

# Rail Advisory Committee (RAC)

Wednesday, February 16, 2022

9:00 a.m. – 4:30 p.m.

## Meeting Minutes

### Attendees

#### *RAC Members*

*Bruce Carswell*

*Rob Eaton*

*Johan Hellman*

*Peggy Harris for Aaron Hunt*

*Paul Langner*

*Ivo Trummer*

Meeting called at 9:00 AM. A quorum was confirmed.

### Public Comment

- Rob from Central Oregon would like to see commuter train between LaPine and Madras. Ultimately a train connection from Chemult to Bend to Portland; maybe a European-style tunnel from Sisters to Salem.
- Trent Stetz – publisher of a newsletter for historical rail in the Pacific Northwest. Appreciates the committee's work.

### Connect Oregon VIII

#### Conflict of interest

- Bruce Carswell – Wyoming Colorado Railroad
- Paul Langner – Teevin Brothers
- Peggy Harris – Pacific Recycling, Wilsonart LLC, Basin Fertilizer & Chemical Co., LLC, Tidewater Transportation and Terminals and Oregon Military Department
- Ivo Trummer – no conflict but there is a Port of Portland application to Connect Oregon on the marine side
- Johan Hellman – Peninsula Terminal, Oregon Rail Heritage Foundation, Hampton Lumber Sales, Teevin, P&W, and Columbia Rail
- Gary Cardwell – no conflict

### Preliminary Questions and Comments

- Applicants may expend matching funds before grant is awarded. If they receive award, cannot go back and ask for reimbursement. Only reimbursed after the point they have entered into a grant agreement with ODOT. Assuming they expended all required match before agreement execution, applicant could receive 100% reimbursement on additional costs until they've maxed out available funding.
- Committee is discouraged from making a recommendation contingent on a certain level of funding. Any changes in scope or funding level of project must come from the applicant in writing to the agency.
- Projects must be evaluated on merits as presented.
- Economic development makes sense as a strong business case but also benefits the network. Building rigid infrastructure that will be used by multiple modes, benefits the network, and is used regardless if a client comes through. Connect Oregon makes Oregon competitive because it helps incentive public and private funds. Shortline is looking for basic infrastructure. If they can't get funding from Oregon, it can be a big deal. Focus on freight rail and passenger benefits.

- Tourism is ultimately economic development from a different perspective, but the benefit to the region could be just as high. For example, Port of Tillamook needs that tourism, and it is important to the region as opposed to say the turntable project.

### 1R0429 – Peninsula Terminal Company – John Manos

#### *Questions and comment*

##### **Priority - 14**

- Concern with track layout.
- Can they accomplish what is set forth in the application?
- Would have liked to see the design fully developed. Engineering work has not been done for the track layout on the property.
- Project is important but also sets the stage for a future connection to T6 and they have been successful in the past with money awarded, but it does not make actual connection.

### 3R0431 – Oregon International Port of Coos Bay – Mike Dunning

#### *Questions and comment*

##### **Priority - 17**

- BUILD grant and state funds still unspent. They have a lot of money to address immediate needs. This application is the next level of priority.
- Coos Bay rail link has not lost the line, only capacity and speed.
- Bridge has been a problem for many years.
- A lot of business has moved out of area, not much going on down to Coquille, has lost capacity and speed, never getting above 10 mph south of bridge.
- The line is still functional.
- Most of channeling work has been done up to swing bridge.
- Would not be doing just the main drawbridge, would also be doing Suislaw, Umpqua and Coos bridges.

### 2R0435 – Oregon Coast Scenic Railroad and Port of Tillamook Bay – Samuel Aldridge

#### *Questions and Comment*

##### **Priority - 19**

- Tillamook needs the tourism rail provides. It is important to the region.
- What is the benefit to the larger network?
- Nehalem Bridge helps with tourism but is it generating enough tourism to be sustainable?
- They can still operate without the bridge. It just limits operations. What is the addition of the bridges' contribution to the local economy?
- Some systemic improvements to sustain the local economy.
- Trucking in ballast at higher cost. Cannot directly access ballast pit due to bridge being out of service.
- Does lay the stage for economic development over time. Slower return than network improvements.

## 2R0462 – Oregon Independence Railroad – David Anzur

### *Questions and comment*

#### **Priority - 15**

- This is an aspirational project.
- Could use existing infrastructure. The piece of the track is essentially a spur and would need rehabilitation.
- Not sure the need is high.
- If they did not receive the funding they would use the existing track.

## 1R0469 – The Fruit Company Inc – Scott Webster

### *Questions and comment*

#### **Priority - 16**

- Works in conjunction with Mt. Hood Shortline.
- Mt. Hood is challenged due to previous bankruptcy and recent acquisition.
- Good project except for the parking lot.
- A lot of money for a parking lot.
- Should be spending the money on improving the network.

## 5R0448 – Wyoming Colorado Railroad Inc – Jeff VanSchaick

### *Questions and comment*

#### **Priority - 2**

- Critical link in the network.

## 4R0467 – Klamath Northern Railway Company – Mike Zojonc

### *Questions and comment*

#### **Priority - 11**

- Klamath Northern shortline serves just one customer but it is important to the region and is a large source of family wages.
- Falls into network categorization to an extent.
- Hardening infrastructure of a shortline railroad.

## 5R0450 – Columbia Rail – Chris Hyland

### *Questions and comment*

#### **Priority - 7**

- Challenged shortline railroad.
- Provides a critical link in northeastern part of the state.
- Concerned that grain traffic is reliant on an external process.
- Connection with Class I railroad for grain traffic presents a challenge.

## 2R0434 – Teevin Bros Land & Timber Co LLC – Paul Langner

### *Questions and comment*

#### **Priority - 4**

- Has a modal conversion element.
- Supply much needed aggregate to the Portland metro area.

## 2R0455 – Pacific Recycling – Sam Arnold

### *Questions and comment*

#### **Priority - 5**

- Significant modal conversion opportunity but not a network project.
- Higher than aspirational but not fixing a critical link in the Oregon transportation system.
- Important customer spur for economic development but does not have all strategic elements.
- Heavy volume for modal shift.

## 4R0464 – Wilsonart LLC – Scott Siracusa

### *Questions and comment*

#### **Priority - 12**

- Is at 100% track design.
- Important economic development project for the region.
- Utilizing rail currently through Collins but have maxed out capacity.
- Good economic development potential and network development in the region.
- ROI in the community and business becomes more valuable over time.

## 5R0456 – Tidewater Transportation and Terminals – Neil Maunu

### *Questions and comment*

#### **Priority - 18**

- Asking for a lot of money but only put in the minimum match amount.
- Manifest vs. unit train. Renewable fuels initiative is going to grow. We don't want to put a bunch of money that will be obsolete soon because most of this commodity will be shifting to unit trains.
- This seems like a backup solution for congestion on the river or work on the dams. Doesn't seem like a rail project first and foremost.
- Umatilla is nice but it's one dam up. Takes four dams to get down. Dam system goes down five to six weeks every year.
- Important concept for the future, but keep in mind population and consumption is on the western side.
- Would provide more benefit to the whole system and the state if it was closer to the population center.

## 1R0446 – Dominguez Family Enterprises – Luis Dominguez

### *Questions and comment*

#### **Priority - 1**

- Crossover between economic development and network improvement.
- Application covers improvements to spurs and the mainline; solidifies an at-risk shortline.
  - 220 cars is a realistic number – brings in palletized flour and oil and ships out flour.
- Business trying to expand but benefits network at the same time – a complete approach.
- Sizable increase in traffic for Mt Hood Railroad which has been historically challenged, makes this a de facto network project.

## 2R0466 – Portland & Western Railroad – Ross Lane

### *Questions and comment*

#### **Priority - 10**

- Provides system improvement.

- NW passage is a strategic corridor that has not been fully realized. It is a bypass around Portland over Cornelius Pass and that is where most improvements are going; becomes more important over time.
- Project would likely be delayed for many years if they do not receive the funding, but not likely to affect service.
- They have the capital budget to pull from but they have chosen not to prioritize this project.

#### 4R0430 – Lake County – Mark Albertson

##### *Questions and comment*

##### **Priority - 3**

- Very challenged railroad; need continued investment to continue progress. They have momentum and investment would be put to good use. Requirement is high and not very many alternatives.
- Is a critical link in the system.
- They have been incrementally making measurable improvements in their network.
- Leveraging past state and federal investments.
  - CRISI
  - Cal Trans
  - Connect Oregon

#### 5R0477 – Oregon Military Department – Randy Bentz

##### *Questions and comment*

##### **Priority - 21**

- Would take up 20% of available Connect Oregon funds.
- Feels like one government agency going to another for funding. Would take up 20% of available funds. Should look to other avenues.
- Veiled economic development; could not articulate reasoning for certain things. To hit different transportation modes would want to be at the Port of Morrow.
- Large project and completely aspirational.

#### 3R0475 – Rogue Valley Terminal Railroad Corporation – Scott DeVries

##### *Questions and comment*

##### **Priority - 6**

- Amount of traffic it will bring represents a 30% increase for that terminal.
- Makes it a network project.
- Keeps that shortline sustainable.
- Large modal shift to rail.
- Large economic benefit.

#### 1R0433 – Oregon Rail Heritage Foundation – Roger Woehl

##### *Questions and comment*

##### **Priority - 20**

- A lot of money to inconvenience Class 1's four times a year.
- See no inconvenience to Class 1's now.
- Is there a problem that needs to be solved and is there any indication that this is the solution?
- They made an argument on preserving capacity and preserving rail, but most of Connect Oregon discussion is about preserving rail to serve people.
- A lot of money without any system benefit.

- Not sure there is a tourism benefit either; seek other avenues.

#### 4R0468 – Basin Fertilizer & Chemical Co LLC – Chris O’Grady

##### *Questions and comment*

##### **Priority - 9**

- Additional track required for spot and pull after Union Pacific industrial process doubled costs.
- Current rail volume is maxed out.
- Project is not construction ready.
- Do not have Bureau of Reclamation approval yet. Not having permits in place can be a major stumbling block and has caused delays to past projects.

#### 1R0471 – Hampton Lumber Sales, Banks – George Bonner

##### *Questions and comment*

##### **Priority - 8**

- Relatively small ask, but if rail is cheaper than truck then project should proceed with Hampton’s own funding.
- Does not have the regulatory hurdle that the Basin project has.
- PNWR switches location, open to both UP and BNSF switch at Banks.

#### 1R0472 – Hampton Lumber Sales, Portland – George Bonner

##### *Questions and comment*

##### **Priority - 13**

- Relatively small ask, but if rail is cheaper than truck then those projects should proceed with Hampton’s own funding.
- Easy construction project, the need for public investment is questionable.
- Current switch frequency at Front Street is 14 cars per day 5 days a week.
- PTRR switches location, open to both UP and BNSF switch at Front Street.

#### Post review comments and questions

- Total amount for the first five projects would be a little over \$4 million; good ROI.
- Total Connect Oregon funding available is - \$45.5 million.
- Rob Eaton and Gary Cardwell will be the two members of RAC go to the Final Selection Committee. Johan Helman will be backup.
- Distribution of where our priorities lie vs the staff ranking is good. Shows we put thought, honest debate and discussion into this process. Ranked based on what our analysis was instead of simply rubber stamping.
- Prior to Final Review Committee, Gary, Johan, Rob, Bruce, Ivo and Peggy will have prep meeting to review the suggested ranking.
  - **Action Item:** Kathy will reach out to John to determine final review then schedule regroup.
- **Action Item:** Send notes to members by end of next week for review prior to sending them to John Boren.

##### *Motion to accept rankings*

- Ivo moves
- Paul seconds

Motion to adjourn by Rob Eaton, seconded by Johan Hellman. Adjourned 12:05 PM

**Connect Oregon VI**  
**Final Review Committee Prioritized Funding Recommendation**

| REGION | County     | APP. # | APPLICANT                                  | PROJECT NAME                                                         | TOTAL PROJECT COST | CO GRANT FUNDS REQUESTED | Total Statutory Consideration Score | TIER | Equity Consideration | Climate Consideration | Rail Advisory Committee Priority |
|--------|------------|--------|--------------------------------------------|----------------------------------------------------------------------|--------------------|--------------------------|-------------------------------------|------|----------------------|-----------------------|----------------------------------|
| 1      | Hood River | 1R0446 | Dominguez Family Enterprises               | Juanita's Fine Foods Spur Track Replacement                          | \$ 400,000.00      | \$ 276,000.00            | 101                                 | 1    | SP                   | SP                    | 1                                |
| 5      | Malheur    | 5R0448 | Wyoming Colorado Railroad, Inc.            | Oregon Eastern Railroad 286k Upgrade Phase 2                         | \$ 1,693,931.00    | \$ 999,300.00            | 99                                  | 1    | LP                   | LP                    | 2                                |
| 4      | Lake       | 4R0430 | Lake County                                | Lake County Rail Replacement                                         | \$ 1,294,000.00    | \$ 892,860.00            | 91                                  | 2    | LP                   | LP                    | 3                                |
| 2      | Columbia   | 2R0434 | Teevin Bros Land & Timber CO, LLC          | Teevin Westport Multimodal Terminal Siding                           | \$ 1,634,115.00    | \$ 1,100,000.00          | 92                                  | 2    | LP                   | SP                    | 4                                |
| 2      | Lane       | 2R0455 | Pacific Recycling                          | Pacific Recycling Spur Track Expansion                               | \$ 1,335,000.00    | \$ 737,000.00            | 101                                 | 1    | LP                   | SP                    | 5                                |
| 3      | Jackson    | 3R0475 | Rogue Valley Terminal Railroad Corporation | RVT Allweather Wood Rail Spur Construction                           | \$ 856,120.71      | \$ 590,723.29            | 73                                  | 3    | LP                   | SP                    | 6                                |
| 5      | Umatilla   | 5R0450 | Columbia Rail                              | Milton-Freewater Area Shortline Customer Track Extensions            | \$ 989,000.00      | \$ 692,300.00            | 84                                  | 2    | LP                   | LP                    | 7                                |
| 1      | Washington | 1R0471 | Hampton Lumber Sales                       | Hampton Lumber Sales Track Expansion                                 | \$ 221,900.00      | \$ 155,330.00            | 86                                  | 2    | LP                   | SP                    | 8                                |
| 4      | Klamath    | 4R0468 | Basin Fertilizer & Chemical Co., LLC       | Basin Fertilizer & Chemical Co., LLC Siding Extension                | \$ 2,688,930.00    | \$ 1,344,465.00          | 87                                  | 2    | LP                   | SP                    | 9                                |
| 2      | Linn       | 2R0466 | Portland & Western Railroad                | Northwest Passage Willamette Valley Rail Trestle Improvement Project | \$ 4,089,000.00    | \$ 2,862,000.00          | 63                                  | 3    | NP                   | NP                    | 10                               |
| 4      | Klamath    | 4R0467 | Klamath Northern Railway Company           | Klamath Northern Railway Track Replacement                           | \$ 2,250,000.00    | \$ 1,575,000.00          | 63                                  | 4    | NP                   | LP                    | 11                               |
| 4      | Klamath    | 4R0464 | Wilsonart LLC                              | Wilsonart Rail Expansion                                             | \$ 1,410,000.00    | \$ 987,000.00            | 54                                  | 4    | NP                   | LP                    | 12                               |
| 1      | Multnomah  | 1R0472 | Hampton Lumber Sales                       | Hampton Lumber Sales Transload Improvement                           | \$ 151,400.00      | \$ 105,980.00            | 83                                  | 2    | LP                   | LP                    | 13                               |
| 1      | Multnomah  | 1R0429 | Peninsula Terminal Company                 | Peninsula Terminal Company N. Suttle Intermodal Yard                 | \$ 3,276,000.00    | \$ 2,293,200.00          | 83                                  | 2    | LP                   | SP                    | 14                               |
| 2      | Polk       | 2R0462 | Oregon Independence Railroad               | Rehab Oregon Independence Railroad                                   | \$ 612,843.00      | \$ 422,861.67            | 65                                  | 3    | NP                   | NP                    | 15                               |
| 1      | Hood River | 1R0469 | The Fruit Company INC                      | The Fruit Company INC Rail Spur                                      | \$ 1,988,000.00    | \$ 1,371,720.00          | 74                                  | 3    | LP                   | NP                    | 16                               |
| 3      | Coos       | 3R0431 | Oregon International Port of Coos Bay      | Coos Bay Rail Line Swing Bridge Steel Repairs                        | \$ 5,000,000.00    | \$ 3,500,000.00          | 68                                  | 3    | LP                   | LP                    | 17                               |

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| 5      | Umatilla  | 5R0456 | Tidewater Transportation and Terminals                 | Umatilla Terminal Multi-Modal Energy Transition Project      | \$ 12,904,907.00   | \$ 9,033,434.90          | 70                                  | 3    | LP                   | LP                    | 18                               |
| 2      | Tillamook | 2R0435 | Oregon Coast Scenic Railroad and Port of Tillamook Bay | Nehalem River Bridge Pile Replacement                        | \$ 672,000.00      | \$ 469,560.00            | 55                                  | 4    | NP                   | NP                    | 19                               |
| 1      | Multnomah | 1R0433 | Oregon Rail Heritage Foundation                        | Brooklyn Roundhouse Turntable Restoration and Reconstruction | \$ 3,290,273.00    | \$ 800,000.00            | 59                                  | 4    | LP                   | NP                    | 20                               |
| 5      | Umatilla  | 5R0477 | Oregon Military Department                             | Camp Umatilla Rail Upgrade and Switch Replacement            | \$ 14,114,227.00   | \$ 9,872,960.00          | 60                                  | 4    | LP                   | LP                    | 21                               |



**ConnectOregon VIII**  
**Rail Advisory Committee Conflict of Interest Declaration**

| APP. # | APPLICANT                                              | PROJECT NAME                                                         | David Arnold | Gary Cardwell | Glenn Carey | Bruce Carswell | Rob Eaton | Peggy Harris | Johan Hellman | Paul Langner | Chris Myron | Ivo Trummer |
|--------|--------------------------------------------------------|----------------------------------------------------------------------|--------------|---------------|-------------|----------------|-----------|--------------|---------------|--------------|-------------|-------------|
| 1R0429 | Peninsula Terminal Company                             | Peninsula Terminal Company N. Suttle Intermodal Yard                 |              |               |             |                |           |              | X             |              |             |             |
| 1R0433 | Oregon Rail Heritage Foundation                        | Brooklyn Roundhouse Turntable Restoration and Reconstruction         |              |               |             |                |           |              | X             |              |             |             |
| 1R0446 | Dominguez Family Enterprises                           | Juanita's Fine Foods Spur Track Replacement                          |              |               |             |                |           |              |               |              |             |             |
| 1R0469 | The Fruit Company INC                                  | The Fruit Company INC Rail Spur                                      |              |               |             |                |           |              |               |              |             |             |
| 1R0471 | Hampton Lumber Sales                                   | Hampton Lumber Sales Track Expansion - Banks                         |              |               |             |                |           |              | X             |              |             |             |
| 1R0472 | Hampton Lumber Sales                                   | Hampton Lumber Sales Transload Improvement - Portland                |              |               |             |                |           |              | X             |              |             |             |
| 2R0434 | Teevin Bros Land & Timber CO, LLC                      | Teevin Westport Multimodal Terminal Siding                           |              |               |             |                |           |              | X             | X            |             |             |
| 2R0435 | Oregon Coast Scenic Railroad and Port of Tillamook Bay | Nehalem River Bridge Pile Replacement                                |              |               |             |                |           |              |               |              |             |             |
| 2R0455 | Pacific Recycling                                      | Pacific Recycling Spur Track Expansion                               |              |               |             |                |           |              |               |              |             |             |
| 2R0462 | Oregon Independence Railroad                           | Rehab Oregon Independence Railroad                                   |              |               |             |                |           | X            |               |              |             |             |
| 2R0466 | Portland & Western Railroad                            | Northwest Passage Willamette Valley Rail Trestle Improvement Project |              |               |             |                |           |              | X             |              |             |             |
| 3R0431 | Oregon International Port of Coos Bay                  | Coos Bay Rail Line Swing Bridge Steel Repairs                        |              |               |             |                |           |              |               |              |             |             |
| 3R0475 | Rogue Valley Terminal Railroad Corporation             | RVT Allweather Wood Rail Spur Construction                           |              |               |             |                |           |              |               |              |             |             |
| 4R0430 | Lake County                                            | Lake County Rail Replacement                                         |              |               |             |                |           |              |               |              |             |             |
| 4R0464 | Wilsonart LLC                                          | Wilsonart Rail Expansion                                             |              |               |             |                |           | X            |               |              |             |             |
| 4R0467 | Klamath Northern Railway Company                       | Klamath Northern Railway Track Replacement                           |              |               |             |                |           |              |               |              |             |             |
| 4R0468 | Basin Fertilizer & Chemical Co., LLC                   | Basin Fertilizer & Chemical Co., LLC Siding Extension                |              |               |             |                |           | X            |               |              |             |             |
| 5R0448 | Wyoming Colorado Railroad, Inc.                        | Oregon Eastern Railroad 286k Upgrade Phase 2                         |              |               |             | X              |           |              |               |              |             |             |
| 5R0450 | Columbia Rail                                          | Milton-Freewater Area Shortline Customer Track Extensions            |              |               |             |                |           |              | X             |              |             |             |
| 5R0456 | Tidewater Transportation and Terminals                 | Umatilla Terminal Multi-Modal Energy Transition Project              |              |               |             |                |           | X            |               |              |             |             |
| 5R0477 | Oregon Military Department                             | Camp Umatilla Rail Upgrade and Switch Replacement                    |              |               |             |                |           | X            |               |              |             |             |