

# Toledo-Columbus Ridership Feasibility and Cost Estimate Study

## Part 2: Financial and Economic Analysis

### Scope of Work

#### 1 Introduction

The Toledo City Council and TMACOG are funding a Concept Analysis for the Toledo-Columbus corridor that will consider two potential passenger rail routes between the two cities. The routes are the CSX (ex-NYC) route via Findley and Kenton, and the CSX (ex-C and O) route via Fostoria and Marion. The analysis will review track geometry, passenger rail operations, capacity analysis, ridership and revenue, and potential capital costs.

However, the analysis will not include a financial and cost benefit and economic analysis, which would be needed for ODOT and USDOT review and is required as part of any funding request. As a result, Bowling Green has asked TEMS to prepare a Scope of Work for the Financial and Economic Analysis.

#### 2 Scope of Work

The purpose of this analysis is to prepare the Financial and Economic Analysis required by ODOT and USDOT FRA to assess project feasibility and funding for the two CSX routes. The analysis will consist of the following tasks –

##### Task 1: Financial Analysis

The analysis will assess the operating and capital costs for the project and develop an assessment of the operating ratio, and the financial return of the project. This will include the cash flows for the project over the twenty-five year life of the project.

##### Task 2: Economic Analysis

The analysis will assess the Cost Benefit Ratio, Net Present Value of the project. The analysis will use USDOT FRA “discount rates” of 3 and 7 percent as required by Office of Management and Budget (OMB) and use twenty-five year cash flows at each rate to generate the Net Present Value. The elements of the Cost Benefit Analysis will include –

**Benefits:** Consumer surplus, emissions, energy, safety, resource savings and other mode benefits such as time savings for auto travelers due to lower congestion etc.

**Costs:** Operating costs and capital costs

### Task 3: Report

The work will be integrated with that of the Toledo City Council/TMACOG and a joint feasibility report will be prepared comparable to that already developed for the Toledo-Detroit route (Toledo-Detroit Ridership Feasibility & Cost Estimate Study). The report will describe the databases, research, analysis and results of the work.

### 3 Timeline

The work will take 4 to 6 weeks to complete from the Notice to Proceed (NTP).

### 4 Budget

The budget for the work is \$20,000. The project will be invoiced on a monthly basis and include a percent breakdown of effort by Task. A monthly progress report will be included.

| <u>Tasks</u>               | <u>Cost</u>    | <u>Percent</u> |
|----------------------------|----------------|----------------|
| Task 1: Financial Analysis | \$7,000        | 32%            |
| Task 2: Economic Analysis  | \$10,000       | 50%            |
| Task 3: Integrated Report  | <u>\$3,000</u> | <u>18%</u>     |
| Total                      | \$20,000       | 100%           |