

LONG ISLAND INDEX

TENTH ANNIVERSARY

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LONG ISLAND INDEX ISSUES ITS TENTH ANNUAL REPORT – TITLED “HOW THE LONG ISLAND RAIL ROAD COULD SHAPE THE NEXT ECONOMY”

Report Highlights the Opportunities and Challenges That Improved Public Transit Offers the Economic Growth of Long Island

Garden City, NY – January 15, 2013 – The Long Island Index, a project of the Rauch Foundation, issued today its 2013 report, titled “How the Long Island Rail Road Could Shape the Next Economy”. The report, prepared by Regional Plan Association, focuses on the Long Island Rail Road (LIRR), which has been central to the growth and development of Long Island since it was chartered in 1834 and continues to play a crucial role in Long Island’s economy today with 25% of our local income coming from New York City jobs. While many think of the railroad in terms of its ability to transport commuters between Long Island and New York City, this report highlights how the railroad can play a transformative role for our local economy and can have positive outcomes for all Long Islanders regardless of whether or not they are LIRR riders. It also clarifies that when new rail services are coupled with community revitalization efforts, significant transformations can occur that create new jobs and companies, access to new living spaces and, overall, a more robust local economy. Drawing on the successes of White Plains, NY and South Orange, NJ, the report considers where Long Island might focus for similar growth.

Unlike our neighbors in New Jersey and Westchester who have gained significant ridership over the last decade, to date the reach and capacity of the LIRR has remained unchanged since it first connected to Manhattan’s Penn Station in 1910. Now, for the first time in more than a century, the LIRR is poised to provide new capacity on its network. This year’s Long Island Index, is, therefore, focused on illuminating the opportunities and challenges that the LIRR provides, offering unbiased reliable data on which to base a broader public discussion, and encouraging that discussion of how best to maximize public transit’s potential for increasing Long Island’s economic vitality.

With new capacity, the railroad could lead a new era of economic growth for Long Island. By 2019, the East Side Access project will give LIRR riders direct access to Grand Central Terminal

and east Midtown Manhattan, the densest concentration of jobs in the country. A Second Track from Farmingdale to Ronkonkoma could be completed by 2018 and expand service options and reliability on one of the fastest-growing yet most overcrowded lines in the system. Beyond these two projects, a deferred and long-debated project – a Third Track on the LIRR Main Line – has the potential to greatly improve service and support job growth within Nassau and Suffolk Counties.

Among the related findings revealed in the Long Island Index are the following:

- With East Side Access, nearly 400,000 homeowners in Nassau and Suffolk Counties will see the value of their homes rise by an average of \$7,300.
- With expansion of the Ronkonkoma line to two tracks and the main line to three tracks, employers will have access to many more potential workers – at least 350,000 in Mineola and 226,000 in Hicksville, for example – increasing the attractiveness of Long Island to prospective employers. In addition, major economic development initiatives, such as Wyandanch Rising, the Ronkonkoma transit village project, and the Republic Airport hub would have a much greater chance of success.
- With expansion of the Main line to three tracks, service reliability, efficiency and flexibility would be greatly improved, with 50% more capacity on the Main Line to reroute trains, move trains more easily between yards and stations, and add service as needed.
- With all three projects, Long Island’s economy would be in a much stronger position for future growth with faster access to jobs in New York City and greater ease of bringing New York City employees to new jobs on Long Island.

These improvements will bring more income and wealth into Long Island and tie it more closely with the dynamic regional economy anchored by Manhattan’s central business district. They will also unlock the potential for a much more robust and transit-oriented economy on Long Island. To capture the benefits created by the Second Track to Ronkonkoma, the mixed-use projects planned for Ronkonkoma, Wyandanch and Republic Airport will need to be implemented. East Side Access will make Long Island more attractive as a place to live, but to provide enough housing to accommodate both younger and older residents, downtowns and station areas will need to be zoned to create more rental housing and condominiums.

In addition to new land use and infrastructure policies, the value of East Side Access and a Second Track to Ronkonkoma would be even greater with a Third Track on the LIRR Main Line. The increased capacity from East Side Access and the Second Track to Ronkonkoma will create new service and attract more riders to the railroad, making Long Island a more attractive place to live and do business. However, additional service and economic possibilities will be unlocked only if the LIRR’s central artery has the capacity to handle larger volumes of trains and provide frequent two-way service. A Third Track would not only improve service reliability and frequency, it would also create a new dynamic that would facilitate intra-Island travel by rail. Two-way peak-period travel would support job growth on Long Island by allowing more workers to reach employers in Nassau and Suffolk. There would be more incentive to both live *and* work in Long Island’s downtowns. Long Island’s economy would have a flexibility that it currently lacks to respond to changes in employer and worker preferences, an advantage that is

hard to quantify but important in a changing global economy. The Long Island Rail Road would similarly have the flexibility to shift service to wherever demand is greatest.

Projects of this magnitude necessarily come with costs and challenges. The combined construction cost of the three projects is over \$10 billion. East Side Access, with a cost of over \$8 billion, represents the lion's share of the capital costs. For East Side Access, the challenge is to complete the remaining construction, which includes the most complicated part of the project, on schedule. Local communities and the LIRR will also need to plan for changes in parking needs and traffic patterns.

Funding to complete the Second Track to Ronkonkoma will need to be included in the next MTA capital plan. Economic development plans around stations in the corridor would ideally advance in parallel with construction of the track to maximize the economic return on investment.

As these two projects proceed, environmental and engineering studies for the Third Track on the Main Line should be completed to have a fully informed public discussion about its benefits and impacts. This dialogue should engage communities with professionally-led workshops that would dispel any misinformation and identify ways that residents and businesses could capitalize on new service as well as minimize negative impacts.

But the calculus should not stop with these direct costs and benefits. History and research from regions around the country have demonstrated investments in transit capacity can yield economic returns that are worth several times the initial investment. The real potential of an expanded, more reliable and more efficient Long Island Rail Road is to anchor a 21st-century economy that is neither the rail-centric reality of a century ago nor the auto-dependent culture of today. Rather, it would be a Long Island with greater flexibility and choice – more job choices, more housing choices and more choices on how to travel. Single-family suburban neighborhoods would still be the norm, and most trips would still be made by car. But there would be more jobs and housing in downtowns clustered around train stations, and more options for taking a train or bus, not only to get into Manhattan but to get around to shopping centers, offices, hospitals, universities and parks. Long Island would regain an economic edge that it has lost in a world where both demographics and employer requirements are increasingly favoring places with more walkable mixed-use centers that are served by a well-functioning transit system.

“The Long Island Rail Road is one of Long Island’s most important and least understood regional assets,” said Nancy Rauch Douzinas, President of the Rauch Foundation. “The 2013 Long Island Index presents many of the facts that highlight the railroad’s potential, and it provides a guide to an important, open, and transparent discussion of the role of public transit in Long Island’s economy and future.”

“Long Island is in a terrific position to be at the forefront of the 21st-century global economy,” said Kevin Law, President and CEO of the Long Island Association. “We have world-renowned centers of research and innovation; we have close proximity to New York City, and we have the potential for an even more robust mass transit system to tie Long Island’s key economic ingredients together. The Long Island Index is highlighting opportunities that should be fully explored, and I look forward to being part of that ongoing discussion.”

“Public transit plays a crucial role in economic development, providing access to jobs and housing, and linking centers of activity,” said Robert D. Yaro, President of Regional Plan Association. “Yet the reach and capacity of the Long Island Rail Road has remained unchanged since it first connected to Manhattan’s Penn Station in 1910. Long Island can benefit many times over from strategic investments in the LIRR. Building a consensus around what those investments should be needs to be a top public priority.”

“All Long Islanders would benefit from the greater flexibility and choice that an enhanced Long Island Rail Road can provide,” said Jeffrey A. Kraut, Senior Vice President for Strategy at North Shore LIJ Health System, Long Island’s largest employer. “That flexibility would give Long Island an economic advantage at a time when a dynamic transit system is an increasingly important part of a vibrant 21st-century economy.”

For a full copy of the 2013 Long Island Index, visit www.longislandindex.org. For further information, contact Brooke Botsford at Goodman Media International: bbotsford@goodmanmedia.com.

About the Long Island Index

Now in its tenth year, the Long Island Index is a source of unbiased reliable data for businesses, nonprofits, civic organizations, educators, and townships throughout the region. Its overarching goals are to measure where we are and show trends over time, encourage regional thinking, compare Long Island’s situation with those in similar regions, increase awareness of issues and their interrelatedness, and inspire Long Islanders to work together to achieve shared goals.

About the Rauch Foundation

The Rauch Foundation (www.rauchfoundation.org), which funds the Long Island Index, is a Long Island-based family foundation that invests in ideas and organizations that spark and sustain early success in children and systemic change in our communities. The Foundation was established in 1961 by Louis Rauch and Philip Rauch, Jr. Funding for the Foundation was made possible by the success of the Ideal Corporation, an auto parts manufacturer founded in 1913 by their father, Philip Rauch, Sr.

In addition to funding the Long Island Index for 10 years, the Rauch Foundation commissioned The Long Island Profile Report and a series of polls on Long Island to determine how the region is faring. The Long Island Index – conducted annually since 2004 – is available for download at www.longislandindex.org. The Long Island Index interactive maps, an online resource with detailed demographic, residential, transportation and educational information, as well as the Build a Better Burb website, are also accessible from the Index’s website.

About Regional Plan Association

Regional Plan Association is America’s oldest and most distinguished independent urban research and advocacy organization. RPA works to improve the economic competitiveness, infrastructure, sustainability and quality of life of the New York-New Jersey-Connecticut metropolitan region. A cornerstone of its work is the development of long-range plans and policies to guide the growth of the region. Through its America 2050 program, RPA also provides leadership in the Northeast and across the U.S. on a broad range of transportation and economic-development issues. RPA enjoys broad support from the business, philanthropic, civic and planning communities. For more information, please visit www.rpa.org.