

Economic Return on Investment

The proposed Ecusta Rail Trail is anticipated to bring a variety of economic benefits to users and non-users on a local and regional scale. By investing the direct costs of construction for this amenity, residents and local government can expect to see an estimated \$42 million one-time return resulting from direct and indirect expenditures for materials and labor costs during construction, and initial property value increases. Annually, a \$9.4 million return can be estimated on tax revenues, visitor spending, health care cost savings, property value increases, and direct use value.

An economic impact analysis was undertaken to determine the economic benefits and returns of the proposed Ecusta Rail Trail. Because the trail is proposed, and not actually built, a prospective approach was taken to conservatively estimate economic impacts. Supporting documentation for the following figures can be found in the Economic Impact Analysis section of the Study. Economic benefits resulting from the implementation of the Ecusta Rail Trail include:

- **Upfront Construction Impacts.** Construction employment opportunities and tax revenues will be generated as a result of the Ecusta Rail Trail project. An estimated \$20 million in expenditures and 180 jobs will be created in Henderson and Transylvania counties.
- **Property Value Impacts.** The Ecusta Rail Trail will be a tremendous recreational resource to local citizens, increasing demand to live in proximity to the trail. This demand will increase house values and population, which in turn generates additional tax revenues for local jurisdictions. Gains in household wealth are anticipated to result in a one-time four percent

increase in property values and an annual \$160,000 in local property tax revenues for properties located within a quarter mile of the trail.

- **Tourism Impacts.** Once constructed, the Ecusta Rail Trail will become a regional attraction drawing visitors to the area. Visitors spend money on local goods and services, which supports local business and government. While it is difficult to determine exact numbers, conservative estimates can be made that suggest the rail trail will draw about 20,000 visitors annually with a \$2 million increase in visitor spending and the creation of 27 jobs.
- **Direct Use Impacts.** Direct use impacts place a value on the desire to use a recreational resource such as the Ecusta Rail Trail. By measuring what users are "willing to pay" to use a public amenity, estimates can be quantified that translate to a monetary value as a result of trail use. It is estimated that the Ecusta Rail Trail will result in a direct use benefit of \$2.2 million to users who choose from a variety of recreational resources or other options that cost money.
- **Health Care Cost Reduction Impacts.** Studies consistently demonstrate that daily physical activity improves health outcomes and reduces health care costs, increases worker productivity, and reduces chronic illness and short-term health care needs. Making exercising options more accessible to a variety of users on the Ecusta Rail Trail will encourage physical activity among some 1,600 users per year and yield an estimated health care cost reduction impact of about \$5 million per year.



Copies of the full report may be viewed at:

HENDERSON COUNTY LIBRARY:

Main Branch
301 N. Washington St.
Hendersonville, NC

Etowah Branch
101 Brickyard Rd.
Etowah, NC

TRANSYLVANIA COUNTY LIBRARY:

212 Gaston St.
Brevard, NC

Online at:
www.cityofhendersonville.org
www.cityofbrevard.com
www.ecustatrail.org

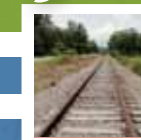
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Ecusta Rail Trail Planning Study & Economic Impact Analysis



Executive Summary

March 2012

Project Overview

The City of Hendersonville, North Carolina initiated the Ecusta Rail Trail Planning Study and Economic Impact Analysis to determine the feasibility of converting an existing inactive rail corridor into a paved shared-use trail for the purposes of providing alternative transportation, recreation, and economic development. The planning study was funded by federal transportation funds administered by the North Carolina Department of Transportation (NCDOT) along with local matching funds provided by the City of Hendersonville, City of Brevard, Town of Laurel Park, Henderson County Travel and Tourism, and non-profit group Friends of the Ecusta Trail. The planning study undertaken for the Ecusta Rail Trail was designed to:

1. Evaluate the existing rail corridor
2. Determine project feasibility
3. Establish steps necessary to convert the inactive corridor into a shared-use trail
4. Identify partnerships needed to facilitate corridor conversion
5. Prepare an operational and management structure for a regional trail facility through two counties and three jurisdictions

Norfolk Southern currently owns the 20-mile line that has been inactive since 2002. The corridor connects the City of Hendersonville, Town of Laurel Park, Horseshoe, Etowah, Pisgah Forest, and City of Brevard. At one point, this rail line connected Hendersonville to Sapphire Valley.

The term Ecusta, which comes from the Cherokee Indian word for rippling water, holds historic significance for the region. The name was originally taken by the Ecusta Corporation, who operated a paper mill in Brevard from 1939 to 2002.

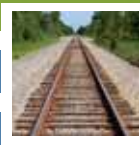
Since the mill's closure, plans for a mixed-use village have been developed and approved by the City of Brevard for the old mill site. The rail corridor now terminates at the old mill site.

This study identifies that the Ecusta rail corridor could be preserved for long-term public use as an alternative transportation route through the process of federal railbanking. The rail trail could become a regional destination with a multitude of benefits to users and non-users. Based on the results of the study, the Ecusta Rail Trail has the potential to:

- Offer a safe route for pedestrian and bicycle travel as a transportation alternative
- Provide outdoor recreation to residents and visitors
- Attract tourism and stimulate the regional economy
- Attract and retain employers and new businesses as well as their employees
- Increase adjacent property values
- Revitalize communities along the corridor
- Improve quality of life through healthy and active living
- Enhance local natural and cultural resources



In some areas the rail line is well traveled by pedestrians as it connects several popular destinations.



Railbanking

This project reflects a national movement in converting inactive rails to trails. In total, 20,409 miles of former railroad rights-of-way have been converted. Regional examples include the Swamp Rabbit Trail in South Carolina connecting Travelers Rest with Greenville, the Virginia Creeper Trail in Abingdon, Virginia, the American Tobacco Trail in the Triangle Region of North Carolina, and the Silver Comet Trail connecting Smyrna, Georgia, with the Georgia/Alabama state line. Rail trail projects originated as grassroots efforts by local citizens who saw the benefits of preserving corridors of land for long-term public use. The National Trail Systems Act, adopted by Congress in 1983, provides a statute for converting rail corridors to trails through a process known as railbanking. Railbanking is a voluntary agreement between a railroad company and a trail agency to use out-of-service rail corridors as trails until the railroad operator chooses to reactivate rail service. Railbanked corridors are typically sold, leased, or donated to a trail organization or public agency through a voluntary process benefiting rail operators by relieving maintenance responsibilities and tax liability.

Norfolk Southern currently owns the rail corridor and was contacted during the planning study to determine if there were plans for abandonment of the corridor. Norfolk Southern did not express an interest in abandonment of the corridor.

The initial action needed to make the project a trail is the preservation and acquisition of the rail corridor. Several steps need to be taken to determine the appropriate course of action:

1. Collaborate with local jurisdictions and project stakeholders to define the primary trail agency that has the authority and capacity to initiate the railbanking process.

2. Notify the railroad's legal department of the trail agency's interest in the corridor. Describe the benefits abandoning the corridor and engaging in the railbanking process.
3. Once the railroad agrees to abandon the corridor, notify the Surface Transportation Board (STB) of the agency's interest in preserving the corridor by completing a Trail Use Condition request. The trail agency will also submit a statement of willingness to assume financial and legal responsibility. A copy of the written request must be sent to the legal department of the railroad company.
4. Once the railroad receives the written request, the railroad will notify the STB of their decision. If the railroad agrees, a Certificate of Interim Trail Use (CITU) or Notice of Interim Trail Use (NITU) will be issued by the STB.
5. The trail agency and railroad then have 180 days to reach an agreement for the purchasing price of the corridor.

Regardless of who owns title or easements to the Ecusta rail corridor, if a rail has been defined as inactive, railbanking is a sufficient, legal process for transferring ownership rights from the railroad to a trail agency. The trail agency must negotiate with Norfolk Southern to determine the purchase price for the acquisition of the rail corridor. Various appraisal methods are used to determine the value of the rail corridor, based on the ability of the corridor to generate income, comparable properties, or market value of adjoining land. The current market value of the rail corridor can be estimated at the middle range of \$3.7 million based on similar rail-trails in the region and local real estate values.

Once the trail agency has entered into negotiations with the railroad, funding sources should be confirmed with project partners and stakeholders.



Operation and Management

The proposed Ecusta Rail Trail should be regarded and maintained as a public resource. This process begins with sound design, durable components, and a comprehensive management plan developed by the qualified trail agency. Because the proposed Ecusta Rail Trail traverses two counties and three jurisdictions, a centralized authority is recommended to plan, manage, promote, and maintain the Ecusta Rail Trail. There are several options for consideration of this central authority:

- Development of a Western North Carolina Regional Parks and Trails Consortium (WNCRPTC). The consortium would be a cooperative authority comprised of the Land-of-Sky Regional Council of Governments, city and county representatives, non-profit agencies, the local Metropolitan Planning Organization (MPO), and representatives from the state, such as the North Carolina Department of Transportation (NCDOT) or the North Carolina Division of Parks and Recreation (NCDPR). The Boards of Commissioners in both counties should pass resolutions to create this new authority.
- The North Carolina Department of Transportation Rail Division. The NCDOT Rail Division works with local agencies to preserve abandoned railway corridors for public use, including bicycle and pedestrian use. The NCDOT Rail Division could work with the local public agency to railbank the corridor and divide responsibilities of local operations and management among the two counties and three jurisdictions.
- A Single jurisdiction (either county or city) accepts central authority. A local county or city can initiate the railbanking

process and take ownership of the corridor. Management and operation responsibilities would fall on the single municipality or be shared with neighboring jurisdictions.

An operations and management plan for the Ecusta Rail Trail should be embraced by the entities responsible for maintaining the rail trail at the beginning of the implementation process. In addition, community groups, residents, business owners, developers and other stakeholders should be engaged in the long term stewardship of the resources preserved and enhanced by the management plan.



The completed trail will provide transportation and recreation opportunities for residents and visitors.



Trail Design & Costs

Of the 20 miles of proposed trail, eight of those miles are located in Transylvania County and 12 miles are located in Henderson County. Using the existing Norfolk Southern railroad right-of-way, a 10-foot-wide minimum asphalt surface with a two-foot shoulder is recommended with ancillary facilities such as parking at proposed trailheads, a signage/wayfinding system, improved pedestrian/bicycle/equestrian crossings, treatments at roadway intersections, equestrian accommodations, and other amenities. Structural improvements to bridges will also be necessary to accommodate pedestrian, bicycle, and equestrian use. There are a total of eight trailheads recommended along the corridor, many of which can be shared-use trailheads that use existing parking areas.

The following map illustrates the recommended phasing strategy to prioritize design development and construction. Phases were broken out by number of logical connections, cost, service areas, and development opportunities.

A range of development costs was estimated for the proposed Ecusta Rail Trail. A moderate valuation of these costs, including design and engineering, and general trail facility construction is estimated at \$9.9 million (\$495,000 per mile). Should the trail be developed with the same components listed above and include interpretive areas, trailheads, and other accommodations, development costs are estimated closer to \$13.4 million (\$670,000 per mile). Construction costs should be revisited for each proposed phase of the Ecusta Rail Trail during design development due to the flux in construction costs in the current economy.

Corridor Overview Key Map

