

Local Rail Spurs for Economic Development

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Wisconsin DOT Annual Freight Railroad Conference - 2023

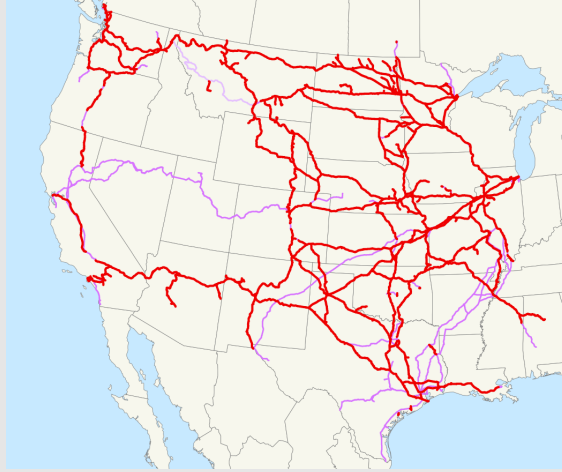


“Transportation is the key for spurring economic development”



Railroad Basics – The Big Guys

BNSF



NS



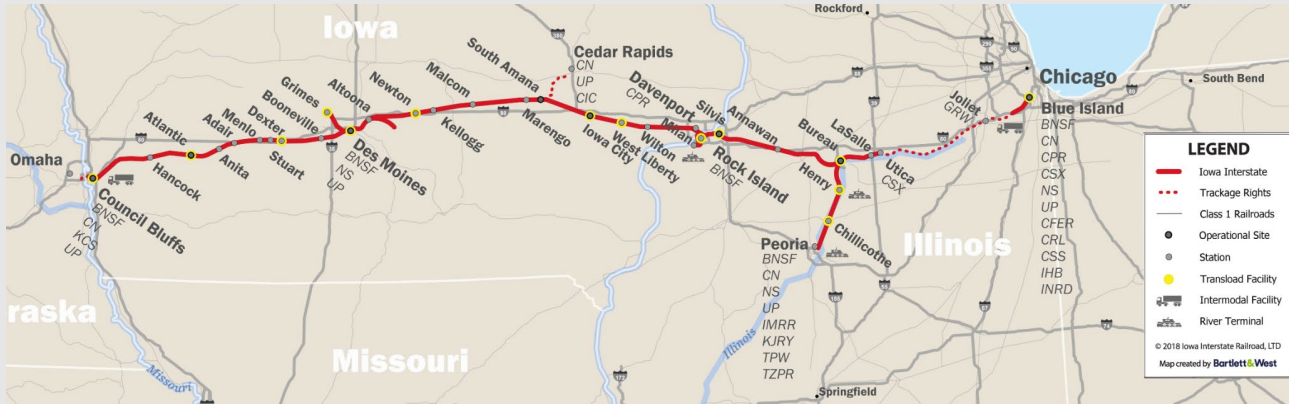
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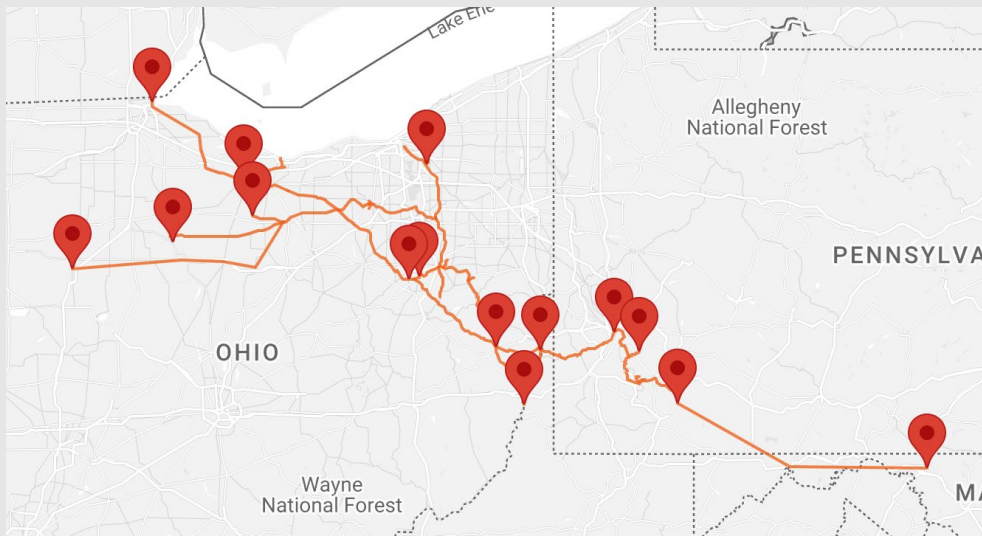
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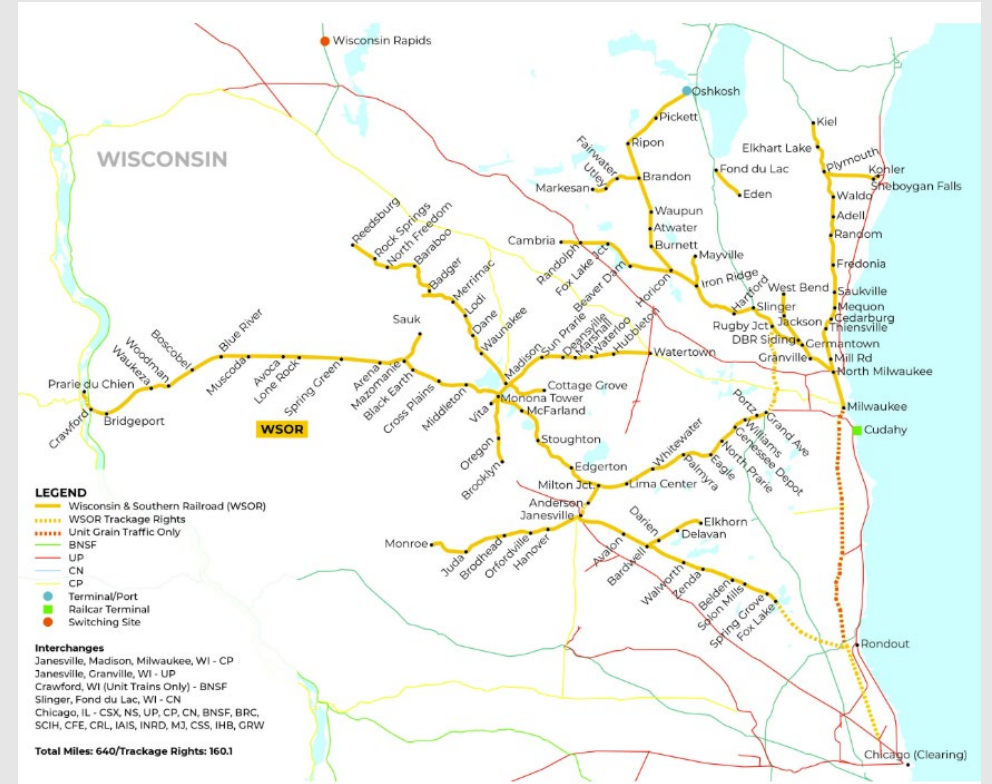
Railroad Basics – Regionals



IAIS



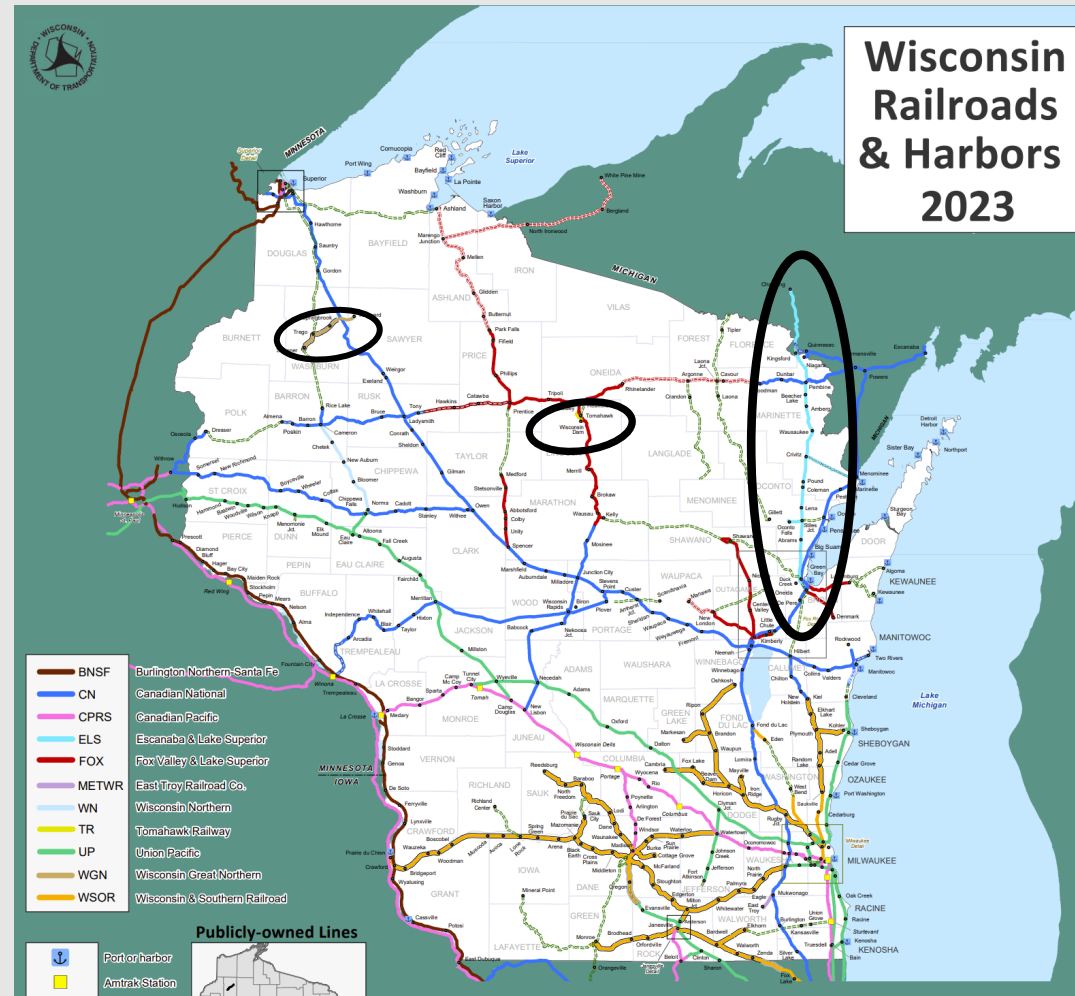
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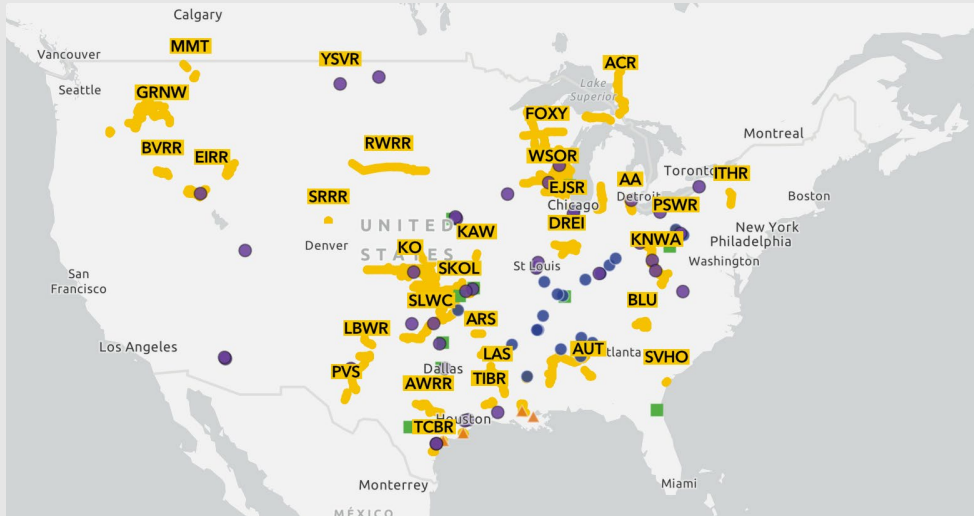
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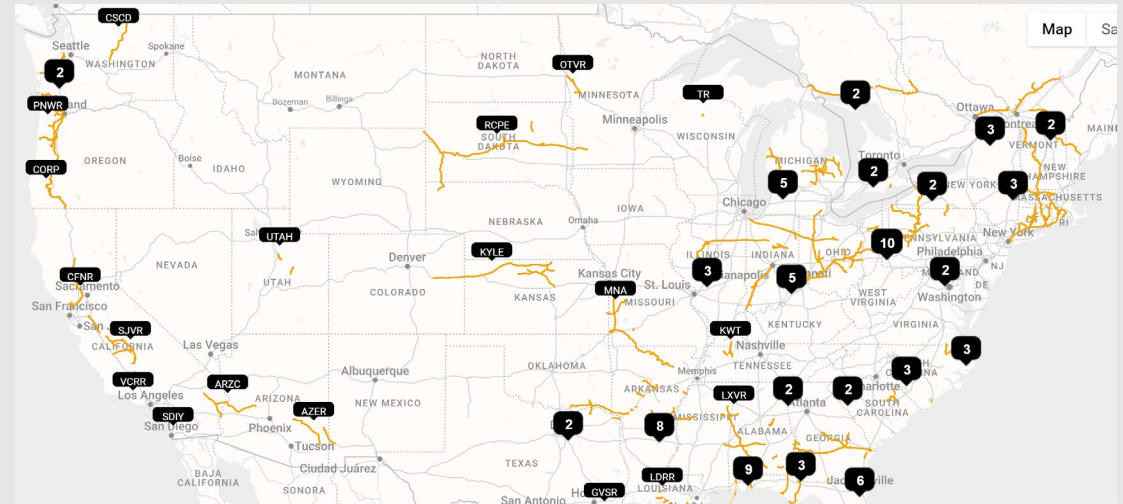
Railroad Basics – The Short Lines



Railroad Basics – Holding Companies



Watco



G&W



Railroad Basics – Industry



Railroad Revenue Thresholds

CLASS I: >\$900 million

CLASS II: >\$ 40 million

CLASS III: <\$ 40 million



Railroad Basics – Ownership

Publicly owned – stockholders

NOT Government owned (except Amtrak and commuter lines)

Railroads own and maintain their track...

...but states or public entities may own track

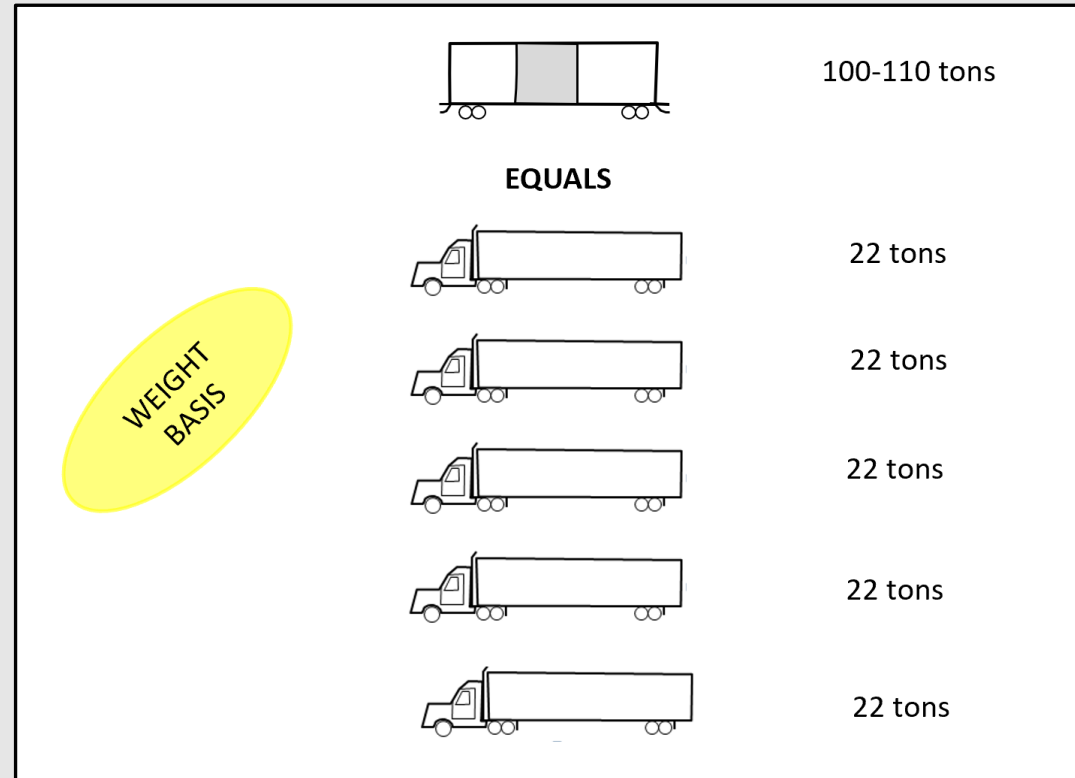
- to save abandoned track for future operation
- to provide for economic development
- to facilitate rail operations on low density lines
- to host passenger trains



Railroad Basics – Embargoed vs Discontinued vs Abandoned



Railroad Basics – Suitable Commodities



Railroad Basics – Suitable Commodities



woodpulp



paper, corrugated, linerboard



lumber



Coal, steel



Railroad Basics – Suitable Commodities



aggregates



plastic pellets



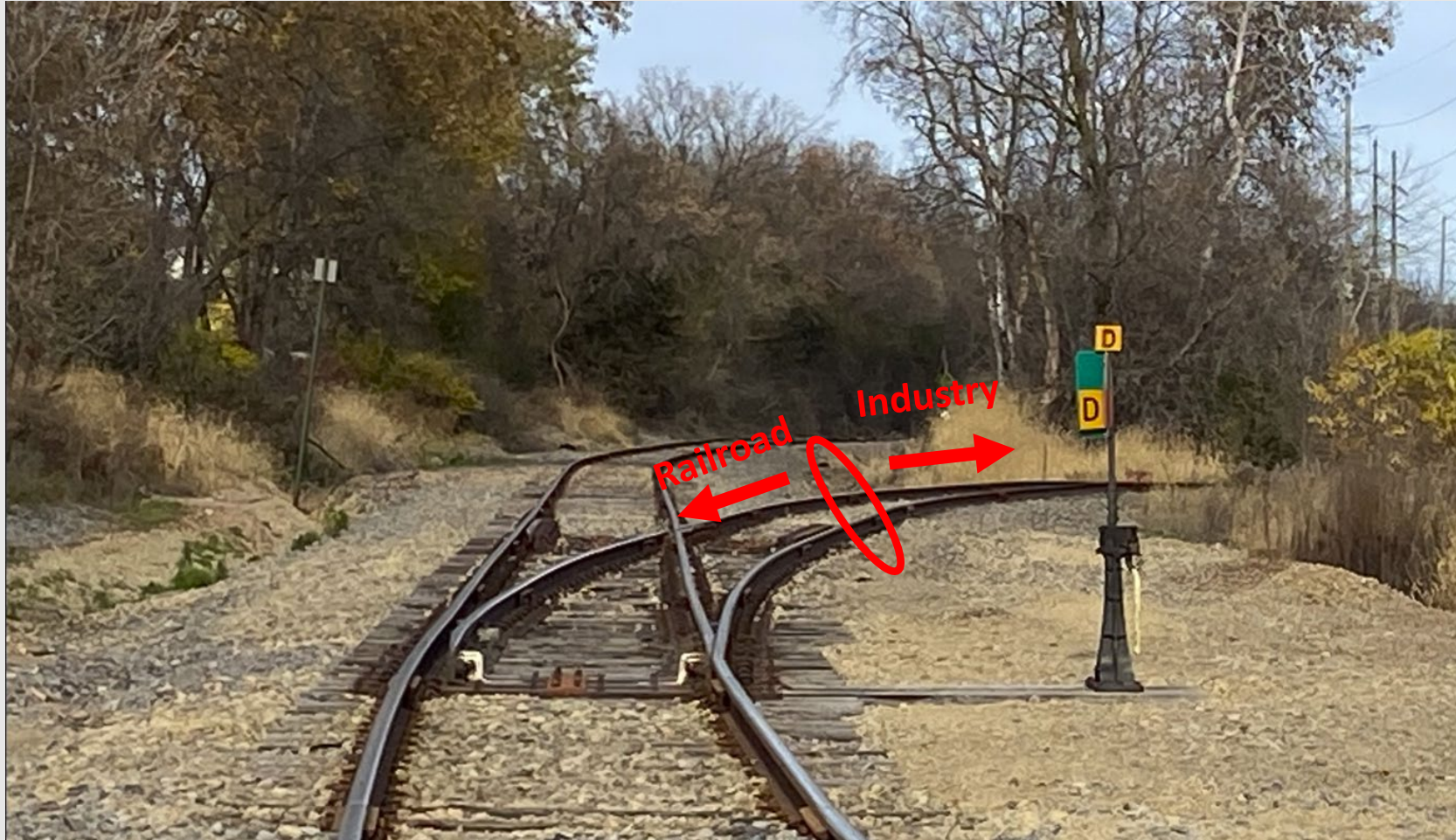
grain, fertilizer



liquids, gasses



Railroad Basics – Track



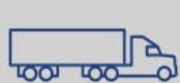
Railroad Basics – So You Want a Track?

- Select and meet with a track design firm. They will design track and work with the railroad to ensure correct. Will make a rough construction estimate. Proceed?
- Select a track construction firm. Get firmer estimate. Proceed?
- Discuss main line switch with railroad. Provide payment. Railroad will install.
- Execute an ITA (Industry Track Agreement) with the railroad.
- Look into funding sources. (Federal, state). Maybe engage a grant writer.

**TALK TO THE
RAILROAD !!!**

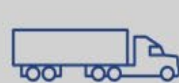


**TALK TO THE
RAILROAD !!!**



Railroad Basics – Don't Want a Track But Still Want Rail ?

- Transload – through a warehouse



Railroad Basics – Don't Want a Track But Still Want Rail ?

- Transload – on a “team track” or public track



Railroad Basics – Certified Sites

The screenshot shows the CN website's business development page. The header includes the CN logo, navigation links for 'Your Industry', 'Our Services', 'Customer Centre', 'Safety', and 'Delivering Responsibly', a search bar, and a 'Login' button. The main content area features a large image of two construction workers in hard hats looking at a blueprint. The text reads: 'Growing Your Business Is Much Easier With the Right Partner. Our Certified Rail Sites are shovel ready for you to start building now!' Below this is a 'CN CERTIFIED RAIL READY SITES' logo. A secondary section asks 'Want to Expand or Build a Rail-Served Industrial Site? Talk to Our Business Development Team!' and provides a 'CONTACT OUR EXPERTS' button. The footer contains a small paragraph about the program and a 'Certified Rail Ready Sites' heading.

The screenshot shows the WEDC Certified Sites Program page. The header includes the WEDC logo and navigation links for 'Blog', 'Newsroom', 'Subscribe', and 'Contact'. The main content area features a large purple banner with the text 'Certified Sites Program'. Below this is a section titled 'HELPING CONNECT BUSINESSES WITH THE PERFECT SITE' which describes the program's goals and standards. To the right, there are two call-to-action buttons: 'AVAILABLE CERTIFIED SITES' and 'MORE INFORMATION'. The 'MORE INFORMATION' button is accompanied by a download icon and the text 'Download a program information sheet:'. Below this are two links: 'For communities' and 'For site selectors'. The footer includes the copyright notice '©2023 Wisconsin Economic Development Corporation' and social media icons.



Railroad Basics – Funding - Federal

CRISI - Consolidated Rail Infrastructure and Safety Improvements.

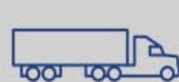
The more match money you bring, better chances are.

- For intercity passenger and freight rail
- Rail line improvement projects
- Multimodal connections involving rail and other modes
- Improve short line or regional railroad infrastructure

Eligible applicants: states, public agencies, political subdivision of a state, Class II or Class III railroad.

EDA – Economic Development Agency

- Federal grants allocated on a regional basis
- For workforce development.
- Rail per se is not an eligible applicant but rail investment is an eligible project if it delivers jobs.



Railroad Basics – Funding - State

WisDOT

FRIIP – Freight Railroad Infrastructure Improvement Program – provides up to 100% loans that:

- Build industry track
- Rail line rehab
- Trans-loading facilities

Eligible applicants: public municipality, railroad, industry, or a transit commission.

FRPP – Freight Rail Preservation Program – provides grants up to 80% of the cost to

- Acquire abandoned rail lines
- Rehab lines on publically-owned railroads

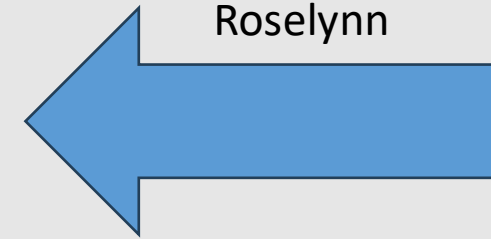
Eligible applicants: public municipality, railroad, industry.

TEA Program – Transportation Economic Assistance
Grant program

Funds transportation improvements for business

Eligible applicants: a governing body

Roselynn



Railroad Basics – Funding – Squishy

EPA – Environmental Protection Agency -

Ex: Climate Pollution Reduction Grants

Projects to reduce fossil fuel reliance – rail replacing trucks

USDA – U.S. Department of Agriculture -

Ex: Rural Development Loan and Grant Assistance program

Funds creation of quality jobs in rural areas

FEMA – Federal Emergency Management Agency –

Ex: Hazard Mitigation Assistance Grants

Projects that reduces or eliminates long-term risk from future disasters.

USDOT-RAISE – Rebuilding American Infrastructure with Sustainability and Equity.

Infrastructure projects

FRA-RCE – Railroad Crossing Elimination Grant Program

Ex: track relocation, grade separation or closure, crossing upgrades.



Fond du Lac County: Business Attraction, Expansion, and Growth

Envision Greater Fond du Lac, the combined Chamber of Commerce and Economic Development Organization, has the distinct pleasure of working with businesses throughout the county on expansion and redevelopment projects.

The Economic Development team has been busy. So far in 2023, they have worked with more than 110 small businesses and entrepreneurs, providing technical assistance. New business formations in Wisconsin, as well as Fond du Lac County, increased during the pandemic. This momentum continues and those seeking assistance from Envision is at the highest in the history of the organization.

Additionally, they have assisted numerous businesses on business intelligence projects, as well as expansion and growth plans.

Here are a few business developments happening throughout Fond du Lac County:



In 2015, Steven Knuth and Chad Kollman began the story of **TNT Fitness and Sports Performance**. This business was focused on offering professional strength and conditioning, coaching, individual attention, community connection, and a quality experience for each

member. This brick-and-mortar gym operates with several membership options. Since opening, the business has grown considerably.

In 2022, TNT embarked on an expansion project that would include a new facility on a nearly 4.5-acre parcel in Eden (Wisconsin). The new site is less than one mile away from the current gym, bringing the business more visibility due to proximity to Interstate 41.

The new gym space will allow TNT to be the anchor tenant, with the flexibility to create space for additional wellness professionals including such things as massage therapists, physical therapists, chiropractors, yoga instructors, food service options, and club sports.



FLASH is a family-owned interstate transportation company with 48-state and Canadian authority. They specialize in the transportation of dry bulk commodities. These include, but are not limited to sand, bentonite, lime, fly ash, cement, plastic, and food grade products.

Sometimes, timing is everything in economic development. This was the case for **FLASH**, a Green Lake County trucking and logistics company looking to expand their current operations in Fond du Lac County. **FLASH** approached the City of Ripon in the spring of 2022

looking for information on available land, on rail, in the Ripon Business Park. Envision Greater Fond du Lac was made aware of the outreach shortly after; oftentimes there are grants or incentives for these types of projects.

Within days of this inquiry, a call came in to Envision from the president of a company in Spokane, Washington that makes magnesium hydroxide (think of Milk of Magnesia on a really large scale). They were looking for 5,000 square feet of warehouse space, on rail, to receive product in powder form.

The two companies met and, frankly, the rest is history. **FLASH** is offering a completely turnkey operation and will have a stable end user for the foreseeable future.



The county has also seen small business growth. In the downtown Fond du Lac footprint, Hang 10 'Poke' moved to a permanent location on South Main Street, whereas Copper Cock Tavern renovated a historical building in downtown. Additionally, Fondy Axe Throwing and P.S. Beauty Lounge all opened new storefronts in the downtown Fond du Lac corridor.

The future remains bright in Fond du Lac County. Envision Greater Fond du Lac has their sights on attracting, growing, and retaining business and talent to the area. The goal is

to position Fond du Lac County as a great place to live and play, once an individual or family sees all there is to offer, career opportunities are bountiful and available in nearly every employment level and industry.

If you or your business are looking to expand, build, or relocate, Envision Greater Fond du Lac is the place to start. The Business and Industrial Parks in the Greater Fond du Lac area offer a wealth of opportunity for any business venture. From convenient highway access and amenities to workforce accessibility, our eight business parks can help your business thrive:

- Aeronautical Industrial Park (Gold Shovel Certified)
- Campbellsport Business Park (only one site available)
- Fox Ridge Business Park (ample lots available)
- Northgate Business Park (limited availability)
- Ripon Industrial & Business Park (more than 24 acres available)
- Southwest Industrial Park (robust park with two sites available)
- Waupun Industrial Park (lots and building available)
- West Industrial Park (smaller lots available)

For more information on economic development within Fond du Lac County, please contact the Envision Greater Fond du Lac team at info@envisiongreaterfdl.com or call 920.921.9500.

Railroad Basics – One City’s Story

Milton

“Transportation is the key for spurring economic development”



Railroad Basics – One City's Story



What is the TEA Program?

- Grant program is to help support new business development in Wisconsin by funding transportation improvements that are needed to secure jobs in the state
- Administered by Wisconsin Department of Transportation (WisDOT)
- Governed by state statute [s.84.185](#) and administrative code Chapter [Trans 510](#)



Who is Eligible?

- The applicant (or sponsor) must be a governing body, such as town, village, city, or county
- The funding is intended to help a business located within that governing body with transportation improvements that leads to creating and/or retaining jobs with the business
- Program funding is provided to the governing body



Eligibility Requirements

- Based on Trans 510.04 (1)
- To be eligible for TEA grant funding, you must meet these four eligibility requirements
- Program funding is provided to the governing body



TEA Eligibility Requirements

Eligibility requirement #1: The economic development project is unlikely to occur in Wisconsin unless the transportation facility improvement is built.



What is an Economic Development Project?

Economic development project is defined in s.84.185 (1) (am) as a business development that directly retains jobs or increases the number of jobs in this state.



Transportation Facility Improvements

- Roadway: Street, road, highway, intersection, interchange improvements
- Rail: Industrial lead, spur, team track or trackside intermodal transfer facility
- Harbor: Dredging, dock walls, piers, intermodal connections, lighting, etc.
- Airport: Runway, taxiway, or apron of an airport



Transportation Facility Improvements

- It can be roadway, rail, harbor or airport
- But it must be open to the public for travel and come under either the jurisdiction or ownership of a public authority
- No private roads, driveways, parking lanes, or parking lots are eligible for TEA funding
- Rail projects require the business to grant a track easement to the local government on the business land



TEA Eligibility Requirements

Eligibility requirement #2: The transportation facility improvement is not likely to occur without the grant.



A Need for TEA Funding

- The sponsor must demonstrate why it is unable to provide 100% of the funding for the project
- Approving a resolution acknowledging the need for additional funding from the TEA grant
- Agree to abide to all conditions of the grant



TEA Eligibility Requirements

Eligibility requirement #3: The business development meets the definition of an “economic development project” set forth in s.84.185 (1) (am).



What is an Economic Development Project?

Economic development project is defined in s.84.185(1)(am) as a business development that directly retains jobs or increases the number of jobs in this state.



Economic Development Requirement

- Creating new jobs: Requirement is met by creating new jobs that would otherwise not be created if your proposed improvement did not happen
- Retaining jobs: Requirement is met by retaining jobs that would otherwise be eliminated if your proposed improvement did not happen



Job Timeline

- Jobs created/retained is based on a 7-year timeline with the clock starting at the point of which the project agreement is signed
- Job creation needs to be within 3 years of *signing the project agreement*
- Another job snapshot is taken at 7 years of *signing the project agreement*



TEA Eligibility Requirements

Eligibility requirement #4: Construction of the transportation facility improvement would be scheduled to begin within 3 years of the date when a grant is awarded for the improvement.



TEA Timeline

- Construction of the transportation facility improvement would be scheduled to begin within 3 years of the date when a *grant is awarded* for the improvement
- Job creation needs to be within 3 years of *signing the project agreement*
- Another job snapshot is taken at 7 years of *signing the project agreement*



Public Ownership

- Road - completed through a right of way acquisition which can be completed through either a Transportation Project Plat (TPP), or a right-of way-plat with a relocation order.
- Rail - both the TEA Rail Agreement and the Facility Use Agreement reference the *“Railroad Spur Easement” by and between the Municipality and Industry granting the Municipality a perpetual right for construction, operation and ownership of the Project Facility on the Industry's land.*



TEA Rail Project Requirements

- TEA Rail Agreement
- Facility Use Agreement (FUA)
- Railroad Spur Easement
- Industry Track Agreement (ITA)
- Track Maintenance Agreement (TMA) (optional)



TEA Rail Agreement

- An agreement between WisDOT and governing body (applicant)
- Outlines terms and conditions, responsibility of the parties, scheduling of the transportation improvement
- Signed hard copy must be mailed to WisDOT



Facility Use Agreement

- An agreement between the governing body and the business
- Delegates governing body's responsibilities to the business (e.g., facility maintenance)
- Signed document emailed to WisDOT



Railroad Spur Easement

- The business is required to ease right-of-way to the governing body
- Establishes municipal control and ownership of the state-funded improvements
- In lieu of easement, right-of-way could be owned by governing body
- Copy of recorded easement sent to WisDOT



Industry Track Agreement

- Usually between the railroad and the business (governing body may be required to be party to the ITA)
- Establishes terms of use between the railroad and the business, including maintenance responsibilities and sharing of costs
- Protects business from track being used for something other than that business's applicable related needs
- Signed document emailed to WisDOT



Track Maintenance Agreement

- An agreement between the governing body and the business
- Not required by WisDOT, but strongly recommend
- Similar to FUA, agreement outlines business's maintenance requirements, but with more detail
- Easier to revise/update than the FUA
- If the governing body decides to have a TMA, WisDOT would like a signed copy emailed to have in the file



Funding

- The amount of funding that the community ultimately receives will be determined by comparing the following three criteria and selecting the lowest figure from among them:
 - 50% of the project's actual TEA-eligible costs
 - Total dollar amount for created and/or retained jobs based on \$5,000 per job rate multiplied by jobs created and/or retained
 - \$1,000,000



TEA Recap



Here's a story of a municipality
Who was looking to expand their industrial park
All they had was empty land and a site plan
But the future was looking somewhat stark

TEA Recap



Here's a story of a business
Who had a transportation structure need
A way to move their product was their dream
But due to lack of funding they had no lead



TEA Recap

Till the one day when the municipality learned of TEA funding
And they knew it was much more than a hunch
That they must somehow connect with this business
So they completed the TEA grant application packet bunch



TEA Recap

Now the TEA partnership is off and running
As the TEA grant has provided resources to grow
The funding helped the business expand further
And the municipality has a successful project to show



More Information

- Visit the [Transportation Economic Assistance \(TEA\)](#) website
- Contact [Roselynn Bittorf](#), TEA Program Manager with Questions
 - roselynnx.bittorf@dot.wi.gov
 - 608-267-2934
- Contact Brian Buchanan
 - brianbuchanan2032@gmail.com
 - 224-373-0622

