



Economic Development Committee Feature:

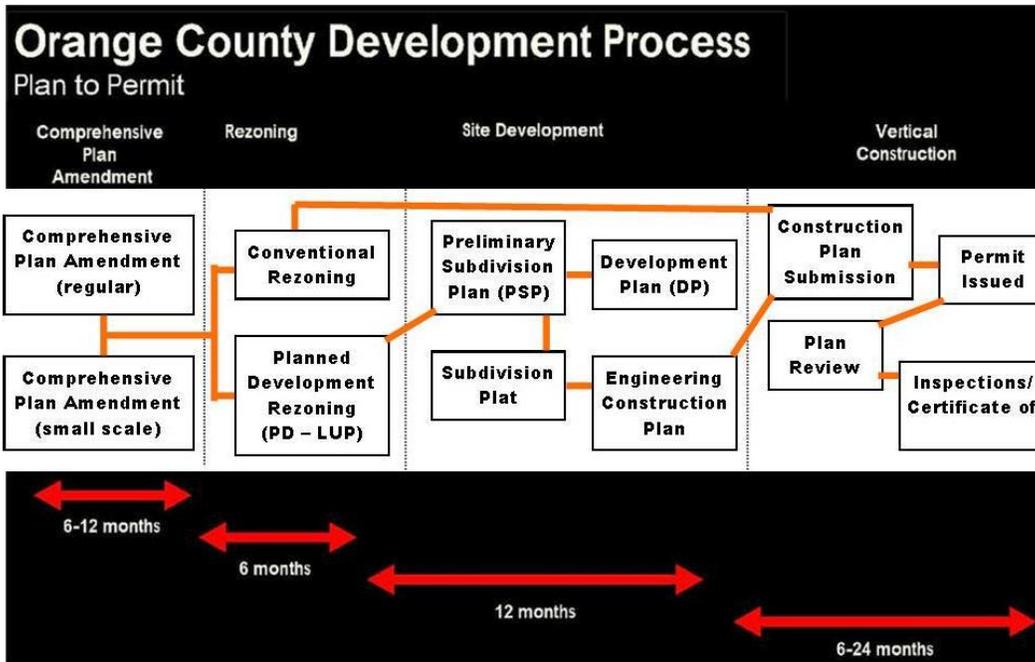
Economic and Industrial Development Along the Railroad

Economic and industrial development of rail-served businesses is a process. The process begins with learning what a business's requirements are. The company will have a business plan to implement and will typically have a near-term need for a site. Generally the first choice is an existing facility, but sometimes there is nothing available that meets their requirements. After exhausting the inventory of existing structures, developers will settle on a build-to-suit option.

The next step for a business is choosing among multiple sites in various states of readiness. The potential property sites need to be screened to determine if they are marketable and able to close. Issues to consider when evaluating the readiness of a site include: existing infrastructure and road and rail access, storm water management, zoning, utilities availability and capacity, plats, and engineering requirements.

In general, developing land costs money and takes a fair amount of time. A property owner needs to understand that the further along they are on this timeline the more likely their property will be presented to a prospect. A site which has most of these issues completed (shovel ready) is most desirable.

With property owners, real estate agents and sometimes governmental agencies enthusiastically supporting their local offerings, a business can have a very difficult time determining whether a given site is suitable for their needs. Properties need to be screened against a variety of criteria. You can use the image below provided by Orange County in Florida or something similar to help determine where a piece of property is in the development process.



To encourage rail-oriented industrial development, CSX has created the "[Select Site](#)" program which certifies rail-served sites for industrial development and expansion. The properties must meet rigorous criteria in order to increase development certainty, and reduce time and costs. The Select Site certification criteria include size, access to rail services, proximity to highways, workforce availability, natural gas, electricity, water, and wastewater, environmental and geo-technical standards. 13 sites are currently in the program across the entire CSX network.

Developers have found the end result of the program is less time spent on site selection, and the communities around these sites have been eager to gain the associated job creation and tax benefits that come with industrial development.

In 2013, CSX worked with customers to develop 121 new or expanded facilities along its network or on connecting short lines. The projects represented \$3 billion in customer investments and more than 1,600 new jobs, and potentially will generate 151,000 carloads annually. In the past five years, CSX customers invested more than \$14 billion in rail-served facilities, generating more than 14,000 jobs at industrial plants, distribution centers, and other facilities.

Similarly, Norfolk Southern participated in the location of 67 new industries and the expansion of 25 existing industries along its rail lines in 2013. New plants and expansions representing an investment of \$2.3 billion by Norfolk Southern customers are expected to create more than 3,100 new jobs in the railroad's territory, eventually generating more than 136,000 carloads of new rail traffic annually.

Norfolk Southern assisted state and local government and economic development officials throughout 14 states in helping customers identify ideal locations for new and expanded facilities. Norfolk Southern

assisted in the location or expansion of 11 energy-related facilities across their service area. Crude oil transportation and support for natural gas exploration and production accounted for the majority of energy projects, providing 65% of the new rail traffic reported.

Norfolk Southern works with state and local economic development authorities on projects involving site location and development of infrastructure to connect customers to its rail system and provides free and confidential plant location services, including industrial park planning, site layout, track design, and supply chain management. During the past 10 years, Norfolk Southern's Industrial Development Department has participated in the location or expansion of 1,024 facilities, representing an investment of \$29 billion and creating more than 44,000 customer jobs in the territory served by the railroad.

Working closely with property owners, site selection companies, real estate agents, and governmental entities, Class I and Short Line Railroads across the country are well-positioned to continue to create economic opportunities and industrial development in 2014 and beyond.