



Freight Rail Assistance Application - October 2006 Rail Spur at Frederickson (Medallion)

1. Contact Information

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2. Project Description

Project is the construction of a railroad spur to Medallion Foods in Frederickson, Washington. The construction of the spur will allow direct rail service for incoming high quality flour as a raw material to Medallion's production of top end pasta products. Currently the flour is brought to a rail siding and the flour is unloaded to trucks which then move to Medallion for transfer to the storage silos. A direct rail siding would eliminate the truck transport offering Medallion a reduction in logistic expense.



3. Project Schedule

Project Milestone	Month/Year
Complete project definition	March 2007
Begin preliminary engineering	July 2007
Complete environmental documentation	NA
Complete right of way certification (may include acquisition)	NA
Start construction	November 2007
Construction compete and project functionally operational	February 2008

4. Project Cost

ITEM #	Description	Quantity	Units	@ cost	extension
1	site preparation, including excavation	900	lin feet	40 \$	\$ 36,000
2	turnouts	1	each	52,000 \$	\$ 52,000
3	track	650	feet	147 \$	\$ 95,550
4	project management/contingency @ 15%				\$ 27,533
5	sales tax @ 8.8%				\$ 16,152
				TOTAL	\$ 227,235

Engineer's Cost Estimate for
Frederickson Spur - Medallion



TACOMA RAIL
TACOMA PUBLIC UTILITIES



date: 10/10/06

This preliminary estimate is based on information available to me at the date indicated and does not reflect actual bids by prospective vendors

5. Proposed Funding

As part of the original purchase of the land from the Port of Tacoma, the Port has reserved \$75,000 for the construction of railroad access.

Funding Source	Public or Private	Cash or In-Kind	Amount
Local – Port of Tacoma	Public	Cash	\$75,000
Local - Other			
Railroad – City of Tacoma			
WSDOT	Public	Cash	102,235
Federal Funds			
Other - Medallion	Private	Cash	50,000
Total			\$227,235

6. Reduced Road Impacts

Minimal from current operations.

7. List of Shippers

Medallion/Pendelton
436 West Highway 26
Black Foot, Idaho 83221

8. Safety

Not applicable.

9. Rail Delays

Not applicable.

10. Preservation of Rail Line

Increased business will increase the long-term viability of the Tacoma Rail Mountain Division.

11. Environmental Impacts

Minor reduction in truck traffic.

12. Geographical Balance and Support for Regional Economies

Having an active food manufacturer helps the region.

13. Project Business Plan

Management Team

Paula J. Henry is the railroad's Superintendent / Chief Operating Officer and has worked at Tacoma Rail since 1998 – as Superintendent since December 2005 and previously as Assistant Superintendent. Prior to working at Tacoma Rail, Ms. Henry held a number of administrative, planning and project management positions within City of Tacoma government since 1985. Ms. Henry is a graduate of Western Washington University in Bellingham, Washington with a bachelor's degree in regional urban planning. She currently holds an executive seat for the Board of Directors of the American Shortline Railroad Association. Ms. Henry is a member of the National Association for Railroad Female Executives, the National Association for Female Executives, Bates Technical College Foundation Board of Directors, and the World Trade Center. She has been a certified and licensed locomotive engineer.

Dan Burns is Assistant Superintendent and heads the Network Operations for all three Tacoma Rail divisions. He joined Tacoma Rail in early 2006 following 30 years of varied experience on the Milwaukee and the Burlington Northern Santa Fe class I mainline railroads. His railroad assignments have spanned the western United States in such varied positions as Region Service Performance Manager, Director of Administration, Manager Dispatcher Performance and various operating department positions. Most recently he spent 5 years as the Terminal Manager in Tacoma for the BNSF. He has been a certified and licensed locomotive engineer.

Alan Hardy is the railroad's Roadmaster and Mechanical Department Manager (Section Manager, Mechanical and Construction) and has worked for Tacoma Rail since August of 2004. Before coming to Tacoma Rail, Mr. Hardy worked 9 years for the nation's largest and the world's 2nd largest railroad track equipment manufacturer and contract services company as supervisor and manager assigned to the Union Pacific and Burlington Northern Santa Fe railroads in large scale construction and maintenance contracts. Before that he worked for a very successful short line railroad owned by and serving a Fortune 500 paper company in Northwest Florida. He held the positions of Signal Maintainer, Assistant Roadmaster and Roadmaster during his 21 year career there. Mr. Hardy graduated from Wallace Community College in Dothan, Alabama with a two year technical degree in electronics. Mr. Hardy has completed a variety of railroad related courses and seminars and has been a member of the American Railway Engineering and Maintenance-of-Way Association since 1982.

Business Approach

Our strategic mission at Tacoma Rail is to deliver the best rail service possible by providing a switching operation that is safe, cost competitive, reliable and efficient.

The Mountain Division of Tacoma Rail serves the Pierce County industrial area around Frederickson (see next page). The proposed construction is in the Mountain Division right-of-way and will be owned by the City of Tacoma. Revenue for Tacoma Rail will come from the Handling Carrier agreements with the Union Pacific and Burlington Northern Santa Fe railroads. Revenue is anticipated to be approximately \$375 per incoming railcar.

Financials – see separate submittal; income statements, cash flow statements and balance sheets for 2003, 2004, 2005.

Proformas – no change in Tacoma Rail revenues or expenses

14. Economic Development Benefits

Increases the efficiency of an existing industry.

15. Additional Comments

None