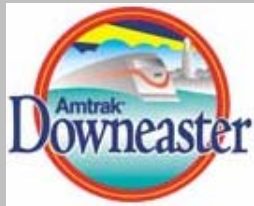


Presentation to



Economic Benefits of *Downeaster* Service



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Study's Core Objectives

- ❖ Document economic benefits of *Downeaster* service to Maine & New Hampshire
 - ✓ Benefits to date
 - ✓ Forecast to 2015 for existing & planned stations





Calculation of Economic Benefits

1. Visitor spending
2. Local economic development
3. Consumer savings by using *Downeaster*
4. Construction impact



Methodology

- Passenger survey
- Tables of boardings and alightings
- Site visits and interviews
- Econometric modeling (IMPLAN)



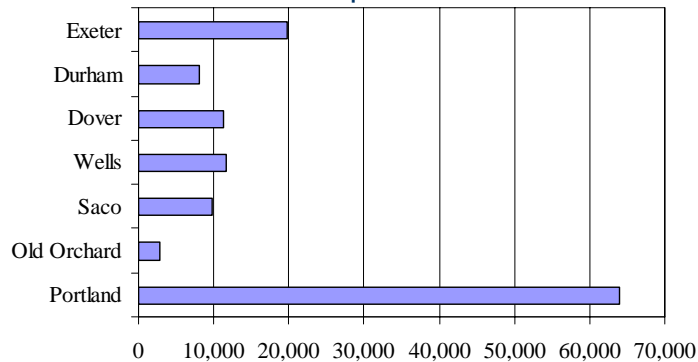
Overview of *Downeaster* Service

- 4 daily round trips between Portland & Boston (114 miles / 2 hrs 40 min each way)
- Service began Dec. 2001
- 10 passenger stations including:
 - Portland
 - Old Orchard Beach
 - Saco
 - Wells
 - Durham (NH)
 - Dover (NH)
 - Exeter (NH)
 - Haverhill (MA)
 - Woburn (MA)
 - Boston -Station



Overview of *Downeaster* Service

2003 Northbound Alightings at Maine & New Hampshire Stations





2004 Impacts of Downeaster – ME and NH

	Business Sales	Jobs	Personal Income
Annual Benefits			
Direct Activities			
Visitor Spending	\$3,500,000	66	\$905,000
Economic Development Impact	\$4,390,000	83	\$1,545,000
Savings by using Downeaster	\$737,000	6	\$135,000
Total Direct Activities	\$8,627,000	155	\$2,585,000
Spin-off Activities	\$6,495,000	86	\$2,177,000
Total Direct & Spin-off Activities	\$15,122,000	240	\$4,762,000
One Time Construction Benefits			
Direct Benefits from Construction	\$649,000	9	\$222,000
Spin-off Activities	\$635,000	9	\$220,000
Total Direct & Spin-off Activities	\$1,284,000	18	\$442,000

the annual contribution of the Downeaster to ME & NH Exceeds \$15 million



2004 Visitor Impacts

Visitor Spending	Benefits from Initial Visitor Spending	Spin-off Benefits	Total Benefits
Totals for Maine and New Hampshire			
Business Sales	\$3,500,000	\$2,745,000	\$6,244,000
Employment	66	38	103
Personal Income	\$905,000	\$924,000	\$1,829,000

Downeaster visitor spending generates economic activity of approx. \$6.2 million/yr





2004 Economic Development Impacts

The Downeaster generated economic development activities in ME & NH of ~ \$8 Million/yr

	Direct Benefits	Spin-off Benefits	Total Benefits
Totals for Maine and New Hampshire			
Business Sales	\$4,390,000	\$3,348,000	\$7,738,000
Employment	83	42	125
Personal Income	\$1,545,000	\$1,113,000	\$2,658,000
Maine			
Business Sales	\$537,000	\$381,000	\$918,000
Employment	11	5	16



2004 Statewide Passenger Savings

	Direct	Spin-Off	Total
Business Sales	\$737,000	\$402,000	\$1,140,000
Employment	6	\$6	12
Personal Income	\$135,000	\$140,000	\$275,000
Maine			
Business Sales	\$470,000	\$257,000	\$ 727,000
Employment	4	4	8
Personal Income	\$84,000	\$89,000	\$174,000
New Hampshire			
Business Sales	\$268,000	\$146,000	\$414,000
Employment	2	2	4
Personal Income	\$50,000	\$50,000	\$101,000





Statewide Construction Activity to Date

Location	Description	Attributed to Downeaster	Construction Value From Downeaster
Saco	Downtown investments	\$1.3 million total. 37.5% per interviews	\$489,000
Old Orchard Beach	Downtown commercial building & chamber building	\$640,000 total. 25% per interviews	\$160,000
TOTALS		\$1.94 million .33% attributed to the Downeaster	\$649,000

Construction due to Downeaster drives nearly \$1.3 million in economic activity

	Direct Benefits	Spin-off Benefits	Total Benefits
Business Sales	\$649,000	\$635,000	\$1,284,000
Employment	9	9	18
Personal Income	\$222,000	\$220,000	\$442,000



Other Impacts – Economic Benefits

- ~120 direct employees in Maine & New Hampshire
- These jobs generate more than \$3 million in disposable income for Maine & New Hampshire
- Spin-off effects of these expenditures include:
 - 15 to 44 jobs
 - \$434,000 to \$1.3 million in wages
 - \$1.5 - \$4.3 million in total business sales





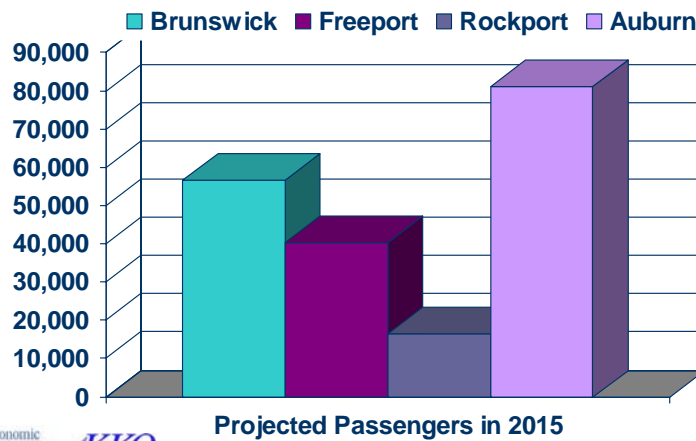
Forecasts of Future Passengers

Assumptions:

- Increase service frequency & speed
- Extend *Downeaster* service to Brunswick for direct connection to shopping destinations at Freeport & services in Brunswick;
- Foster a privately operated regional service along the 57 mi. between Brunswick & Rockland;
- Develop an independent local service that will run 35 mi. between Portland & Auburn



Future Passengers by Station



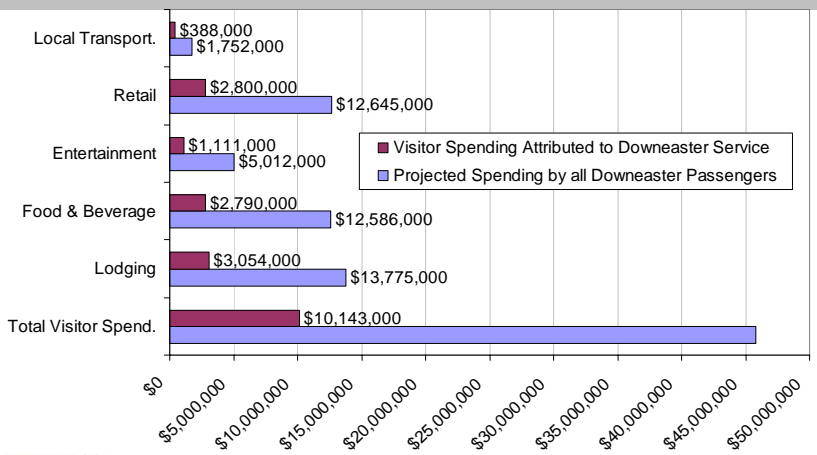


2015 Impacts of Downeaster – ME and NH

	Business Sales	Jobs	Personal Income
Annual Benefits			
Direct Benefits			
(1) ME - From operations at Current Stations	\$12,477,000	251	\$4,172,000
(2) ME - From operations at Planned Stations	\$15,898,000	271	\$8,611,000
(3) NH - From operations at Current Stations	\$5,192,000	91	\$1,715,000
Total Direct	\$33,567,000	613	\$14,498,000
<i>Spin-off Activities</i>	<i>\$21,566,000</i>	<i>345</i>	<i>\$8,558,000</i>
Total Direct & Spin-off Activities	\$55,136,000	958	\$23,056,000
One Time Construction Benefits			
Direct Benefits from Construction			
	\$29,395,000	400	\$9,915,000
<i>Spin-off Activities</i>	<i>\$28,391,000</i>	<i>399</i>	<i>\$9,906,000</i>
Total Direct & Spin-off Activities	\$112,922,000	1,765	\$42,877,000



2015 Visitor Spending – ME & NH



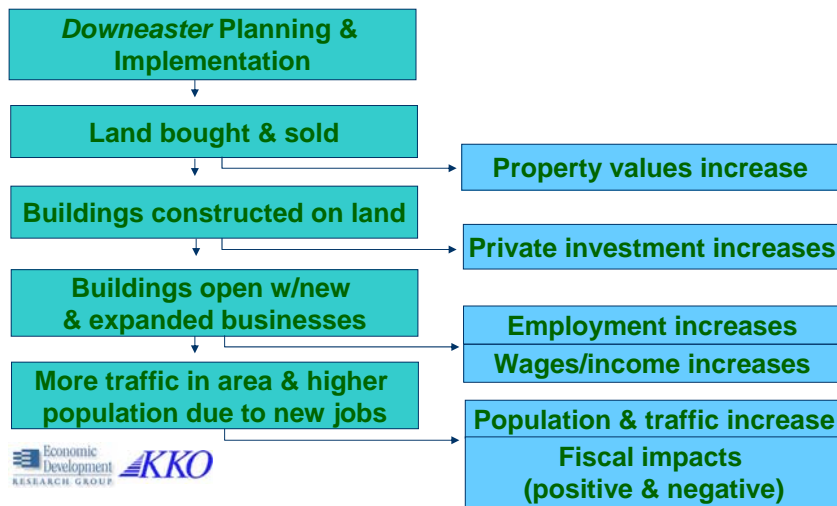


Long-term Economic Development

- **Stage 1 – Property Demand**
 - Short term, begins within first year
- **Stage 2 – Building Construction**
 - Medium term, occurs within the first 5 years
- **Stage 3 – Business Growth**
 - Longer term, starting within the first 5 years, but often extending 10 years or more
- **Stage 4 – Other Regional Change**
 - Long-term



Long-term Economic Development





2015 Economic Development Impacts

	Direct Benefit	Spin-off Benefits	Total Benefits
Totals for Maine and New Hampshire			
Business Sales	\$20,211,000	\$12,182,000	\$32,393,000
Employment	405	220	625
Personal Income	\$11,462,000	\$5,403,000	\$16,865,000

The Downeaster could generate over \$20 million of direct business activities, an additional \$11.5 million in spin-off activities, supporting 625 jobs



2015 Statewide Passenger Savings

	Direct Benefit	Spin-off Benefits	Total Benefits
Totals for Maine and New Hampshire			
Business Sales	\$1,913,000	\$1,049,000	\$2,962,000
Employment	24	8	32
Wages	\$345,000	\$362,000	\$707,000

Projected annual economic benefits generated by Downeaster passengers includes nearly \$3 million of business sales, 32 Jobs, & 707,000 in wages





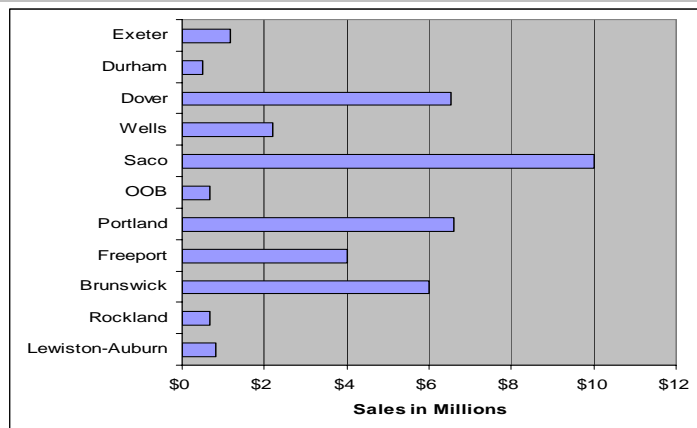
2015 Statewide Construction Activity

Almost \$20 million of construction investment attributable to the Downeaster is anticipated in Maine

	Direct Benefits	Spin-off Benefits	Total Benefits
Totals for Maine			
Business Sales	\$29,395,000	\$28,391,000	\$57,786,000
Employment	400	399	799
Personal Income	\$9,915,000	\$11,705,000	\$19,821,000

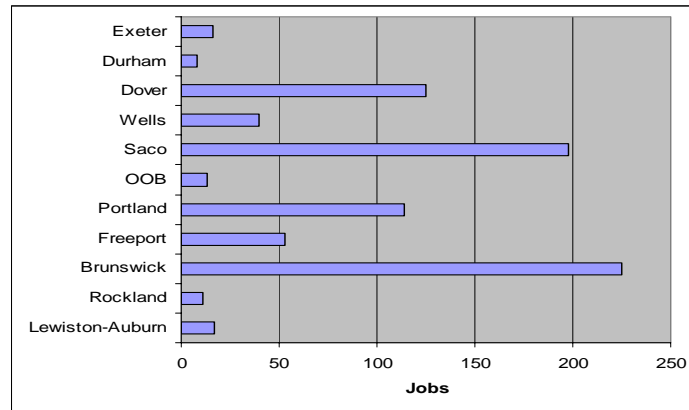


Future Economic Benefits - Sales





Future Economic Benefits - Jobs



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Future Community Impacts

Current

- **Saco**—Partial attribution of seven downtown establishments
- **Old Orchard Beach**—Partial credit for development of Chamber of Commerce building
- **Dover**—12 establishments in mill building

Future

- **Saco**
 - Mill renovation into biotech building
 - Mill renovation for mixed use (including some residential)
 - Development of vacant parcel for mixed use
- **Wells**—Hotel in Transit District
- **Freeport**—Hotel
- **Brunswick**—160,000 sq.ft. of retail/office space next to station





Future Community Economic Dev. Impacts

Future Annual Economic Development Benefits Generated by the Downeaster in Maine & New Hampshire Station Communities

	Old Orchard Beach	Saco	Wells	Brunswick	Freeport	Dover
Direct Business Sales	\$176,000	\$6,213,000	\$676,000	\$14,012,000	\$538,000	\$3,742,000
Spin-off Business sales	\$103,000	\$3,590,000	\$427,000	\$9,654,000	\$441,000	\$2,625,000
Total Business Sales	\$279,000	\$9,803,000	\$1,103,000	\$13,666,000	\$979,000	\$6,367,000
Total Employment	6	194	21	246	18	122
Total Wages	\$109,000	\$3,815,000	\$406,000	\$7,634,000	\$351,000	\$2,255,000



Future Local Construction Impacts

	Saco	Wells	OOB	Portland	Brunswick
Construction investment	\$13,283,000	\$6,763,000	\$160,000	\$22,720,000	\$2,500,000
Spin-off business sales	\$9,591,000	\$4,893,000	\$116,700	\$17,991,000	\$8,589,000
Total Business Investment & Spin-off Sales	\$22,874,000	\$11,656,000	\$276,000	\$40,711,000	\$4,692,000
Total Employment	326	167	4	507	60
Total Wages	\$7,940,000	\$4,055,000	\$96,000	\$14,491,000	\$1,701,000

Construction investments attributable to Downeaster service are anticipated to range from \$160,000 to \$22.7 million in Maine communities

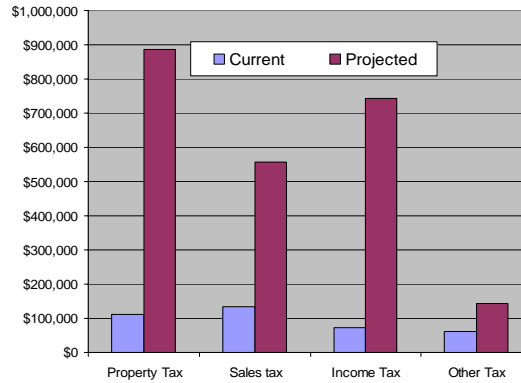




State & Local Tax Implications

Maine

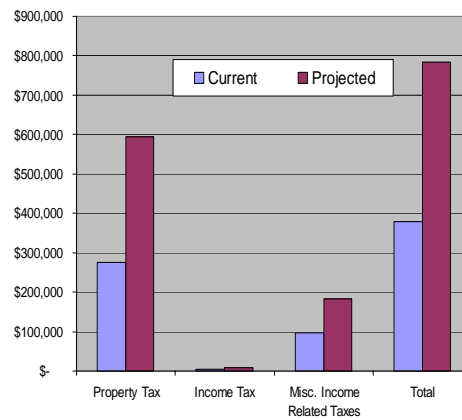
Current annual tax revenues due to the Downeaster in Maine are approx. \$380,000 & expected to increase to \$2.3 million by 2015



State & Local Tax Implications

New Hampshire

Current annual tax revenues due to the Downeaster in NH are approx. \$380,000 & expected to double by 2015





Other Impacts

- Economic Benefits of *Downeaster* Operations
- Public Investment for Station Development
- Contribution to Housing Values
- Transportation Synergies



Other Impacts – Public Investment for Station Development

Public investments in stations include:

- Approx. \$2.4 million invested in the Wells station & adjoining parking facilities
- A \$150,000 brownfields grant for the train station site in the town, expected to increase to \$1.5 million
- \$160,000 for station development in Exeter



Other Impacts –Transportation Synergies

- Intercity bus services operate at Portland, Wells & Dover train stations.
- Ferries & cruise ships operate out of Portland.
- The *Downeaster* benefit cruise boat operations in Rockland, & support ferry to Canada.
- *Downeaster* could reduce Rockland traffic that negatively affects tourist travel.



Conclusions

- Positive, measurable economic impacts occurred within first two years of service.
- The *Downeaster* has:
 - brought new visitors to the state.
 - stimulated business investment.
 - increased the desirability of areas near the stations for business opportunities & construction investments.
- Riders save money by using the train as opposed to other modes