



RAILROAD ADVISORY BOARD MEETING MINUTES
Thursday, August 15, 2019

The Rochelle Railroad Advisory Board met on May 30, 2019 in the Lower Level Conference Center at City Hall, 420 North 6th Street, Rochelle, Illinois 61068.

- I. **Call to order** by Jason Anderson at 12:04 pm.
- II. **Roll Call. *Members Present:*** Dale Meyers, Randy Wakenight and Bob Wingate.

Others Present: Jason Anderson and Mayor John Bearrows.

Absent: Steve Truckenbrod and Ken Wise.
- III. **Minutes.** ***"A motion by Mr. Meyers was made and seconded by Mr. Wakenight to approve the minutes from May 30, 2019."*** Motion passed by unanimous voice vote.
- IV. **Public Commentary.** None
- V. **Rail Revenue Report.** Jason Anderson shared the quarterly revenue report provided by the Burlington Junction Railway (BJRY), responsible for all administrative functions of the City Industrial Railroad (CIR). Budget is trending near proposed numbers. Revenues through July 2019 were: City of Rochelle - \$931,448.25; BJRY - \$1,351,619.25 and CHS - \$10,000 (storage).

Bob Wingate comments that revenues are starting to recover because of the increase in sand volumes until winter. The number of Americold rail cars stored on the CIR have increased. Daily maintenance and fuel checks required by BJRY on cars in extended storage. The Coated Sand Solutions facility in Utica, Illinois has been sub-leased to CIG Logistics. During the shutdown, management is running the plant 24/7.
- VI. **Old Business**
 - A. **City of Rochelle Railroad (CIR) Expansion Updates**
 1. **Rail Construction** – Bridge soils had to be stabilized south of the rail bridge as weather permitted. Construction of bridge and transload yard complete. Track

still needs to be laid and excavation done to the south beyond the box culvert. Significant grading is necessary to raise the rail bed 12'-14'. Borrowed soil areas will hold stormwater detention.

2. **Hub City Transloading Center** – Grand Opening scheduled for September 13, 2019 at 10am onsite. All are optimistic that the Center will begin to generate revenue. The transloading of sand for Manly Brothers previously performed at Wausau Lumber will now be done at the new Center. BJRY will continue to recruit customers and create marketing materials.

Bob Wingate reported there are prospects considering the use of the Transload Center including plastics, clay and rebar companies. The cost to transload varies depending upon products (average \$75 per railcar), equipment, ramps, storage and switching. The BJRY handles 5,000-6,000 cars each year at their other locations. Company has extensive experience with military and Illinois/Iowa National Guard transloads and employs several veterans capable of understanding how to handle the equipment.

3. **Purchase of Additional Rail Right-of-Way and Land Options** – GREDCO purchased 22 acres of right-of-way (ROW) from Soy Capital and Farm Manager for the Hayes Trust. Sale Agreement sent to City Manager Fiegenschuh for City Council approval. Current option at \$15,000 per acre through December 31, 2019. It is hopeful that rail revenues can support the purchase of land to expand operations or be used as a grant match. Fehr-Graham Engineering & Environmental has been hired (\$35,000) to perform soil, topography, wetland delineation, and archeological study. Site will be market-ready with utilities and rail service. As the Transload Center grows, a proposal will be made to extend rail to the bridge to lengthen the project site.
4. **City Industrial Rail (CIR) Intermodal Services** – The Burlington Northern Santa Fe Railroad (BNSF) has expressed interest in new intermodal service from Rochelle. CHS in talks with the mainline rail design engineers about services at their campus. BJRY is modeling the project for switching and storage to diversify and grow. CHS would be required to upgrade their site. The mix of export (40') and domestic (53') container sizes needs to be considered.
5. **Burlington Northern Santa Fe (BNSF) Interchange** – It has not been determined if the BNSF would fund the cost of a switch that would remediate train congestion at Caron Road. Should the BNSF agree, the City would be responsible to extend rail to connect. A minimum of 15 months would be needed to design a switch.
6. **Illinois Commerce Commission (ICC) Order** – The ICC Order is still in review. City awaits a draft on the signalization/safety issues at Steam Plant Road.

- B. **Class I Interactions** – Occasional meetings with representatives from the BNSF.

- C. **Burlington Junction Railway (BJRY) Update** – Intermodal service could begin as early as 2020 as track extends to the east.
- VI. **New Business** – None.
- VII. **Next Meeting** – November 21, 2019
- VIII. **Adjournment** – *“A motion by Mr. Wakenight was made and seconded by Mr. Meyers to adjourn.”* Motion passed by unanimous voice vote.

Respectfully submitted by,
Peggy Friday