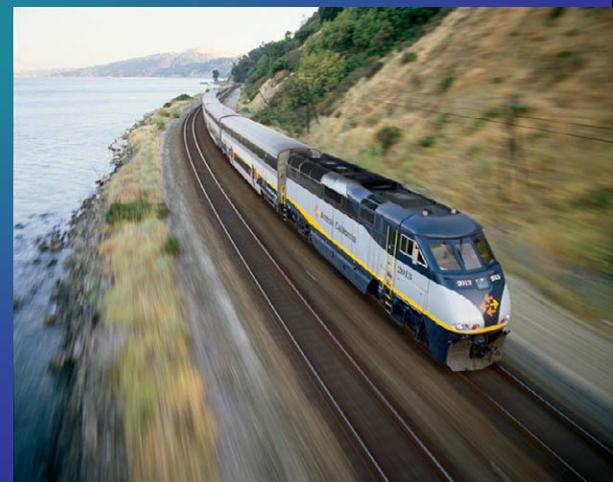




What are reasonable expectations when commuter rail comes to the KRM Corridor?



February 28, 2006
Eugene K. Skoropowski
Managing Director
Capitol Corridor Joint Powers Authority
Oakland, California





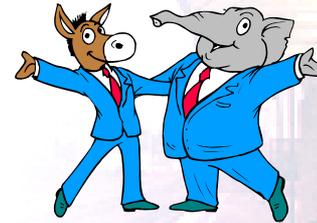
Will commuter trains transform this area into 'Paradise'?

Not likely, but it certainly will make life a lot better for the people who live and work here



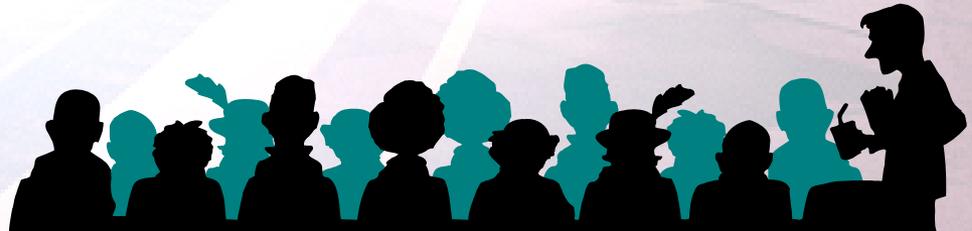
What are key ingredients?

- Visionary plan (exciting enough, but buildable)
- Support from residents and businesses
- Political 'champion'
- A willing freight railroad (if not publicly owned)
- Source of capital funding, state support
- One entity charged to 'make it happen'
- Coordination with other services (transit, intercity rail, etc.)
- Having the right demographics



What are the KRM strengths?

- Satisfied most of the criteria
- Working on the ones 'not yet done'
- State DOT support is there
- Existing Intercity Corridor nearby
- Enthusiastic local advocates
- Existing infrastructure
- An organized support group



Where else can we look?

- Haverhill, Massachusetts (35 miles from Boston)
- Older, industrial and manufacturing city
- Mills closed, stagnant neighborhoods
- Depressed downtown, empty stores
- Difficult job access, in and out
- Commuter Rail service started Dec. 1979
- Started with 6 RT trains each weekday
- Today 13 RT each weekday

Also, Fitchburg, Leominster, Lawrence, Lowell, Attleboro, Massachusetts and Providence, Rhode Island

Haverhill is 35 miles north of Boston, and is now also a stop along Amtrak's new Downeaster service to Portland, Maine



What is Haverhill today?



H A V E R H I L L

I S T H E P I C T U R E O F P R O G R E S S



The Boston Globe February 12, 2006

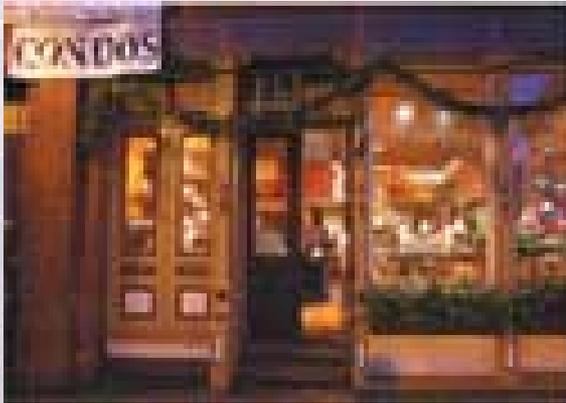
By Charlie Russo

Its funky center already has food and nightlife; now developers are turning old factories into chic housing

- **HAVERTHILL -- This small city on the Merrimack River is poised for its second renaissance.**
- "We picked Haverhill because it looked like it was a community that had tremendous potential," said Pamela Goodman, president of Beacon Communities Development. **"It's got the train,** is poised to sort of take off, and has a lot of the basic characteristics that we look for."

Developers say Haverhill has the ingredients they look for: large, brick factory buildings in the heart of a downtown that has **easy access to a commuter rail station.**

- Another attractive feature: Boston is just an hour away via commuter rail.
- the city has low vacancy rates and rising home values; the median sales price of a condominium more than tripled in a decade, to \$218,000 in 2005



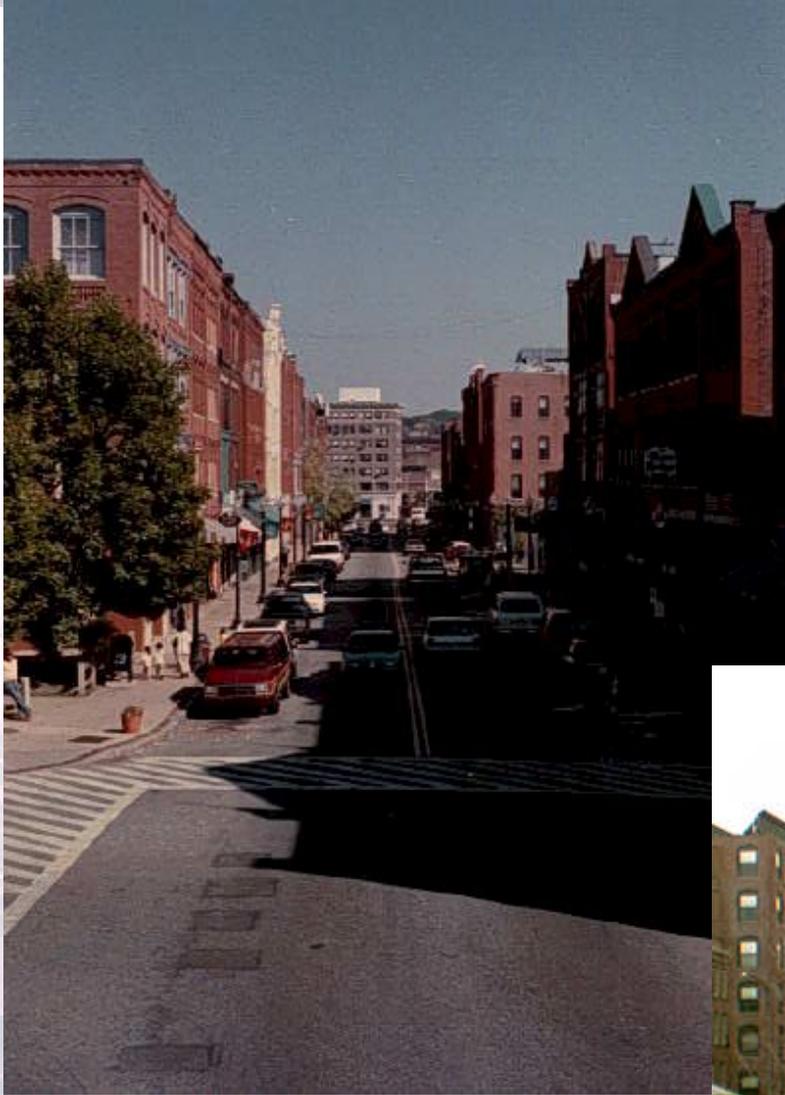
"All ships rise when the tide comes in"

- Most important to Haverhill's future development is its growing population. The city's population grew by 15 percent in the 1990s -- more than three times the statewide rate -- and is now at about 60,000.
- "The town is gritty," said David J. Levey, executive vice president for Forest City. "It was a former blue-collar town. But there's been some interesting reinvestment by younger professionals in the area."

Commuter Rail helps 'bring in the money'

- New residences created from old, empty warehouses and industrial buildings
- Many of the proposed homes are expected to sell to young professional couples and to empty nesters eager for the services and activity of an urban center, but reluctant to pay Boston prices, where the median price for a condo is more than double the cost in Haverhill.

View of Merrimack Street from the Train Station



Existing Residents Not Displaced

- The door to downtown redevelopment opened in April 2004, when City Council approved a plan by the mayor that allowed shops and offices at street level and homes in the upper floors of downtown industrial buildings.
- "All ships rise when the tide comes in," Levey said. "Haverhill's not back yet, but it's coming, it's going to be there. I guarantee it."



Comparative stats on Haverhill

	Haverhill	Racine
• Population in 1980:	46,865	85,730
• Population in 2000:	58,969	81,855
• Average Age in 2000:	35.5	34.74
• Median income 1980:	\$15,044	\$18,437
• Median income 2000:	\$49,833	\$37,164
• Aver. 4+ yrs. College:	23.4%	15.5%
• Non-white residents:	24.9%	31.1%
• Aver. Household size:	2.51	2.60
• Home ownership ratio:	60.2	56.7

Lessons learned?

- CR provides 'visible connection' to major employment, population and financial centers
- CR brings people 'in' to jobs, provides access 'out' to higher paying jobs for residents
- CR can be one of the deciding factors in attracting or retaining businesses
- Miracles do not happen overnight, but you need to start to get to the goal
- Haverhill's 'miracle' took 25 years

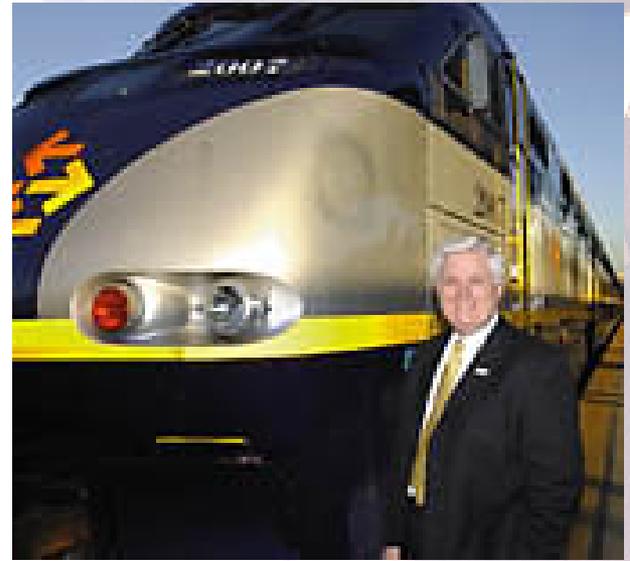
What are KRM advantages?

- KRM route is in a strong metropolitan area
- Wisconsin DOT is a major national leader in passenger rail advocacy
- Passenger rail is now considered as having a significant transportation function
- Proximity to Hiawatha Corridor
- Metra and Hiawatha rail services viewed as being among the best in the nation

Conclusions

- You have the right ingredients for success
- You know the investment won't be cheap
- You know the benefits are long-range
- You know it will take time and money
- You know this will be a major effort
- You know it is worth the effort
- You know you will be successful

Thank you!

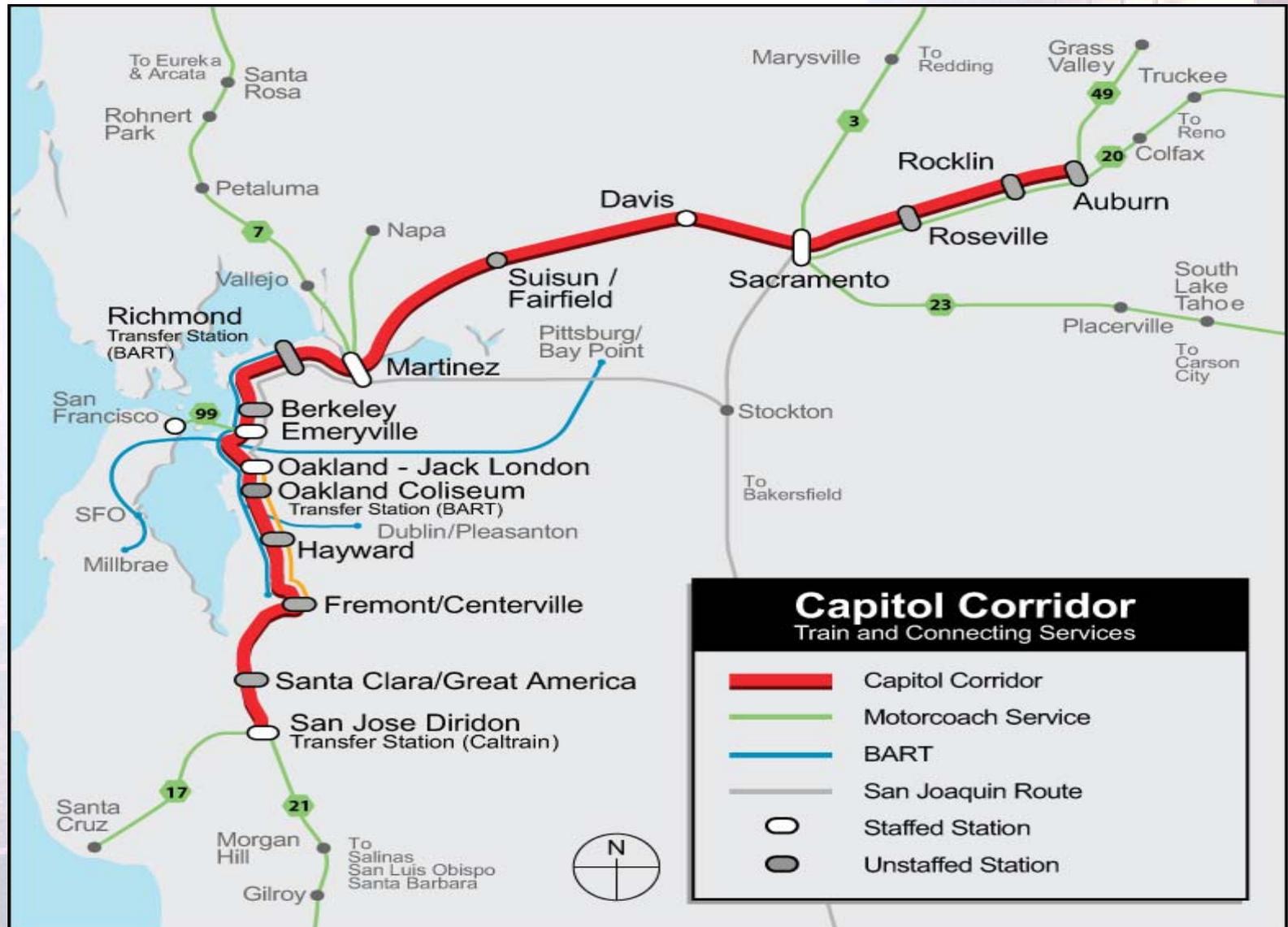


- For inviting me
- For taking the leadership and advocacy role for KRM commuter rail service
- For being a part of a growing national movement to reintroduce passenger rail as an effective component of our regional and national systems of transport

How about the Capitol Corridor?

- New service started in December 1991
- Broad support from communities served
- Public Investment of about \$2.7 mm/mile (including tracks, signals, rolling stock/shops/stations)
- A willing freight railroad
- Solely state capital funding (voter bonds)
- Source/commitment of operating funds
- No federal participation

The Capitol Corridor Route – 90 mile 'core'



How much does it cost?

- Capital Investment in the entire state program to date:
\$2.7 Billion, from all sources

Pacific Surfliner	San Joaquin Corridor	Capitol Corridor
\$1.152 Billion	\$516 Million	\$269 million
Plus \$585 million for rolling stock; \$146 million for maintenance facilities		

- Direct State capital investment is \$1.7 Billion
- Capitol Corridor share: about \$375 million
- Capitol Corridor annual operating subsidy: \$22 million

Seven Years of CCJPA Improvement

SEVEN YEARS OF CCJPA MANAGEMENT: CAPITOL CORRIDOR PERFORMANCE SUMMARY

	Service Level	Ridership	Revenue	Revenue to Cost Ratio
FY 2005	24 daily trains	1,260,250	\$15.27 million	43%
Pre-CCJPA → FY 1998	8 daily trains	463,000	\$6.25 million	30%
Seven Year Improvement	+200%	+172%	+144%	43% better

Average Rail Trip is 70 miles

What is the future in California?

- State cannot continue funding all rail capital needs
- Federal partnership is required for capital investments (80% federal-20%state/local match)
- Population now is 35 million, going to 50 million by 2020
- Roadway mobility almost non-existent in peak hours in urban areas
- Services will likely expand: commuter, intercity/corridor, and long distance national trains