

Editorial from the Pioneer Valley Advocates for Commuter Rail
June 20, 2007

A Sure Win for Springfield, Gateway to the Pioneer Valley

Surely Springfield could benefit from \$152 million in new economic activity. Surely Springfield area residents would benefit from 250 permanent new jobs. Surely Springfield would like to get back on track to prosper in the new millennium. When Springfield is a robust economic and cultural engine, the whole region will hum.

The Urban Land Institute's recent report, "Springfield, Massachusetts: Strategies for a Sustainable City" is widely endorsed by area businesses and government leaders. As the ULI wrote, "Springfield is the center of the Pioneer Valley region: no other city or town in the region possesses its breadth of cultural offerings, historic built environment, and architectural fabric. Residents and business owners in the Pioneer Valley, especially in the surrounding suburbs, need to understand that a vibrant Springfield benefits everyone." (p. 22)

One key way to provide a sure economic and environmental benefit to the region is through commuter rail. The long-studied proposal to create a rail link between New Haven, Hartford, and Springfield is ready to go. As a June 18, 2007 [Hartford Business Journal](#) editorial indicated, the proposed New Haven-Hartford-Springfield commuter line would "be visionary. That would add tremendous value to the region. It would cut down on carbon emission. It would push down overall commuting costs. It would tie the economies of competing towns closer together. It would open up the labor market. It would grow the Central Connecticut region."

The Pioneer Valley Advocates for Commuter Rail has organized to focus officials' attention on supporting this NHHS line. We believe leaders in our region need to know of the strong grassroots support for commuter rail.

Commerce on our highways would speed due to fewer cars clogging our highways. Our region suffers from the worst air quality in the nation. Surely, our region would benefit from less car exhaust clogging our lungs, too.

Business and political leaders in the Hartford-Springfield area have formalized their partnership in an area also known as "New England's Knowledge Corridor" for its many colleges and universities in the Connecticut Valley. Our region will benefit from enhanced transportation options. Some of the striking benefits to our region are outlined in the Pioneer Valley Planning Commission's December 2006 "Briefing Report: The Economic Impact of the Proposed New-Haven-Hartford-Springfield Commuter Rail Line." The report charts the many ways our region will benefit. The overall return on public investment for the NHHS line for the first 10 years of the NHHS' operations leaves our region with "an additional \$152 million in economic activity. Furthermore, the public investment will result in more than 600 new jobs during construction activities and more than 250 permanent new jobs resulting from operating expenditures" (pp. 6-7). And "capital expenditures on the commuter rail are predicted to result in more than \$5

million per year in additional income tax revenues across the three regions” of the Expanded Knowledge Corridor (p. 4).

What are the specific benefits? Benefits arise from construction, operating the service, jobs and wages, real estate values, and new developments. And all of these benefits are separate from the benefits of renovating Union Station.

* Construction Benefits

During construction, economic output, “is a measure of total economic activity, across all three regions is increased by \$257 million during the four years, and additional income tax revenues amount to nearly \$22 million” (p. 4-5).

* Operating Benefits

Operating the rail service will generate \$15 million per year, in regional economic output. This means another \$1.2 million in regional income tax revenue.

Over 10 years of operating expenditures will generate \$201 million more than if the operating expenditures were not made. And, income tax revenues “would increase by about \$16 million in total during the service’s first 10 years.” (p. 6).

* Jobs and Wages

Jobs and wages will bring increased income tax revenues. Overall, income tax revenues “increase by almost \$38 million.” (p. 7) “Therefore,” the report finds, “it would be more accurate to consider the total public cost of the project in the first ten years as \$269 million.” (p. 7)

* Real Estate Values

Residential real estate values would increase. According to the PVPC, the Massachusetts Bay Transit Authority found that in the Fitchburg area, “single-family residences located in a community with a commuter rail station had a market value about 6.7 percent higher than those homes located in community’s without commuter rail stations.” (p.9) What does this mean for Springfield?

“Implementation of the commuter rail will likely increase the value of existing residential property by between \$437 million and \$490 million. In the City of Springfield, the increase would be between \$56 million and \$62 million in residential property value. At Springfield’s current residential property tax rate of \$17.00 per \$1,000 of value, this would yield between \$946,000 and \$1,059,000 in new property tax revenue per year.” (p. 10)

*New Developments

These increases come from existing residential stock and not the likely new commercial, industrial, or residential development that would arise due to commuter rail’s presence. If we experience similar “private construction activity as that found in New Jersey, we would expect between \$86 and \$100 million in private construction activity. Going further, if the ratio of residential to non-residential construction were consistent with that of New Jersey, we would expect investments of \$18 to \$21 million in residential construction and \$68 to \$79 million in non-residential construction. Furthermore, the New Jersey study found that the vast majority of

private construction investment was located within a half mile of the transit stations. This level of investment in close proximity to the proposed NHHS stations could have a significant impact in the revitalization of areas like the one around Springfield's Union Station." (p. 11)

The Urban Land Institute report recognizes that commuter rail is a necessary prior step for renovating key to Union Station. "When the commuter-train proposal is real and other market indicators are positive, then—and only then—will spending the amount of money necessary to create a destination out of Union Station be worthwhile." (p. 34). The PVPC Economic Impact report considered the benefits of rail separate from the benefits of renovating Union Station. They did note, however that "at the lowest end one would expect the revitalization of Springfield Union Station, apart from commuter rail developments, to result in the creation of 335 jobs, an average increase of \$195 in household incomes across the metropolitan area, a \$35 million increase in property values, and a \$1.75 million increase in property tax revenues. ...At the highest end, revitalizing Union Station could yield nearly 1,500 jobs, a \$205 million increase in property values, and more than \$10 million in new property tax revenue." (p. 9)

Surely Springfield would benefit from significant revitalization. Springfield surely should support the NHHS commuter rail project. Interested Pioneer Valley residents who wish to advocate for this should contact the Pioneer Valley Advocates for Commuter Rail (pvacr@yahoo.com). The pioneering settlers in our Connecticut valley region have given us a shared past; we can make use of our region for a shared future.