

ECONOMIC BENEFITS OF THE MVP PROJECT TO FRANKLIN COUNTY

Introduction

The proposed Mountain Valley Pipeline (MVP) project is a natural gas pipeline system that would span approximately 300 miles from the north of West Virginia to the south of Virginia. In Virginia, it would pass through six southwestern counties – Giles, Craig, Montgomery, Roanoke, Franklin, and Pittsylvania. The following describes the benefits to Virginia and Franklin County from construction spending, pipeline operations, ad valorem taxes, and direct use of natural gas.

Construction Benefits

The MVP project developers are expected to spend over \$400 million on Virginia-based labor, goods, and services from 2015 to 2018 to support the construction of the project. This direct spending would add \$369 million in cumulative gross regional product to Virginia during that period and approximately 4,400 jobs in 2018 at the peak of construction. With its established manufacturing base, Franklin County could contribute labor and other resources to the construction effort.

Pipeline Operation Benefits

Ongoing operation of the pipeline would support a total of 34 jobs across the state with average annual wages and benefits of almost \$67,000.

Ad Valorem Tax Benefits

The MVP project could generate up to \$2.2 million in annual county ad valorem taxes (property taxes) once in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

The Town of Rocky Mount does not have natural gas infrastructure available to service its homes, businesses, and municipal buildings. The MVP route currently is planned to pass within four miles of the town. The project offers a potentially lower cost option for natural gas access as the next closest interconnection point is more than 15 miles away in the Clearbrook area of Roanoke County. The residential, commercial, and municipal sectors could save up to \$1.0 million annually by switching to gas.

Manufacturing

The manufacturing sector plays a significant role in the county's economy. The sector employs almost 2,700 people or 20% of the workforce in the county. Major employers include M.W. Manufacturers, McAirlands, Newbold, Ronile, Solution Matrix, Trinity, and the Uttermost Company. These manufacturers could save up to \$300,000 annually from switching to natural gas. Access to natural gas also can provide an opportunity for manufacturing expansions and entry of new manufacturers to the county.

Transportation

Fuel switching in municipal and private vehicle fleets presents a sizable savings opportunity to the community. There are estimated to be approximately 450 school buses, other school vehicles, solid waste disposal trucks, and county vehicles, which if converted from gasoline and diesel, could yield significant annual savings if fuel prices rise.



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