



Passenger Rail

EXECUTIVE SUMMARY

Passenger rail service can provide numerous economic benefits to a region by providing efficient and reliable regional transportation. With congested highways, raising gas prices, and increasing environmental concerns, communities can no longer rely on automobile connections alone. By developing the Rawleigh Complex into a multimodal transportation hub, the City of Freeport is looking to capitalize on the planned Amtrak Blackhawk line, which will connect Chicago and Dubuque.

The passenger rail portion of the Freeport Revitalization Project is focused on assisting the City in realizing the full benefits of the passenger rail service. In order to ensure speedy implementation of the Amtrak service, support will need to be created within the community to gather political support and raise funds for the project. To assist in support for the project, this report will examine the anticipated economic impacts of the passenger rail service. The passenger rail team examined case studies of similar projects, met with area stakeholders, and reviewed existing quantitative benefit cost analysis to find the conclusions included in the report.

INTRODUCTION

Project Context

Despite being home to some of Illinois' largest corporations, the City of Freeport has limited intercity transit options. Residents and businesses are largely reliant on cars to travel outside the city. Located about 115 miles to the east, the drive to Chicago includes some of the most congested highway corridors in the country, which can increase travel time dramatically.¹ Travelers arriving at regional airports in Chicago or Rockford must arrange their own transportation to Freeport. By improving Freeport's connectivity within the region, more intercity transit options will foster economic growth and improve the quality of life for the region's residents.

Project Goals and History

The City of Freeport plans to develop the Rawleigh complex into a dynamic, mixed-use, multimodal transportation hub serving northwest Illinois and southern Wisconsin. Slated to begin operation in 2015, Illinois' planned passenger rail service between Chicago and Dubuque is central to achieving this vision.

Amtrak's "Blackhawk" service will connect cities throughout northern Illinois and far eastern Iowa, including Chicago, South Elgin, Genoa, Rockford, Freeport, Galena, and Dubuque. A preliminary schedule created during a 2007 study of the route plans for one train, heading east from Dubuque in the morning, staying in Chicago during the day, and returning to Dubuque in the evening, where it will be housed overnight.² The estimated travel time from Freeport to Chicago will be approximately 3 hours and 15 minutes. However, the Illinois Department of Transportation is currently negotiating with the owner, Canadian National, to run multiple roundtrips daily, so the schedule may be adjusted significantly.³

The 2007 study estimated a total annual ridership of 74,500 between Dubuque and Chicago. A 2010 study updated this figure to an estimated 76,357. The same study estimated the infrastructure improvements needed for the route would cost

approximately \$26.2 million. However, Canadian National did not concur with the results of the study and is conducting an independent analysis, with the costs likely to rise. This cost would be in addition to the \$8.3-million Freeport Station project.⁴

The goal of this report is to provide the City of Freeport with information that will aid the allocation of these funds and ensure the speedy implementation of passenger rail service from Dubuque to Chicago through Freeport. This report will examine the expected economic impacts of the proposed rail service, including how it relates to economic activity, business development, tourism and recreational activities, "top talent" attraction and retention, and public health.

BEST PRACTICES & CASE STUDIES

Qualitative research can greatly benefit and supplement quantitative data. Through interviews, direct observations, and case studies, a more holistic understanding can be ascertained from the research question at hand. Qualitative research can better illustrate how different stakeholders differ from one another in perception and attitudes and identify who will be affected and in what ways. This type of data can also show why certain impacts are happening and the potential interplay one has with another. Lastly, this data can show why policy needs to be changed and how it can be changed.

The most comparable case of passenger rail service provided to rural communities like Freeport is the Amtrak Empire Builder line that runs through twelve communities in Northern Montana. The entire Empire Builder, which connects cities from Chicago to Seattle, was first inaugurated in 1929 then integrated Northern Montana services in 1978. This inclusion of Northern Montana into the Empire Builder eliminated the need for and discontinued the North Coast Hiawatha line, which initially operated through southern Montana.

A Transportation for America whitepaper honed in on the success of this line and cited the indicators of success identified by

Station	Eastbound (Read Up)	Westbound (Read Down)
Chicago (Union Station)	10:10 a.m.	6:15 p.m.
South Elgin	8:38 a.m.	7:28 p.m.
Genoa	8:12 a.m.	7:54 p.m.
Rockford (Alpine Road)	7:46 a.m.	8:22 p.m.
Rockford (Main Street)	7:36 a.m.	8:32 p.m.
Freeport	6:57 a.m.	9:11 p.m.
Galena	5:38 a.m.	10:30 p.m.
Dubuque	5:00 a.m.	11:25 p.m.

Figure 1: Black Hawk Preliminary Schedule

the Montana Department of Transportation in their economic impact assessment. While this EIA provided quantitative economic measures that expressed the high level of direct spending by nonresident Amtrak users, as well as the re-spending of this money resulting in the generation of additional jobs, it also provided far more reliable results. Among the qualitative benefits brought by passenger rail service were the justification of providing bus services at Amtrak transfer points and key tourism and recreational attractions throughout the region. This, in turn, brought in a significant influx of passengers from outside of the state, which contributed a stable tax base to the state of Montana from its tourism activity alone.⁵

From a revitalization standpoint, the concept of regional transportation systems acting as economic boosters to cities is not new and in fact is a well-supported theory for urban and rural areas alike. The impact of such systems especially bolsters downtown areas, as can be seen in towns like Brattleboro, Vermont.⁶ The addition of a passenger intermodal transportation hub, as well as improvements to its existing Amtrak station, appears to have caused domino effects on various transportation modes used in the region. Improved accessibility of Brattleboro's local transit system boosted Amtrak ridership to and from the town, while presence of a revitalized Amtrak station enticed more modern development within the downtown area. According to Brattleboro's Town Manager, the Transportation Center attracted popular retail tenants, a food co-op discount store and a thrift store, which has "expanded the downtown

feel" and has generated more activity within the area.

Looking at the quantitative, but more notably the qualitative method in which these indicators of success were identified, this analysis is fitting as a model for this qualitative impact study for Freeport and the Blackhawk line. Framing the study to highlight broader benefits to the city and to the state as a whole, as well as analyzing more specific benefits to affected industries and resident and nonresident passengers, is the most effective way to share potential economic benefits to Freeport decision makers and citizens alike.



Figure 2: Typical Amtrak Train

STAKEHOLDER INPUT

During the Freeport Riverfront Initiative team-wide stakeholder meeting held in Freeport, Illinois, the Passenger Rail and Transit Groups paired up to conduct joint sessions for two separate focus groups. One session was tailored to human resources personnel and other interested recruitment members of businesses in the greater Freeport area. The other session sought input from tourism and recreation-involved individuals.

Both sessions intended to host discussion about the anticipated frequency of use and overall utility of the proposed Blackhawk line. It was most crucial to learn of what the stakeholders believe to be the Amtrak service's potential to attract more businesses, employees, top talent, tourist and recreational activity, and inherently, residents to Freeport. A summary of the key discussion points covered in both sessions is provided below.

Area Businesses Focus Group

Among the area businesses focus group attendees were city and regional agency employees, including the Blackhawk Hills Regional Council, City of Freeport Transit, the Stephenson County Health Department, Senior Resource Center, and the Freeport Downtown Development Foundation.

The attendees were primarily concerned about travelers' first impressions of Freeport upon arriving at the train station.

- The current state of the Rawleigh Complex, the proposed multimodal hub location, is severely underdeveloped. Some attendees mentioned that newcomers may perceive the seemingly remote location as "unsafe."
- Attendees expressed doubts that Freeport is ready for Amtrak service at this time because it lacks the capital and necessary infrastructure to support passenger rail.

Attendees shed light on the presence of the Metra commuter rail service, which already appears to serve some of the current intercity travel needs of Freeport residents. It was expressed that people may be reluctant to use Amtrak due to its comparatively higher fares and its less frequent trip schedules.

- Harvard, Illinois is a frequented Metra origin stop for healthcare professionals needing transportation to Chicago. The Metra offers several departure times within the hour in the morning and provides frequent return trips back in the evening.⁷ Total Metra travel duration between these two stops is also less than two hours.
- Despite this apparent convenience, the downside to this is that passengers from Rockford and Freeport still must face an approximate 50-minute or 72-minute drive to the Metra station, respectively.
- The Big Timber station in Elgin, Illinois is also a frequented Metra destination stop particularly for business purposes.⁷
- Just as in the case of the Harvard, Illinois stop, the hour-and-a-half drive into Elgin may also prove inconvenient to others.

The current employment base was another raised concern by attendees, who generally felt that it does not suffice to draw additional professionals into Freeport.

- Businesses representatives who were in attendance shared that they experience challenges in recruitment because of outsider perceptions of Freeport being a "rough area."

Healthcare professionals emphasized that a lack of regional transportation connectivity is a considerable barrier to health-

care options for Freeport residents.

- Currently, they must often commute to Rockford, Madison, or Chicago for special medical attention. Those without vehicles must depend on volunteer drivers to attend their medical appointments.

Regional transportation connectivity, particularly to Rockford, was cited as a key priority to businesses like Snak King.

- Approximately 100 of Snak King's employees commute from Rockford.
- Chicago Rockford International Airport is cited as another important transportation hub for business.

Tourism & Recreational Organizations Focus Group

Attendees from the tourism and recreational focus groups included representatives from the Freeport/Stephenson County Convention and Visitors Bureau, the Northwest Illinois Trails Foundation, Friends of the Pecatonica River Foundation, the Freeport Park District, and the Freeport Downtown Development Foundation.

A unanimous concern that also resonated with the area businesses focus group was the importance of creating Freeport to look more appealing "from the tracks."

- To elaborate, the debate came to whether or not (a) Freeport would need to establish a better economic, employment, and recreational base (i.e. engage in "place-making") before it could justify and sustain Amtrak implementation; or, (b) the presence of an Amtrak service would encourage travel to and from Freeport, thus generating activity from business and tourism/recreation.

Attendees emphasized that the goal of Amtrak implementation should not only be to attract Amtrak riders to Dubuque and to Chicago but also to draw riders to Freeport.

- The general sentiment was that Freeport seemed to lack the "cool factor" that nearby Galena has to attract young professionals. Galena already has a dominant reputation for tourism and recreational activity.

In terms of marketing Freeport and Stephenson County for tourism and recreational purposes, the Freeport/Stephenson County Convention and Visitors Bureau shared that they often intend to present such opportunities as a conglomeration of tourism activity, rather than a site for one particular type of attraction.

- Tourists and recreational visitors come mostly from Chicago.

Young Professionals Focus Group

The young professional interviewed is an employee of United Way, an involved member of the Freeport Area Young Professionals Network, and also sits in on many Chamber of Commerce, Housing Authority Board, and Workforce Development meetings. These latter organizations encompass the needs of Stephenson, Jo Daviess, Carroll and other counties.

She expressed the general skepticism, but enthusiasm of young professionals about the prospect of having an Amtrak stop in Freeport.

- This younger demographic has envisioned using Amtrak to travel more frequently to Chicago for work and for leisure. Driving is a more time consuming and sometimes

- more costly mode when parking expenses are factored in.
- They agree that Amtrak would be a convenient alternative to commuting to Chicago area airports when needed.

The Freeport young professional profile, according to the interviewee, consists of those who:

- Work predominantly in the banking, accounting, insurance, and not-for-profit industries.
- Are drawn to Freeport primarily for work, but seek affordable lifestyles along the outskirts of or in small towns surrounding Freeport. None, if any, reside anywhere near the downtown area.
- The greater Freeport area's community college, Highland College, though an assumed collection of young professionals, is actually perceived as a "commuter campus" consisting of Freeport-born students and continuing education adults.
- However, "transplant" students to Highland College are not assumed to have strong, long-term ties to the Freeport community. The interviewee claims that due to the perceived challenges Freeport faces in job security, many students may aspire to secure opportunities beyond Freeport upon graduating.

The interviewee expressed that many of the young Freeport residents she knows depend on entertainment from out of town.

- Travel to Chicago for them is about once a month for entertainment.
- Galena is among one of the favorite destinations because of its rural atmosphere, historic emphasis, abundance of wineries and unique, small shops.
- Dubuque is often visited for its Great River Museum

While she shared that Freeport offers many free tourism&recreation events, she felt that they could be better marketed throughout the community.

- The annual Stephenson County Fair pulls in the most attendees of all of Freeport's events, perhaps due to its infrequency, although attendees wish it were held more often.
- The most discussed, sought out community events according to the interviewee include music festivals, and farmers' markets. One idea discussed was to hold the farmers' markets at a recently vacated grocery store she mentioned located in downtown Freeport.

ASSESSMENT OF ECONOMIC IMPACT

Located in the northern Midwest, Freeport experiences winter snowstorms that bring sleet, snow, and ice. During these severe winter events travel on highways can be dangerous and difficult. Freeport's one, two, and three-day record snowfall events are 14, 16, and 18 inches respectively. The average annual snowfall is 34.43 inches compared to an Illinois average of just 21.75 inches. Freeport's average days with 1 inch or more snow comes in at 55 days compared to a state average of 29 days. In windy conditions this snow can blow across highways making it difficult to navigate safely.⁸

Rail service is a dependable all-weather mode choice for transportation needs. This dependability will insure that residents of the Freeport area will be able to reach destinations and services that may otherwise be unreachable in inclement weather. Other states such as Montana, which receives an average snowfall of 37.28 inches, have strongly supported passenger rail

service as a vital transportation option for rural communities during inclement weather. The ability to conduct business in inclement weather keeps rural economies functioning instead of coming to a halt.⁹

The Blackhawk line will offer an attractive alternative to traveling via car and dealing with the increasingly costly traffic. Amtrak offers time competitive service for medium to short trips. Coupled with the large amount of traffic congestion Amtrak might even be quicker in cases of severe traffic congestion. The train also offers the safest mode choice to Freeport residents traveling into Chicago.

Ridership Groups

Through the team's research and meeting with stakeholders, several ridership groups were identified who are likely to utilize the passenger rail service. These groups will serve as a starting point for our analysis.

Business Travelers

Freeport is home to several national corporations that frequently require travel to and from the Chicago area. This category can be divided into two subgroups; passengers traveling out of Freeport and passengers traveling into Freeport.

Outbound

Freeport corporations frequently send personnel to Chicago to conduct business, some stakeholders indicated as often as once a week. This trip currently requires either navigating the congested I-90 corridor and expensive parking or driving to a western Metra station and traveling by rail into the city. The Blackhawk line would provide a direct connection to Chicago and allow travelers to utilize the travel time review notes and prepare for meetings instead of having to fight traffic.

Inbound

The Freeport region houses many corporations with facilities throughout the country. Coming to Freeport from these outside facilities often requires travel by plane, typically to Chicago. After arriving in Chicago, travelers must rent a car or arrange to be picked up by other employees. Passenger rail service would provide another option that doesn't require traveling on congested highways. Once arriving in Freeport, getting to their final destination is less costly and difficult.

Young Professionals

The younger members of the Freeport workforce often seek entertainment options that are not available in smaller cities. Stakeholder interviews suggested that Freeport Young professionals travel to the destination cities of Chicago and Dubuque as frequently as once a month. The passenger rail service will provide an easy way to travel to these locations. Instead of fighting congestion and paying for parking for a weekend, entertainment seekers will be able to utilize the rail service and enjoy a weekend without worrying about their transportation.

Tourists

Freeport also has opportunities for outdoor recreation that are not available in the region's largest cities. This includes the Pecatonica Prairie Trail and the Jane Addams Trail. The presence of Freeport on the Blackhawk line will increase its visibility to the region and provide additional transportation options for recreationalists from the Chicago area to utilize

Freeport's amenities.

Health Care Patients

Those requiring special health care attention must travel outside of the city to regional health care centers in Madison, Rockford, or Chicago. Those without access to a vehicle must rely on volunteers and charity groups to drive them to appointments. Passenger rail service will allow patients to receive the medical care they need while retaining a greater amount of independence.

ECONOMIC IMPACTS

Business Development

Many local employers conduct business in Chicago often, some on a weekly basis. This business can either be meetings in Chicago or picking up people to conduct visits to the Freeport business. Through stakeholder meetings people described that currently there is no effective way to get to Chicago without a car. Some travel to Harvard, Illinois and take Metra Commuter Rail to Chicago and others drive to Rockford, Illinois and get intercity bus service. However most travel directly into Chicago via car.¹⁰

When asked if rail service would help their businesses, stakeholders answered affirmatively. Some discussed how picking up regional supervisors or other business partners from Chicago every week represented a loss of one whole workday for them. Sometimes if a business has enough visitors a car can be rented at an affordable rate but this is not the case for one or two people. This loss of a workday has negative economic impacts on a business. Passenger rail will allow Freeport employers to discontinue the "taxi-service" they must provide. Rail will preserve that day of productivity and will also allow visitors to and from Chicago and Freeport to be productive while traveling.¹¹

"Stephenson County Prosper Together" stated the need to tie into larger financial markets to spur development and investment opportunities. Freeport belongs to the Midwest Megaregion, which is anchored by Chicago. The megaregion idea is gaining ground in planning and views them as a network of urban clusters and their surrounding areas, connected by the existing economic, social and infrastructure relationships. Rail service will help strengthen the infrastructure relationship Freeport already shares with Chicago and the larger Midwest Megaregion. The Blackhawk service will also connect Freeport to other Amtrak service that will allow for rail travel to almost every major region in the United States.

Passenger rail service will also bolster the local economy by helping area business attract and retain top talent. In a survey of more than 1,000 CEOs, "access to, and retention of, key talent" was ranked the most important factor in sustaining long term growth by 97% of respondents.¹² Talent retention is important because turnover can be expensive and top talent drives business performance.

The cost of replacing an employee has been estimated to be between 30% and 250% of annual salary. These estimates include the direct cost of the hiring process, the opportunity costs of vacant positions, and diminished business performers.¹³ Top talent has been estimated to outperform average employ-

ees by a wide margin. Top performers in operations roles are estimated to increase productivity by 40%. That number increases to 49% for top performers in management roles and to 67% for those in sales positions.¹⁴

The passenger rail service can make it easier for area businesses to attract and retain top talent by improving the quality of life in the region. The Black Hawk line will make travel to popular entertainment destinations of Chicago and Dubuque easier and reliable. This will make Freeport more attractive to those top performers who desire the amenities only found in larger cities. The human resources personnel from Freeport area businesses that were interviewed indicated that they believe that improved connectivity to Chicago and Dubuque would make it easier for them to retain top performers, and would use the presence of passenger rail service as a selling point when trying to attract top talent.

By improving connections to major transportation and economic hubs and making the Freeport area more competitive in the market for top talent, the passenger rail service will help area business sustain growth and become more productive, strengthening the local economy.

Public Health

Travelling to and from Chicago also presents another challenge to businesses and residents alike. According to the Texas A&M Transportation Institute's "Annual Mobility Report" Chicago ranks third in congestion cost in the United States, down from a ranking of one in 2010. This congestion presents a large disincentive to travel from Chicago to Freeport and vice versa. This congestion has also lead corridors such as I-90, one that connects Chicago with Freeport, to become increasingly plagued with vehicular crashes. The National Highway Traffic Safety Administration produced numbers calculating the total cost of motor crashes to be roughly \$820 per person living in the United States. It also projected that the lifetime economic cost of fatal crashes to be \$977,000 in the loss of workplace and household productivity.

Passenger rail is a much safer mode of transportation than personal automobile. From 1999 to 2008, railroad had a passenger death rate of 0.05 per 100 million passenger miles. This is more than 14 times less than the death rate for passenger automobiles during the same time period, at 0.72 fatalities per 100 million passenger miles.¹⁵ By providing a safer transportation option, the Blackhawk rail service can avoid some of the economic as well as personal losses resulting from motor vehicle accidents.

Amtrak service will provide Freeport area residents who do not own automobiles an option to reach vital medical services not offered in Freeport. These locations are in Rockford and Chicago, Illinois as well as Milwaukee and Madison, Wisconsin that, at the moment, are difficult to reach for Freeport residents that lack automobile access. This lack of access can leave economically disadvantaged and elderly populations with no way to receive much needed healthcare.¹⁶

Freeport area volunteers have done their best to overcome the considerable barriers to healthcare options to these disadvantaged populations. Church and veterans groups have filled this necessary role for the most part. However, social barriers exists which sometimes leave patients without any transportation options. The Blackhawk Line will provide people who fall through the gaps a viable option to reach some of the top

Downtown Development

Finally, as case studies have proven, rail service, with the right capital in place, can actually act as a catalyst for business and recreational activity surrounding the Rawleigh Complex. Business, tourism, and recreation stakeholders providing feedback to this city revitalization effort posed the dilemma of depending either on basic city infrastructure or on passenger rail service as its main driver for economic development. They also emphasized the need to beautify the complex to entice Freeport newcomers upon arrival. Placing initial investments in the multimodal station to provide basic amenities that can serve both visitors and greater Freeport area residents could help address these multifaceted concerns. Other strategically located amenities surrounding the station can also inherently encourage economic activity at the local level and bolster the need for greater transit accessibility to and from the Rawleigh Complex. The likeliness of this occurring would then increase as new or existing businesses become enticed by increased visibility to the positive impacts brought on by passenger rail.

NEXT STEPS & RECOMMENDATIONS

Passenger rail service will provide Freeport with an effective and reliable transportation option. However, in order to realize the full benefits, the passenger rail group recommends several next steps:

- The development of a “rail coalition” consisting of local businesses and special interest groups to ensure the continuing funding and support of the project.
- The development of a marketing plan to market the train to potential riders. Focus should be given to the anticipated rider groups identified in this report.
- The development of a marketing plan to market the City of Freeport to potential visitors who live along the Blackhawk line and now have greater access to the city.
- Improving the area around the Freeport Station. Many stakeholders highlighted the need to make the area around the station a welcoming place for incoming travelers.

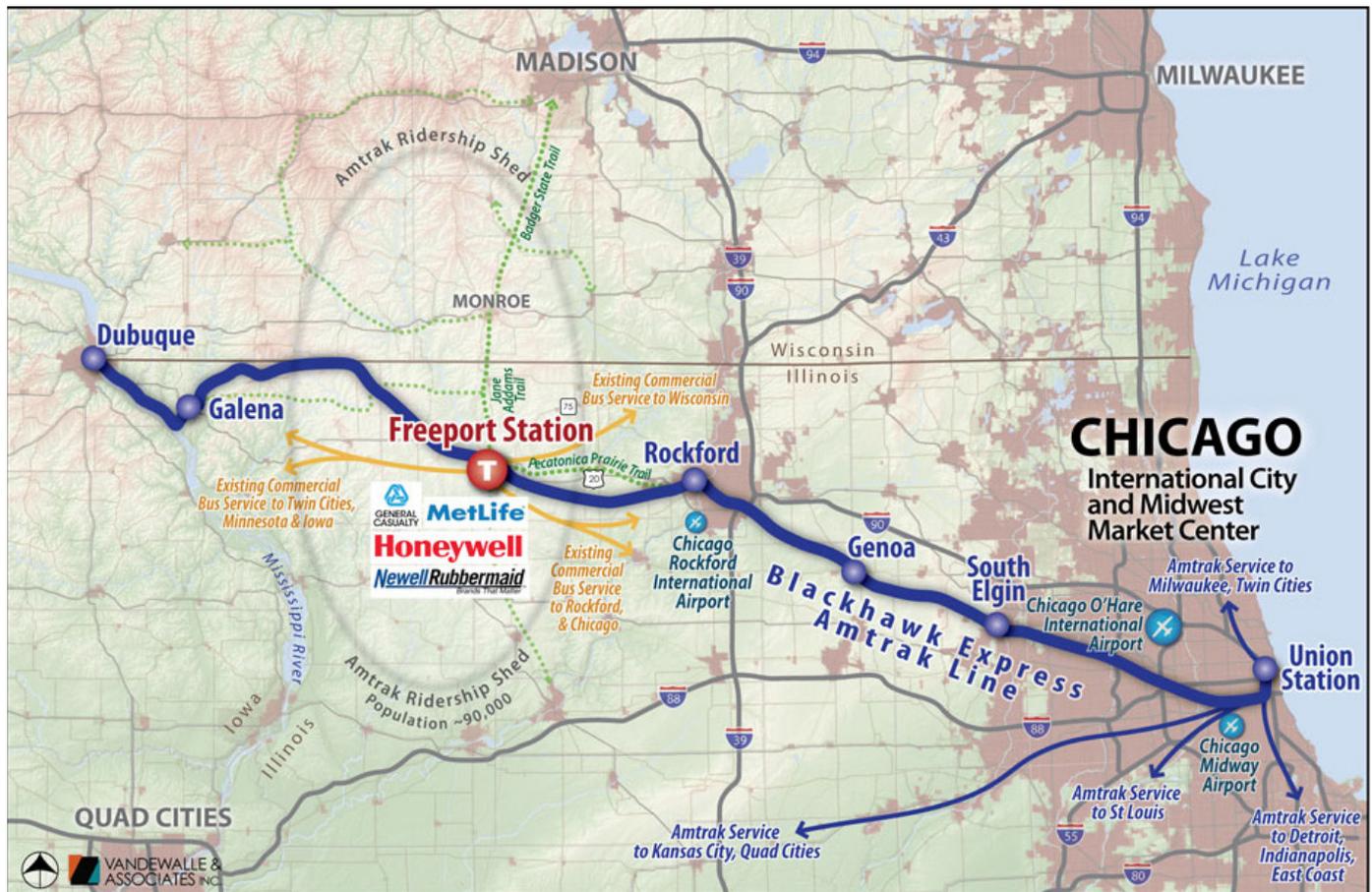


Figure 3: Blackhawk Line Route¹⁸

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