Washington State
Department of Transportation

Freight Rail Assistance

Call for projects - 2010

APPLICATION PACKET

Freight Rail Assistance Application Packet

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Freight Rail Assistance Application Packet

I. BACKGROUND AND OVERVIEW

Authorization

The Washington State Legislature authorized the Washington State Department of Transportation (WSDOT) to provide grants to:

- Support branch lines and light density rail lines
- Provide or improve rail access to ports
- Maintain adequate mainline capacity
- Preserve or restore rail corridors and infrastructure

State Benefits

As required by RCW 47.76, projects must be shown to maintain or improve the freight rail system in the state and benefit the state's interests. Project proposals may be submitted if they include one or more of the following benefits to the state:

- Improve freight mobility
- Increase economic development opportunities
- Increase domestic and international trade
- Preserve or add jobs
- Reduce roadway maintenance and repair costs
- Reduce traffic congestion
- Improve port access
- Enhance environmental protection
- Enhance safety
- Support economic viability of branch lines or light density lines
- Maintain adequate mainline capacity
- Preserve or restore rail corridors and infrastructure

Project examples include:

- Rehabilitate tracks, or restore tracks that were removed
- Upgrade tracks to handle heavier rail cars and/or improve system velocity
- Provide a rail connection to existing industries not currently served by rail
- Develop rail infrastructure that can be proven essential to attract new businesses
- Repair damaged rail infrastructure
- Increase rail system capacity and/or velocity in general
- Preserve a rail corridor
- Improve connections to a port or transload facilities
- Construct transload or other facilities
- Purchase or rehabilitate railroad equipment

Freight Rail Assistance Application Packet

Application Process

Please submit applications by mail or e-mail. We cannot accept applications by fax. Application packets must be post-marked no later than August 20th, 2010 E-mail submissions must be received by 11:59 p.m. on August 20th, 2010. Please send completed applications to:

Washington State Department of Transportation
State Rail and Marine Office
PO Box 47407
Olympia, WA 98504-7407
rail@wsdot.wa.gov

If you wish to use express or private-mail delivery, please send to:

Washington State Department of Transportation
State Rail & Marine Office
310 Maple Park Ave. SE, Room. 3D03
Olympia, WA 98501-2361

If you have any questions or wish discuss your project and the application process, please contact:

Kevin Jeffers - Rail Engineering Manager
360-705-7982

Andrew Wood - Deputy Director - Delivery
360-705-7938

WSDOT will review the applications and submit a prioritized list of project proposals to the Governor's Office of Financial Management by November 1, 2010. The legislature will consider the submitted projects during the 2011 session.

The following criteria will be used to evaluate and prioritize proposals:

25 points	Economic development benefits (Cost/Benefit Analysis will be performed by WSDOT) State of Washington Commerce Department will assist WSDOT in the awarding of marks in this section.
15 points	Viability of proposal: financial sustainability
10 points	Financial and/or in-kind participation by local agency, railroad, private companies and other funding sources
10 points	Safety improvements and/or urgent needs
10 points	Preservation of rail corridor
10 points	Geographic balance
05 points	Reduction of delay on statewide railroad system
05 points	Reduction in Greenhouse gasses (RCW 70.235.070)
05 points	Reduced impacts on roads
05 points	Environmental benefits.

Frequently Asked Questions

Is this program open to applicants from the private sector?

Yes. The funds for this program allow them to be used for projects in both the public and private sector.

How much money is available?

We anticipate that the Washington State Legislature will allocate $2.75 million for freight rail assistance projects in 2011–2013. The legislature will determine how those funds will be spent based upon the applications submitted through WSDOT. It may choose to increase or decrease the funding that will actually be made available for the 2011-2013 Biennium.

Who makes the decision about what projects are funded?

WSDOT will prioritize the applications using criteria developed by the Department, and send a prioritized list of projects to the Governor's office for determination about which projects to submit to the legislature. The legislature will consider the project recommendations and decide which projects to fund in the upcoming budget. When the budget is passed, the bill is subject to the Governor's acceptance or veto.

What does WSDOT staff do with the applications?

WSDOT staff will review the applications to determine whether they meet the requirements of RCW 47.76, and rate them against the application criteria. Staff may ask the applicant for more information, and may contact shippers, the railroad involved, and others to secure additional information or to verify information already gathered. Staff may visit the project site to verify information or develop further information.

Can I protect confidential information?

All successful applications are subject to public records disclosure laws for the state of Washington. If any information contained in the application is confidential and/or proprietary, please identify those components clearly. Please note that specific information may be marked as proprietary; it is not acceptable to mark the whole application. The state of Washington will protect information to the extent allowable by law. If there is a public records request, the Office of Freight Strategy and Policy will notify the applicant that such information will be released on a specified date. If the applicant wants to keep the information confidential, it is the applicant's responsibility to obtain a court injunction within 10 days of the notice to protect proprietary data. If the applicant fails to obtain the court order prohibiting disclosure, the Freight Systems Division will release the requested information on the date specified.

What is the "benefit to cost" requirement?

There is a statutory requirement that all freight rail assistance projects must deliver more benefits than cost. WSDOT staff will evaluate the economic benefits, project viability, safety, roadway preservation, rail system improvements, and environmental benefits of proposed projects, and provide that information along with cost information to the Governor's office and the legislature. WSDOT will perform a cost/benefit calculation for each application based on the responses to the requested information in this packet.

What is rail banking?

Rail banking is a separate term and is not to be confused with the Freight Rail Investment Bank Program. Washington State may have an interest in retaining rail lines at risk of abandonment, if they may become economically viable at a future date. If it appears that a line could become economically viable within ten years, the line may be rail banked or purchased by the state to prevent its loss as a rail corridor. A rail banked line may be used as a trail on a temporary basis. Maintenance or other changes on a rail banked line used as a trail must preserve the ability to use the line as a railroad in the future.

What is the difference between this program and the Freight Rail Investment Bank Program?

The Freight Rail Assistance program is directed toward larger projects, ones where it is difficult to gain a contribution and where the rail location or the project concerned is of strategic importance to the state as well as the local community. The Freight Rail Investment Bank program is a loan program, intended for either smaller projects or as a small part of a larger project where state funds would enable the project to be completed. The Freight Rail Investment Bank is only available to the public sector.

III. Application

WSDOT will use the information provided in the application to evaluate and prioritize the project proposal. Please answer each item that applies to your project as thoroughly as possible.

1. Contact Information

Please include:

- Contact name and title
- Organization name
- Address
- Phone and fax numbers
- E-mail address
- List all organizations and companies that are involved in planning, funding, and/or providing in-kind support, or railroad operation service for the proposal and provide contact information for each one.

2. Project Description

Please provide an overview of the project in two to three paragraphs, including:

- Existing conditions
- What you are proposing to do
- Where the project is located
- Which railroad(s) will serve the project's customers
- The intended outcome

Attachments required with application:

- Detailed vicinity map clearly showing site plan and project limits.
- Letter of support from railroad.
- Provide photographs of the site of the project that identify specific landmarks, points on track, buildings, and/or shipping areas.

3. Project schedule

Please provide actual or target completion date for each milestone: (Remember funds are not available until July 1, 2011.)

Project Milestone	Month/Year
Complete project definition	
Begin preliminary engineering	
Complete environmental documentation	
Complete right of way certification (may include acquisition)	
Start construction	
Construction compete and project functionally operational	

4. Project cost

Provide an estimate of projects costs.

	Design Engineering	Right of Way	Construction Engineering	Construction Other	Construction Contract	Total
Estimated Project Cost						
Committed Local Funds						
Additional Local Funds Requested						
Other Committed Funds						
WSDOT Funds Requested						

Attachment required with application:

- Estimate of project cost, reviewed and signed by an engineer licensed in the state of Washington.

5. Proposed funding

Indicate funds for the project that are coming from various sources, and indicate if the funds are cash payments or benefits in kind.

Funding Source	Public or Private	Cash or In-Kind	Amount
Local - Port District			
Local - Other			
Railroad			
WSDOT	**Public**		
Federal Funds	**Public**		
Other			
Total			

Attachment required with application:

- Funding commitment letters from all funding partners.

6. Yearly maintenance costs

Provide the estimated annual costs for project maintenance starting in the year the costs will be realized. Please indicate if your project reduces maintenance costs for an existing railroad asset. Maintenance costs may include but are not limited to vegetation clearing, ballast renewal, and tie replacement.

7. Reduced road impacts and shipper benefits

Provide specific information and supporting documentation for freight that will be shipped by rail as a direct result of project development – before and after project completion.

Truck information

- Cost per mile of shipping freight from origin to destination. Provide information source.
- Origin and destination of truck trip
- Route of truck trip (names and mileposts)
- Actual highway mileage-one way from origin to destination
- Type of truck trailer (dry van, dump, flatbed with sides, tanker, container, auto hauler)
- Gross declared weight in pounds (10,001 to 26,000; 26,001 to 78,000; 78,001 to 80,000; 80,001 to 104,000; 104,001 to 105,500)
- Tonnage per truck excluding tare weight
- Total truck trips by year from 2005 through 2009
- Estimated number of truck trips per year (2011 through 2020) –With project development and without project
- Commodity Shipped (e.g. grain, steel, lumber)

Rail information

- Cost per mile of shipping freight from origin to destination. Provide information source.
- Origin and destination of train trip
- Route of train (names and mileposts)
- Actual rail mileage-one way from origin to destination
- Type of rail car (Double-stack, covered hopper, box car, gondola, tank car, TOFC or auto rack)
- Number of rail cars shipping annually on project-impacted segment of rail line from 2005-2009
- Estimated number of rail cars by year (2011 through 2020) –With project development and without project
- Average number of cars per train
- Tonnage per car excluding tare weight
- Commodity shipped (e.g. grain, steel, lumber)
- List of current shippers in 2009
- List of future shippers and annual number of rail cars
- Complete rail shipper contact information (contact person's name, title, company name, email address and phone number for each current and prospective shipper)
- Improvements in reliability of service
- Improvement in rail access

8. Safety improvements

Describe existing hazard(s) within the project limits and how the proposed project improves safety:

- Specific information on property damage that may be reduced or eliminated.
- Specific information on injury accidents that may be reduced or eliminated.

9. Urgent need

- Explain any special issues that create an urgent need. Examples of urgent projects might include:
    - Repairs to a tunnel wall that has started to bulge
    - Provision of a temporary trestle while a bridge is repaired

An urgent need can also be created by special factors that would greatly increase the cost of the project if delayed two years or more. Routine inflation is not considered. Examples of special factors include:

- If a bridge is not repaired, it may become unusable within the two-year period and have to be entirely replaced.
- A rail line needs to be built in conjunction with a road or other construction project. Without coordinated construction, the rail project will be dramatically more expensive in the future.

10. Tax from Industrial Development

Property taxes generated from new industrial development. Provide the following information and supporting documentation:

- Type of industrial development
- Assessed value of the industrial development

11. Reducing system-wide rail delays

Please explain how the proposal will eliminate or reduce overall rail system delays. Examples of delay reduction:

- Realignment of rail track to increase speeds on the main line or at junctions.
- Provision of a longer run-around loop to avoid a train having to be split to be run-around.
- Lengthen sidings to enable a facility to receive longer trains and avoid the end of the train standing foul of the main line until removed by a switching locomotive.

12. Preservation of rail line

- Explain how your project proposal will preserve service on the line if the rail line is at-risk of immediate abandonment.
- Will the proposed project restore service on an inactive rail line?

13. Environmental impacts

Explain the environmental benefits and impacts that will result from the project, specifically:

- The estimated annual truck trips reduced by using rail as a direct result of the project.

Remember that most rail projects have environmental impacts and will require a degree of environmental work. Answer the following questions as part of your applications:

- Are there wetlands or streams on or near your project site? If yes, how close is your project site to those wetlands or streams?
- Has your project site been evaluated for archaeological or historic resources? If yes, please submit the cultural resources report.
- What animals, birds, and plants are present on your project site (those species that would be considered endangered, threatened, or monitored by state or federal agencies)?
- Have you completed the State Environmental Policy Act (SEPA) process? If yes, please submit a copy of the documentation.
- What federal, state, and local permits will be needed for your project?

14. Geographic balance and support for regional economies

Is the project in a county listed as economically distressed by the Washington State Department of Employment Security If the project is not in one of the listed counties, but the rail line on which the project is located runs through one of them, detail any positive economic benefits that would accrue to the distressed county.

Please refer to the following web address for a list of distressed counties:
http://www.workforceexplorer.com/article.asp?articleId=9625&PAGEID=&SUBID=

15. Economic Development Benefits

State the number of permanent, full-time direct jobs created and/or retained as a result of the economic activity being supported by this project. Direct jobs refer to new jobs in companies, developments, or sites specifically resulting from the Rail project. Do not include temporary jobs created in project construction or indirect "multiplier" jobs. Retained jobs do **not** include existing jobs unless there is an immediate threat the company or development will relocate outside of the State of Washington and documentation is provided.

- Number of full time direct jobs created
- Number of full time jobs retained
- Hourly wage for all new jobs
- Hourly wage for all retained jobs
- What is the current payroll of jobs that will be preserved by completing this project? What is the projected payroll of jobs that would be created, both on the railroad and in the industries it would serve?
- For each group of jobs that will be sustained or created, please provide the name of a contact person, the company's name, and a phone number; see shippers list.

Shipper savings
If this project is constructed please explain the impacts on rail-dependant shippers, existing and potential. How much would shippers save in freight charges, if any? Explain the current method of shipping, how that would change, and what the rates are for the current and prospective methods.

16. Value to the community

- How will the project benefit the community? This may be the state, the local community or the system-wide freight network.
- Provide a dollar valuation for each of these communities and how the value was arrived at. If one or more of these communities is not impacted, then specifically say so in your packet application.
- The sort of things that you will need to take into consideration will be the impact on any job retention or creation. Include any delays that are minimized by the project. Show too, the value to the freight system. Does the project mean that congestion at this or another location is reduced?
- Will the project result in a reduction of vehicle miles travelled or reduce in some other way as set out in RCW 70.235.070?

17. Project Business Plan

Management profile
Provide a profile of management experience and results, education and training, for rail operators (and port or regional entity project managers, if applicable.) What project management qualifications does the project manager have? (e.g. PMP)

Marketing plan

- What new and/or extended freight services will the rail operator, port or local government provide as a result of this plan?
- Where and when will the service be offered?
- Provide a profile of types of customers that will find value in the new/extended services.
- What additional value will customers derive from this plan?
- What will differentiate this freight service from regional competition? Include an analysis of substitute competition such as truck and barge.
- Profile current and future demand in rail-dependent sector served in market area (grain, industrial, intermodal, timber/wood products, etc.).
- Provide action plan to reach rail carload sales projections.
- Provide action plan to check results quarterly and adjust marketing plan to actuals.

Operations plan
Provide operations plan for rail services to be provided upon completion of proposed project, including:

- Service schedule: operational hours. What services will be provided?
- Service outline/interchange plan between shortline and mainline railroad
- Switching operations plan, if applicable
- Key personnel contacts; emergency contacts
- Action plan indicating suggested service metrics and how the company will report actual performance against service metrics
- Personnel, training and certification plan
- Safety plan
- Track structure maintenance plan

Financial plan
Attachments required with application:

- Income statements, cash flow statements and balance sheets for years 2007 – 2009.
- Proformas for 2011, 2012, and 2013 assuming that the project is funded.

18. Additional Comments

Please provided any other information or reasoning that you would like to be considered in support of your project.

Check List of Required Attachments:

- ✓ Detailed project vicinity map clearly showing site plan and project limits.
- ✓ Letter of support from railroad.
- ✓ Estimate of project cost, reviewed and signed by an engineer licensed in the state of Washington.
- ✓ Funding commitment letters from all funding partners.
- ✓ A business plan for the project.
- ✓ Answers to each specific question outlined in the application. Especially note the requirements of the environmental questions as outlined in #13 above.

Help with your application

WSDOT will be running a series of workshops to help potential applicants with their paperwork. We will give examples of completed applications and cost benefit models. We will also be available to answer any questions that you may have. Workshops last a maximum of two hours. Space is limited and workshops may be canceled if there are no reservations. To attend one of the above workshops, please make your reservation by sending an email to rail@wsdot.wa.gov or calling 360-705-7900, stating which workshop you wish to attend and how many people will be in your party.

Location Address	Date	Time
WSDOT Olympic Region Lakewood Maintenance Facility 11211 41st Avenue SW Tacoma, WA 98499	**Friday June 18, 2010**	**2:00 p.m.**
WSDOT SW Region HQ Conference Room 309 11018 NE 51st Circle Vancouver, WA 98682-6686	**Tuesday June 22, 2010**	**8:00 a.m.**
WSDOT SC Region HQ Main Level Board Room 2809 Rudkin Road Union Gap, WA 98903-1648	**Tuesday June 22, 2010**	**2:00 p.m.**
WSDOT Eastern Region HQ Lincoln County Conference Room 2714 North Mayfair Street Spokane, WA 99207-2090	**Wednesday June 23, 2010**	**8:00 a.m.**
WSDOT NC Region HQ South Conference Room 1511 North Wenatchee Avenue Wenatchee, WA 98807-0098	**Wednesday June 23, 2010**	**2:00 p.m.**
WSDOT NW Region Mount Vernon Conference Room 4100 Cedardale Road Mount Vernon, WA 98274-9599	**Thursday June 24, 2010**	**8:00 a.m.**
WSDOT NW Region Conference Room 15700 Dayton Avenue North Seattle, WA 98133-5910	**Thursday June 24, 2010**	**2:00 p.m.**