

POTENTIAL ECONOMIC AND FISCAL IMPACTS OF THE LACKAWANNA CUT-OFF PASSENGER SERVICE RESTORATION PROJECT



CLIENT

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The Pennsylvania Department of Transportation has engaged Econsult Corporation to evaluate the potential economic benefits and costs of the proposed restoration of the Lackawanna Cut-Off Passenger Commuter Rail Line.

Using estimated expenditures for construction and operations, Econsult combines regional and state input-output model analyses and specific fiscal models to estimate the *near-term* economic impacts of this major transportation investment on the local and state economies. The models are augmented with data from economic literature on travel-time valuation, travel congestion models, and hedonic models of the impact of transportation investment on real estate markets.

Because major transportation infrastructure projects are likely to have *long-term* impacts on development in the region, we developed scenarios of the benefits and costs of changes in development patterns and changes in the structure of the local economy that may result.

Our analyses look at the potential for the restoration of the Lackawanna Cut-Off passenger rail service to support economic growth in the region while, at the same time, relieve congestion, increase safety, improve air quality, and enhance the overall quality of life.

The report estimated the impact of the 133-mile rail restoration from Scranton, Pennsylvania to Hoboken, New Jersey. We estimated the potential impacts of the following:

- Construction Expenditures
- Baseline Service (Operations) Impacts
- Dynamic Scenario Impacts: Induced Growth
- Impacts on Transportation Infrastructure
- Station Area Impacts
- Other Impacts (Including Freight and Tourism Services)

Each category of impacts was estimated for train riders and highway users, resulting in a net benefit estimate for the proposed restoration.