



The Economic Impact of the Ohio Hub

The *Ohio Hub Passenger and Freight Rail Plan* breaks from the long-standing Amtrak model and suggests a policy that invests public dollars in improving the railroad system to achieve public benefits and generate economic development activity. If Ohio and the nation are to effectively address issues such as mobility, moving increasing volumes of freight, growing the economy, creating jobs, conserving energy, and improving air quality then we must look upon rail as “an essential transportation investment.” When connected to other developing passenger rail corridors, the Ohio Hub becomes a critical link in a national network serving 140 million people in the Midwest, Northeast, and Canada. As services expand, ridership grows and region-wide economic benefits increase. The *Ohio Hub Economic Impact Study* is based on an 860-mile “Cleveland Hub” with **four** lines radiating from Cleveland: to Cincinnati, Detroit, Pittsburgh, and Toronto.*

AN INTERCONNECTED REGIONAL RAIL NETWORK



“An improvement in the efficiency of moving people, goods and labor among markets and communities has the potential to improve the investment and business climate of the state which, in turn, can lead to a higher rate of economic growth.”
GEM Public Services, Dayton, Ohio, 2007

“The benefit cost ratio is a substantial 1.8 reflecting the fact that the Ohio Hub region is one of the best candidates in the U.S. for developing a regional rail system. If, as in the case of highway projects, Ohio provides just 20% of the capital costs, a \$1 billion investment will achieve a \$17 billion return.”
TEMS Inc., Frederick, Maryland, 2007

The estimated number of trips on an 860-mile Ohio Hub system is 6.5 million in 2025. During the nine-year construction phase the benefits will be diffused across the entire industrial structure of Ohio’s economy. The project will create 7,100 short-term jobs and will generate a \$1.84 billion increase in household earnings related to construction, manufacturing, health care, retail trade, and professional, financial and insurance services. Over the project’s 30-year life, the benefit/cost analysis estimate nearly \$9 billion in user benefits and resource savings with \$4.9 billion in costs including capital, maintenance, and operating expenses, producing a 1.8 benefit/cost ratio.** Over the long-term the Ohio Hub will:

- Create 16,700 permanent jobs which is equivalent to more than 500,000 person years of work;
- Raise the region’s income by over \$1 billion over the life of the project;
- Increase the average annual household income in the region by at least \$90;
- Generate more than \$3 billion in development activity near stations;
- Increase land values and create the potential for communities to develop new retail, office and residential developments near the passenger rail stations;
- Create an annual \$80 million impact on state tourism by generating 320,000 new overnight trips;
- Increase Cleveland Hopkins Airport traffic by 5% and create a \$0.5 to \$1 billion economic benefit;
- Create a potential benefit for freight rail operations in the range of \$3 to \$6 billion; and
- Generate an annual fuel savings of approximately 9.4 million gallons of fuel.

The table below highlights the Ohio Hub ridership forecast, station-area development potential and projected increases in local jobs and household income for seven of the 32 stations on the 860-mile intercity/interstate rail system.*

Downtown Station	Annual Riders to/from Station in 2025	Downtown Development Potential (\$Millions)	New Local Jobs Created	Increase in Annual Household Income (\$Millions)
Cincinnati	913,400	\$200 - \$275	1,010 - 1,390	\$65 - \$90
Cleveland	1,104,300	\$290 - \$400	1,390 - 1,910	\$95 - \$130
Columbus	641,300	\$250 - \$340	1,400 - 1,925	\$85 - \$115
Dayton	640,000	\$210 - \$285	1,145 - 1,570	\$75 - \$105
Middletown	63,400	\$20 - \$30	105 - 150	\$7 - \$10
Toledo	639,000	\$75 - \$105	450 - 620	\$25 - \$40
Youngstown	78,000	\$50 - \$70	285 - 390	\$20 - \$25

* The Updated 2007 Ohio Hub Study adds three new routes and 14 stations bringing the system to 1,244-miles and 46 stations.

** Based on an analysis of user benefits as defined by the Federal Railroad Administration (FRA) for economic evaluation.