analysis of potential indirect effects of the Project. This letter report does not address environmental justice, which was previously evaluated in Section 3.10 of the Draft Environmental Assessment (EA) for the Project. The Project was found to not result in disproportionately high and adverse impacts to minority or low-income populations.

The analysis of socioeconomic impacts was conducted by considering direct and indirect impacts to the study area population, community services and facilities, community cohesion, and businesses within the study area. Air quality, noise and visual impacts incorporated are based upon the analysis for these disciplines provided in the Draft EA, dated December 20, 2018.

2 AFFECTED ENVIRONMENT

The limits of disturbance are located entirely within existing BNSF right-of-way (ROW), which varies between 100 and 400 feet wide, extending from 50 to 200 feet on either side of the track centerline. The north end of the Project is located within City limits from BNSF milepost 2.9+/- to 3.9+/-, where the existing tracks are surrounded on the west by a BNSF maintenance road, the Sandpoint Amtrak Train Depot, and U.S. Highway 95 (US 95) and on the east by Sandpoint

Avenue, Seasons of Sandpoint Condominiums, Best Western Edgewater Resort, Sandpoint Edgewater RV Park, and a portion of the Sandpoint City Beach Marina. Within the County, BNSF Bridge 3.9 spans over the open water of LPO from milepost 3.9+/- to 4.9+/- . The southern end of the Project, from BNSF milepost 4.9+/- to 5.1+/-, is rural residential (Bonner County 2017). **Table 1** highlights key social and economic characteristics of the study area, as compared to the City, County, and State.

Table 1: Social and Economic Characteristics

| Subject | Study Area | Sandpoint | Bonner County | State of Idaho |
|--|------------|-----------|---------------|----------------|
| Age and Education | | | | |
| Total population | 5,880 | 7,918 | 41,855 | 1,657,375 |
| Persons under 18 | 1,271 | 1,707 | 8,466 | 434,611 |
| Persons 65 years and over | 1,021 | 1,549 | 9,228 | 242,449 |
| Educational attainment, high school graduate or higher | N/A | 86% | 91% | 90% |
| Housing | | | | |
| Total housing units | 3,526 | 3,900 | 24,935 | 701,196 |
| Occupied housing units | 70% | 89% | 70% | 87% |
| Vacant housing units | 30% | 11% | 30% | 13% |
| Homeowner vacancy rate | N/A | 3.9% | 2.7% | 1.8% |
| Rental vacancy rate | N/A | 4.9% | 4.8% | 5.3% |
| Median owner housing costs (monthly) | N/A | \$1,151 | \$1,236 | \$1,195 |
| Median gross rent (monthly) | N/A | \$838 | \$752 | \$792 |
| Employment and Income | | | | |
| In civilian labor force, 16 years and over | 54% | 56% | 52% | 63% |
| Management, business, science, and arts occupations | N/A | 25% | 27% | 34% |
| Service occupations | N/A | 26% | 19% | 18% |
| Sales and office occupations | N/A | 18% | 22% | 24% |
| Natural resources, construction, and maintenance occupations | N/A | 15% | 14% | 12% |
| Production, transportation, and material moving occupations | N/A | 16% | 18% | 13% |
| Employed civilian labor force | N/A | 54% | 50% | 60% |
| Unemployed civilian labor force | N/A | 1.9% | 2.3% | 3% |
| Median household income (in 2017 dollars) | N/A | \$36,706 | \$45,607 | \$50,985 |

Source: U.S. Census Bureau. 2013–2017 American Community Survey 5-year estimates. B01001, B01003, B15003, B19013, B23025, B25001, B25002, B25064, B25104, B25004, DP03, DP04, DP05, S2403, and S1501.

Notes:

The study area consists of Tract 9502 Block Groups 2 and 6, Tract 9503 Block Group 4, and Tract 9509 Block Groups 1 and 3.

N/A indicates that comparable data is not available or complete for the study area U.S. Census Bureau tract block groups.

According to a detailed assessment of the regional economy conducted in 2015, the County has generally seen steady, consistent growth since 1970 in terms of population, the number of full-time and part-time jobs, and personal income (Headwater Economics 2015). The communities and economies in the County are vibrant and resilient, with a more diverse economy than one would expect in a relatively remote area. The County has significant employment and strong momentum in manufacturing, health care, aerospace, and advanced industries in addition to strong tourism and timber sectors. Tourism is highlighted as “an excellent marketing tool” for the region. Highlights from that report specific to Sandpoint include the following:

- Sandpoint’s economy has grown steadily and been resilient despite recessions.
- In addition to a strong travel and tourism sector, Sandpoint hosts manufacturing, aerospace, software, and health care sectors to an extent that is unusual for a community of its size and distance from larger metropolitan areas.
- Many businesses are in Sandpoint because their leadership is committed to the community and its high quality of life.

These trends align with the 2017, 5-year estimates from the U.S. Census Bureau, which indicate that the largest employment industries in both the County and the City are educational services and health care and social assistance (19 and 22 percent, respectively), manufacturing (14 percent), and retail trade (13 and 12 percent, respectively). As shown in **Table 1**, the percent of the civilian labor force with service occupations in the City is higher than the County and the State, which may be a reflection of the City’s strong tourism industry. Unemployment in the City and County civilian labor force are low (1.9 and 2.3 percent, respectively) relative to the statewide rate of 3.3 percent. However, as shown in **Table 1**, the median household income in both the City and County are substantially lower than the statewide median of \$67,338. As documented in Section 3.10.1 of the Draft EA, the City also contains a higher proportion of residents living in poverty (22 percent) compared to the County and the state of Idaho (15 percent).

In addition to year-round residents, thousands of tourists and part-time residents are accommodated by the numerous motels, condominiums, lodges, seasonal homes, and trailer and RV parks located in the region (FHWA 1999). According to the 2017, 5-year estimates from the U.S. Census Bureau, there are 24,935 housing units located in the County and 7,372 units, or 30 percent, are classified as vacant. This vacancy rate is comparable to the study area and is higher than the statewide vacancy rate of 13 percent. Although not specified by U.S. Census Bureau data, this high vacancy rate is presumably an indication of this region’s focus on seasonal, recreational, or occasional use.

Countywide costs for homeowners with mortgages are \$1,236, which is slightly above the median costs for homeowners in the City (**Table 1**). Rental costs in the County are \$752 per month, which is slightly less than rental costs in the City.

3 ENVIRONMENTAL CONSEQUENCES

3.1 OPERATIONAL IMPACTS

By constructing a second main line track through the study area, the Project

- will not displace any businesses or residences,
- will not separate any residences from community facilities or affect community cohesion,
- will not result in any job losses or affect long-term employment, and
- will not eliminate any existing parking within the study area.

These conclusions can be made based upon the understanding that the Project will be constructed entirely within BNSF ROW, will be located between an existing main line track and an existing highway, and will not result in a direct increase in train capacity through the study area. As such, the Project is not expected to cause any substantive change in ambient noise levels, local air quality, or visual quality, all of which contribute to the quality of life within the study area. No measurable impact is anticipated to long-term employment, employee retention, or the overall ability of the region to attract employers who are drawn to the area by quality of life.

The Project is expected to result in some beneficial effect on the local and regional economy, including

- more efficient movement of passenger rail service,
- more efficient movement of freight in Northern Idaho, and
- improved vehicle access due to likely reduction in wait times at at-grade crossings.

This section of track accommodates the only passenger rail service in Idaho. Amtrak's Empire Builder provides passenger service on BNSF's Northern Tier Corridor between Chicago and Seattle. Construction of a second main line track is expected to improve on-time performance for Amtrak's Empire Builder, providing a potential indirect economic benefit to the local community through increased tourism and sales tax revenue. BNSF and Montana Rail Link freight trains are required to give priority to Amtrak passenger trains. Therefore, more efficient movement of passenger trains is also expected to result in more efficient movement of freight trains. BNSF owns 139 miles of rail line in Idaho and moves more than 1.5 million carloads of freight in Idaho annually (BNSF 2019). Improved fluidity of movement by rail and reduced wait times at at-grade crossings by vehicles is expected to indirectly improve the successful delivery of goods and services for purposes of interstate commerce.

3.2 CONSTRUCTION IMPACTS

3.2.1 Jobs

As indicated in Section 2 of the Draft EA, construction of the Project is expected to cost \$100 million. A 3-year construction duration is anticipated; however, construction may take up to 5 years to complete depending on the means and methods of the selected contractor. The Council of Economic Advisors estimates that every \$1 billion in infrastructure investment supports 13,000 jobs for 1 year, or job-years (FHWA 2019). Direct and indirect jobs represent 64 percent of the jobs created, while the remaining 36 percent of the job-years represent the induced effects.¹ Although this estimate was developed for purposes of estimating employment impacts from highway and transit investments, it can be used as a proxy to estimate employment impacts from other infrastructure investments such as rail improvements. As shown in **Table 2**, the Project is estimated to create approximately 1,300 jobs over the anticipated 3-year construction duration.

Table 2: Job Creation

| Year | Investment | Direct/Indirect Jobs | Induced Jobs | Total Job-Years |
|--------------|----------------------|----------------------|--------------|-----------------|
| 1 | \$33 million | 277 | 156 | 433 |
| 2 | \$33 million | 277 | 156 | 433 |
| 3 | \$33 million | 277 | 156 | 433 |
| TOTAL | \$100 million | 832 | 468 | 1,300 |

The potential impact to the local economy is difficult to anticipate because it largely depends on the means and methods of the construction contractor. Unknown variables include the use of local versus non-local workers and materials, the need for housing for non-local workers, and the actual duration of employment. Although the intensity and magnitude of impacts cannot be estimated due to these unknown variables, the creation of an estimated 1,300 job-years is expected to result in some beneficial impact to the local economy, including lower unemployment rates, increased median household incomes, increased housing occupancy, increased consumer spending, and a reduction in the number of individuals living in poverty.

As a point of reference, construction of the US 95 Sand Creek Byway Project began in 2008 and was completed in 2012 (LHTAC 2019). The General Contractor for the project noted during dedication of the byway in 2013 that construction created over 200 new jobs in the area, including suppliers and materials. An additional 20 jobs were created at the local district of the Idaho Transportation Department (ITD) to support the project.

¹ A direct job is the job created by the actual government expenditure and the wages that are paid for from the funds for the project (FHWA 2019). An indirect job is the job created by the expenditures the suppliers make to produce the materials used for the project. The cost of this would be included in the cost of the materials. An induced job is the job created elsewhere in the economy as increases in spending by workers and firms.

3.2.2 Housing

As noted above, the number of construction workers that will require temporary housing is unknown. Per the jobs estimate provided in **Table 2**, the Project may generate up to 277 direct and indirect jobs per year. However, presumably only the direct jobs would require temporary housing near the study area, and not all workers employed by direct jobs would require temporary housing. Some of the jobs would likely be filled by workers that live locally and would not require housing, including from local unions and subcontractors, and some workers would be producing materials for the Project off-site.

As shown in **Table 1**, 30 percent (over 1,000) of the housing units in the study area are vacant according to 5-year estimates from the U.S. Census Bureau, with nearly 7,500 vacant units (30 percent) in the County. However, as shown in **Table 3**, a large proportion of these units are intended for seasonal, recreational, or occasional use and are not available for rent. If there are not a sufficient number of available rental units in the study area and/or the City to accommodate the temporary increase in housing needs, construction workers may need to travel farther outside of the City to find available housing. The increased demand for temporary housing may result in an increase in rental rates within the City and County.

Table 3: Housing Vacancy Status

| Housing Type | Study Area | Sandpoint | Bonner County | State of Idaho |
|---|------------|-----------|---------------|----------------|
| Total vacant housing units | 1,065 | 440 | 7,372 | 92,072 |
| For rent | 59 | 93 | 240 | 10,727 |
| For seasonal, recreational, or occasional use | 717 | 197 | 5,571 | 48,378 |

Source: U.S. Census Bureau. 2013–2017 American Community Survey 5-year estimates. B25004.

3.2.3 Business Revenue

To the extent that construction workers would be attracted from outside the Sandpoint area, local hotel and restaurant sales revenue are expected to increase during construction. This sentiment is consistent with the Final Environmental Impact Statement (EIS) for the US 95 Sand Creek Byway Project, which concluded that construction impacts to the Sandpoint economy would be positive, estimating an annual increase of \$1.6 million in Sandpoint's income over the 5-year construction period (FHWA 1999).

The Final EIS also anticipated that during construction, the adjacent Lakeside Inn may suffer some loss of patrons due to the increased noise and views of the work in close proximity to the boat docks and picnic area. A similar, temporary decrease in patrons and revenue is anticipated at the Best Western Edgewater Resort during construction of the Project. However, according to the resort owner, the Edgewater Resort is scheduled for demolition and reconstruction starting in September 2020 and will be closed for 14 to 16 months to accommodate this work (Best Western Edgewater Resort 2019). In the event that the temporary closure overlaps with the construction period for the Project, the potential effects to patrons and revenue will be minimized.

As shown in Figure 8 of the Draft EA, all staging and access points are located within BNSF ROW. Parking for construction activities will also occur within existing BNSF ROW. As discussed in Section 3.15 of the Draft EA, the contractor would be required to develop a traffic control plan in coordination with the ITD, the County, and the City. The traffic control plan would contain provisions such as proposing transport of any unique Project materials during nonpeak use times (such as nighttime) on US 95 and other public roadways. As indicated under Minimization and Mitigation Measures, BNSF is coordinating directly with the City Public Works Department to identify measures to minimize impacts to the public during construction of Bridge 3.0, which serves as the sole access point to multiple businesses and community facilities. During construction of Bridge 3.0, temporary closures of Bridge Street may be required. If closures of Bridge Street are required, the traffic control plan would include measures to minimize impacts to local homes and businesses that rely on Bridge Street as a primary access point. The traffic control plan would also identify emergency access routes, as needed.

No permanent roadway closures are anticipated. Additional minimization measures to reduce potential impact to local businesses include timing restrictions and pedestrian and vehicle access requirements during construction activities near Bridge Street.

The Project is expected to improve the fluidity of movement through the study area for both trains and vehicles. Trains would be able to pass through the study area more efficiently by traveling on either the existing bridges or the new bridges, and drivers would likely see more rapid clearing of at-grade crossings, reduced congestion, and an overall improvement in access to the Sandpoint area. Therefore, construction activities are not expected to restrict or prohibit access to local businesses.

Sandpoint's tourist industry is primarily a destination visitor economy. BNSF is coordinating with the City and local business owners to schedule the work in a manner that minimizes potential disruption to the tourist industry. As indicated under Section 4, Minimization and Mitigation Measures, no in-water construction at Bridge 3.1 would occur during the boating season (May through September) and any temporary piles in the Sand Creek channel would be removed from approximately mid-April to mid-October of each calendar year to provide adequate horizontal and vertical bridge clearances during the summer boating season. As such, no substantial change in local business revenue is anticipated during construction.

3.2.4 Community

The potential impact to community services and facilities during construction is difficult to anticipate because it largely depends on the use of local versus non-local workers, family demographics, and the actual duration of employment for each worker. Although only a subset of the 277 direct and indirect jobs generated by the Project per year are likely to require temporary housing and influence community services and facilities, 277 represents a small proportion of the population of the study area (5 percent), City (3 percent), and County (less than 1 percent). An influx of non-local workers of this size would not substantially increase the demand for community services and facilities such as schools, libraries, and emergency and medical services.

Some of the construction activities would be visible from Sandpoint, including nearby community facilities such as Sandpoint City Beach Park, Dog Beach Park, Serenity Lee Trail, and the Sandpoint Byway Trail. BNSF is working closely with the City, County, ITD, and will coordinate these needs with the construction contractor (not yet selected) to protect recreation activities at these facilities during construction. As indicated under Minimization and Mitigation Measures, BNSF has committed to coordinating with the construction contractor (once selected) and the City to schedule construction activities to avoid impacts to major community events (concerts, car shows, art fairs, athletic events, etc.) that occur at these facilities. BNSF is proposing to construct a new, permanent grade-separated access point over the multiuse Serenity Lee Trail, which runs inside of the BNSF ROW between US 95 and the main line track, to ensure the trail remains open at all times during construction and protects trail users from construction equipment and Project work actions adjacent to the trail.

The Project is located between the existing highway and existing railroad main line track. This area currently experiences relatively high ambient noise conditions. Residents, construction workers, and business patrons and employees within the study area will experience temporary effects from increased noise and dust due to construction activities. The most constant noise source would be the internal combustion engines used in construction equipment. Noise levels will depend on the type, amount, and location of construction activities. Pile driving at the Sand Creek Bridge (3.1) and the LPO Bridge (3.9) would be detectable along the eastern side of Sandpoint near US 95 but is anticipated to rapidly dissipate based on the presence of vegetation, structures, changes in topography, and ambient noise levels associated with the existing setting.

Both sidewalks on Bridge Street will be closed at certain times during construction. However, one sidewalk will remain open at all times so as not to restrict access to community facilities and businesses in the area. A Pedestrian Accessible Route Plan will be developed in coordination with the City to provide appropriate signage to guide pedestrians through the study area safely.

Community impacts associated with noise, dust, and access to local facilities would be minor. Incorporation of the measures identified below would further minimize the level of local disturbance.

4 MINIMIZATION AND MITIGATION MEASURES

The following minimization and mitigation measures are recommended during construction to minimize the effects of construction activities on the local economy and community facilities:

- Construction activities at Bridge 3.0 and Bridge 3.1 shall only occur between October 1 and April 30. Construction activity at Bridge 3.9 shall occur throughout the year.
- Coordinate with the City and County to schedule construction activities to accommodate special events.
- Prepare a Traffic Control Plan for review and approval by the ITD, the County, and the City, including but not limited to the following measures:
 - Always allow emergency vehicles immediate passage on Bridge Street.
 - Maintain a minimum vehicle travel width of no less than nine feet at any time on Bridge Street.
 - Single-lane closures on Bridge Street shall be approved by the City.
 - Vehicles on Bridge Street shall not be stopped or held for more than 20 minutes at any time.
- Prepare a Pedestrian Accessible Route Plan, including signage for pedestrians and a commitment to keep at least one sidewalk open at all times on Bridge Street.
- Construction activities shall only occur between the hours of 7:00 a.m. to 7:00 p.m., with two exceptions: girder erection of Bridge 3.0 shall only occur between the hours of 8:00 p.m. and 6:30 a.m., unless otherwise approved by the City, and pile-driving activities at Bridge 3.0 and Bridge 3.1 shall only occur between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.
- Prepare a Construction Noise Logistics Plan that specifies hours of construction, noise minimization measures, and construction schedule posting or notification to the community. The plan shall include, but not be limited to, the above-referenced noise measures to reduce construction noise levels as low as practical and appropriate noise notification measures developed in coordination with the City.
- At Sand Creek Bridge (3.1) work in and immediately adjacent to the channel under the bridge will be restricted to the winter LPO drawdown or low-pool season. Temporary piles or work bridge spans in and over the creek channel will be removed to provide safe navigation clearances during the summer boating season.
- During construction of the LPO Bridge (3.9), the temporary work bridges will be designated to comply with the requirements of the USCG Bridge Permit provide adequate horizontal and vertical clearances and protect the reasonable needs of navigation.

5 REFERENCES

- Best Western Edgewater Resort. 2019. Telephone conversation between Adrian Cox, Owner, and Bill Bumback, Senior Planner, Jacobs. May 14.
- BNSF Railway Company. 2019. "Idaho State Fact Sheet 2018." Revised April 11, 2019.
- Federal Highway Administration (FHWA). 1999. *Final Environmental Impact Statement/Section 4(f) for Sandpoint North and South Project NH-IR-F-CM-5116(068) US95 (Milepost 466.8 to Milepost 478.6) Bonner County, Idaho*. September 9.
- _____. 2019. "Employment Impacts of Highway Infrastructure Investment."
<https://www.fhwa.dot.gov/policy/otps/pubs/impacts/>. Page last modified on May 10, 2019. Accessed on May 10, 2019.
- Headwater Economics. 2015. *Bonner County, Idaho's Resilient Economy*. May 2015.
- Local Highway Technical Assistance Council (LHTAC). 2019. Email correspondence between Susan Kiebert, Local Communications Coordinator, and Maggie Buckley, Senior Planner, Jacobs. May 16.
- U.S. Census Bureau. 2013-2017 American Community Survey 5-year estimates. B01001, B01003, B15003, B19013, B23025, B25001, B25002, B25064, B25104, B25004, DP03, DP04, DP05, S2403, and S1501.