



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

GLORIA J. JEFF
DIRECTOR

July 1, 2005

Mr. Tom Norton, Chair
AASHTO Special Committee on Intermodal
Transportation and Economic Expansion
American Association of State Highway and Transportation Officials
444 N. Capitol Street, N.W., Suite 249
Washington, D.C. 20001

Dear Mr. Norton:

AASHTO Freight Transportation Achievements

I am writing in response to your letter of June 8, 2005, which announces that AASHTO is developing a program to acknowledge successful initiatives within the context of freight transportation.

I am pleased to recommend the **Luce County Industrial Park Rail Project** for your consideration. Although the Luce County Economic Development Corporation was the lead agency for this project, the Michigan Department of Transportation contributed to its success by providing funding assistance from both the Michigan Rail Loan Assistance Program and the Freight Economic Development Program. Enclosed is an information sheet that describes the project and its benefits to be realized through the creation of public-private partnerships.

Again, thank you for the opportunity to acknowledge projects that improve freight transportation. If you have questions or need more information, do not hesitate to call me or Rob Abent, Multi-Modal Transportation Services Bureau Director, at 517-335-9568.

Sincerely,

A handwritten signature in black ink, appearing to read "Gloria J. Jeff".

Gloria J. Jeff
Director

Enclosure

The **AASHTO Freight Transportation Achievements Program** is intended to acknowledge successful initiatives, spotlight best practices, and focus more attention on the importance of freight transportation. The Michigan Department of Transportation's (MDOT's) Freight Services and Safety Division would like to recommend the **Luce County Industrial Park Rail Project** for recognition through this program. This was a large project that demonstrated the benefits of public-private partnerships.

1. **The Luce County Industrial Park Rail Project** rehabilitated 1,060' of existing, but unused rail line, constructed another 2,569' of new track into the Luce County Industrial Park and constructed another 1,140' of new track into Sustainable Forest Products, Inc. (SFPI). MDOT contributed funding for the rail portion of the project through the department's Michigan Rail Loan Assistance Program (MiRLAP) and Freight Economic Development Program (FEDP). The project was initiated in 2003, and construction was completed in 2004.
2. **Funding Sources:** The total project cost was estimated at \$1,322,000.

The rail portion of the project was estimated at \$647,000. It included crossing and signal work and rehabilitation of existing track. Funding sources included:

\$198,000 from MiRLAP
\$126,000 from FEDP
\$218,000 from Luce County Economic Development Corporation (EDC) \$95,000 from the Canadian National Railroad
\$10,000 from Sustainable Forest Products

The non-rail portion of the project was estimated at \$675,000, and funding sources included:

\$250,000 from Luce County EDC
\$125,000 from Northern Casting Company
\$300,000 from Sustainable Forest Products

3. **Benefits:** Project benefits include (1) the economic benefits associated with establishing an industrial park that is served by rail and (2) enhancing the quality of life for residents in the Village of Newberry by relocating a public log loading yard in a residential neighborhood to an industrial park with rail access.

The economic benefits are just beginning to be realized. The Luce County EDC reports that it has sold eight (8) lots located on the rail spur to four (4) companies that will be shipping by rail. These companies will be creating fourteen (14) new jobs, and the Luce County EDC anticipates an additional twenty (20) jobs will eventually be created as a result of this project. This represents significant job growth for a county with a workforce of 2,650 and an unemployment rate of 6.9%¹. The project has also improved the quality of life for village residents who no longer have to endure the noise, vibration, etc. of a log loading yard in their neighborhood; and because the loggers are no longer located in the Village, they have been able to extend their hours of operation.

¹ Michigan Employment Services Agency, 2001.