

## 13 CONCLUSION AND RECOMMENDATIONS

**Passenger Rail:** The development of the Ohio Hub Intercity Passenger rail system offers significant benefits to the economy of Ohio, but more than that it lays the foundation for revitalizing the Ohio economy and in preparing Ohio for the 'New Economy'.

As its core the Ohio Hub provides a fast modern effective means of moving people and express parcels between nearly all the cities and towns of Ohio. Over and above this however, it provides key components in helping with urban redevelopment and the creation of new city and town centers that are so critical to the 'quality of life' that is such an important factor for attracting new economy business. However, it also has a range of economic impacts that will significantly enhance the economy and quality of life in Ohio.

**Commuter Rail:** It provides a nexus for the development of transit systems, and in major cities like Cleveland, Columbus, and Cincinnati it significantly reduces the cost of developing commuter rail. It effectively mitigates the 'national' cost imposed on commuter rail development by through freight train operations. In each of these cities the freight train mitigation costs are often as much as half the total project costs for a commuter rail system. As a result it increases the cost benefit ratio of these projects by as much as 100 percent.

**Freight rail:** It provides significant capacity to Ohio's freight railroads for intermodal freight services and encourages the reemergence of Ohio as a major transportation crossroads for the rail freight industry. The importance of this additional intermodal freight capacity will generate firstly significant warehousing and distribution jobs that are so important to the new JIT economy, and secondly both up and down stream manufacturing in the new high-tech industries.

**Hopkins Airport:** The Ohio Hub will support the development of Hopkins International Airport providing 'commuter air' service from the airport to all the cities and towns of Ohio and attracting more business and tourist travel to Ohio. This should help to boost these industries and increase number of passengers at Hopkins International by 5 percent given the greater accessibility provided to the Ohio region.

The development of the Ohio Hub Intercity Passenger Rail system is not just about offering an alternative to highway travel for passenger and freight transportation. It's about providing a new platform that will help build Ohio's communities and industries and support their evolution into the 21st Century.

**The key benefits** of the Ohio Hub system include –

- Demand Side User Benefits – Nearly \$9 billion in traveler benefits and resource savings
- Supply Side Job Creation – Over 16,700 long-term jobs or over 500,000 person years of work
- Supply Side Development Benefits – over \$3 billion in station and terminal related development
- Supply Side Income Benefits – over \$1 billion per year of increase income in Ohio Hub region

- Demand Side Freight Rail Benefits in the range of \$3 – \$6 billion with a likely impact of \$4.9 billion
- Demand Side Commuter Rail Benefits – in the range of \$1 - \$2 billion in the three cities of Cleveland, Columbus and Cincinnati
- Hopkins International Airport Benefits in the range of \$0.5-\$1 billion, with a 5 percent increase in traffic
- Demand Side Tourism Benefits – Tourism will increase by 320,000 tourist trips per year, which increases the Ohio economy by \$80 million per year or more than \$1.4 billion over the life of the project
- Transfer Payment Tax Benefit – A State income and sales tax benefit of more than \$1 Billion for the Ohio Hub region over the life of the project

These numbers are different expressions of the Economic impact of the Ohio hub system on the region's economy. They include both demand and supply side estimates of the economic impact and as such should not be added together, but rather used as individual impacts on different sectors of the economy.

Demand Side and Supply Side Benefit are similar. In developing the Economic Rent benefits the total assessed income 3.9% NPV value for Ohio Hub Stations is about \$17 billion over the life of the project. This is very close to the demand side benefits summarized by adding \$9 billion of user benefits (estimated in the USDOT FRA user benefit analysis), \$3-6 billion in freight benefits and \$1-2 billion in commuter rail benefits. In addition the income associated with long term job increased due to productivity associated with passenger travel are estimated at \$9.8 billion which is similar to the \$9 billion user benefits associated with the consumer surplus. This shows that both the Demand Side and Supply Side Benefits are independently estimating the project-life benefits of the project at 17 billion dollars. This provides a good return on the estimated capital and operating costs of just under 5 billion dollars. If as in the case of highway projects, Ohio provides just 20% of the capital costs of the project, a \$1 billion investment, it will achieve a \$17 billion return.