

Understanding the Benefits of King of Prussia Rail

Executive Summary

By providing a congestion-free transit connection to Philadelphia, Norristown, and other destinations in Montgomery and Delaware Counties, King of Prussia Rail will help unlock the economic potential of King of Prussia and, in turn, drive growth and opportunity for the region as a whole.

Greater Philadelphia's centers of population and employment have evolved over the past several decades but, in most parts of the region, the passenger rail network has not. Today, several major hubs of employment and commerce, including King of Prussia, lack multimodal transportation connections to each other and to Center City. These centers are critical drivers of Greater Philadelphia's economy, but congested

highways and limited transportation alternatives challenge accessibility and inhibit future growth. The Economy League's World Class Greater Philadelphia agenda prioritizes strategic investments in transportation infrastructure to enhance the appeal of the region to both businesses and employees, minimize the risk of costly service disruptions, and improve the system's reliability, security, and safety.



King of Prussia

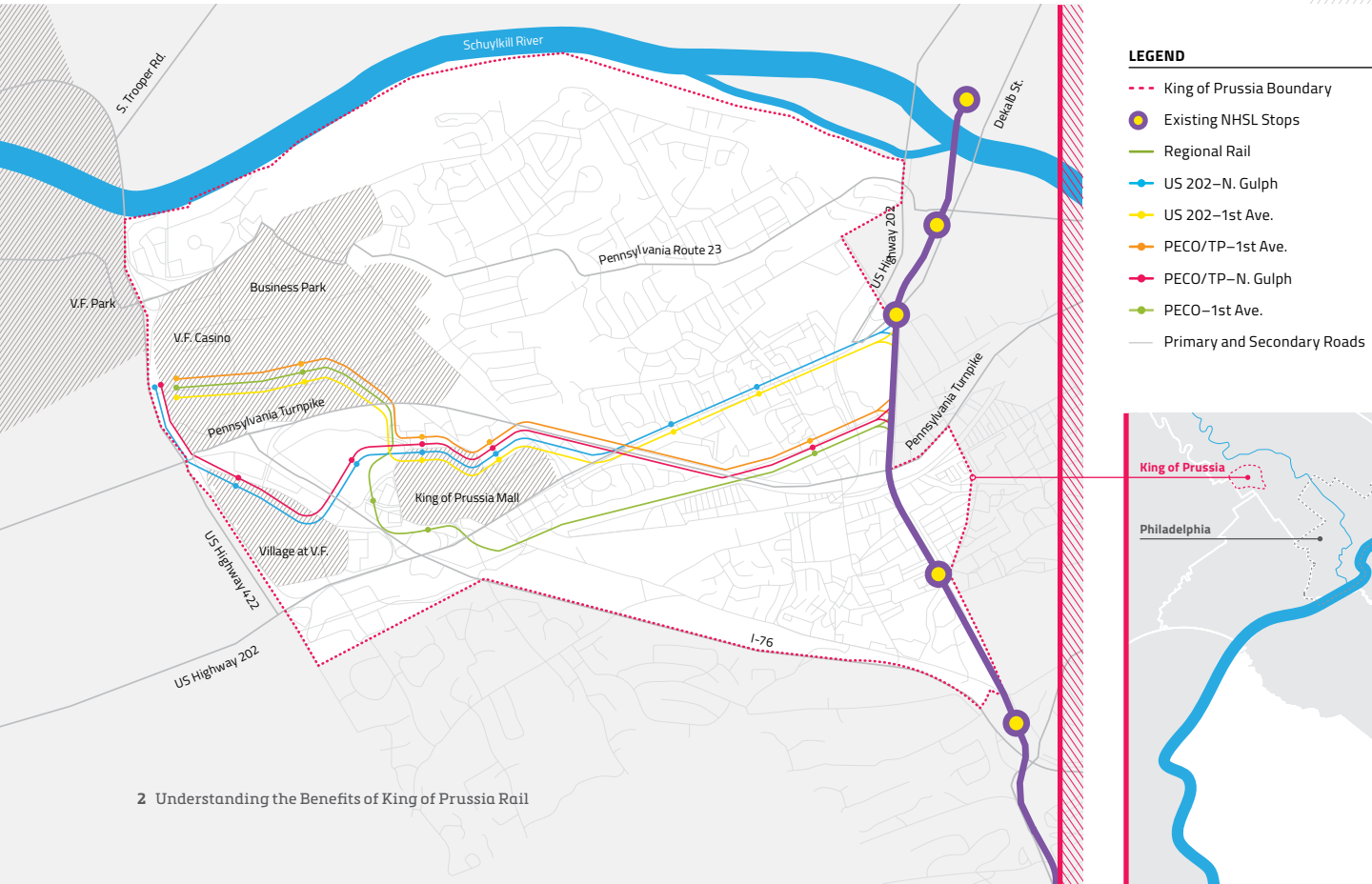
Home to 4.4 million square feet of retail space; 17 million square feet of office, industrial, and flex space; and approximately 50,000 jobs, King of Prussia is Montgomery County’s economic hub and the largest employment center in our region outside of Philadelphia. With a relatively small residential base of 20,000 people, it is one of the most significant net importers of labor in the country—95 percent of workers in King of Prussia commute from elsewhere.

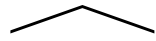
Beyond employment, King of Prussia is a major destination for shoppers and tourists, with nearly 30 million combined visits to the King of Prussia Mall, Valley Forge National Historical Park, and the Valley Forge Casino Resort every year.

An extensive roster of recent and ongoing developments together with new zoning regulations for the King of Prussia Business Park are helping transform the community into

a dense live-work-play center with multi-family housing and complimentary service retail. But while King of Prussia’s many existing assets and strong investment pipeline point to a bright future for the area, vehicular congestion and limited transportation choices present obstacles to sustained growth. Area leaders will have to come together around shared strategies to address these challenges and accommodate future growth.

King of Prussia Rail Alternatives





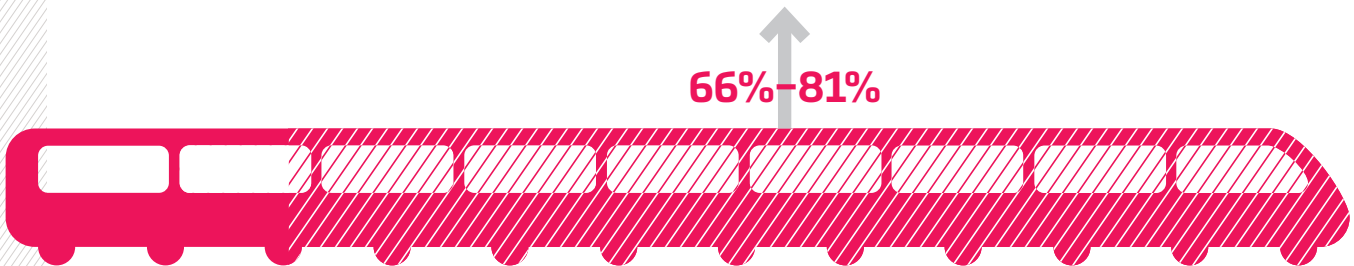
The King of Prussia Rail Project

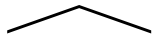
The King of Prussia Rail Project proposes adding a new elevated branch to the Norristown High Speed Line running approximately four miles to King of Prussia from a junction with the existing line between the Hughes Park and Dekalb Street stations.

By providing a “one-seat ride” to King of Prussia from the 69th Street Transportation Center in Upper Darby and the Norristown Transportation Center, the project promises to create a critical transit link between King of Prussia and Philadelphia as well as Norristown and other destinations in Montgomery and Delaware Counties. SEPTA is currently undertaking a public process to identify the exact route and location of stations. While approximately \$20 million in

federal funding is available for project planning and a portion of design, additional funding will be necessary to meet the estimated project cost of \$1.0 billion–\$1.2 billion. SEPTA intends to apply for funds through the Federal Transit Administration’s discretionary New Starts program, which awards competitive grants for major transit investments. Learn more at kingofprussiarail.com.

With the addition of King of Prussia Rail service, NHSL ridership is expected to increase between 66% and 81% over current levels.





Benefits of Transit Investment

Public transportation is about more than connecting people to destinations. Transit investment can also shape land use and development patterns, generate jobs and enable economic growth, and provide environmental benefits.



Construction spending that spurs economic activity and supports jobs



Travel time savings for drivers and transit users in the region



Reduced congestion and pollution



Increased development and property values due to additional connectivity



Job growth due to employees working in new office and retail space



New residents attracted by the convenience of location

LEARN MORE

The content of this report draws from the December 2015 "Understanding the Economic Impacts of SEPTA's Proposed King of Prussia Rail Project" economic impact study, available online at economyleague.org and kingofprussiarail.com. The economic impact study was produced by the Economy League of Greater Philadelphia and Econsult Solutions, Inc. on behalf of SEPTA. In addition to complete findings, the study also includes an explanation of methodology.

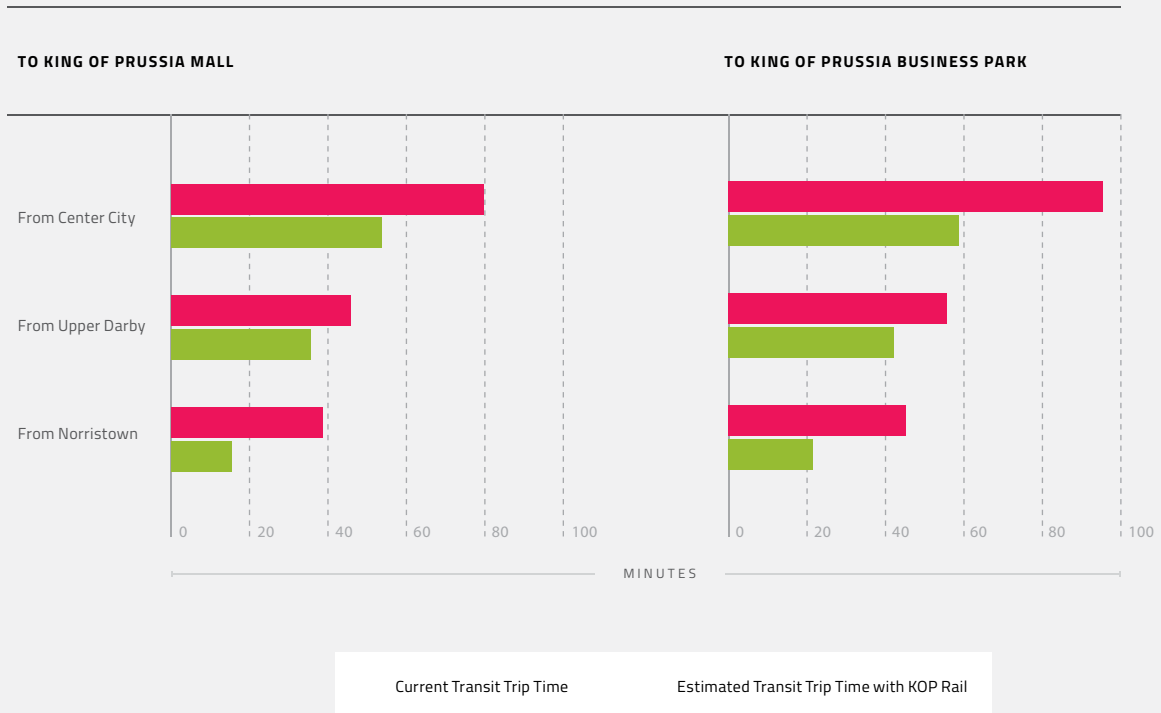
Construction Spending

The construction phase of the King of Prussia Rail Project is expected to support local spending as materials are acquired and temporary construction jobs are created to build the new railway.

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<p>Project construction is anticipated to generate between \$1.1 and \$1.3 billion in economic activity within the five-county southeastern Pennsylvania region.</p>	<p>Construction would sustain an estimated 5,400–6,300 direct, indirect, and induced jobs in southeastern Pennsylvania, supporting \$515 million–\$602 million in worker earnings.</p>	<p>Capital investment in King of Prussia Rail is expected to generate \$20 million–\$22 million in tax revenues in Pennsylvania.</p>

Travel Time Savings

King of Prussia Rail service would considerably shorten the duration of the average transit trip to King of Prussia from locations across the region.



Reduced Congestion

Drivers switching to transit as a result of the King of Prussia Rail Project would lead to an annual reduction of up to 18 million vehicle miles traveled.

TIME SAVINGS FOR TRANSIT RIDERS

The addition of King of Prussia Rail service is expected to reduce travel time for existing transit riders by an estimated **104,000–217,000 hours per year, valued at \$2.6 million–\$4.7 million.***



PER YEAR

104K–217K
HOURS SAVED ON TRANSIT



PER YEAR

\$2.6M–\$4.7M
ESTIMATED ANNUAL VALUE OF TIME SAVED

TIME SAVINGS FOR DRIVERS



PER YEAR

1.7M–2.1M
HOURS SAVED FOR DRIVERS



PER YEAR

\$36.4M–\$44.5M
ESTIMATED ANNUAL VALUE OF TIME SAVED

Less-congested routes as a result of the introduction of a rail transit option to King of Prussia will save drivers travel time as well. Time savings for drivers are estimated at **1.7 million–2.1 million hours per year, valued at \$36.4–\$44.5 million.***

* Time savings are calculated using US Department of Transportation guidelines and are based on a percentage of median hourly salary for the region. Business travel is valued at a higher rate than personal travel.

Increased Development

Development stimulated by the introduction of King of Prussia Rail is expected to add \$540 million–\$946 million to the assessed value of King of Prussia real estate over 20 years. During this time period, it is estimated that the rail extension could spur 4.3 million–8.0 million square feet of new development in King of Prussia at an estimated value of \$450 million–\$840 million. The redevelopment of existing properties is estimated to add \$89 million–\$109 million in value to King of Prussia real estate.

ESTIMATED VALUE OF ADDITIONAL DEVELOPMENT CATALYZED BY KING OF PRUSSIA RAIL OVER 20 YEARS:

\$540M–\$946M



4.3M–8.0M SQUARE FEET OF NEW DEVELOPMENT



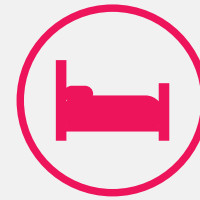
2.6M–4.8M FT.²

OFFICE



0.5M–0.8M FT.²

RETAIL



3,300–4,600

UNITS

1.3M–2.4M FT² RESIDENTIAL

If Transit Oriented Development (TOD) Zoning were put in place for parcels within ½ mile of King of Prussia Rail stations, it is estimated that an additional 115,000–170,000 square feet of development would occur annually. Over 20 years, this would add up to an additional 2 million–4 million square feet of development at an estimated assessed value of \$216–\$357 million.

Job Growth

Moderate development projections anticipate that the King of Prussia Rail Project will lead to an annual average of 900–1,500 additional jobs in King of Prussia each year. Over 20 years, this translates into 17,000–29,000 new employees in King of Prussia.

New Residents

The convenience and development that direct rail service would spur in King of Prussia is expected to bring an additional 330–470 new residents to the community every year. Twenty years after the rail line opens, 6,700–9,400 people are projected to have moved to King of Prussia as a result of King of Prussia Rail. This increase represents growth of 33%–47% over King of Prussia's residential population today.

Moderate development projections anticipate that the King of Prussia Rail Project will lead to an increase of 17,000–29,000 jobs and 6,700–9,400 new residents in King of Prussia over 20 years.

LEARN MORE

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The Economy League would like to thank the Delaware Valley Regional Planning Commission; Econsult Solutions, Inc.; and SEPTA for their contributions to the study that serves as the basis for this summary.

The Economy League is a civic catalyst that brings together leaders and organizations to address the most challenging issues facing Greater Philadelphia. Built on our foundation of independent, high-quality analysis and practical insight, we spark new ideas, develop strategies, and galvanize action to enhance the region's global competitiveness. Learn more at economyleague.org



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