

Regional Impact Evaluation



Baltimore-Washington D.C. Maglev Regional Economic Impact Study

December 2003

Submitted to:
Greater Baltimore Committee
Baltimore, Maryland

Funded by:
The Abell Foundation
Baltimore, Maryland

Submitted by:
The Louis Berger Group, Inc.
New York, New York



Baltimore-Washington Regional Economic Impact Study

Dec 2003



- “The Abell Foundation has commissioned this study to assess the potential economic benefits of the Maglev system to the City of Baltimore and the entire Baltimore metropolitan region.”
- “There are economic benefits to the region in addition to the transportation and environmental benefits of the Maglev project.
- “Additionally, this study examined potential non-economic benefits of the Maglev system, e.g., reduced congestion, improved air quality, and increased efficiency of regional land use.”

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Basic Findings Considered:

- Construction Impacts
- Operations and Maintenance Impacts
- Transportation and Land Use Impacts
- Travel and Tourism Impacts
- Linkages and Technology Transfer
- Other System Benefits



Total Regional Economic Impacts

Short-Term, 2010 and 2020
(in Millions)

Economic Measures	Short- Term Construction	<u>Annual</u>	<u>Permanent</u>
		Near Inception (2010)	Project Completion (2020)
Local Sales	\$3,550	\$290	\$910
Household Earnings	\$1,550	\$90	\$280
Jobs	36,210	3,570	9,190
State & Local Taxes	\$107.5	\$7.9	\$44.5

Notes:

- Construction impacts reflect multi-year program.
- Impacts include all rounds of "multiplier effect".
- Annual Permanent, Year 2010 includes O&M and Tourism impacts.
- Annual Permanent, Year 2020 includes O&M, Tourism and Station Area Land Development.

Source: The Louis Berger Group, Inc., 2003



Construction Impacts

“The construction of the Maglev system will generate significant direct economic benefits over the two years of design and 4-5 year construction period:”

- “Creation of over 16,300 jobs during the construction period, including more than 11,000 jobs in the Baltimore region.”
- “These jobs will create \$350 million in new spending potential, including \$270 million in the Baltimore region. These jobs will contribute more than \$33 million in state and local income taxes.”
- “Local supply firms will register \$1.24 billion in sales of goods and services. These local sales will in turn stimulate the economy.”

Source: The Louis Berger Group, Inc., 2003



Construction Impacts (cont'd)

“The regional economic benefits that result from Maglev’s construction include indirect and induced economic impacts. The ‘multiplier’ or ‘ripple effect’ measures the entire regional economic activity stimulated by construction expenditures.”

“After all rounds of the multiplier effect, Maglev construction will:

- “Support more than 36,000 jobs, creating \$1.5 billion in household earnings, \$3.5 billion in local sales, and \$107 million in state and local income and sales taxes.”
- “The Maglev system’s economic benefits would be generated by leveraging significant private or Federal government investment from outside the State of Maryland.”
- “The current funding plan for the Maglev system indicates that over two-thirds of the capital costs will be covered by leveraging private dollars and another 21 percent will be covered by Federal funds.”

Source: The Louis Berger Group, Inc., 2003



Operations and Maintenance Impacts

“Annual operations of the Maglev system will create permanent jobs and other direct economic benefits. In addition to the one-time benefits from construction, the annual operations and maintenance budget of \$52.5 million can directly support:

- Creation of over 320 jobs, with 220 of these jobs. These jobs would create up to \$4 million in new spending and \$490,000 in state and local tax revenues.
- O&M of the Maglev system will generate \$10.3 million annually in local sales of goods and services.”

“Operations and maintenance will also generate significant indirect and induced economic benefits to the region.

- With the ripple effect of the sales and incomes generated, Maglev O&M will support 430 jobs per year, creating \$22.7 million in household earnings, \$50 million in local sales of goods and services and \$1.1 million for state and local income & sales taxes.”

Source: The Louis Berger Group, Inc., 2003

Transportation and Land Use Impacts



- “The high-speed connections provided by Maglev will improve Baltimore’s regional competitiveness and improve the linkages to the nation’s Capitol and BWI Airport.”
- “Improved regional access by Maglev service will increase the attractiveness of locating or expanding businesses in Baltimore.”
- “Easy and quick access to jobs in Washington, D.C. by Maglev service will increase the attractiveness of living in downtown Baltimore.”
- “Significant travel time savings from improved access and connectivity will enhance the value of property around the stations, particularly in downtown Baltimore where land around the proposed station area is currently underutilized.”

Source: The Louis Berger Group, Inc., 2003



Travel and Tourism Impacts

“Maglev will increase inter-regional travel and tourism allowing for more tourists to visit both cities’ attractions. Baltimore will increase its number of visitors by drawing from the millions of tourists that visit Washington D.C. annually.”

- “An estimated 4 percent of all Maglev trips will be tourists, leading to approximately 266,000 more visitor trips to Baltimore in 2010.”
- “These trips will create \$109 million in visitor expenditures, supporting 3,140 jobs, \$236 million in total gross sales and create \$71 million in household earnings, plus \$6.7 million in state and local tax revenues.”
- “By 2020, additional spending by tourists would increase to \$130 million per year, supporting more than 3,730 jobs, \$282 million in total gross sales and create \$85 million in household earnings plus contribute nearly \$8.1 million in taxes to state, local government.”

Source: The Louis Berger Group, Inc., 2003



Linkages and Technology Transfer

- “The Maglev project provides a unique opportunity for the local high-tech companies in the state to develop transit-oriented high-technology manufacturing industries. Maryland possesses the industrial and engineering base to support the development of Maglev.”
- “Through partnerships with Transrapid International (the chosen Maglev technology provider) and licensing agreements local firms can position themselves to market nationally and internationally other high-tech transportation projects.”

Source: The Louis Berger Group, Inc., 2003



Other System Benefits

“The Maglev system will generate notable transportation benefits.”

- “Travel-time savings between downtown Baltimore, Washington D.C. and BWI Airport.”
- “Also, the level of service offered by the Maglev system will divert travelers from other modes.”
- “The improved accessibility to BWI Airport provided by Maglev will serve a critical role in supporting BWI’s emergence as the busiest airport in the Washington D.C. and Baltimore regions.”

“Maglev can contribute to a reduction in highway traffic congestion.”

“Reduction in demand for new highway facilities...”

“Significant environmental benefits will result from the Maglev system with the net effect of cleaner air and less dependence on foreign fuel.”

Source: The Louis Berger Group, Inc., 2003