

# Briefing: Northern Indiana / Ohio Passenger Rail Corridor

Chicago – Gary Airport –  
Warsaw - Fort Wayne –  
Lima - Columbus

Presented by: *Northeast Indiana  
Passenger Rail Association to City of  
Warsaw, City Council*



October 8, 2013

## NORTHERN INDIANA / OHIO PASSENGER RAIL CORRIDOR STUDY



### BUSINESS PLAN



# 21<sup>st</sup> Century Challenges



## Population Growth

+100 million people  
(2010-2050)

(Source: U.S. Census Bureau)



## Oil Dependency

14m barrels/day for  
transportation.

(Source: U.S. Energy Information Administration)



## Congestion

\$120 billion/year

(Sources: Texas Transportation Institute)



## Climate Change

+17% GHG emissions  
(1990-2007)

(Source: U.S. Environmental Protection Agency)



## High Costs

\$1 trillion per year

(Source: Bureau of Transportation Statistics)

Five challenges  
we *must* address  
to remain  
economically  
competitive in the  
21<sup>st</sup> century and  
beyond

Source: *Rail: The Mode of Opportunity*;  
Federal Railroad Administration, April 18, 2013.



## Evolving Travel Patterns



Rail, transit use  
up



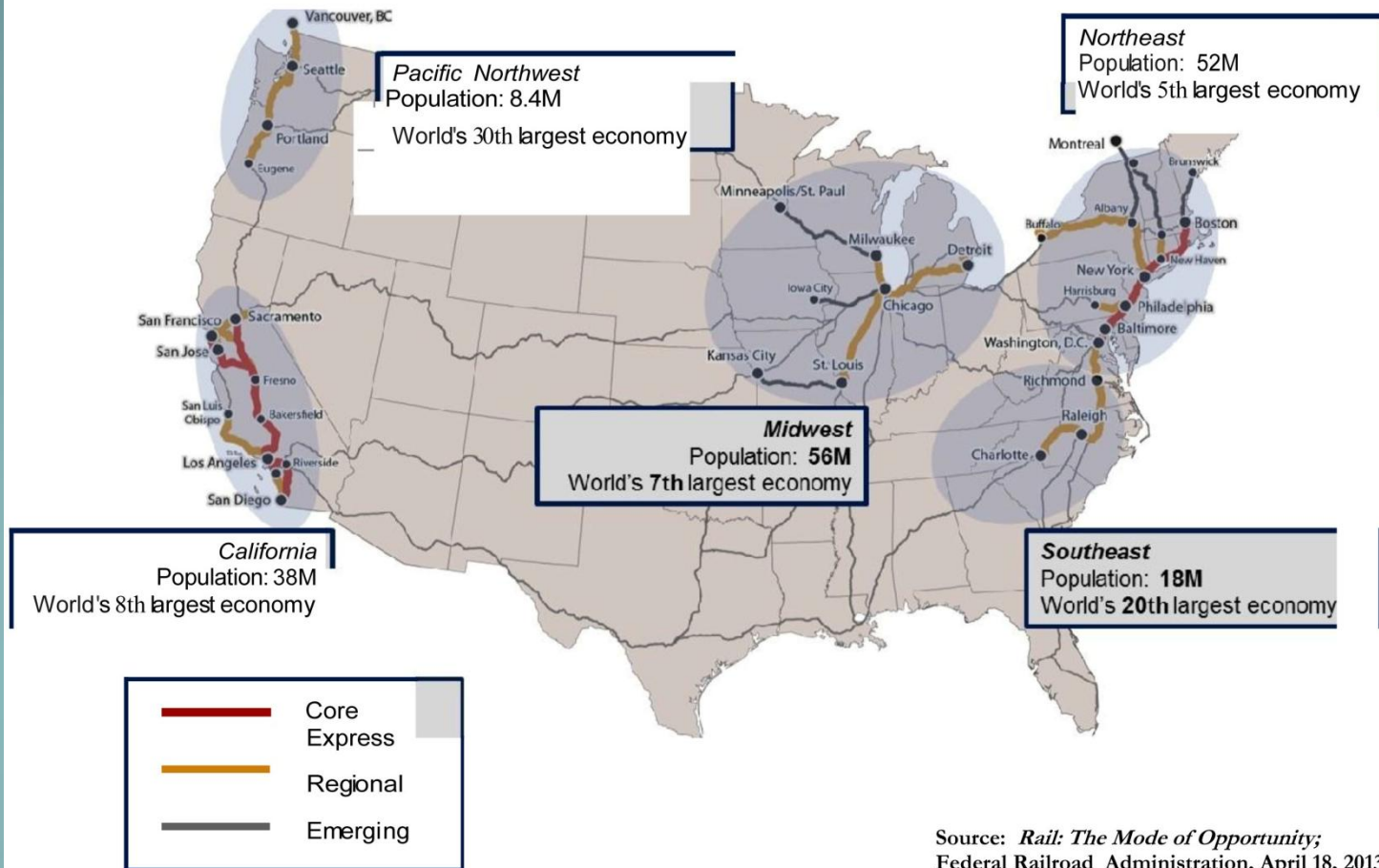
Young people driving less



Source: *Rail: The Mode of Opportunity*;  
Federal Railroad Administration, April 18, 2013.



# 5 Mega-regions, 152 projects



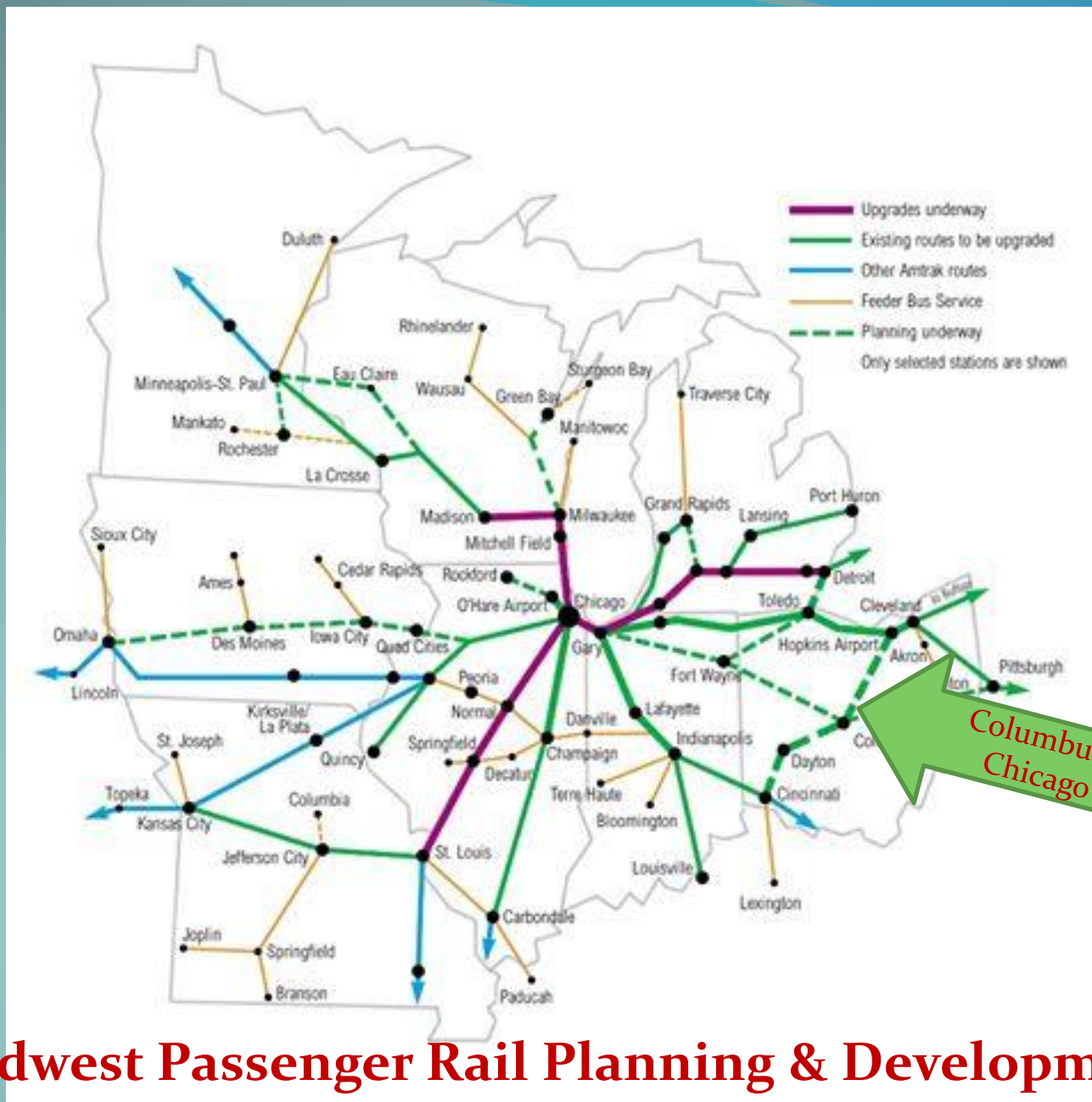
Source: *Rail: The Mode of Opportunity*;  
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# Columbus - Lima - Fort Wayne - Warsaw - Gary Airport - Chicago Corridor



**Why Chicago?**

**Other Midwestern cities are  
planning / developing rail  
connections to Chicago**

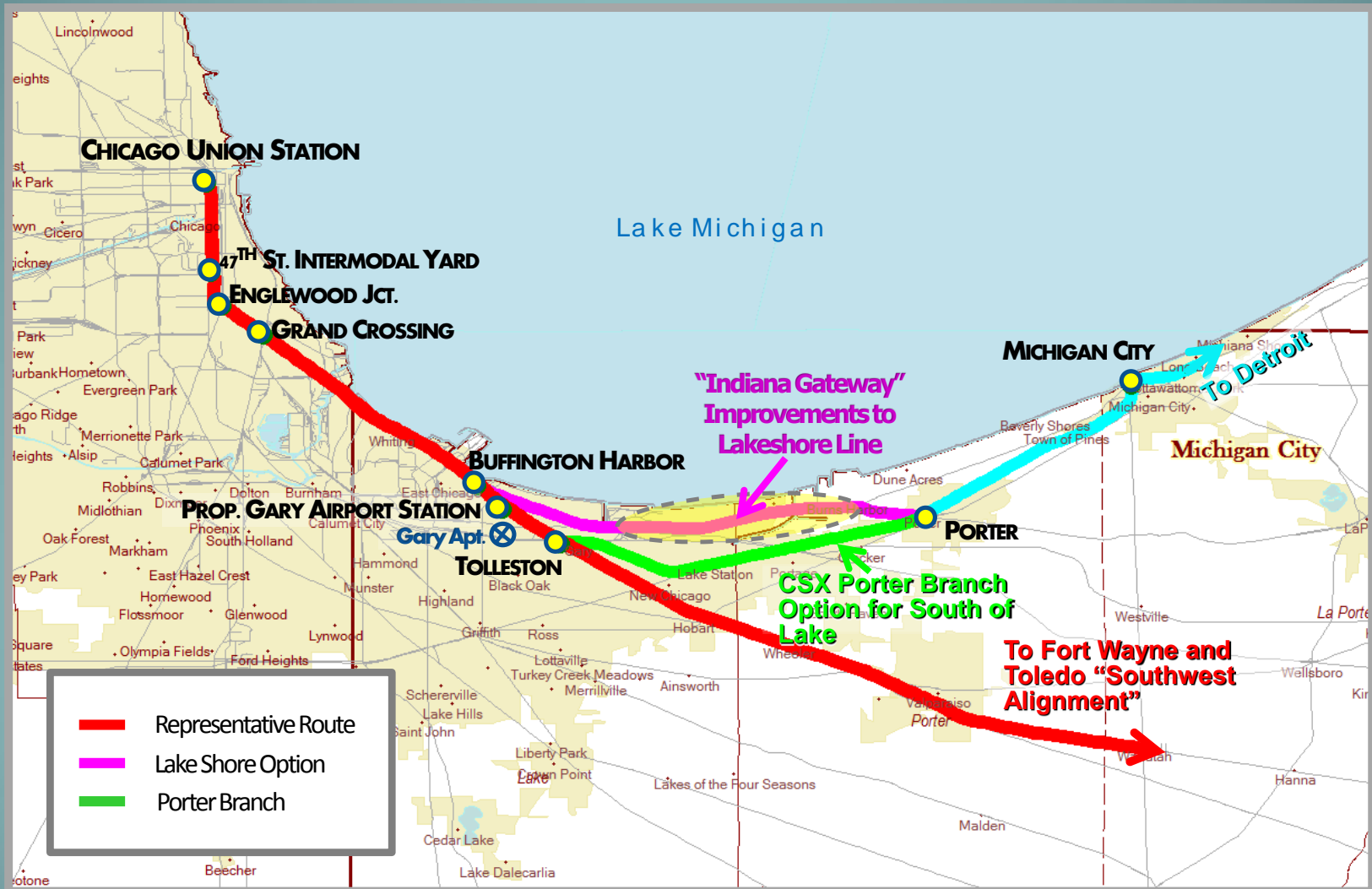


# Midwest Passenger Rail Planning & Development

**Fort Wayne can piggyback on  
improvements now being made to the  
rail corridor**



# Detroit-Chicago and Indiana Gateway



# Regional Mobility

## *“Critical Link in Regional Transport Development”*

- Gary International Airport
  - \$166 million
- Indiana Gateway project
  - \$71 million
- CREATE (CHICAGO REGION ENVIRONMENTAL AND TRANSPORTATION EFFICIENCY) Project—public /private funding -----\$3.2 billion
- Englewood Jet Flyover (CREATE Project)



***Trains are fast: we can get to  
Chicago in less than 90 minutes...***



# Proposed Train Technology

**Loco-Hauled Bi-Level Coaches**

**79  
mph**



**DMU**



**Talgo T21**

**110  
mph**



**Jet Train**



# Passenger Rail Service Strategies

<b>Rail Service Variables</b>	<b>Values Assumed in Rail Ridership Forecast</b>
Technology	110 MPH / 130 MPH
Travel Time	Average 4 hours (local) or 3 hours 45 min (express) travel time from Chicago to Columbus
Frequency	10 Daily Round Trips to Lima-Columbus 12 Daily Round Trips to Lima
Fare	Average full fare is \$0.34/mile <ul style="list-style-type: none"><li>• Business full fare</li><li>• Economy 20% discount</li></ul>

# Train Schedule Running Times

From	Diesel-110		Diesel-130	
	Express	Local	Express	Local
Chicago Union Station, IL	0:00	0:00	0:00	0:00
Gary Chicago International Airport, IN	0:24	0:24	0:23	0:23
Valparaiso, IN	-	0:38	-	0:36
Plymouth, IN	-	1:01	-	0:57
Warsaw, IN	-	1:18	-	1:13
Fort Wayne, IN	1:38	1:47	1:30	1:39
Lima, OH	2:22	2:31	2:11	2:20
Kenton, OH	-	2:54	-	2:40
Marysville, OH	-	3:26	-	3:07
West Columbus, OH	3:31	3:45	3:09	3:23
Columbus, OH	3:45	3:59	3:20	3:34

**Service is 12 trains per day to Lima – 10 trains on to Columbus**

**Links to growth centers in the regional economy will help Fort Wayne**

# Scale of the Regional Economy

9 Midwestern States: \$2,800 Billion Annual GDP (\$2.8 Trillion)

Columbus MSA: \$ 93.4 Billion GDP

Fort Wayne MSA: \$ 18.4 Billion GDP

Lima MSA: \$ 4.6 Billion GDP

**Chicago: \$ 532.3 Billion GDP**



Pittsburgh GDP:

\$115.7 Billion

Detroit GDP:

\$197.8 Billion

Indianapolis: \$103.8  
Billion

Cincinnati: 102.5 Billion





## Economic Corridor Linkages by GDP “Weight”\*

- Indianapolis + Cincinnati: **\$206.3 Billion**
- Fort Wayne + Lima + Columbus: **\$ 116.4 Billion**
- Fort Wayne + Lima + Columbus + Steubenville / Pittsburgh: **\$235.5 Billion**

\*U.S. Bureau of Economic Analysis 2011

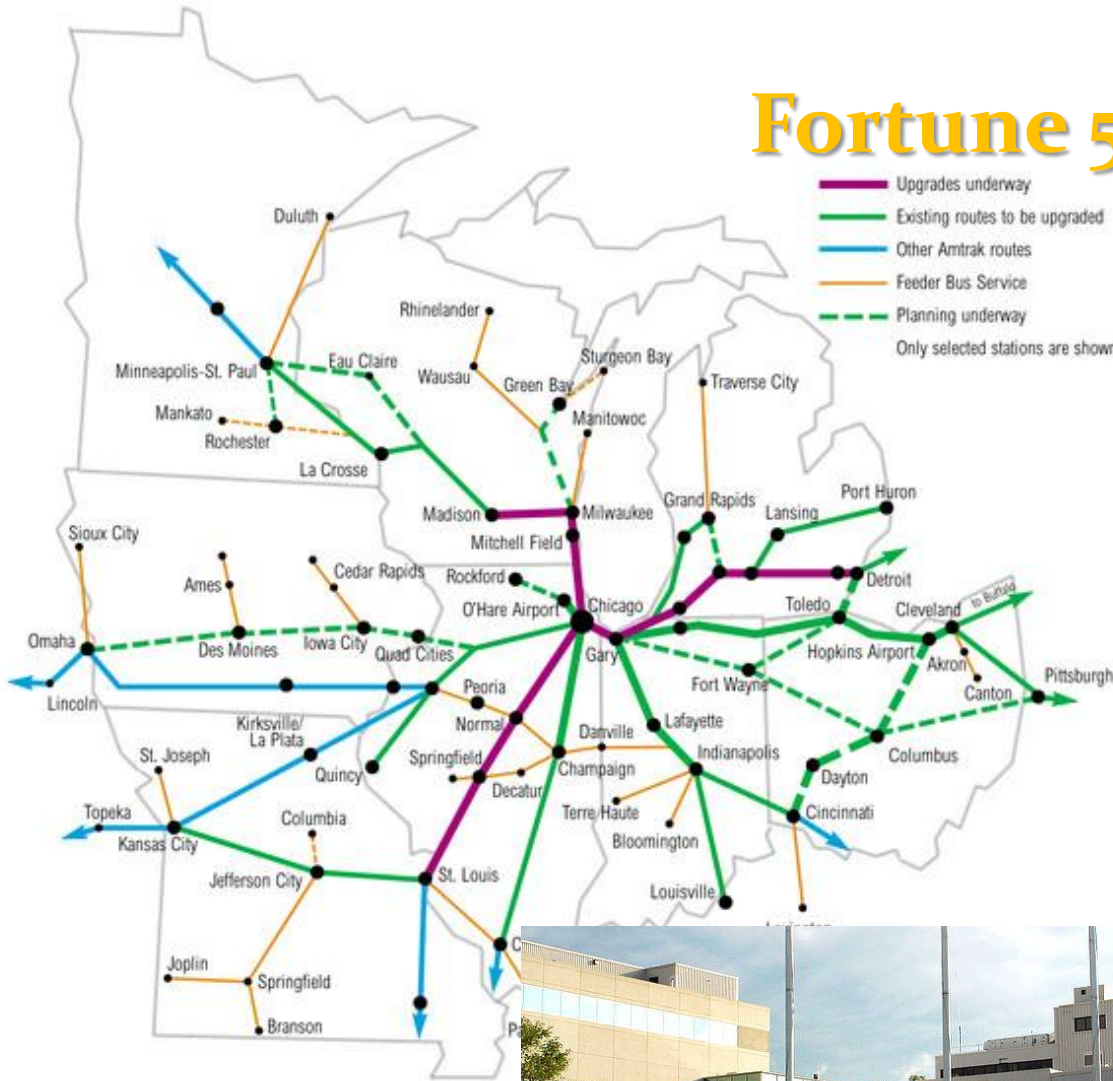
# Future Projects:

## Columbus – Pittsburgh rail corridor

- Adds value to Columbus – Fort Wayne – Chicago passenger rail corridor, and to Harrisburg – Pittsburgh connection (Keystone Corridor West)
- Achieves national attention for corridor economic development (Philadelphia – Pittsburgh - Columbus - Chicago)
- Enhances ability to compete in national arena for federal and private infrastructure investment



# Fortune 500 Landscape



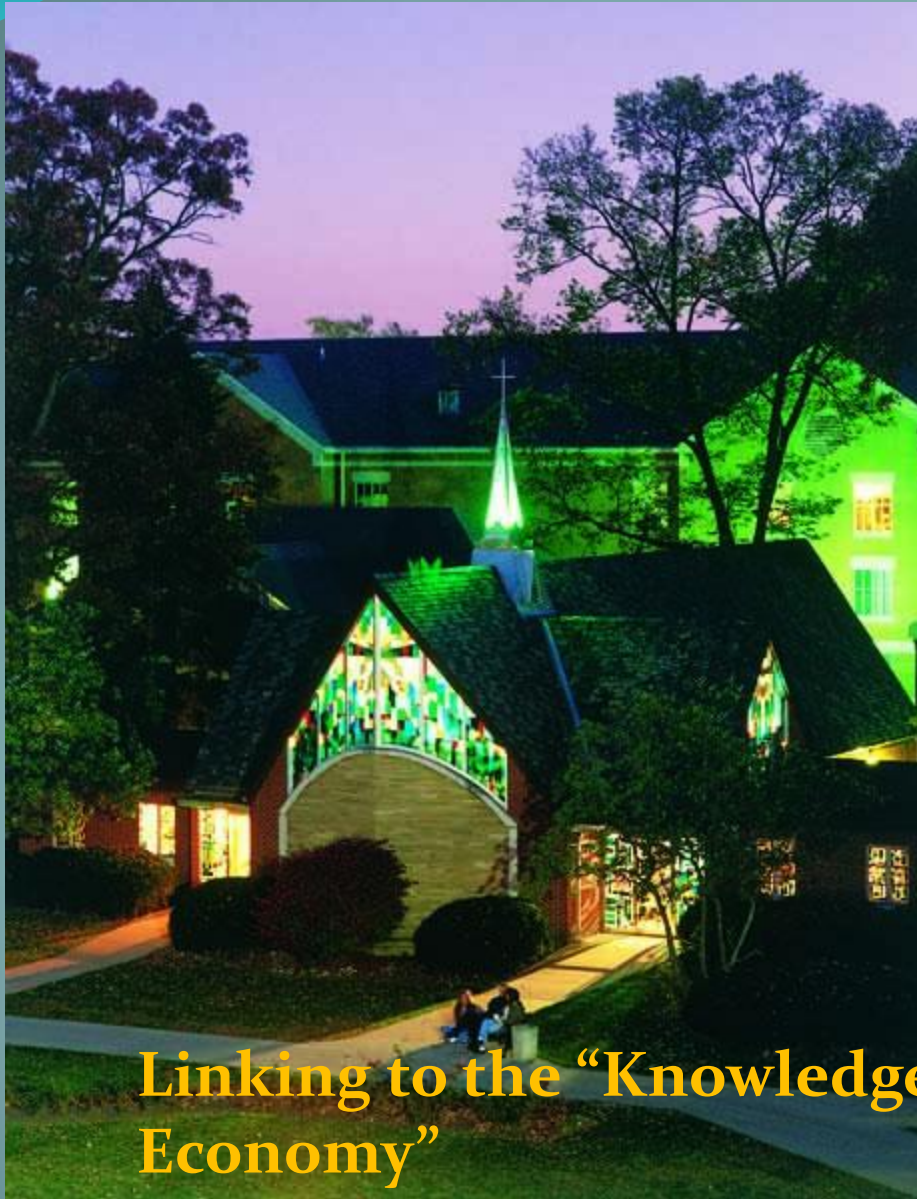
## Northern Indiana / Ohio Rail Corridor: Fortune 500 Companies

### Annual Revenues:

- Ohio (Columbus / Lima) + Indiana: **\$ 260 Billion**
- Illinois (Chicago): **\$572 Billion**
- Pittsburgh (PA): **\$ 84 Billion**
- TOTAL: \$916 Billion**



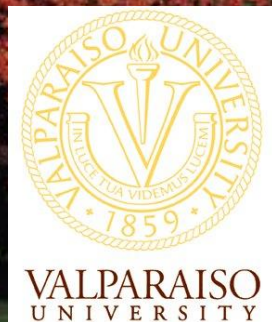
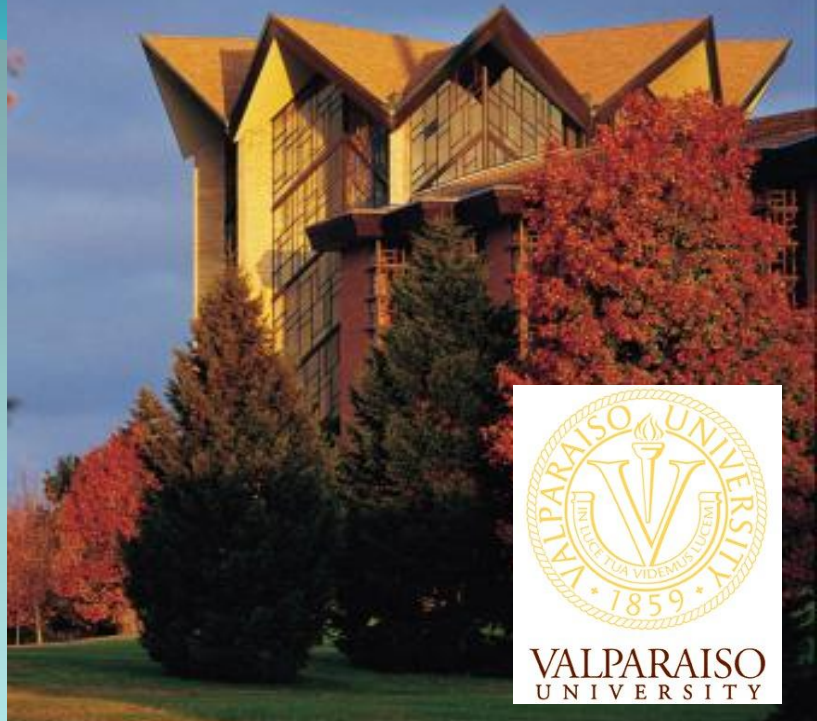
**Marysville, Ohio -- Nestlé R&D**



**Linking to the “Knowledge-Based Economy”**



138 institutions  
880,000+ students



**GRACE**  
COLLEGE &  
SEMINARY



# Committee on Institutional Cooperation

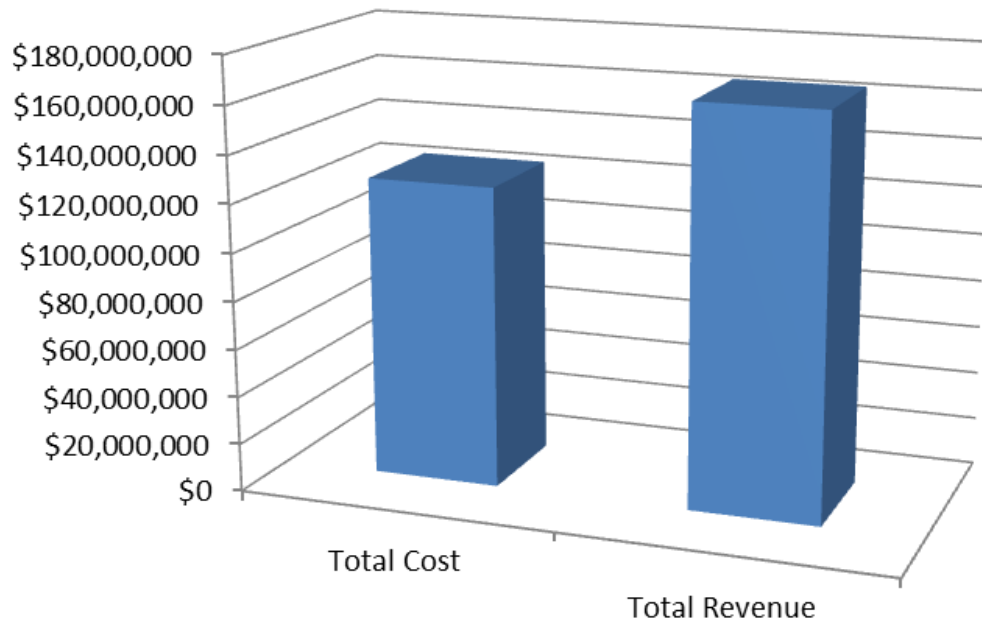


**Big Ten Schools + University of Chicago + Rutgers + University of Maryland**

# Columbus – Fort Wayne – Chicago line can operate at a profit



# Diesel 110 mph Alternative - 2030 Operating Cost Results 2030 Operating Cost vs Revenue Analysis: Operating Surplus



- Overall 2030 Revenue: \$166 Million for Chicago-Columbus Corridor
  - \$154 Million Ticket Revenue
  - \$12 Million OBS Sales (8%)
- Overall 2030 Costs: \$125.9 Million for Chicago-Columbus Corridor
- 1.32 Operating Ratio
- \$39.9 Million Annual Operating Surplus



# Benefit / Cost Results: Feasibility Study & Business Plan

Diesel 110 Benefit Cost Results Net Present Value	
<b>Constant US \$2012 (millions) at the 3% Discount rate</b>	
<b>Benefits to Users</b>	
Revenue	\$2,709
On Board Service	\$217
<b>Total Revenue</b>	<b>\$2,926</b>
Consumer Surplus	\$1,665
<b>Total User Benefits</b>	<b>\$4,591</b>
<b>Benefits to Public at Large</b>	
Airport Congestion Delay Savings	\$296
Airport Reduced Emissions	\$169
Highway Congestion Delay Savings	\$461
Highway Reduced Emissions	\$320
Safety Benefits	\$403
<b>Total Benefits to Public at Large</b>	<b>\$1,650</b>
<b>Total Benefits</b>	<b>\$6,241</b>
<b>Costs</b>	
Investment (Capital) Cost	\$1,126
Operating and Renewal Costs	\$2,287
Cyclic Maintenance	\$167
Fleet Expansion and Refurbishment	\$74
<b>Total Costs</b>	<b>\$3,655</b>
<b>NPV Economic Surplus</b>	<b>\$2,586</b>
<b>Benefit Cost Ratio</b>	<b>1.71</b>

# Total costs: about half the cost of replacing a single interstate bridge over the Ohio River



**Brent Spence Bridge Replacement  
Cincinnati, Ohio:  
\$2.5 Billion Cost Estimate**

**There are significant income,  
employment, and property  
value gains**

# Productivity Benefits (“Supply-side”)

## 1. Household Income

Total: \$7.1 Billion\*



## 2. Employment

Total: 806,000 person years of work\*



## 3. Property Value

Total: \$2.7 Billion for life of the project



What are we measuring?

“...how the performance of a new transportation investment increases the efficiency of the economy” --

TEMS

\*For 30 year life of the project at 3% discount rate

# ANNUAL EMPLOYMENT IMPACT of Rail Corridor:

26,800 “person-years” = # of full-time employees....



...in + two orthopedics industry clusters (Warsaw, Indiana)



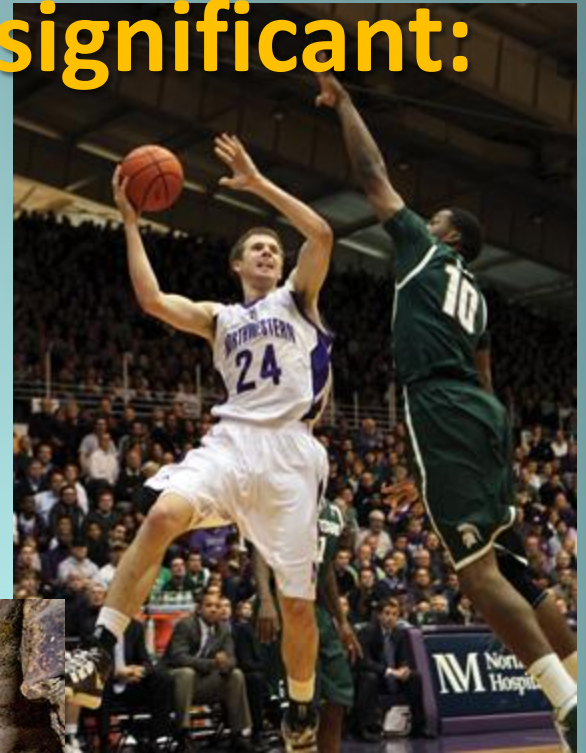
...in + six GM plants (Fort Wayne)

# Economic Development benefits of High Speed Rail (U.S. Conference of Mayors)

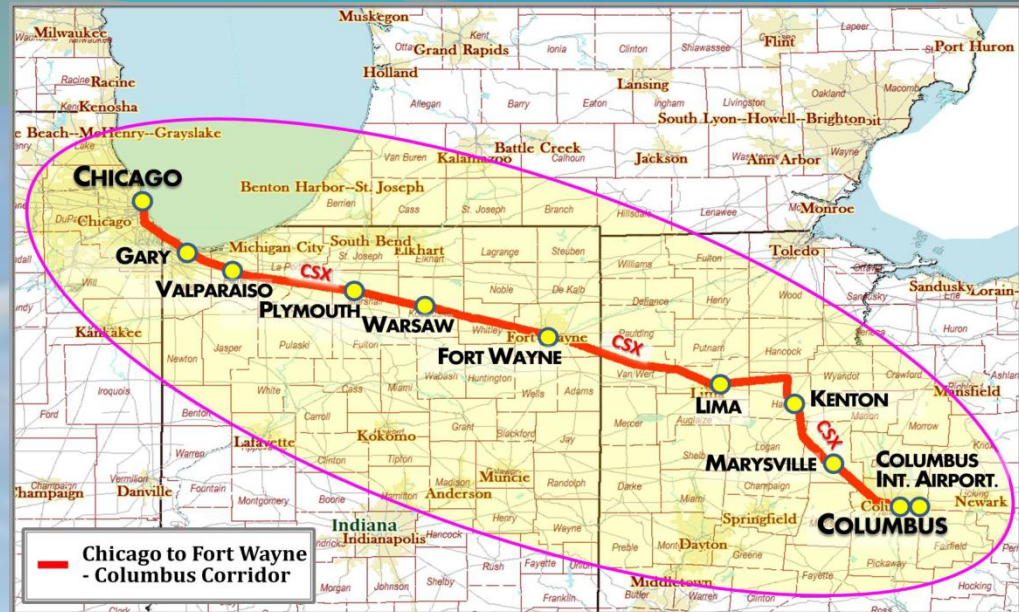
- Higher-density, mixed use development at / near stations
- Business productivity increase through travel-efficiency gains
- Expand visitor markets to generate additional spending
- Broaden regional labor markets
- Support the growth of technology clusters (Warsaw, IN example)

**--U.S. Conference of Mayors, “The Economic Impacts of High-Speed Rail on Cities and their Metropolitan Areas”**

# Other travel benefits are significant:



10 Non-Stop Markets  
4 Major Airlines  
600,000 Passengers/Year



FORT WAYNE INTERNATIONAL AIRPORT



# Traveling in Space: Midwestern Perspectives



# Program and Study Timetable

- Business Plan / Feasibility Study – completed
- Obtaining Tier One EIS commitments – 6 + months
- Programmatic Tier I EIS – 12 months
- Tier II EIS – 18 months
- Build – Own – Operate - Transfer /Final Design – 24 months (Private or “franchising” model)
- Construction to Implementation : Goal is 2020

# 2013 Agenda

- **Preparation to undertake Tier One of Environmental Impact Statement (EIS): \$2 million estimated cost**
- **Memorandum of Agreement under development**
- **Request for Proposals being prepared**

# Federal Administration's Plan

President Obama has proposed allocating a combined \$6.6 Billion in high speed rail and Amtrak projects for fiscal year 2014. In total he is requesting \$40 Billion over five years for a major new initiative, the National High Performance Rail System (NHPRS).

National High-Performance Rail System		FY 2014	5-Year	
FY 2014 and 5-Year Plan		(\$ Millions)	(\$ Millions)	
Traditional FRA accounts	<b>FRA Safety &amp; Operations</b>	185	n/a	General Fund
	<b>Research &amp; Development</b>	35	183	
<hr/>				
Current services (including Amtrak) organized by "business lines"	<b>Current Passenger Rail Service</b>	<b>2,700</b>	<b>13,200</b>	Transportation Trust Fund New Rail Account
	Northeast Corridor	675	4,225	
	State Corridors	300	800	
	Long-Distance Routes	800	3,675	
National Assets	925	4,500		
Integrated passenger + freight improvement programs	<b>Rail Service Improvement Program</b>	<b>3,660</b>	<b>26,400</b>	
	Passenger Corridors	3,250	23,180	
	Congestion Mitigation	150	1,300	
	Freight Capacity Planning	190	1,570	
New focus on workforce and innovation	<b>Research, Development &amp; Technology</b>	<b>55</b>	<b>217</b>	
	High-Performance Rail R&D	25	67	
	National Cooperative Rail Research Program	5	25	
	Workforce Development	25	125	
<b>Total</b>		<b>6,635</b>	<b>40,000</b>	

**INSIDE INDIANA BUSINESS**  
WITH GERRY DICK

**CHICAGO BUSINESS JOURNAL**

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American Planning Association

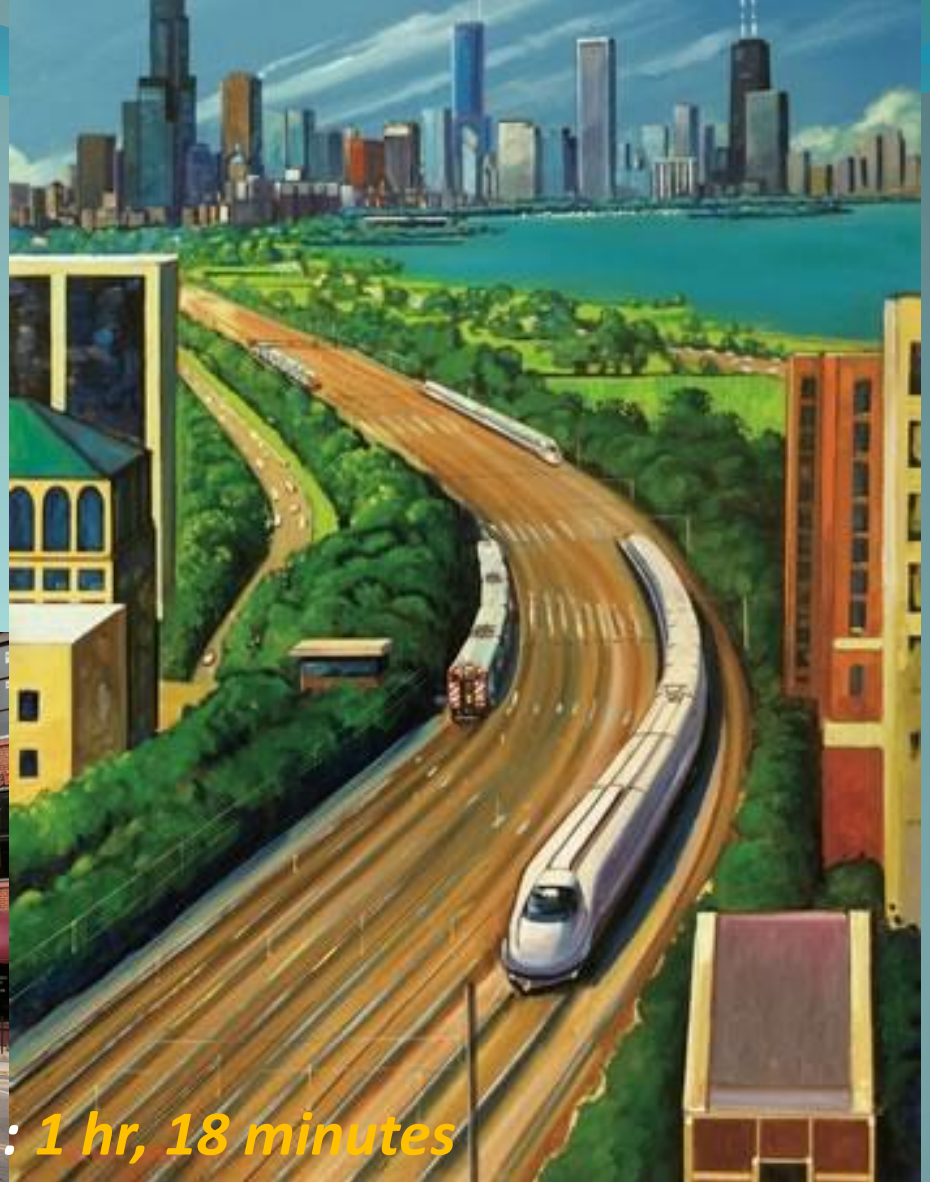
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*Warsaw to Union Station: 1 hr, 18 minutes*

Prepared under contract to NIPRA from materials provided by  
Transportation Economics & Management Systems, Inc. (TEMS) and by the City of Fort Wayne

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