



#124333

Update on KRM Corridor Study/DEIS and Community Economic Impact Study



January 9, 2007

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KRM Corridor Study/DEIS

- **Completed a review and refinement of preliminary capital costs and operating costs**
 - **Commuter Rail Capital Cost**
 - **Reduced from \$237 million to \$200 million**
 - **Commuter Rail Operating Costs**
 - **Reduced from annual \$14.7 million to \$11 million**

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Community Economic Impact Study

- **KRM Commuter Rail Impact on Southeastern Wisconsin Economy**
 - 4,700 jobs created during construction with \$570 million impact on economy
 - 120 jobs created with project continuing operations/maintenance with \$24 million annual impact on economy
- **Tourism—Arts, Culture, Entertainment**
 - Northeastern Illinois is a significant market for Wisconsin and southeastern Wisconsin tourism.
 - KRM commuter rail provides direct connection to Northeastern Illinois with 12 stations in Lake County and 13 in Cook County (reaching a population of 1.4 million within a 3 mile radius).
 - A mere 1% increase in tourism in the 3 KRM counties will generate annually:
 - \$20 million expenditures
 - \$12 million wages
 - 500 jobs
 - \$3 million state and local government revenue

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Community Economic Impact Study (continued)

- **Property Value**
 - Based on experience across the nation existing development along the commuter rail line may be expected to experience a 4 to 20 percent and even higher premium in property value.
 - An intermediate 10 percent premium for a one mile corridor along the KRM rail line would represent a \$2.1 billion increase in property value in the 3 KRM counties.
- **Station Area Development**
 - Based on experience across the nation and an in-depth review of the area around each of the 9 KRM stations including existing land use and real estate market, estimates of potential development/redevelopment and land use plans have been developed and endorsed by each station community.
 - Scale of potential development/redevelopment within ½ mile of 9 stations
 - 21,000 residential units
 - 7.6 million square feet of retail space
 - 4.7 million square feet of office space
 - 71,000 jobs
 - \$7.8 billion increase in property value
 - Without KRM commuter rail, 25 to 50 percent of this potential development would not be expected to take place.

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Community Economic Impact Study (continued)

- **Impact on Milwaukee County's General Mitchell International Airport (GMIA)**
 - Lake County, Illinois currently contributes more passengers to GMIA than any other county, except Milwaukee, Waukesha, Racine, and Dane Counties.
 - KRM commuter rail will have 12 stations in the heart of Lake County communities with frequent (14 round trips) service and convenient shuttle.
 - Increasing passengers at GMIA will result in more and improved airline service with benefits to maintaining and expanding southeastern Wisconsin economy.

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Community Economic Impact Study (continued)

- **Economic impact of more closely connecting Southeastern Wisconsin to the Chicago mega-metropolitan area**
 - This is one of the few principal economic development priorities being considered by the Milwaukee 7 to drive future area economic growth.
 - KRM commuter rail will more closely link southeastern Wisconsin with the Chicago mega-metropolitan area.
 - Companies such as S.C. Johnson—one of the largest employers in southeastern Wisconsin and the State of Wisconsin—have already cited the need for this KRM commuter rail link to Northeastern Illinois to retaining and attracting qualified employees, and maintaining and expanding its presence in southeastern Wisconsin.

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