

**HOLMES Kathy C**

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**From:** ODOT <notifications@cognitofrms.com>  
**Sent:** Friday, October 22, 2021 3:36 AM  
**To:** Boren John  
**Subject:** Connect Oregon 2021 Project Grant Application - Ann Crumrine

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# ODOT

## Connect Oregon 2021 Project Grant Application

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### Entry Details

APPLICATION ID	Region 4 Rail, Short Line
ENTITY/ORGANIZATION/COMPANY NAME	Lake County
ADDRESS	513 Center Street, Lakeview, Oregon 97630
WEBSITE ADDRESS	<a href="http://www.lakecountyor.org">http://www.lakecountyor.org</a>
CONTACT PERSON NAME	Ann Crumrine
CONTACT PERSON TITLE	Treasurer

EMAIL	acrumrine@co.lake.or.us
PHONE	(541) 947-6030
AUTHORIZED REPRESENTATIVE NAME, IF DIFFERENT FROM THE APPLICANT CONTACT	Sharon Leighty
AUTHORIZED REPRESENTATIVE TITLE	
PHONE	
EMAIL	
ENTITY TYPE	Public
PROJECT NAME	Lake County Railroad
CHECK THIS BOX IF THE PROJECT ADDRESS IS THE SAME AS THE ADDRESS LISTED ABOVE.	Yes
PROJECT ADDRESS (SAME AS PREVIOUSLY ENTERED)	513 Center Street, Lakeview, Oregon 97630
LATITUDE (DEGREES AND DECIMAL)	42.18763226055683
LONGITUDE (DEGREES AND DECIMAL)	120.35620924948769
4. MODE	Rail, Short Line
5. CONNECT OREGON REGION	Region 4
6. BRIEF SUMMARY OF PROJECT	Replace 1.5 miles of antiquated 75-pound rail over bridges and their approaches. The project is an incremental step in improvements to achieve FRA Class 1 and eventual Class 2 track safety standards and meet 286,000 pound railcar capacities.

## 7. PROJECT PURPOSE AND DESCRIPTION

The Lake County Class III Railroad is located in South-Central Oregon and based in Lakeview, Oregon. Lake County purchased the 55-mile rail line in 1985 to save it from abandonment. The entire line is currently at or below 10 mph with most of the rail dating from 1890-1915 and needs to be upgraded to sustain operations for its customers. The region needs an efficient transportation system to help reduce the expenses to rural Oregon shippers.

Businesses dependent upon Goose Lake Railway (the line's operator) include Red Rock Biofuels, which converts 166,000 tons of forest waste woody biomass into 15+ million gallons of renewable jet and diesel fuels to committed customers such as Southwest Airlines and FedEx; Imerys Performance Materials, a producer of perlite which is used in a variety of products such as building materials, cat litter, agriculture, and horticulture; and Collins Pine, producer of white fir and pine lumber. Each of these customers will use the rehabilitated track, converting more business from truck to rail. Furthermore, delivery of the project will sustain a critical non-highway transportation link, reduce GHG, and promote economic growth in rural Oregon.

In 2019, Lake County was awarded a \$5.6 million Federal CRISI grant with nearly 48% matching funds from Lake County, Oregon, local shippers, and Goose Lake Railway, LLC. The Federal CRISI grant project is roughly \$10.6 million and will replace 40,000 cross ties and allow the railroad to sustain FRA Class 1 track safety standards.

Lake County is requesting an \$892,860 grant to complete the funding for rail replacement for the higher risk locations over bridges and in the sharper degree curves. The grant will support on-going efforts to increase load capacity from 263,000 pound railcars to higher 286,000 pound railcars. In addition, this fits in with phase 4 of rehabilitation efforts to increase

speeds to 25 mph. This project will deliver significant safety improvements and an economic boost to the region.

Goose Lake Railway, LLC took over the operations of the railway in September 2017 and created a four phase master program to rehabilitate the railroad. The Master Plan is attached.

- Phase 1 - Upgrade and sustain FRA Excepted Status. There are 21 bridges and 9 crossings.
- Phase 2 - Upgrade and sustain FRA Class 1 track safety standards. Primary goal is to replace ties and ballast that support the rail.
- Phase 3 - Upgrade and sustain FRA Class 1 track safety standards and meet 286,000 railcar capacities. This phase will be used to complete a few remaining items from phase 2 and to replace 17.24 miles of antiquated 75-pound rail. Replacing this rail will increase track speeds for that section to 25 mph.
- Phase 4 - Upgrade and sustain FRA Class 2 track safety standards. This future project will replace the 90-pound rail to allow rail operations to increase to 25 mph for the entire railroad.

Phase 1 and 2 will be completed with the Federal CRISI grant. This Connect Oregon Grant will begin to achieve phase 3 and 4. A pending RAISE grant, November 2022 decision, will complete the remaining work in phase 3 if awarded.

Without the railroad, shippers would be forced to ship product by truck. This would add nearly 5,532 trucks per year equaling nearly two million truck miles on rural Oregon highways and 1.2 million miles on California highways. Using the railroad saves 7,732 tons of CO2 per year! Shipping by truck is not viable for the long run for Imerys Performance Materials, Collins Pine, or Red Rock Biofuels, jeopardizing 183 jobs.

**8. USEFUL LIFE (YEARS)**

Project life will exceed 20 years. Railroad assets are long lived. The rail is expected to last more than 50 years as evidenced by much of the existing rail being over 100-years old.

**9. Project schedule**

HAS THE MILESTONE BEEN MET? Yes

PROJECTED START DATE OF MILESTONE WORK 1/1/2017

PROJECTED MILESTONE COMPLETION DATE 2/28/2020

HAS THE MILESTONE BEEN MET? Yes

PROJECTED START DATE OF MILESTONE WORK 1/1/1985

PROJECTED MILESTONE COMPLETION DATE 12/31/1985

HAS THE MILESTONE BEEN MET? Yes

PROJECTED START DATE OF MILESTONE WORK 1/1/2019

PROJECTED MILESTONE COMPLETION DATE 12/31/2020

HAS THE MILESTONE BEEN MET? Yes

PROJECTED START DATE OF MILESTONE WORK 1/1/2017

PROJECTED MILESTONE COMPLETION DATE 12/31/2020

HAS THE MILESTONE BEEN MET? Yes

PROJECTED START DATE OF MILESTONE WORK 1/1/2017

PROJECTED MILESTONE COMPLETION DATE 12/31/2023

HAS THE MILESTONE BEEN MET? No

PROJECTED START DATE OF MILESTONE WORK 1/1/2017

PROJECTED MILESTONE COMPLETION DATE 5/31/2025

10. WILL THE PROJECT'S CONSTRUCTION SCHEDULE BE CONSTRAINED BY ENVIRONMENTAL CONSIDERATIONS (BIRD-NESTING, FISH-SPAWNING SEASONS, TEMPERATURE OR WEATHER)? No

11. WHO WAS RESPONSIBLE FOR DETERMINING THE PROJECT SCHEDULE AND WHAT IS THEIR LEVEL OF EXPERTISE? (I.E. CITY OR CONSULTING ENGINEER, CONSTRUCTION PROJECT MANAGER, CITY STAFF, ETC.)

The project schedule was determined by the Lake County Commissioners and Goose Lake Railway staff Toby Van Altvorst, General Manager, with over 20 years managing short line railroads in Oregon; David Anzur, Finance Manager, with over 20 years in short line railroad development; and Dave Hutton, Project Manager, with over 15 years of railroad track construction.

Goose Lake Railway will be performing the track infrastructure work.

## 12. Project property control

IDENTIFY THE METHOD OF CONTROL FOR PROJECT PROPERTY Wholly or partially owned by applicant

13. DESCRIBE ANY PROJECT RISKS OR BARRIERS TO BEING READY FOR CONSTRUCTION AND YOUR PLAN TO ADDRESS THE RISKS/BARRIERS

The proposed project is ready for construction once the grant is awarded. There will be no additional design, development, or real or right-of-way property acquisition required for construction of this project. No permits are necessary as the project is upgrading existing infrastructure. The project is expected to be completed by May 2025.

Our extreme winter weather can cause

construction delays with either frozen or very soft ground and the timelines will anticipate these conditions. Commodity price volatility of materials and long lead times, specifically with rail, could potentially cause delay. The budget allows for higher rail prices and the project schedule allows for extra time to complete the project. Contingency levels for the entire project are at 5%. The engineering aspect of the project does not include any design or development, but rather project management for this construction phase.

**14. DESCRIBE YOUR PUBLIC AND STAKEHOLDER ENGAGEMENT PROCESS EFFORTS**

The Lake County Commissioners hold periodic public hearings about the railroad and plans. The railroad is supported by local communities and agencies, private businesses (especially the shippers on the line), local elected officials, state transportation elected officials, U.S. Congressman Cliff Bentz, and U.S. Senators Jeff Merkley and Ron Wyden. As part of our federal grant, the county hosts a bi-monthly call on the project with stakeholders including the Federal Railroad Administration, Goose Lake Railway, County Commissioners, shippers, Business Oregon, Oregon Representative Werner Reschke, Senator Lynn Finely, and Regional Solutions of the Governor’s Office.

Goose Lake Railway is a member of the Oregon Rail Users League which earlier this year used this project as an example demonstrating the need for the Connect Oregon program. Other stakeholders include Modoc County Transportation Commission which sponsored Caltrans grant to replace 1.5 miles of rail in curves in 2020.

**15. Public body approvals and permits**

**STATUS** Completed

**EXPECTED COMPLETION DATE** 1/22/2021

STATUS Not applicable

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EXPECTED COMPLETION DATE

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STATUS Not applicable

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EXPECTED COMPLETION DATE

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STATUS Not applicable

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EXPECTED COMPLETION DATE

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STATUS Not applicable

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EXPECTED COMPLETION DATE

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STATUS Not applicable

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EXPECTED COMPLETION DATE

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STATUS Not applicable

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EXPECTED COMPLETION DATE

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**Any additional specific permits or approvals needed**  
**Item 1**

SPECIFIC PERMIT OR APPROVAL  
NEEDED No

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STATUS

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EXPECTED COMPLETION DATE

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**16. Planning and land use**

STATUS Completed

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EXPECTED COMPLETION DATE 8/13/2020

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STATUS Completed

EXPECTED COMPLETION DATE 6/30/1989

STATUS Not applicable

EXPECTED COMPLETION DATE

STATUS Not applicable

EXPECTED COMPLETION DATE

STATUS Not applicable

EXPECTED COMPLETION DATE

STATUS Not applicable

EXPECTED COMPLETION DATE

**Any additional planning or land use efforts not specified above**

**Item 1**

PLANING/LAND USE EFFORT Oregon Freight Plan

STATUS Completed

EXPECTED COMPLETION DATE 11/17/2017

**Item 2**

PLANING/LAND USE EFFORT Southern Oregon 2021 Regional Priorities

STATUS Required materials submitted for approval

EXPECTED COMPLETION DATE 12/31/2021

**Item 3**

**PLANING/LAND USE EFFORT** Lake County Transportation Plan

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**STATUS** Completed

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**EXPECTED COMPLETION DATE** 12/15/2002

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**17. PLANNING/LAND USE NARRATIVE** This project is shovel ready. No project development, finance, or design elements are required. The project is upgrading existing infrastructure by replacing 75 pound and 90 pound rail with newer 115 pound rail. Lake County received a Categorical Exclusion from the Federal Railroad Administration for the 2018 CRISI grant.

The project is based on the priorities identified in the 2020 Master Plan developed for Lake County Railroad and the report completed by R.L. Banks & Associates in 2017. Lake County's Comprehensive Plan, Transportation Plan, and the Regional Solutions Priorities all support the need to accommodate alternative transportation or shipping options in Lake County.

The project aligns with ODOT's Transportation Plan – specifically goal 3 Economic Vitality, goal 4 Sustainability, and goal 5 Safety and Security. Lake County is committed to investing in improvements that are the most important to our communities, economy, and statewide land use and transportation plans.

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**18A. BUDGETED AMOUNT: LAND ACQUISITION** \$0.00

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**18B. BUDGETED AMOUNT: PERMITS, OTHER PUBLIC BODY APPROVALS (APPLICATION PREPARATION/FEES)** \$0.00

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**18C. BUDGETED AMOUNT: DESIGN/ENGINEERING** \$0.00

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18D. BUDGETED AMOUNT: \$30,000.00  
DESIGN/ENGINEERING CONTRACT  
ADMINISTRATION

18E. BUDGETED AMOUNT: \$1,209,000.00  
CONSTRUCTION

18F. BUDGETED AMOUNT:  
CONSTRUCTION CONTRACT  
ADMINISTRATION

18G. BUDGETED AMOUNT:  
MISCELLANEOUS

SUBTOTAL \$1,239,000.00

CONTINGENCY \$55,000.00

TOTAL PROJECT COST \$1,294,000.00

19. WHO WAS RESPONSIBLE FOR DETERMINING THE PROJECT BUDGET AND WHAT IS THEIR LEVEL OF EXPERTISE? Goose Lake Railway, the private operator of the line, will manage and perform the work of the grant. Goose Lake Railway has the necessary people and equipment to perform the work.

TOTAL PROJECT COST \$1,294,000.00

GRANT REQUEST \$892,860.00

APPLICANT MATCH (DOLLARS) \$401,140.00

APPLICANT MATCH (PERCENT) 31.00%

**21. Please identify each source of matching funds you will use for the project**

**Item 1**

SOURCE Local Assistance Fund

AMOUNT \$401,140.00

## Item 2

SOURCE	Oregon Business Loan available if needed
AMOUNT	\$401,140.00

### Economic Benefits

#### 22. HOW DOES THE PROJECT REDUCE TRANSPORTATION COSTS FOR OREGON BUSINESSES OR IMPROVE ACCESS TO JOBS AND SOURCES OF LABOR?

A cost benefit analysis calculating the transportation savings was done in 2020 for the railway and each of its customers. The net result is a savings of \$5 million per year or about 5% of the product cost. Please see the attached analysis.

Imerys Performance Materials ships an average of 588 carloads per year. Savings by using the railroad vs trucking to Klamath Falls is net \$1.4 million per year. Once the 286k upgrade is complete, Imerys' net saving will be \$680,000.

Collins Pine ships an average of 387 carloads per year – savings by using the railroad vs trucking is \$1 million per year.

Red Rock Biofuels will ship 550 to 1500 carloads per year. Without the railroad, trucking on the committed 550 carloads would be an extra \$1.8 million per year.

Gannett Peak Ranch – new customer

Approximately 183 jobs are sustained by the railroad and shippers. One job in Lake County is equivalent to 350 in the Portland metro area.

#### 23. WHAT ARE THE SPECIFIC ECONOMIC BENEFITS TO THIS STATE THAT WILL RESULT FROM THIS PROJECT?

Currently three local shippers depend on the railroad to get their products to market. Combined these customers and the railroad create and retain 183 jobs within a population of 7,869 (2019). These jobs represent 11% of the civilian workforce. One job in Lake County is equivalent to 350 in the Portland metro area. Average annual salaries at these employers

range from \$52,500 - \$104,000.

In the spring of 2022 Red Rock Biofuels will complete the construction of their new \$200+ million biorefinery in Lakeview to convert waste woody biomass into renewable jet and diesel fuels. The plant is not viable without the railroad. Red Rock Biofuels adds 44 new jobs.

Gannett Peak Ranch will add 10+ jobs on its new organic pork/cattle operation rail terminal. Organic feed will be shipped estimated at 150 carloads in the first year.

Collins Pine employs 100, Imerys employs 30, and Goose Lake Railway has nine employees. All of these jobs will be retained by the use of railroad. These businesses play a key role in the regional and statewide economic vitality.

Please see our benefit analysis. Without the railroad, shippers would be forced to use trucks, costing an extra \$4.2 million. Most of these trucks would be on rural Oregon highways.

**24. DESCRIBE HOW THE PROJECT PROVIDES A CRITICAL LINK CONNECTING ELEMENTS OF OREGON'S TRANSPORTATION SYSTEM, AND HOW IT WILL MEASURABLY IMPROVE UTILIZATION AND EFFICIENCY OF THE TRANSPORTATION SYSTEM.**

Without the railroad, shippers would be forced to truck their products. In 2017, the railroad was temporarily shuttered for two months which provided insight into the impact on our shippers. See benefit analysis for details. The net result would be over 5,532 trucks on rural highways costing \$4.3 million in extra trucking costs. Red Rock Biofuels would likely not be viable without direct rail access. The railroad is listed as an at-risk corridor and is in critical need for improvement.

**25. HOW DOES THE PROJECT IMPROVE OREGON'S TRANSPORTATION SYSTEM EFFICIENCY AND/OR UTILIZATION?**

Increases system capacity  
Completes one or more gaps in Oregon's transportation system  
Removes an existing barrier  
Reduces traffic or use conflicts

**EXPLAIN:**

This project is an incremental and essential step to improving the rail line to achieve FRA Class 1 and eventual Class 2 track safety standards and meet 286,000 pound railcar capacities. These improvements will allow the train speed to be increased from 8 mph to 25 mph in sections, reducing the overall one-way transit time from nearly 7 hours to 4.5 hours. This increase in velocity will allow Goose Lake Railway to increase from once per week interchange to 5 days per week interchange, a five-fold increase in throughput capacity.

The increase in system capacity is verified in the attached Benefit Cost Analysis.

**EXPLAIN:**

The short-line operation begins in Lakeview and travels south across the California state border into Alturas where the line then extends to meet with a Union Pacific operated line that runs through Klamath County. The railroad offers a low-cost shipping option for local businesses and customers. Without this low-cost transportation option and the critical improvements for efficiency and safety, the region will lose our economic competitiveness to communities that are in closer proximity to main highways and trucking routes.

**EXPLAIN:**

The connection between Alturas and Klamath Falls is already at 115lb or heavier rail with the bridges at 286lb load rating. The only section of rail that needs upgrades is the Lakeview to Alturas connection. The removal of the slow order miles restriction will remove a barrier for shippers and Goose Lake Railroad.

**EXPLAIN:**

The upgraded rail will allow for more freight to be moved which will reduce the trucking congestion on rural highways that can lead to overall traffic congestion on the highways. Decreasing the derailments along the rail line will also reduce any conflicts between the shippers and the railroad managers. In 2017, the line was shuttered due to a large

derailment and other issues. The two largest shippers were forced to find alternatives at the nearest railhead which is 97 miles away in Klamath Falls. Examples of potential conflicts between the shippers and Lake County Railroad include frustration, shipper expectations, and deliverables to customers.

## Untitled

26. A) HOW IS SUCCESS MEASURED FOR THIS PROJECT (INCLUDE METHODOLOGY FOR CALCULATION)?

In 2020, Goose Lake Railway created the Master Plan to outline the steps to improve the railroad infrastructure (see attached). This project will be an incremental step in achieving 286k pound railcar capacity, improving the railroad from "Excepted" status to Class 1 and eventual Class 2 FRA track safety standards. Most of the railroad is at 8 mph. Connect Oregon's investment will provide the critical funds needed to complete this phase of work.

B) WHAT IS THE EXISTING MEASUREMENT TODAY?

Track/Bridge Weight Capacity to 263,000lb rating, Excepted Status, 5 mph on several bridges

C) WHAT IS THE ANTICIPATED MEASUREMENT WHEN THE PROJECT IS FULLY OPERATIONAL?

Track/Bridge Weight Capacity to 286,000lb rating on the improved sections, Sustained Class 1 on the improved sections, 10 mph+ on bridges on the improved sections

27. DOES THE PROJECT IMPROVE AN EXISTING TRANSPORTATION CONNECTION OR ADD A NEW CONNECTION TO AN INDUSTRIAL OREMPLOYMENT CENTER?

Yes

IF YES, CHECK ALL THAT APPLY.

The project improves an existing connection

28. THIS PROJECT IMPROVES OR CREATES ACCESS TO:

Industrial center

NAME OF THE INDUSTRIAL CENTER

North Lakeview Industrial Area

29. DOES THE PROJECT IMPROVE SAFETY?

Yes

EXPLAIN. PLEASE NOTE THE NUMBER AND TYPE OF INCIDENTS (FATAL ACCIDENT, INJURY ACCIDENT, PROPERTY-DAMAGE ACCIDENT, CRIME, OR OTHER) WITHIN A SPECIFIED TIMEFRAME.

This project will facilitate replacement of worn-out 75/90lbs rail made in 1890-1915. The Lake County Railroad has averaged two to four derailments per year over the past several years. The derailments are primarily due to surface defects and lateral movement of the rail. The railroad must be improved to handle hazardous materials for Red Rock Biofuels. All loads are restricted to 8 mph.

30. DOES THE PROJECT SERVE ONE OR MORE OF OREGON'S STATEWIDE BUSINESS CLUSTERS? CHECK ALL THAT APPLY.

Agriculture  
Energy Efficiency  
Forestry and Wood Products  
Manufacturing

PROVIDE DETAIL ON THE BUSINESS CLUSTERS SERVED.

The prior economic recession and federal land management policies have hit Lake County, Eastern Oregon, and Northern California especially hard. Lake County is working intensively to optimize their remaining economic advantages and natural assets, including natural resource based manufacturing, renewable energy generation, and agriculture. Upgrading railroad operations ensures the low-cost rail transport of natural resources being utilized, mined, and processed in Lake County.

31. DOES THIS PROJECT BENEFIT THE OREGON ECONOMY BY GENERATING A NET INCREASE IN OR RETENTION OF LONG-TERM JOBS (BEYOND SHORT-TERM CONSTRUCTION JOBS) AND/OR INCREASING PRIVATE INVESTMENT IN OREGON?

Yes

## Untitled

A) NUMBER OF LONG-TERM (NON-CONSTRUCTION) JOBS CREATED OR RETAINED AS A DIRECT RESULT OF THE PROJECT:

183

B. AVERAGE ANNUAL WAGE OF LONG-TERM (NON-CONSTRUCTION) JOBS CREATED OR RETAINED: 78250

**c. List up to 5 businesses that will verify job creation/retention or new private investment:**

**Item 1**

BUSINESS NAME Collins Pine

NAME OF CONTACT PERSON Clearance Knutson

CONTACT PERSON PHONE (541) 947-2018

**Item 2**

BUSINESS NAME Gannett Peak Ranch

NAME OF CONTACT PERSON Dennis Brewer

CONTACT PERSON PHONE (201) 669-4933

**Item 3**

BUSINESS NAME Goose Lake Railway, LLC

NAME OF CONTACT PERSON Toby Van Altvorst

CONTACT PERSON PHONE (800) 376-3998

**Item 4**

BUSINESS NAME Imerys Performance Materials

NAME OF CONTACT PERSON Bobbie Hickey

CONTACT PERSON PHONE (541) 219-1504

**Item 5**

**BUSINESS NAME**

Red Rock Biofuels

**NAME OF CONTACT PERSON**

Jeff Manternach

**CONTACT PERSON PHONE**

(503) 636-1130

**D. WHAT IS THE INCREASE BY THESE BUSINESSES IN OREGON AS A RESULT OF THIS PROJECT?**

Red Rock Biofuels adds 44 new jobs. Gannett Peak Ranch (new business) will add 10 new jobs. Collins Pine employs 100, Imerys employs 30, and Goose Lake Railway has nine. All can be retained by the use of railroad. Increase is 56 new jobs (Redrock Biofuel 44 + Gannett Peak Ranch 10 + Goose Lake Railway 2)

**COMMITMENT LETTER ACKNOWLEDGEMENT**

Required for a yes answer. Commitment letters must be uploaded in section 35 and submitted with application. These letters must be from businesses or organizations stating their intention to operate in Oregon and detailing: the number of jobs created or retined over a specific period of time as a result of this project, and/or the amount of additional private investment that the entity wouldmake in Oregon over a specified period of time as a direct result of thid project.

**E) EXPLAIN**

Improving the rail line will benefit the local, regional, and state economies by generating new jobs, ensuring long-term jobs for employees, and supporting private sector investments in Oregon. Replacing this rail will allow Goose Lake to make a round trip on a single shift thereby increasing interchange frequency up to 5 days per week and impacting all jobs that support the railway's trips.

**32. IS THE PROJECT LOCATED WITHIN 10 MILES OF A SITE FOR MINING OR PROCESSING AGGREGATE THAT IS ALLOWED UNDER ORS 215.213 (2)(D) OR 215.283 (2)(B) ON LAND THAT IS**

Yes

ZONED EXCLUSIVE FARM USE? THIS IS NOT COMMON.

PLEASE EXPLAIN

Dog Lake Construction 1452 S M St, Lakeview, OR 97630; Pardue Construction 17547 US-395, Lakeview, OR 97630; Redi-Mix 18154 Kadrmas Rd, Lakeview, OR 97630; Knife River Central Oregon Division 64500 O.B. Riley Rd, Bend, OR 97701; Rocky Mountain Gold Mines, own mines in Lake County.

### 33. Additional Considerations

A) HOW DOES THIS PROJECT IMPACT EQUITY CONSIDERATIONS?

Lake County is a rural and distressed community as designated by the Oregon Business Development Department in January of 2021. Lake County has a high level of people living in poverty. According to the U.S. Census Bureau, 17% of our population is living in poverty. Lake County's current and future employment and economic vitality will be secured by this project's 50-75 year lifespan.

B) HOW DOES THE PROJECT IMPACT CLIMATE MITIGATION, ADAPTATION AND SUSTAINABILITY CONSIDERATIONS?\*

On average, U.S. freight railroads move one ton of freight more than 470 miles per gallon of fuel. Without the railroad, shippers would be forced to ship products by truck. This would add 5,532 trucks per year and nearly two million truck miles on rural Oregon highways and 1.2 million miles on California highways. Using Caltrans Intermodal Freight Cal-B/C model 7.2, we estimate 203 tons of CO, 154,647 tons of CO<sub>2</sub>, 2 tons of SOX, 34 tons of VOCs, and 567 tons of NO<sub>x</sub> are saved over 20 years.

### 34. Maintenance and Operations

WHAT IS THE SOURCE/ARE THE SOURCES OF FUNDS FOR THE CONTINUED MAINTENANCE AND OPERATION OF THE PROJECT FOR THE USEFUL LIFE OF THE PROJECT?

Maintenance is funded through Goose Lake Railway derived by revenues from shippers. Funds are budgeted.

The following funds are secured: \$5.3 million CRISI grant in 2019; \$2.9 million SPWF loan in 2019; \$20,000 from ODOT in 2020; \$755,000

from Red Rock Biofuels in 2019; \$433,000 from Caltrans in 2021; \$450,000 from Lake County in 2019; and \$447,000 from Goose Lake Railway in 2019.

WHAT IS THE STATUS OF THESE FUNDS?

Budgeted (committed for future)

DESCRIBE THE STEPS REMAINING TO COMMIT MAINTENANCE AND OPERATIONS FUNDING FOR THE USEFUL LIFE OF THE PROJECT?

Lake County is dependent on small competitive multimodal state grants, local operation revenue, private investments, and federal funding to maintain the rail line. Funds for improving and maintaining the rail line include State of Oregon Business Development, Caltrans, Special Public Works Fund loan, and private funding.

HAVE YOU HAD PREVIOUS CONNECT OREGON GRANT AWARDS?

Yes

WHICH CYCLE(S)?

Connect Oregon II  
Connect Oregon IV  
Connect Oregon V  
Connect Oregon VI

WHAT WAS THE TOTAL AWARD?

\$1,971,509.00

## 35. Documentation

DEPARTMENT OF REVENUE TAX CERTIFICATION

Tax Compliance Certification Lake County.pdf

LETTERS OF SUPPORT

LettersSupport LakeCountyRailroad.pdf

PROPERTY OWNERSHIP, LAND LEASE/CONTROL

Bargin & Sale Deed Lake County Railroad.pdf

SECRETARY OF STATE BUSINESS ID

SITE PLANS, IF AVAILABLE

Site Plan Lake County Railroad.pdf

PLANNING/PERMITTING DOCUMENTS

Master Plan Goose Lake Railroad.pdf

COMMITMENT LETTERS

LettersCommittmentLakeCountyRailroad.pdf

MISCELLANEOUS

BCA Connect OR 21 Lake County Railroad.pdf  
Oregon State Rail Plan 2020.pdf  
Lake\_County\_Transplan.pdf  
SCRSAC2021-23Priorities.docx  
Oregon Freight Plan 2017-Amended.pdf

### 36. Authorizations and Signatures

PLEASE READ AND CHECK ALL BOXES

By checking this box, I certify that above-mentioned Applicant Organization supports the proposed project, has the legal authority to pledge matching funds, and has the legal authority to apply for Connect Oregon funds. I further certify that matching funds are available or will be available for the proposed project no later than 60 days prior to the Oregon Transportation Commission’s final action on grant awards, anticipated to be in May or July 2022. I understand that all State of Oregon rules for contracting, auditing, underwriting (where applicable), and payment will apply to this project.

By checking this box, I certify that all of the content of this application is true to the best of my knowledge and that I have read the Sample Draft Agreement and will sign the Agreement if selected. I understand that non-compliance with the agreement and program may result in a cancelled project and return of grant funds. By checking this box, I certify that per Oregon Administrative Rule (OAR) 731-035-0050(2)(b), as a condition of Connect Oregon program eligibility, applicants must be current on all state and local taxes, fees and assessments where applicable. Inasmuch, as an authorized representative, I declare, that MY ORGANIZATION, is to the best of the undersigned(s) knowledge, current on all Oregon state and local taxes, fees and assessments. As a continuing requirement to remain eligible, I understand that MY ORGANIZATION will remain current on all Oregon state and local taxes, fees and assessments and failure to comply with this

rule may result in corrective action up to and including a determination of ineligibility for Connect Oregon funding. I further understand that Connect Oregon funds may be withdrawn should it be determined that this certification was signed falsely or in error, or that MY ORGANIZATION has become delinquent in its state and local tax, fee or assessment obligation.

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**SIGNATURE OF AUTHORIZED  
REPRESENTATIVE**

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Captured