
The Economic and Fiscal Impacts of the Long Island Rail Road Main Line Third Track

Prepared for the Long Island Index
by HR&A Advisors, Inc. and Parsons Brinckerhoff

May 6, 2014



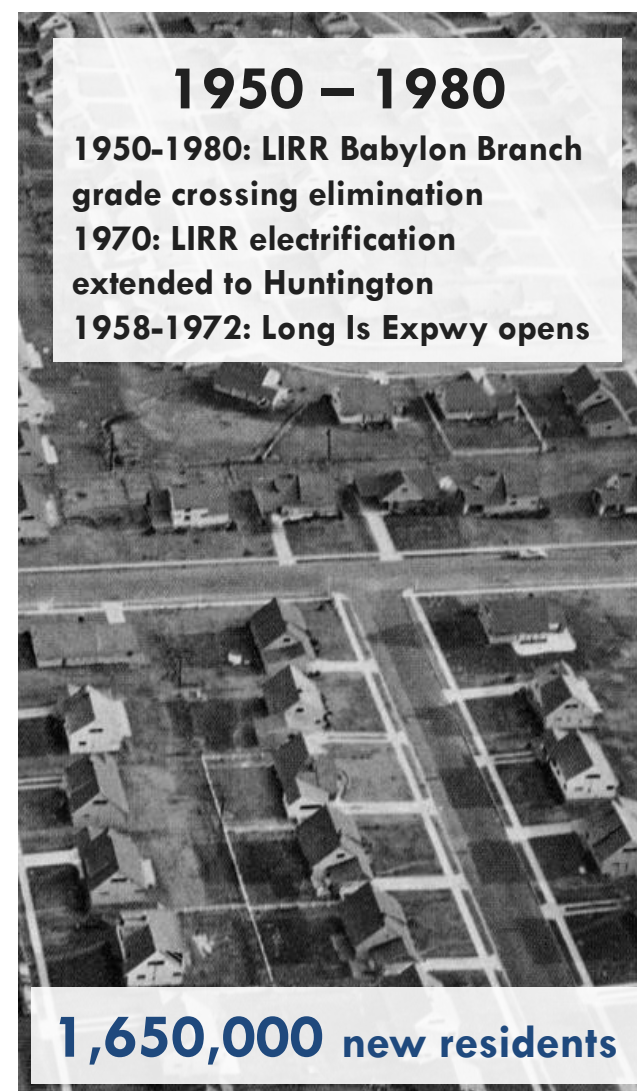
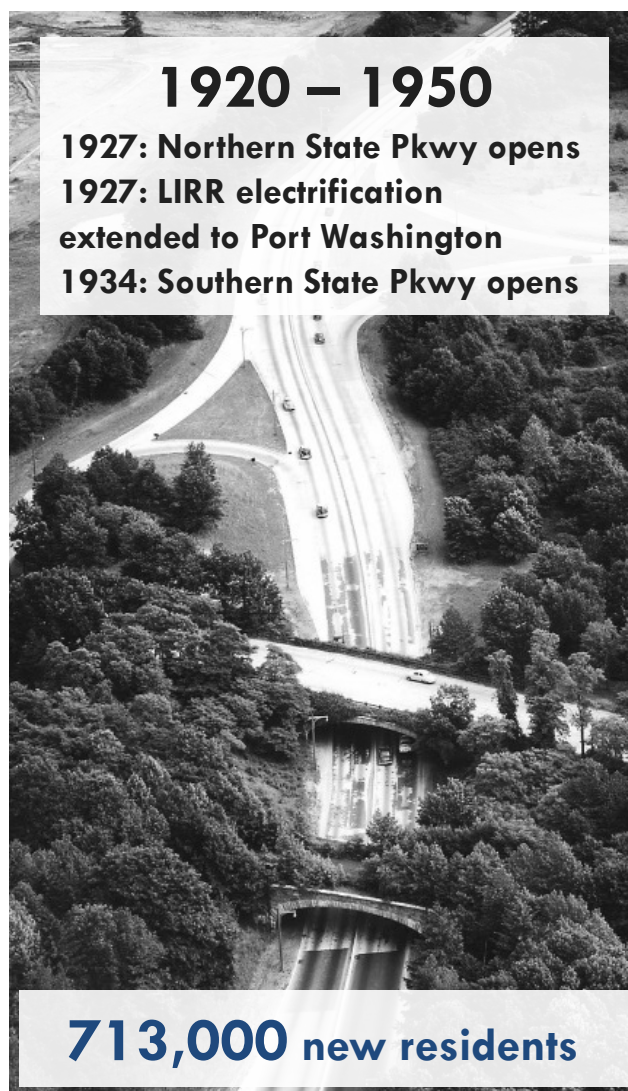
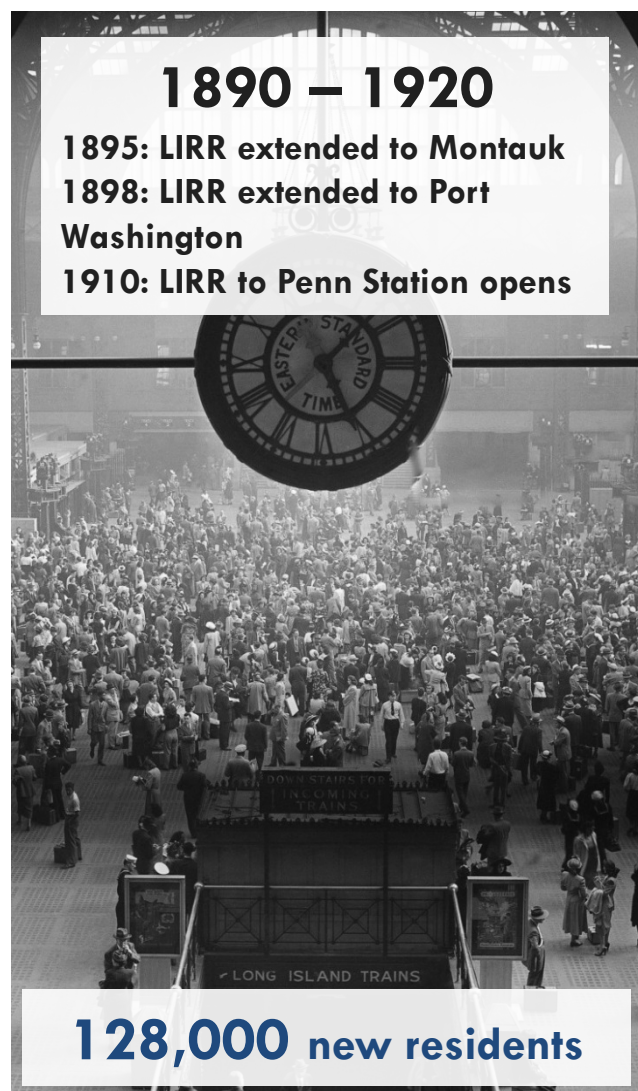


The Long Island Index commissioned HR&A Advisors, Inc. and Parsons Brinkerhoff to study the economic and fiscal impacts of the Third Track project.

HR&A Advisors, Inc. (“HR&A”) is a leading economic development consulting firm that specializes in conducting economic and fiscal impact studies on behalf of clients in the public and private sectors. HR&A has measured the economic and fiscal impacts of a diverse array of projects, places, and policies, including Access to the Region’s Core (ARC), the extension of LIRR to Lower Manhattan, The High Line, Times Square, and the New York State Film Production Credit.

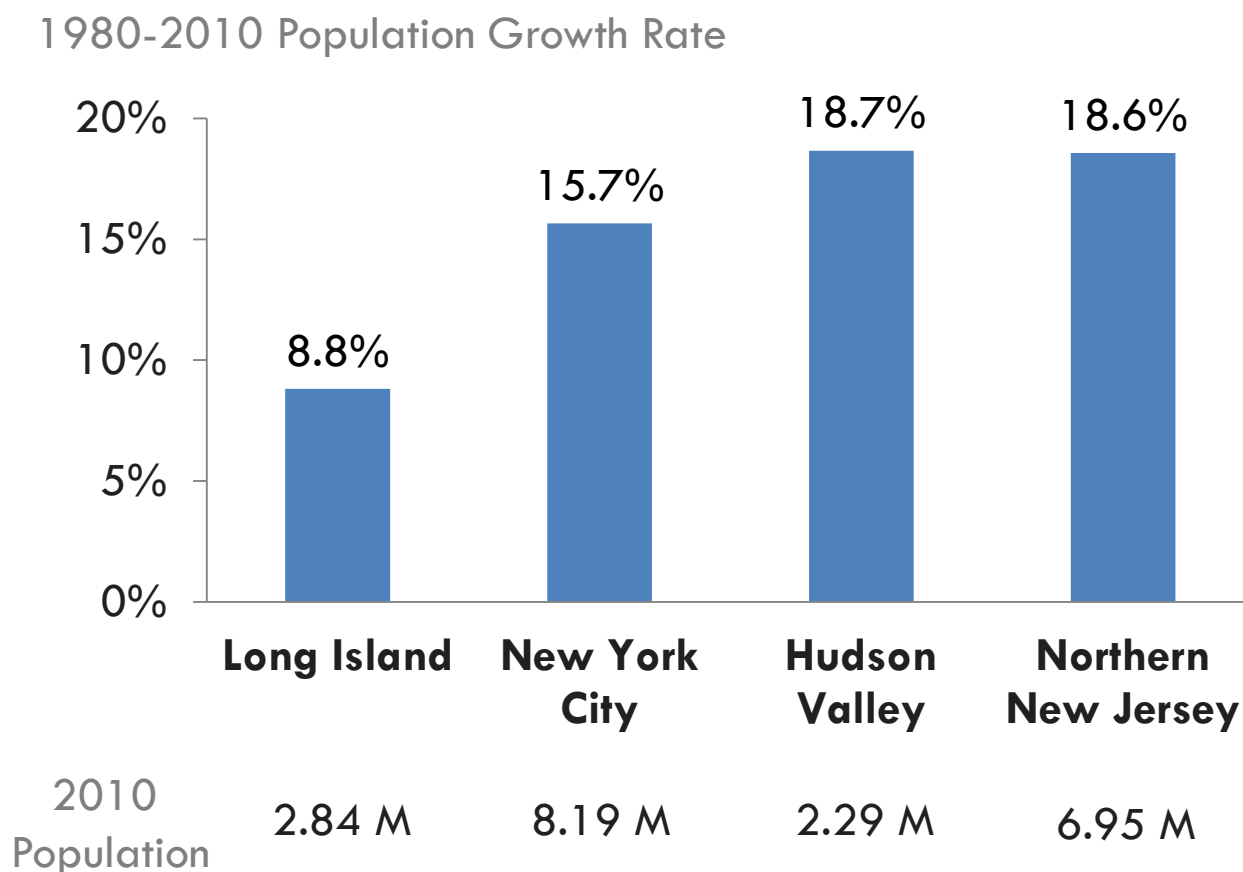
Parsons Brinkerhoff, Inc. (“PB”) is a global planning and engineering firm with a leading practice in transportation forecasting, nationally and in the New York metropolitan region. PB developed the original 28-county regional Best Practices Model for the New York Metropolitan Transportation Council, and has performed all updates of the model, and has applied it for numerous travel forecasting studies in the region, including those for the Port Authority of New York and New Jersey and the Metropolitan Transportation Authority.

For much of the 20th century, investments in transportation infrastructure created the conditions for Long Island's rapid growth and development.



Source: HR&A Advisors; US Census Bureau; *Historical Population of Long Island Communities 1790-1980*, Long Island Regional Planning Board, August 1982;
Images from: untappedcities.com; vanderbiltcupraces.com; thehousinghour.com.

However, over the last three decades, growth on Long Island has slowed significantly.



- The Hudson Valley is comprised of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties.
- Northern New Jersey is comprised of Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren counties.

Source: HR&A Advisors; US Census Bureau; *Historical Population of Long Island Communities 1790-1980*, Long Island Regional Planning Board, August 1982; Image from [wikipedia.com](https://www.wikipedia.com).



The connectivity provided by the LIRR enhances Long Island as a place to live and do business.

In 2011, **25% of personal income** for Long Island residents was earned at jobs in New York City, a total of **\$26 billion dollars**.

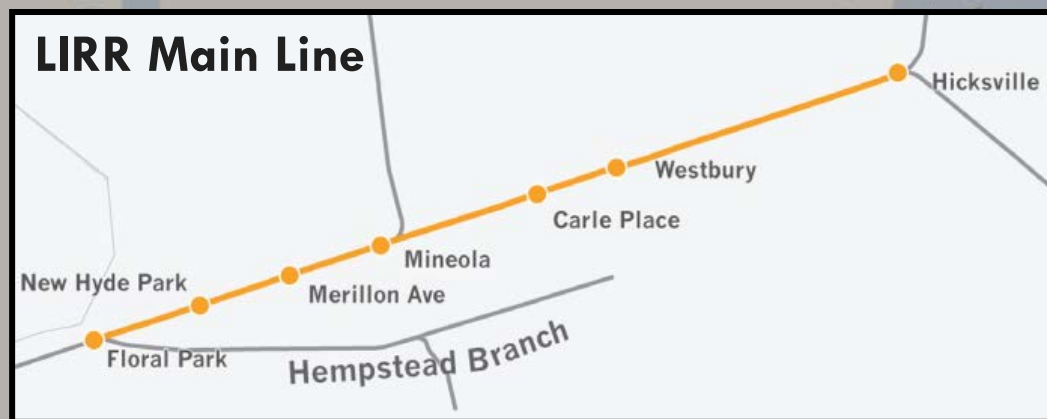
One-third of Long Islanders that work in New York City commute daily on the LIRR.

It would require 10 new highway lanes to carry the equivalent number of daily riders to Penn Station.



Source: *How the Long Island Rail Road Could Shape The Next Economy*, Regional Plan Association /Long Island Index, January 2013. Image: HBarrison, Flickr.

The Third Track project would add an additional track to a 9.8 mile segment of the LIRR Main Line between Floral Park and Hicksville.



The Third Track would **improve reliability throughout the entire LIRR network.**

The Third Track would allow **significant levels of reverse peak and intra-Island service to Main Line stations.**

The Third Track increases capacity for the **Port Jefferson Branch, Montauk Branch, Ronkonkoma Branch, and Oyster Bay Branch.**

The Third Track achieves the full benefits of **East Side Access.**

Source: Metropolitan Transportation Authority; Regional Plan Association



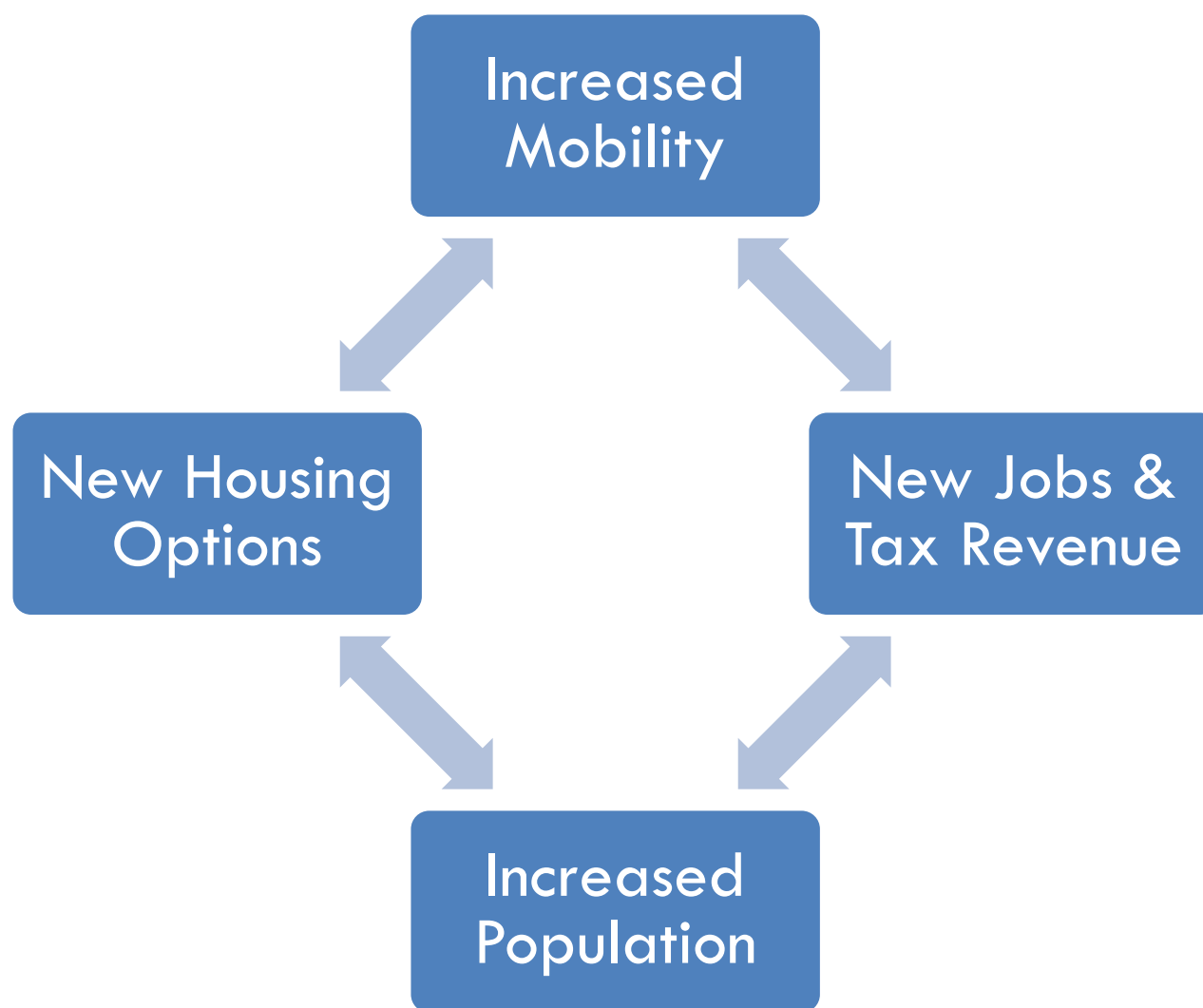
Third Track would significantly increase eastbound (reverse-commute) train frequencies at Main Line stations during the peak period of 6-10 AM.

Station	Average Minutes Between Trains (No Build)	Average Minutes Between Trains (Third Track)
Hicksville	22	9
Mineola	20	11
Westbury	60	16
Bethpage	60	19
Farmingdale	60	19
Huntington	40	19
Cold Spring Harbor	48	21
Ronkonkoma	48	21
Syosset	48	21
Brentwood	60	23
Deer Park	60	23
New Hyde Park	60	23
Merillon Avenue	80	25
Carle Place	80	25

Note: Frequencies are based on future service modifications developed by the Regional Plan Association in conjunction with PB and HR&A. This schedule builds upon LIRR's Operations Plan Version 3.0. While "gate-down" time at grade crossings on the Main Line will increase due to East Side Access, the projected increase in LIRR service from Third Track will have a smaller incremental increase in "gate-down" time than would be implied by the number of new trains because some reverse peak trains will traverse grade crossings where the gates are already down for peak period trains. Source: Parsons Brinckerhoff; RPA



Third Track would position Long Island for sustained economic growth by making it a more attractive place to live and do business.



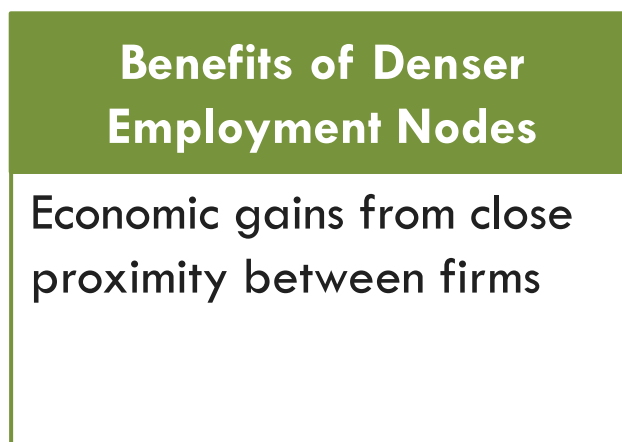


Third Track would generate both one-time construction impacts and ongoing impacts from operation.

ONE-TIME IMPACT:
Construction Period of 2020-2024



ONGOING IMPACT:
Operational Period (Benefits Measured 2025-2050)





One-Time Construction Impacts: Constructing Third Track would produce gains for construction workers and contractors hit hard by the Great Recession.

Economic Impacts During Construction (2020-2024)*

2,250

Average Annual
Jobs (2020-2024)

\$910 Million

Cumulative
Personal Income

\$910 Million

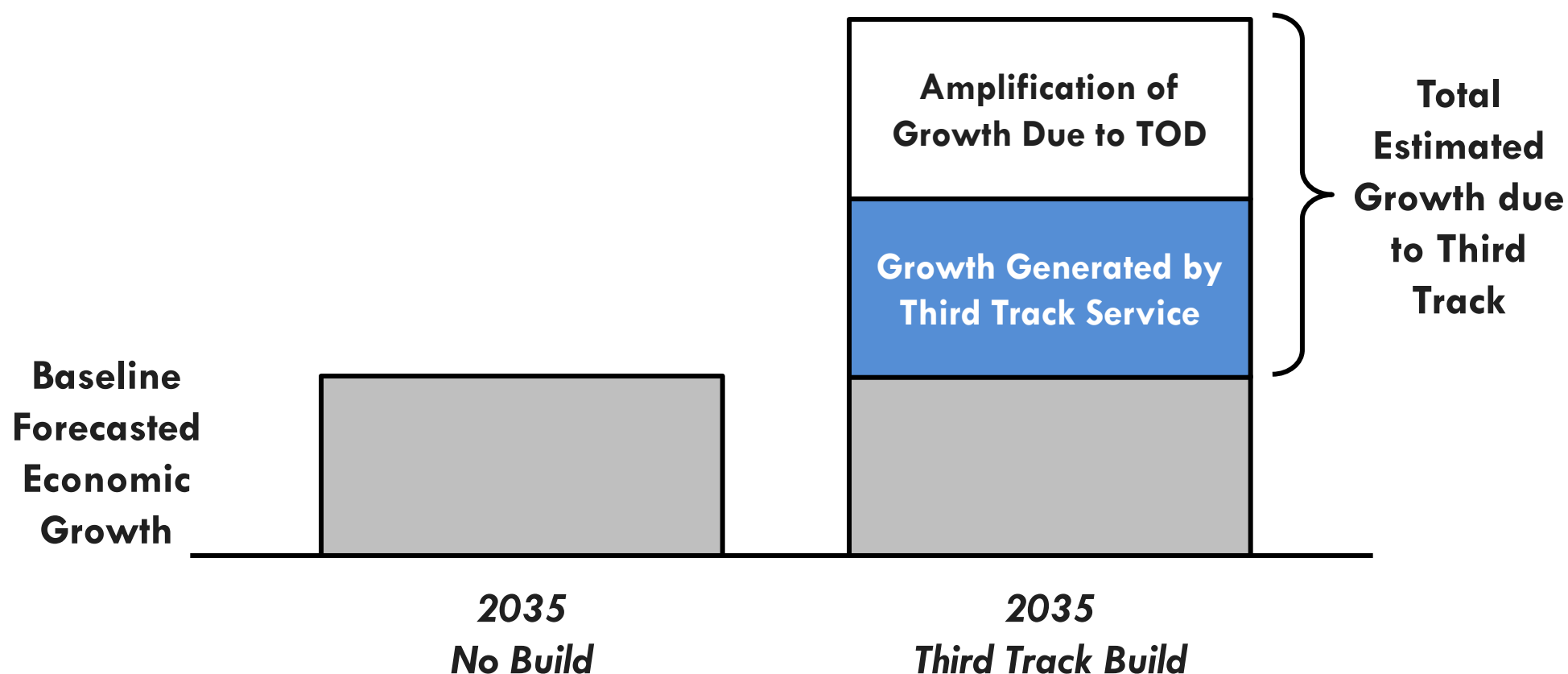
Cumulative GRP

Note: The construction timeframe is estimated. Depending on the LIRR's capital program cycle and construction schedule the timeframe could be longer. All dollar amounts are in 2013 dollars. Outputs reflect total growth over period 2020-2024.

Source: HR&A Advisors; REMI



In estimating the ongoing economic impact of Third Track, HR&A included the amplifying effect of transit-oriented development policies.



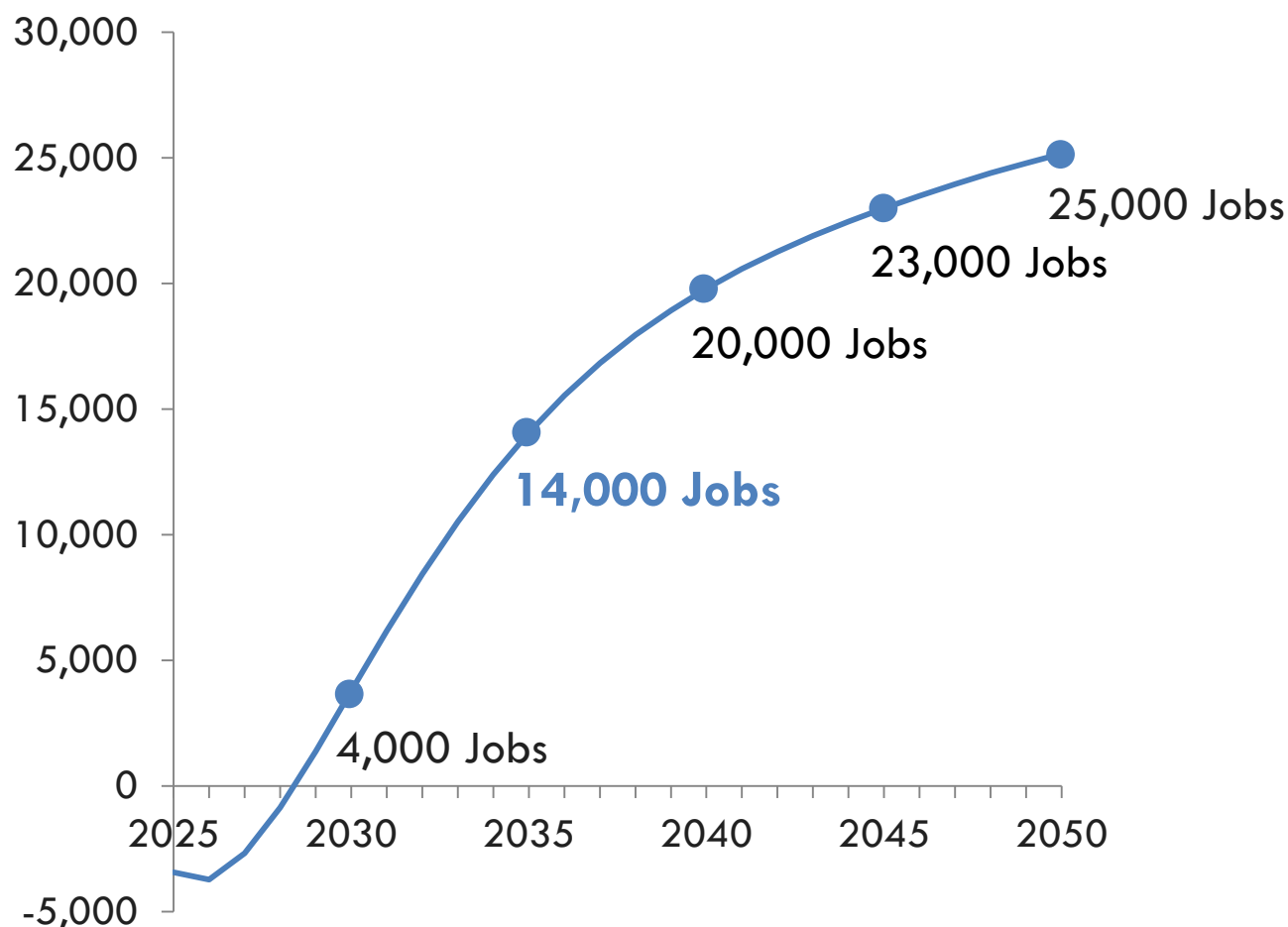
The analysis assumed six station areas in Nassau County and four station areas in Suffolk County could accommodate TOD, facilitating additional economic growth by locating more residents and workers precisely where they can most benefit from increased service.



Employment impacts: Third Track would create a significant amount of new jobs in the Long Island economy.

Additional Employment with Third Track, 2025-2050

14,000
Jobs created by
2035,
10 years after Third
Track completion

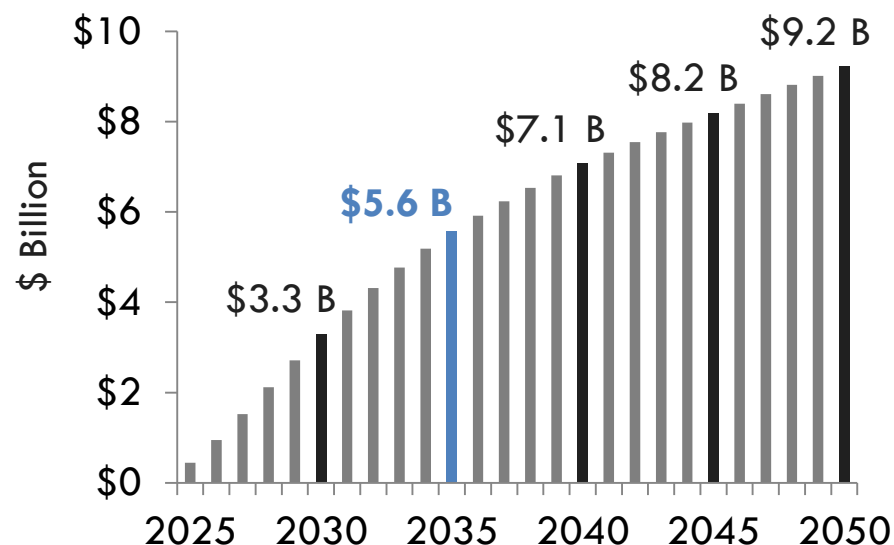


Source: HR&A Advisors; REMI



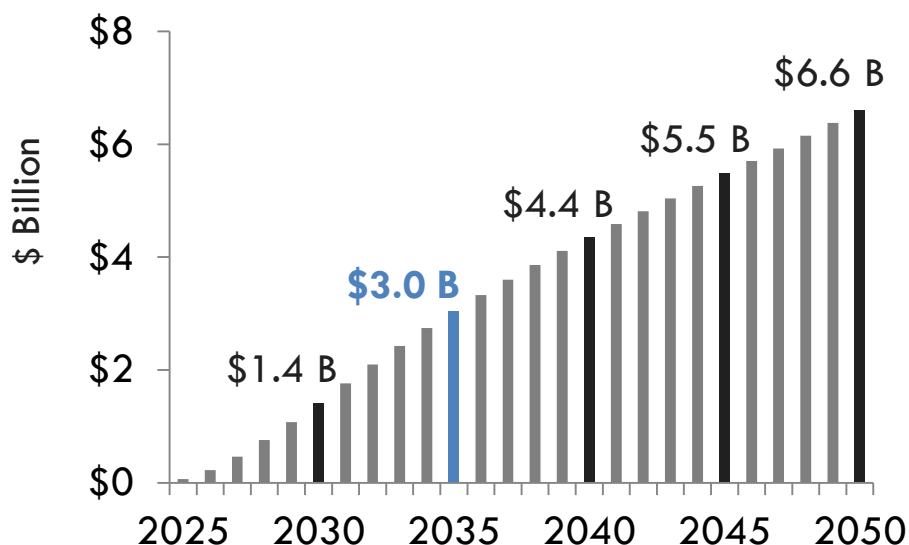
GRP and personal income impacts: Third Track would significantly boost the economy of Long Island for decades to come.

Additional GRP with Third Track, 2025-2050



\$5.6 Billion
GRP in 2035,
10 years after Third
Track completion

Additional Personal Income with Third Track, 2025-2050



\$3.0 Billion
personal income in
2035, 10 years after
Third Track completion

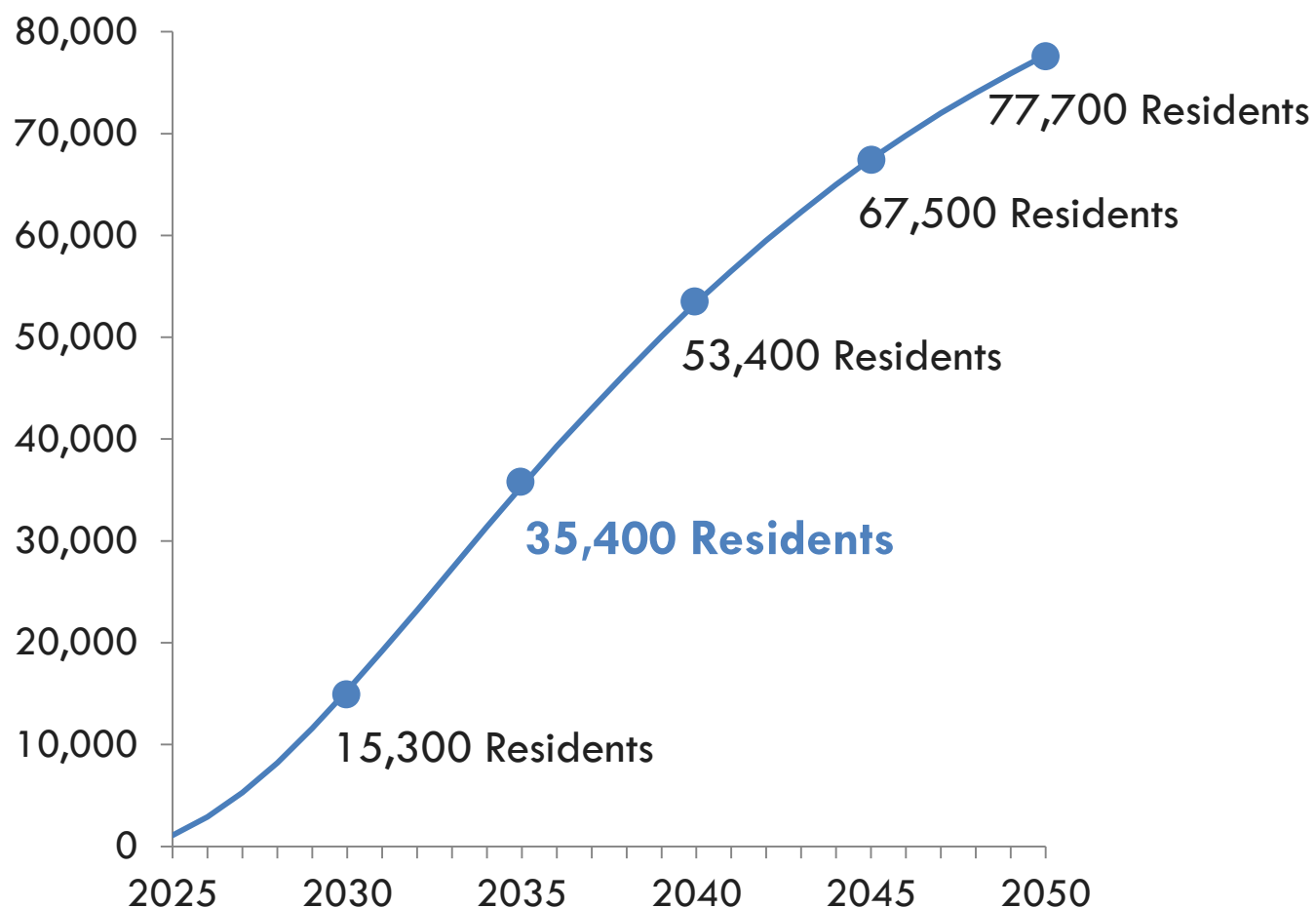
Note: All dollar amounts are in 2013 dollars. Source: HR&A Advisors; REMI



Population impacts: The economic growth and improved quality of life catalyzed by Third Track would attract new residents to Long Island.

Additional Population with Third Track, 2025-2050

35,400
New residents by
2035,
10 years after Third
Track completion

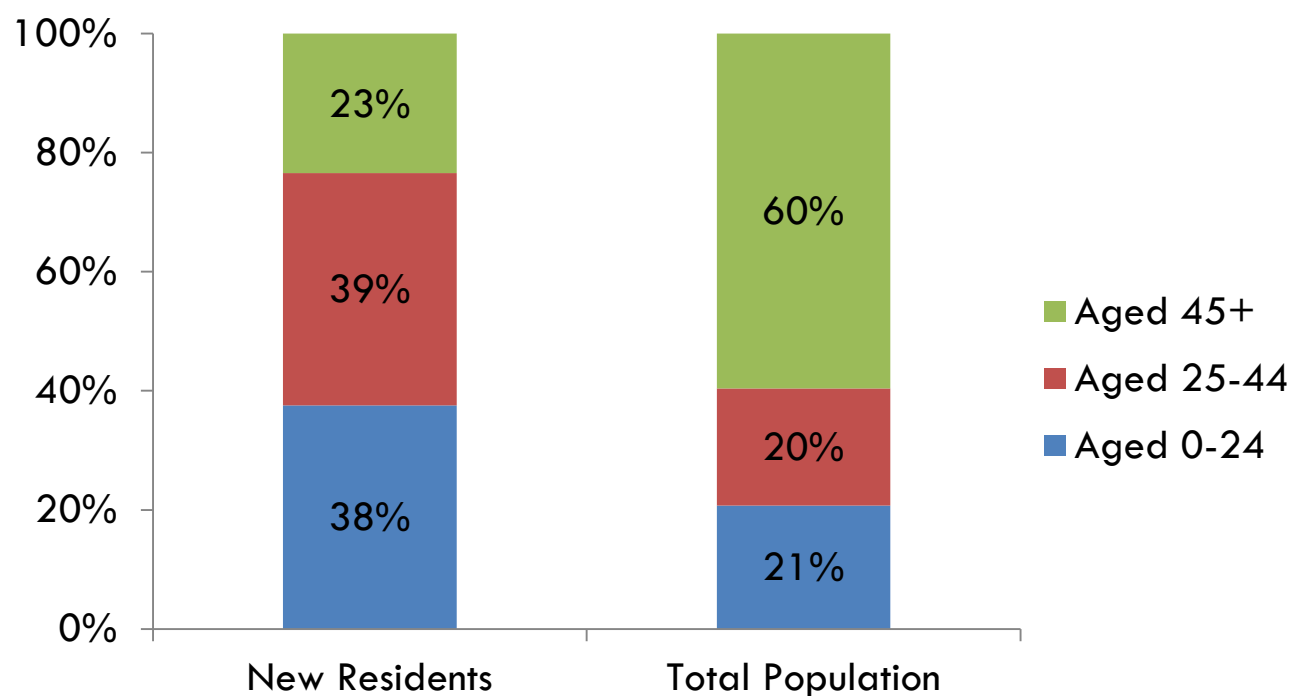


Source: HR&A Advisors; REMI



Age cohorts: Third Track would help revitalize Long Island by helping to stem the outflow of young workers and their families.

Age Cohorts of Long Island Population in 2035:
Residents Attracted By Third Track vs. Total Population



Of the 35,400 new residents present on Long Island by 2035, 39% would be in the 25-44 year old age cohort, compared to only 20% of Long Island's total forecasted 2035 population.

Source: HR&A Advisors; REMI



Ongoing Economic Impacts: Without policies that facilitate transit-oriented development, the economic benefits of Third Track are reduced by nearly half.

Third Track with TOD

14,000 jobs
created
by 2035

\$5.6 B GRP in
2035

\$3.0 B income
in
2035

35,400 new
residents
by 2035

Third Track Without TOD

7,300 jobs
created
by 2035

\$2.9 B GRP in
2035

\$1.6 B income
in
2035

18,600 new
residents
by 2035

Note: All dollar amounts are in 2013 dollars. Source: HR&A Advisors; REMI



Ongoing Fiscal Impacts: Third Track would generate substantial additional local tax revenues for Long Island.

\$40 million

annual sales tax revenue,
in 2035, 10 years after
Third Track completion

\$103 million

annual property tax
revenue, in 2035, 10
years after Third Track
completion

- Sales tax revenues were estimated based on the historical ratio between personal income and sales tax revenues to Nassau and Suffolk Counties.
- Property tax revenues were estimated based on the amount of space needed to house new residents and workers, the estimated market value of that new real estate, and current millage rates for Nassau and Suffolk Counties.

Note: All dollar amounts are in 2013 dollars. Property tax revenue includes all county, town, village, school district, and special district taxes.

Source: HR&A Advisors; REMI; New York State Department of Taxation and Finance



Long Term Benefits: Third Track would generate a significant payoff for Long Island.

An initial capital investment of: **\$1.1 Billion**

produces benefits of:

\$7.7 Billion GRP + 4,000 Jobs by 2030

\$36.3 Billion GRP + 20,000 Jobs by 2040

\$67.9 Billion GRP + 25,000 Jobs by 2050

Note: The investment and GRP figures presented are the net present values (NPVs) of the stream of investment payments and GRP generated. The NPV calculations assume a 3% discount rate. All dollar amounts are in 2013 dollars.

Source: HR&A Advisors; REMI



In sum, Third Track is an essential investment in the future of Long Island that will generate substantial economic and fiscal benefits for Long Island.

Economic Impacts

14,000 jobs
created
by 2035

\$5.6 B GRP in
2035

\$3.0 B income
in
2035

35,400 new
residents
by 2035

Fiscal Impacts

\$40 million
additional annual sales
tax revenue in 2035

\$103 million
additional annual
property tax revenue in
2035

Note: All dollar amounts are in 2013 dollars. Source: HR&A Advisors; REMI; New York State Department of Taxation and Finance

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