



## **2017-2019 Freight Rail Assistance Program/Freight Rail Investment Bank Project Lists**

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### **Introduction**

The Washington State Legislature authorized the Washington State Department of Transportation (WSDOT), under ESHB 2524, Section 310 (2) and (6), to issue a “Call for Projects” for both the Freight Rail Investment Bank (loan program) and the Freight Rail Assistance Program (grant program). The loan program is available for publicly owned railroads, port districts, rail districts and local governments. The grant program is available to those in the private sector. This is the fourth biennium the grant program was open to the private sector.

WSDOT issued a ‘Call for Projects’ on June 6, 2016, based on legislative priorities defined in RCW 47.76.240. Proposal submittals were due back to WSDOT on July 15, 2016. WSDOT received 18 grant applications (one applicant submitted two applications) requesting over \$14 million in funding for 2017-2019. All but two applications were from the private sector.

WSDOT did not receive any applications for the \$5,000,000 available in the loan program. On Sept. 6, 2016, WSDOT issued a second ‘Call for Projects’ specific for the loan program with proposals due back by Sept. 20, 2016. WSDOT received one application for all the funding available under the loan program.

WSDOT is required to submit a prioritized list of recommended projects to the Office of Financial Management and the Transportation Committees of the Legislature by November 15, 2016. The recommended projects were ranked by a review team consisting of participants from the Freight Mobility Strategic Investment Board, the Washington Department of Commerce, the Washington Public Ports Association, Puget Sound Regional Council, BNSF and WSDOT’s Rail, Freight, and Ports Division. The review panel used the benefit/cost element of the “Freight Rail Project Priorities” report submitted to the Legislature on Sept. 1, 2008, as well as past practices as specified in section 309, chapter 367, Laws of 2011 and scores taken from a scoring matrix sent out in the application packages in evaluating each proposal. WSDOT’s Rail, Freight, and Ports Division verified the benefit/cost analysis supplied to them by the applicants and then totaled the scoring done on each of the application packages. The remainder of the review team used their experience and professional judgment to assist in ranking each project.

The review team is not able to recommend fully funding two of the proposals. This is due to the amount of money requested as compared to the amount of funding available as well as how the proposals ranked. The review team is not able to recommend funding five of the projects. This



is due to the application score and its associated benefit/cost analysis. The projects not recommended for funding do not qualify for State Rail Investment Bank since they involve the private sector. WSDOT received one proposal that was missing information so benefit/cost analysis and application scoring could not be performed. This project is not recommended for funding.

## Prioritized Project Lists:

### Loan Program Master List

Name of Applicant	Ranking	Amount
Port of Everett	1	\$5,000,000
<b>Total</b>		<b>\$5,000,000</b>

### Grant Program Master List

Name of Applicant	Ranking	Amount
Clark County Chelatchie Prairie RR	1	\$400,000
Tidewater	2	\$1,611,657
Yakima Central Railway	3	\$405,000
Washington And Idaho Railway	4	\$698,800
Port of Pend Oreille	5	\$571,725
Columbia Basin Railroad	6	\$600,000
Central Washington Railroad – Gibbon to Sunnyside – Sunnyside to Granger	7	\$700,000*
Puget Sound and Pacific Railroad	8	\$338,628
Kennewick Terminal	9	\$304,740
Kettle Falls International Railway	10	\$1,000,000*
Eastern Washington Gateway Railway	11	\$409,450*
William Group	12	\$0 (A)
Columbia and Walla Walla Railway	13	\$0 (A)
Palouse River & Coulee City Railway	14	\$0 (A)
Tri City Railroad/Northern Pacific	15	\$0 (A)
Alta Forest Products	16	\$0 (A)
WSAEWC	17	\$0 (B)
<b>Total</b>		<b>\$7,040,000</b>

\* These projects are recommended for funding for less than the requested amount; applicants have confirmed that the project can be completed with this level of support.

Note A – These projects did not rank high enough to receive grant funding and are not qualified for a loan under the Freight Rail Investment Bank guidelines. The loan program is not available to the private sector.



Note B – This project did not pass the benefit/cost requirements, and could not be scored based on inadequate data detailing benefits or project scope, schedule and budget. This project is not recommended.

## Port of Everett – South Terminal Modernization Project II

Ranking: 1

### Project Description

This project proposes to strengthen a wharf to provide Roll-on/Roll-off cargo berthing while constructing additional rail sidings to increase on-terminal storage capacity.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Local funds	Public	Cash	\$28,300,000	64%
Dept. of Commerce	Public	Cash	\$970,000	2%
Federal (TIGER)	Public	Cash	\$10,000,000	23%
WSDOT - Loan	Public	Cash	\$5,000,000	11%
<b>Total</b>			<b>\$44,270,000</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The scope of this project has been reviewed and funding the project is recommended.
- The review team is recommending fully funding for the project.



## Clark County – Chelatchie Prairie Railroad Improvement

Ranking: 1

### Project Description

This project proposes to replace the 100-year old 85 pound rail with 115 pound rail to support modern rail loads and accommodate 286,000 pound carloads commonly used by other railroads.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Local funds	Public	Cash	\$100,000	20%
WSDOT - Grant	Public	Cash	\$400,000	80%
<b>Total</b>			<b>\$500,000</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit/cost ratio is in excess of 1 for this project.
- The rehabilitation of the Chelatchie Prairie Railroad is needed to maintain the active freight rail interchange with BNSF, access to nearby international ports of entry and support customers who currently utilize rail freight transportation service.
- The project will support an increase in train operation safety.



## Tidewater-Improve and Expansion existing siding

Ranking: 2

### Project Description

This project proposes to improve 2,200 feet of existing siding leased from Washington State Parks and Recreation and add 4,800 feet to the existing siding. This project will allow Tidewater to receive and work two unit trains of ethanol at its terminal simultaneously and provide more track space for railcar storage.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$437,451	20%
WSDOT - Grant	Public	Cash	\$1,611,657	74%
Unfunded			\$138,147	6%
<b>Total</b>			<b>\$2,187,255</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- This project will allow greater capacity to direct ethanol unit trains from Midwest US to rail-water route for local distributions, such as Tri-Cities, Spokane and Portland.
- This project will provide a multimodal connection by using rail to river barge, to reach terminals and other destinations in the region.
- After evaluating the project scope, the review team is recommending funding for this project in the amount of \$1,611,657.

## **Yakima Central Railway – Install new Siding, Tamp, and surface new turnouts.**

Ranking: 3

### **Project Description**

This project proposes to install a new 1,400 feet siding that will fully accommodate the weekly interchange of rail cars to and from the Yakima Central.

### **Funding**

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$45,000	10%
WSDOT - Grant	Public	Cash	\$405,000	90%
<b>Total</b>			<b>\$450,000</b>	<b>100%</b>

### **Summary of Analysis and Recommendation:**

- The benefit cost ratio is in excess of 1 for this project.
- The facility upgrades existing rail infrastructure to be able to handle more unit train shipments.
- This project will allow the railroad to accept its entire weekly interchange of inbound empties and deliver its entire load of outbound loads in one train.
- This project will help existing customers with added capacity and bring a new customer on the line.

## Washington and Idaho Railway – Track Rehabilitation

Ranking: 4

### Project Description

The W&I Railway proposes rehabilitation on 12 miles of track between Oakesdale to Garfield, WA on the P& L branch line. The rehabilitation will increase W&I Railway timetable speed from 10 mph to 25 mph between Oakesdale to Garfield, WA.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$174,700	20%
WSDOT - Grant	Public	Cash	\$698,800	80%
<b>Total</b>			<b>\$873,500</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- The grant would allow the Washington & Idaho Railway to safely operate on the rail line at increased speeds.
- These improvements allow the shipper to continue to use this facility to ship by rail.



## Port of Pend Oreille-Usk to Newport Track Rehabilitation

Ranking: 5

### Project Description

Port of Pend Oreille proposes to install 6,500 ties and 1,000 yards of ballast between Newport and Usk. New ties and ballast will be strategically placed in areas where track conditions are in need of updates.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Local Funds Committed	Public	Cash	\$431,735	43%
WSDOT - Grant	Public	Cash	\$571,725	57%
<b>Total</b>			<b>\$1,003,460</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- This project will allow for the safer handling of 286,000 pound carloads of newsprint being shipped out by Ponderay Newsprint as well as the carloads of hazardous materials being bought into Ponderay Newsprint by rail.
- This rehabilitation project will allow for the continued marketing of Pend Oreille County as having multi-modal transportation available. If rail service ceased use of the line, all shipments would transfer to truck or shippers would need to relocate.





## Columbia Basin Railroad –Othello Line Rehabilitation

Ranking: 6

### Project Description

This project proposes to install 9,900 ties on the Othello line that includes 13 miles of mainline from Warden Junction MP 1976 to Othello MP 1989. Yard tracks will be installed to support local industries in Othello.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$948,967	61.0%
WSDOT - Grant	Public	Cash	\$600,000	39.0%
<b>Total</b>			<b>\$1,548,967</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- Project supports goal of safe, 25 mile-per-hour operation and keep the line fit for 286,000 pound railcars in the system.
- If rail service ceased use of the line, all shipments would transfer to truck or shippers would need to relocate.



## Central Washington Railroad – Gibbon to Sunnyside, Sunnyside to Granger Track Rehabilitation

Ranking: 7

### Project Description

The Central Washington Railroad proposes to install 13,500 ties over 20.1 miles between Gibbon MP 34.3 and Sunnyside MP 63.5 to maintain and operated as Federal Rail Administration class 2 track. The Central Washington Railroad also proposes to install 9,900 ties from MP 54.4 at Sunnyside to MP 63.5 at Granger, plus 2 miles on Union Pacific track at Granger.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Railroad	Private	Cash	\$2,443,640	67.0%
WSDOT - Grant	Public	Cash	\$700,000	19.0%
Unfunded			\$500,000	14%
<b>Total</b>			<b>\$3,643,640</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- The project will make improvements on the section of the rail corridor that has the most railcars shipments.
- This project will directly support economic development that is planned in the Sunnyside, WA area.
- The railroad provides the only rail service to the south central region of the state. If rail service ceased use of the line, all shipments would transfer to truck or shippers would need to relocate.
- The scope of this project has been reviewed and partial funding of the project is recommended. The review team is recommending funding for this project in the amount of \$700,000.
- The project applicant has confirmed they will be able to complete significant portions of this project with partial funding.

## Puget Sound & Pacific Railroad-Grays Harbor At-Grade Crossings Improvement

Ranking: 8

### Project Description

This project proposes to replace three at-grade crossings completely over the Puget Sound & Pacific main line between U.S. highway 12 and the Olympic Gateway Plaza shopping center in East Aberdeen.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Railroad	Private	Cash	\$145,127	30%
WSDOT - Grant	Public	Cash	\$338,628	70%
<b>Total</b>			<b>\$483,755</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- The railroad provides the only rail service to the Port of Grays Harbor. If rail service ceased use of the line, all shipments would transfer to truck or shippers would need to relocate.
- This project makes safety improvements to three at-grade crossings and the vertical alignment of track structure with new ties and ballast.
- The project reduces operational and maintenance costs for both Puget Sound & Pacific Railroad and motorists driving over the existing at-grade crossings.

## **Kennewick Terminal LLC-Kennewick Terminal Track Rehabilitation**

Ranking: 9

### **Project Description**

This project proposes to rebuild turnouts and remove the existing substandard 1,400 feet of track, and replace them with up-to-date and sustainable track components. Train speed will increase from 5 mph to 10 mph and increase the load limited on the railcars to 286,000 pounds.

### **Funding**

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$33,680	10%
WSDOT - Grant	Public	Cash	\$304,740	90%
<b>Total</b>			<b>\$338,600</b>	<b>100%</b>

### **Summary of Analysis and Recommendation:**

- The benefit cost ratio is in excess of 1 for this project.
- This project makes safety improvements to track and update the entire branch to be capable of handling railcars weighing 286,000 pound.
- The track and turnout replacement will improve access and sustainability to customers.

## Kettle Falls International Railway, LLC – Rail Line Rehabilitation

Ranking: 10

### Project Description

The project proposes to replace approximately 22,575 cross ties, surfacing 158,928 feet of track and replacing approximately 35,000 lineal feet of rail. This project will also rehabilitate 14 mainline turnouts, replace 14 public and 20 private at-grade crossings. This project works is located between MP4.7 and MP 34 near Laurier in Ferry County.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Railroad	Private	Cash	\$3,874,308	48%
WSDOT - Grant	Public	Cash	\$1,000,000	12%
Unfunded			\$3,193,111	40%
<b>Total</b>			<b>\$8,067,419</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess 1 for this project.
- Project supports goal of safe, 25 mile-per-hour operation and keep the line fit for 286,000 pound railcars in the system.
- The railroad provides the only rail service to the north of Laurier. If rail service ceased use of the line, all shipments would transfer to truck or shippers would need to relocate.
- The scope of this project has been reviewed and partial funding of the project is recommended. The review team is recommending funding for this project in the amount of \$1,000,000.
- The project applicant has confirmed they will be able to complete significant portions of this project with partial funding.

## Eastern Washington Gateway Railroad – Hopper Railcars Purchase

Ranking: 11

### Project Description

The project proposes to purchase thirty (30), 4,750 cubic foot covered hopper grain cars to join with fleet of 35 grain cars purchased and donated by Highline Grain. These sixty-five (65) grain cars will form a dedicated and reliable “scoot” train system for shippers along the Central Washington rail line.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Railroad	Private	In-Kind	\$312,000	20.4%
Highline Grain LLC	Private	In-Kind	\$400,330	26.2%
WSDOT - Grant	Public	Cash	\$409,450	26.7%
Unfunded			\$409,450	26.7%
<b>Total</b>			<b>\$1,531,230</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- Project supports the new shuttle loading facility that was built adjacent to the state owned Central Washington Rail line near Four Lakes, this new facility boosted the grains storage capacity to over 2.1 million bushels.
- Project supports “scoot” train operation, which is a smaller, more manageable set of rail cars that is used to transport grain from each of the storage facilities along the Central Washington Line to Highline Grain’s new shuttle loading facility at Four Lakes.
- The scope of this project has been reviewed and partial funding of the project is recommended. The review team is recommending funding for this project in the amount of \$409,450.

## **Williams Group Inc. – Add a new switching yard, temporary storage track and staging track.**

Ranking: 12

### **Project Description**

The project proposes to add a new switching yard, temporary storage track and staging track along with a locomotive and car repair shop located in Marshall, WA.

### **Funding**

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	In-Kind	\$2,540,708	75%
WSDOT - Grant	Public	Cash	\$0	0%
<b>Unfunded Total</b>			<b>\$846,903</b>	<b>25%</b>

### **Summary of Analysis and Recommendation:**

- The benefit cost ratio is in excess of 1 for this project.
- Project will allow Williams Group to continue to provide service to its customer base safely, successfully and in a faster fashion.
- The new switching yard will increase efficiency on the mainline.

## Columbia Walla Walla Railway – Track Rehabilitation

Ranking: 13

### Project Description

This project proposes to replace approximately 2,000 cross ties, surface, and ballast placement to meet Federal Rail Administration standard for Class II track.

### Funding

<b>Funding Source</b>	<b>Public or Private</b>	<b>Cash or In-Kind</b>	<b>Amount</b>	<b>%</b>
Railroad	Private	Cash	\$40,000	10%
WSDOT - Grant	Public	Cash	\$0	0%
<b>Unfunded Total</b>			<b>\$360,000</b>	<b>90%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- Project supports goal of safe, 25 mile-per-hour operation and keep the line fit for 286,000 pound railcars in the system.



## Palouse River & Coulee City Railroad- Track rehabilitation and Bridges Repair

Ranking: 14

### Project Description

The project proposes to repair 39 bridges and rehabilitate 2.1 miles of track on the PV Hooper subdivision of the Palouse River and Coulee City line.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Railroad	Private	Cash	\$52,300	10%
WSDOT - Grant	Public	Cash	\$0	0%
<b>Unfunded Total</b>			<b>\$427,390</b>	<b>90%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- The project will sustain continued state funding on the PCC Rail System. The project supports the goal of safe, 25 mile-per-hour operation of the system.
- Project maintains existing bridge structure. Repairing and strengthening existing bridge structures is much more cost effective than constructing new structures.



## Northern Pacific Development- Refrigerated Building Construction

Ranking: 15

### Project Description

The project proposes to construct a refrigerated building in Richland. The proposed building will include storage, multiple truck docks and three rail-loading doors in an access controlled environment. The building will serve more than 3,000 refrigerated railcars per year.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Northern Pacific Development	Private	Cash	\$1,115,768	47%
WSDOT - Grant	Public	Cash	\$0	0%
<b>Unfunded Total</b>			<b>\$1,277,322</b>	<b>53%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- The project self-service concept provides loading flexibility for shippers.
- The project will help to make rail a more viable option and allow growers in the state to be more competitive within the commodity market.

## Alta Forest Products- Track Rehabilitation and Bridges Repairs

Ranking: 16

### Project Description

This project proposes to construct 955 linear feet of spur track to increase loading capacity at the Alta Forest Products sawmill in Shelton.

### Funding

Funding Source	Public or Private	Cash or In-Kind	Amount	%
Alta Forest Products	Private	Cash	\$0	0%
WSDOT - Grant	Public	Cash	\$0	0%
<b>Unfunded Total</b>			<b>\$456,786</b>	<b>100%</b>

### Summary of Analysis and Recommendation:

- The benefit cost ratio is in excess of 1 for this project.
- This project would change the shipping method of finished goods leaving the Shelton Mill.