

Testimony of:

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President

Rockford Area Economic Development Council

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Rockford Area Economic Development Council  
Michael Nicholas  
President  
February 25, 2015  
Page 2

My name is Mike Nicholas. I am the President of the Rockford Area Economic Development Council, a nonprofit organization of 200 businesses, government bodies, educational institutions, trade unions and other partners. Thank you for allowing me to speak today in support of the restoration of passenger rail service between Rockford and Chicago.

The Rockford Area Economic Development Council is committed to enhancing the economic opportunities of the Rockford Region by helping employers retain and create quality jobs.

The Chicago-Rockford Amtrak initiative has been a long-term collaborative project critical to the economic recovery of the Rockford Region, which has generated real momentum in the past five years:

- The unemployment rate has dropped 11 percentage points in five years; more than 10,000 jobs were created or retained over the same time period. Plus, Rockford was one of the top 5 metro areas in the United States recognized for its large reduction in unemployment over the past 12 months.
- The city has leaped onto the right kind of top 10 list. We weren't "miserable" in the first place, but in 2014, Rockford was named #6 on the Forbes Opportunity Cities list of places to make your mark.
- Across the board, we have \$1 billion being invested in our community.

These indicators, among others, show that this region is a worthy investment. This is the right time and the right place for passenger rail. The benefits would be numerous and broad.

Passenger rail service, absent since the 1980s, is critical alone. But this is not just about connecting Point A to Point B.

This is about boosting multiple industries -- tourism, construction, logistics, regional and global commerce, business attraction, just to name a few.



Rockford Area Economic Development Council

Michael Nicholas

President

February 25, 2015

Page 3

- In his State of the State speech, Governor Rauner said, “Our top priority must be making Illinois competitive again, to grow more jobs here.” We could not agree more. For far too long, the Rockford Region has been forced to compete with boundary communities in Wisconsin for attracting and retaining businesses with good-paying jobs and growth opportunities. We are on the front line in the economic war with our state to the north. Amtrak rail service would elevate and differentiate our region, making us a more attractive option for people who want to live, work and play here and providing continuity in downtown Rockford’s ever-expanding renewal.
- Speaking of downtown Rockford redevelopment, three current nearby projects alone represent over \$90 million in investments: a 150-room riverfront hotel and convention center right next to the proposed depot, a multi-use indoor sports complex just across the river and a 75-room boutique hotel only a few blocks away. Business leaders see the value and potential of investing here because so many pieces are coming together. Amtrak service can plug into these new additions -- and also boost our existing marquee attractions and fresh new events. The weekly City Market has nearly quadrupled in attendance since 2010, and the holiday Stroll on State doubled in size in 2014, only its second year.
- In addition to supporting projects under way, Amtrak rail service could serve as an additional catalyst for transit-oriented development that can infill parcels adjacent to South Main Street and put blighted property back on the tax rolls.
- The City of Rockford, which committed \$5 million to a new depot, is not the only municipality eager to capitalize on rail-service opportunities. For their stations, Belvidere wants to spend \$2.65 million and Huntley \$4 million. Farther east, the project also would facilitate riverfront redevelopment for Elgin.



Rockford Area Economic Development Council

Michael Nicholas

President

February 25, 2015

Page 4

- In spending \$223 million on track improvements and Amtrak equipment, the project will benefit freight services already in place on the Union Pacific line to be used. One of the Rockford Region's greatest competitive strengths is its superiority as a logistical hub.
- Amtrak rail service can better connect the Rockford Region with other regions throughout the Midwest. At the RAEDC, we position our community for growth and actively promote what the region has to offer in the global economy. In this era of economic globalization, this rail project enhances one more source of connectivity to our manufacturing sector and growing aerospace cluster. As I will mention later, future extension of rail service on to Dubuque could provide additional economic benefits.
- When you think of logistics in the Rockford Region, you think of Chicago Rockford International Airport, one of our most valuable and marketable assets. Passenger rail service would improve the airport's already strong regional draw for passenger air service to national and international vacation destinations, immediately and cost-effectively relieving congestion at other area airports. The Amtrak line also would widen the region's workforce recruitment to the new AAR jet maintenance, overhaul and repair facility under construction now, right next to a Rock Valley College Aviation Maintenance Technology training facility. RVC already has 78 students in its growing program, which will help fill those 500 new jobs with specialized, qualified candidates.
- Let's not forget that RFD is also UPS' second-largest air cargo hub in the United States and the 26<sup>th</sup> largest cargo airport in the country. Line upgrades would continue to support this logistics hub, which also features a Foreign Trade Zone that grew 40 percent year over year in 2014 because it saves importing businesses in northern Illinois both time and money.



Rockford Area Economic Development Council  
Michael Nicholas  
President  
February 25, 2015  
Page 5

- The ultimate goal for this project is to extend the route to the Mississippi River – and extend the economic development benefits farther west. Freeport has designed a multimodal facility to unite rail, auto, transit and bicycle infrastructure and catalyze redevelopment of its riverfront area. Galena’s station would be walking distance from key tourist spots. And a stop in East Dubuque could be built to avoid Illinois residents needing to backtrack across the river.

In the long term, this infrastructure investment is about laying the tracks, quite literally, for commuter rail service from a region of “super commuters,” a considerable and valuable workforce asset for the state of Illinois.

For years, cities from Rockford to Elgin have desired a train connection to the northwest suburbs, O’Hare and downtown Chicago.

Phase I would address the track improvements to establish this link, allowing local governments and UP to reach out and make a Metra connection.

Another long-term benefit is seeing how this initiative fits into the big picture of America’s unmet demand for high-quality rail service and how that can parlay into a very local, very positive result.

In December 2014, Amtrak’s Chairman of the Board of Directors, Anthony Coscia, testified before a U.S. Senate committee that our government needs to fund improvements to an out-of-date infrastructure and unlock passenger rail’s potential.

He said: “Amtrak’s growth over the past 10 years, especially on intercity corridors between 100 to 500 miles, hints at the tremendous opportunity of developing a robust, nationwide passenger rail system focused on city pairs. In such corridors throughout the globe, high-speed and higher-speed trains are not only an essential mode of transportation, but also a significant driver of local development and economic growth. America should fully embrace investments in passenger rail as a tool to strengthen our economy and improve the quality of our lives.”



Rockford Area Economic Development Council  
Michael Nicholas  
President  
February 25, 2015  
Page 6

Additionally, according to Amtrak's FY2014 budget and 2014-2018 five-year financial plan, the average non-transportation travel spending per "person-trip" (defined as one person traveling at least 50 miles one way or spending at least one night away from home) was \$256. The multiplier effect in our region has real potential. Consider that it translates to 2.1 billion "person-trips" in the United States, \$855 billion in total travel spending and \$58 billion in state and local tax revenue across the country.

I know that you, other members of the Legislature and the Governor all have tough fiscal decisions to make given the challenges we face with the Illinois budget.

As you consider your choices, keep in mind that the Blackhawk Corridor is home to important manufacturing and tourist attractions that would benefit greatly from passenger rail service. A pullback from this previous commitment would be a blow to the positive post-recession momentum the Rockford Region has worked so hard to generate over the past five years. And it would be a blow to the collective spirit of the Rockford Region, which believes in itself and the possibilities ahead. Train service between Rockford and Chicago can't just be talk. It needs to be real.

Thank you for the opportunity to speak today.

