

ECONOMIC BENEFITS OF THE MVP PROJECT TO ROANOKE 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 Roanoke County from construction spending, pipeline operations, ad valorem taxes, and direct supply 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, Roanoke 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 over \$950,000 in annual county ad valorem taxes (property taxes) once in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

Most of the county has access to natural gas, but only 44% of the county residents use natural gas as their primary source for home heating. The MVP project could help with fuel switching and provide additional supplies to customers.

Manufacturing

The manufacturing sector plays an important role in the county's economy. It represents 8% of the jobs in the county and pays, on average, \$46,000 in annual wages per employee, which is 17% higher than the average county wage. Major manufacturers in the county include Americold, Blue Ridge Beverage, Industrial Battery and Charger, New Millenium, Novozymes, RR Donnelly, Synchrony, and Tectron. Providing additional supply to county manufacturers through the project would help ensure reliable access to a low-cost fuel source.

Increased supply also would provide opportunities for manufacturing expansions. Much of the county's industrial development likely will occur along I-81 in the Dixie Caverns and Glenvar areas, and they are in need of additional gas infrastructure based on interviews with county officials and manufacturers.

Transportation

Fuel switching in municipal and private vehicle fleets presents another possible savings opportunity to the community. There are estimated to be approximately 500 school buses, other school vehicles, solid waste disposal trucks, and county vehicles, which if converted from gasoline and diesel, would yield approximately \$670,000 in annual savings.



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