



Tracking For Success

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ECONOMIC DEVELOPMENT

AUGUST 15, 2017

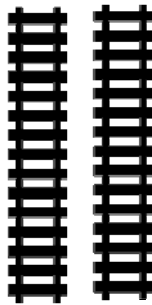


Industry Overview

Railroads are the Backbone of America's Freight Transportation



Nearly **140K**
miles of track



In the U.S., railroads account for approximately **40%*** of all freight (more than any other transportation)



Over **166K**
employees



For U.S. railroads, intermodal today accounts for around **23% of revenue**



*Measured in Ton Miles
Source: Association of American Railroads and Federal Railroad Administration

What Fits In Just One Freight Rail Car?



ENOUGH COAL  **21 HOMES** 
FOR A YEAR

ENOUGH GRAIN  **258K LOAVES** 
OF BREAD

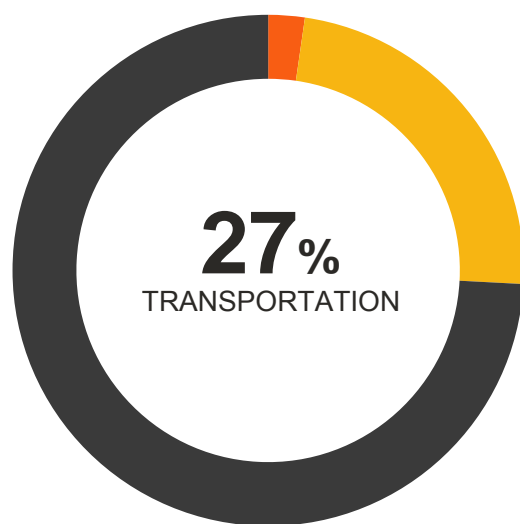
ENOUGH FRAMING LUMBER  **5.5 HOMES** 

 **24 VEHICLES** 



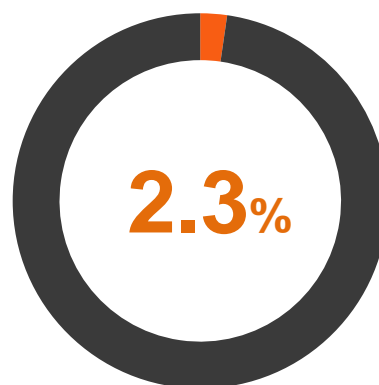
Source: Association of American Railroads

Rail is the Most Fuel-Efficient and Environmentally-Friendly Form of Surface Transportation



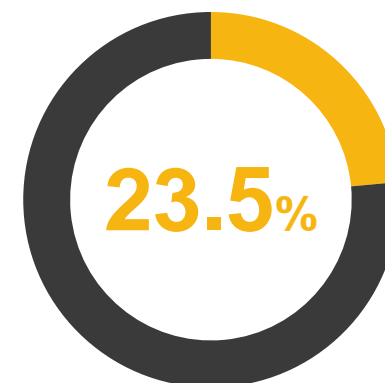
27% of all U.S. greenhouse gas emissions come from transportation

FREIGHT RAIL



2.3% of all transportation-related U.S. greenhouse gas emissions come from freight rail

TRUCKING



23.5% of all transportation-related U.S. greenhouse gas emissions come from trucking

Rail Transportation is Efficient



An intermodal train can move the equivalent of **280** long haul trucks



- A unit train is a train of 100 to 120, or more cars.
- Runs straight through to their destinations making it a model of efficiency and velocity.



BNSF Overview



BNSF is a Leading U.S. Railroad



- A Berkshire Hathaway company
- **41,000** employees*
- Approximately **8,000** locomotives
- Moves **one-fourth** of the nation's rail freight
- Operates over **1,200** freight trains per day
- Leads rail industry in **technological innovation**



*BNSF Railway employees as of Dec. 31, 2016

BNSF is a Leading U.S. Railroad



- **32,500 route miles** in 28 states and three Canadian provinces
- **13,000** bridges and **88** tunnels
- Serves **over 40 ports**

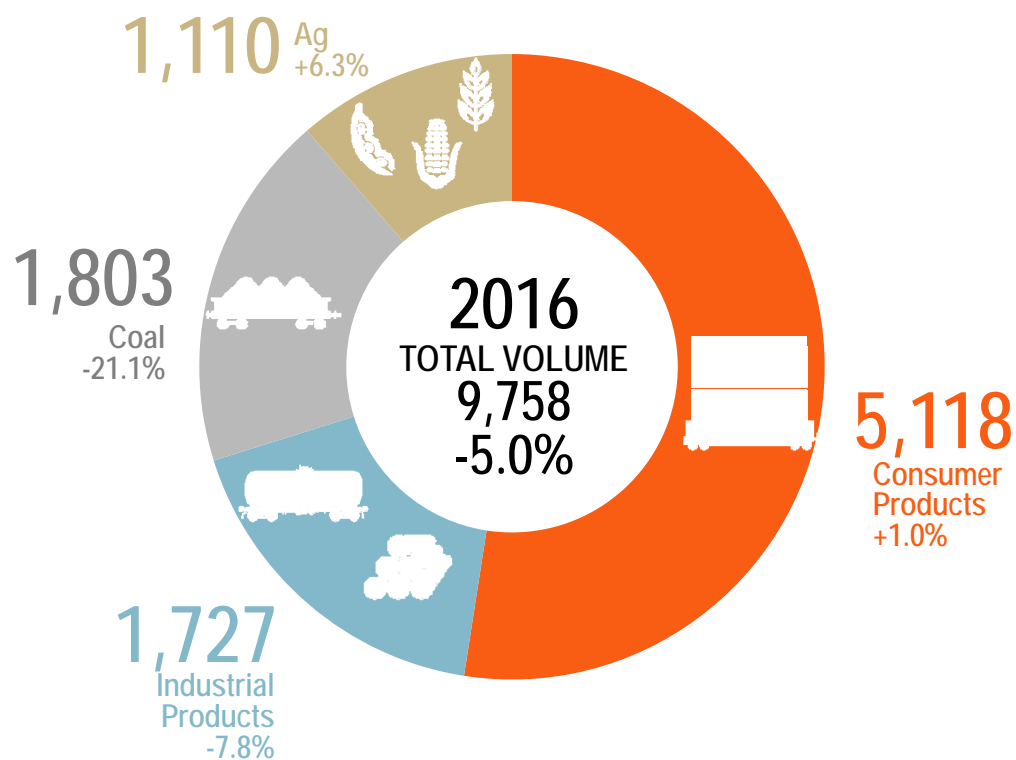


BNSF Volume – Full Year 2016



Total units and % change from 2015

In Thousands

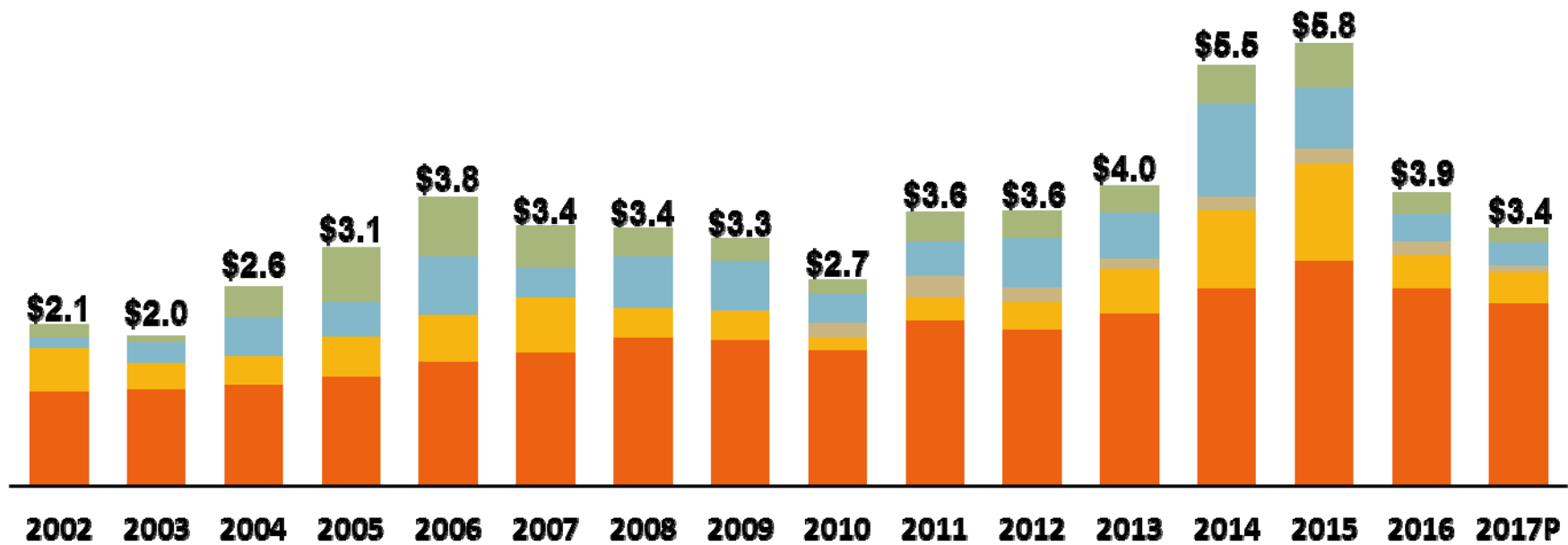


BNSF's Capital Investments

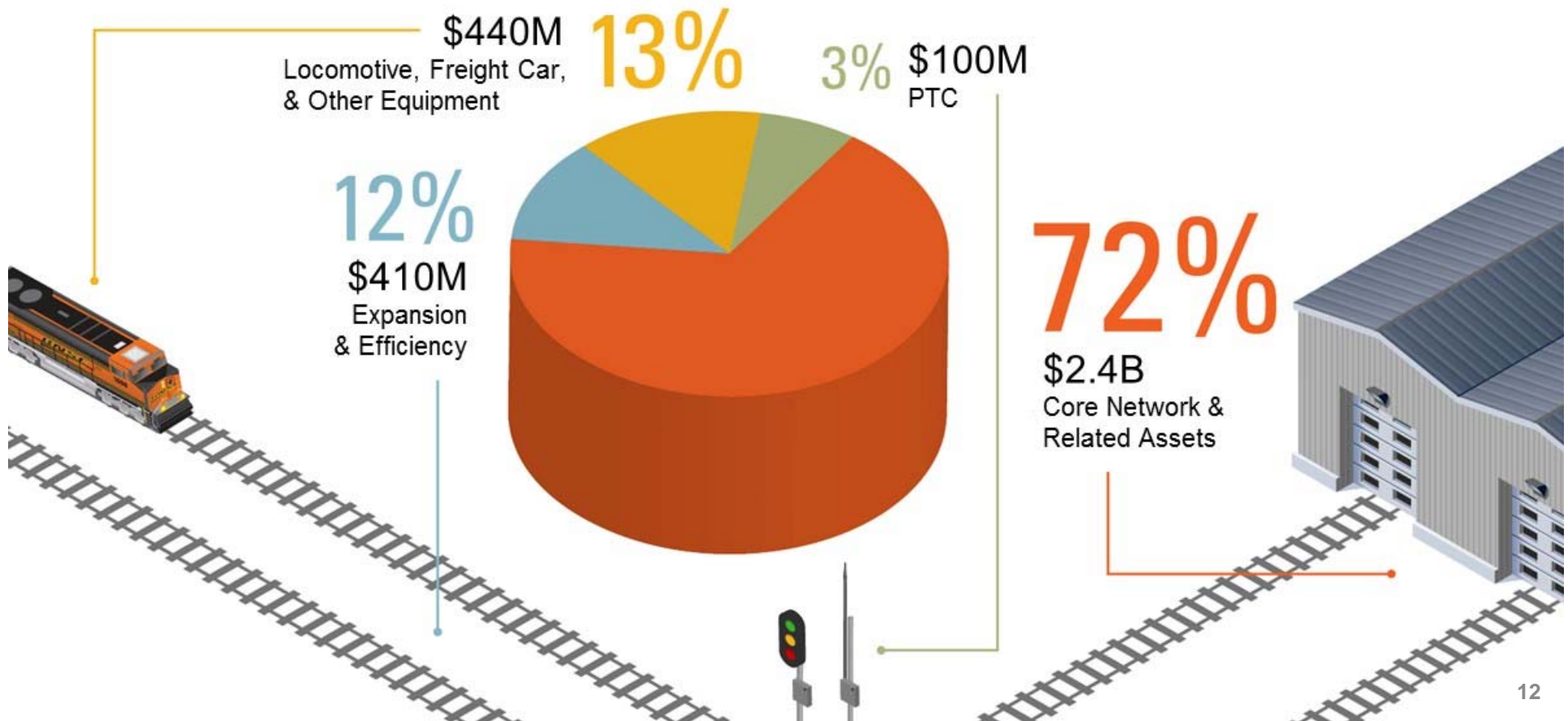


\$ Billions

Replacement Capital Expansion PTC Locomotive Equipment



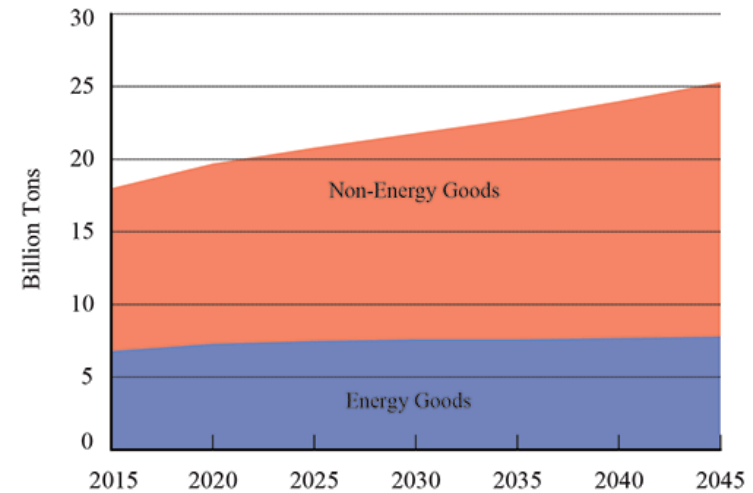
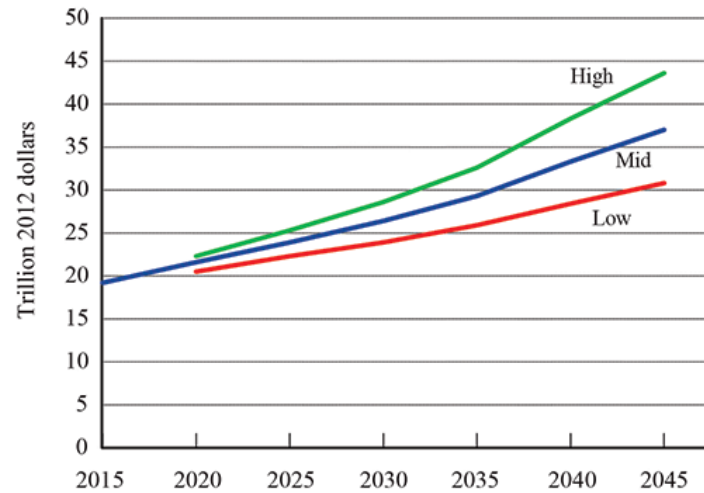
2017 Capital Investments \$3.4B



An aerial photograph of a long, multi-span concrete bridge crossing a wide river. A freight train with several locomotives and cargo cars is crossing the bridge from right to left. The river is calm, and the surrounding landscape includes green trees in the foreground and hills in the background. The entire image is overlaid with a semi-transparent blue filter.

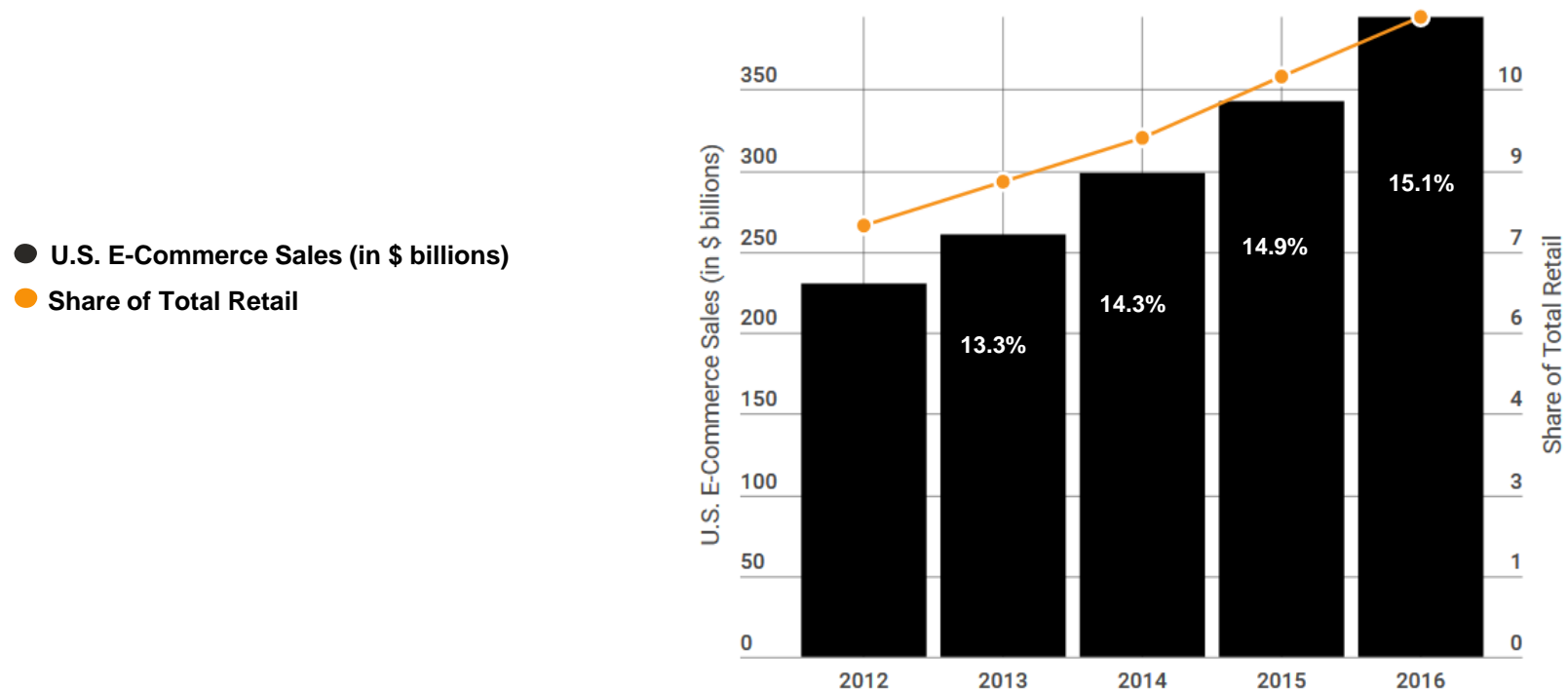
Why Transportation Matters (And How to Leverage It)

USDOT 30-Year Freight Projections



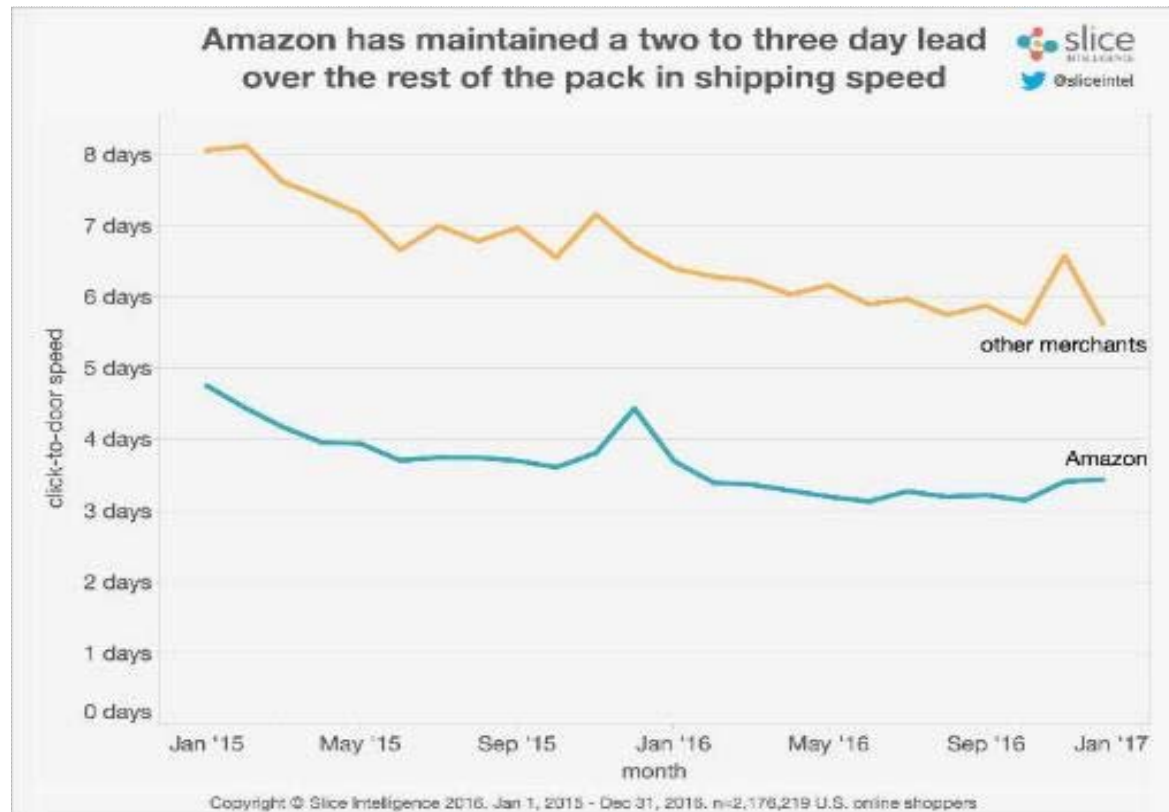
Source: U.S. Department of Transportation, Bureau of Transportation Statistics

E-Commerce Sales Show Steady Growth

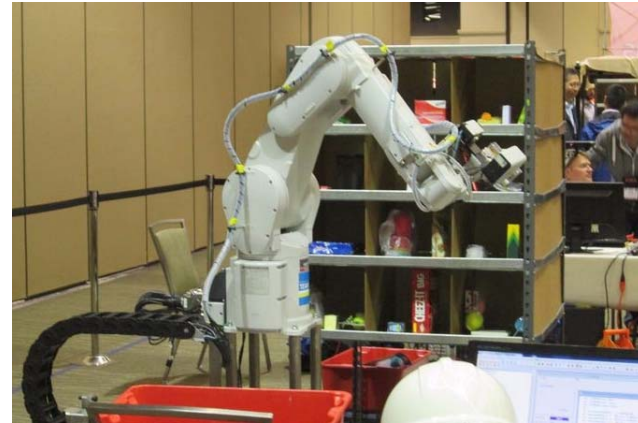


Source: Internet Retailer: U.S. Department of Commerce Retail E-Commerce Sales Report

Amazon's Competitive Advantage



Why Amazon's Purchase of Kiva Matters



Why Amazon's Purchase of Kiva Matters



As automation of warehouse and distribution centers advance, labor will become less of a factor

- Warehouses and distribution centers could locate in less populous areas
- Will still require skilled workers to perform maintenance on systems/robotics
- As a result, a community's amenities will play a bigger role in site location decisions to attract necessary talent

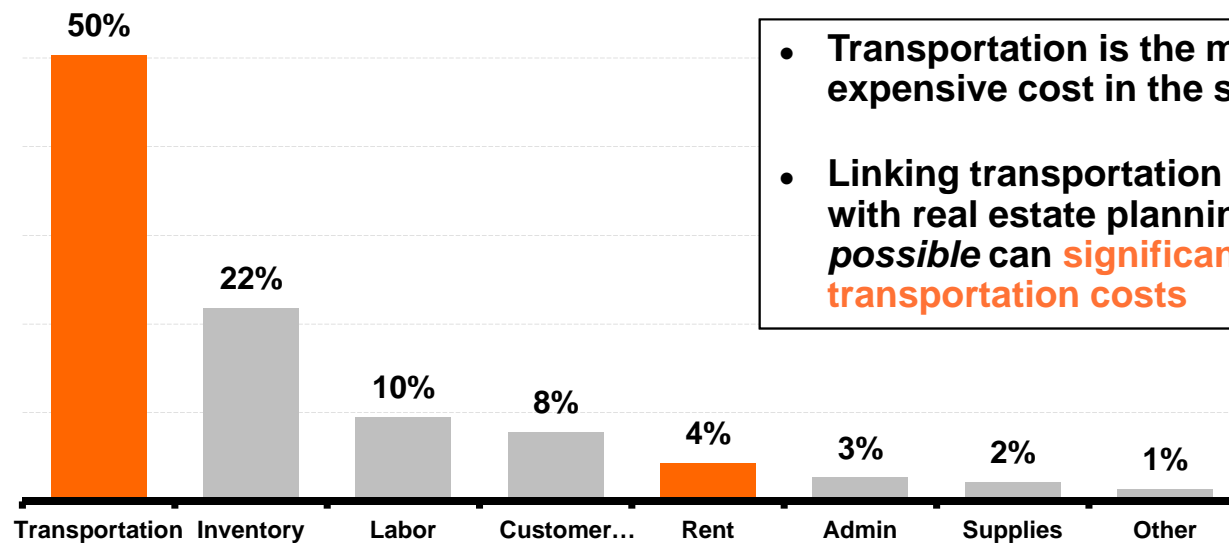


Real Estate Planning & Transportation



Transportation costs will drive future warehouse & distribution development.

LOGISTICS COST BREAKDOWN



Top 10 Site Selection Criteria --



Warehouse/Distribution

1. Transportation costs
2. Logistics Infrastructure – roads, rail
3. Available buildings/Certified Sites
4. Labor Costs and Availability
5. Supply Chain interruption risk
6. Business Climate
7. Rent/Lease terms/Ownership
8. Taxes and Incentives
9. Utility rates
10. Access to Public Transportation

Manufacturing

1. Labor Costs and Availability
2. Available Buildings/Certified Sites
3. Transportation Costs
4. Logistics Infrastructure – roads, rail
5. Supply Chain Interruption risk
6. Taxes and Incentives
7. Utility Rates
8. Business Climate
9. Rent/Lease terms/Ownership
10. Access to Public Transportation

Drivers for 3PL Cold Storage Site Selection



- **The Industry is driven by needs of Food Producers and Retailers**
 - Retailers need to quickly fulfill population centers – Urban Areas
 - Producers need to store product close to the source – Rural Areas
- **Cold Storage is a full supply chain business**
 - “Distribution Hub” locations need:
 - Highway Access
 - Labor Availability
 - Pro-business jurisdictions
 - Rail/Intermodal and Ports
 - A “Pro-Production” location is often a “pro-cold storage” location
 - Agricultural/Industrial economy
 - Strong rail connectivity
 - Business friendly zoning, permitting, taxes and labor laws

Source: Steven McGee, Americold



A photograph of a BNSF freight train crossing a concrete bridge over a river. The train is led by a locomotive with the number 7498. The scene is surrounded by dense trees and foliage. The entire image has a monochromatic orange tint. The title text is centered on the left side of the image, flanked by two horizontal orange lines.

BNSF Economic Development Approach

Economic Development Strategic Program



Premier Parks, Sites & Transloads Program

**Logistics
Parks**

**Logistics
Centers**

**Private Parks &
Site Certification**

Transload

Invest

Develop

Partner

Promote

*Strategic Approach - create conditions to attract customer
site location opportunities to the BNSF franchise*

Economic Development Strategic Program

Rail-Served Logistics Parks, Logistics Centers and Certified Sites



Logistics Park Overview



Premier Parks, Sites & Transloads Program

Logistics
Parks

Logistics
Centers

Private
Parks & Site
Certification

Transload

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Strategic Approach - create conditions to attract customer site location opportunities to the BNSF franchise



Logistics Park Description

- Intermodal Service business park focus but Direct Rail available
- Consumer, packaged, 3PL & export focused tenants
- Strong developer partnerships
- Private Capital & Public Investment
- Modal Connectivity

Value Proposition

- Maximize intermodal service
- Minimize inbound dray, maximize truck-turns-per-day
- Reduce emissions, fuel consumption
- Combine Direct Rail w/ Intermodal
- Heavyweight capabilities

Logistics Center Overview



Premier Parks, Sites & Transloads Program

Logistics
Parks

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Parks & Site
Certification

Transload

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Strategic Approach - create conditions to attract customer site location opportunities to the BNSF franchise



Logistics Center Description

- Direct rail served focus
- Multi-commodity, multi-customer
- Carload and/or unit train
- BNSF controlling interest
- BNSF capital drives development of business park
- Modal Connectivity

Benefits

- Create product in a site deficient market(s)
- Focus on end-user markets
- Public & Private Partnership investment
- Aggregate demand for operational and service improvements

Private Parks & Site Certification Overview



Premier Parks, Sites & Transloads Program

Logistics
Parks

Logistics
Centers

Private
Parks & Site
Certification

Transload

Invest

Develop

Partner

Promote

Strategic Approach - create conditions to attract customer site location opportunities to the BNSF franchise

Description

- Direct rail service focus
- Multi-commodity and customer
- Private business park developments
- Partnerships with economic development organizations, developers and communities
- Creating a robust, visible site inventory on our network
- Sites locations are reviewed to ensure accurate, reliable data



Benefits

- Reduce development time
- Increase speed to market
- Reduce upfront development risk of rail-served industrial sites
- Increase awareness of sites

Private Parks & Site Certification Overview



MARKETING & PROMOTIONAL MATERIALS



Rail Park at Central Pointe
Temple, Texas

ECONOMIC DEVELOPMENT
Tracking For Success

SELECTING A CERTIFIED SITE CAN:

- Reduce development time
- Increase speed to market
- Reduce upfront development risk of rail-served industrial sites

PROPERTY DETAILS

The property known as Rail Park at Central Pointe is located within Temple's established and highly successful industrial district comprising of over 4,900 acres for existing and future development. The industrial park is a major initiative by the Temple Economic Development Corporation and includes Airport and Enterprise Parks at Central Pointe.

Temple's certified site contains approximately 10 miles of track switched by the Temple & Central Texas Railway, connecting solely to BNSF. With 306 acres for development, this certified site is ideal for an industrial tenant seeking a large, rail-served site that is positioned for quick and relatively easy development.

Site Details:

- 306 available acres
- Direct rail access to BNSF
- Over \$16 million in road and utility upgrades
- Direct access to Interstate 35 and proximity to U.S. Highway 190, Texas State Highways 26, 53 and 95
- Centrally located between Dallas, Houston and San Antonio

CONTACT INFORMATION

BNSF Regional Manager
James O'Donley
817.867.6157
james.odonley@bnsf.com

Temple Economic Development Corporation
David Blackburn, President
254.773.6332
dblackburn@choosetemple.com

For more information on BNSF's Certified Sites Program, please visit www.bnsf.com/ed or call 817.867.6845

SITE PROFILE

Land Area	306 acres
Physical Address	Wendland Rd. - Lot #64 Temple, TX (Bell County)
Zoning	Light Industrial
Owner	Temple Economic Development Corporation
Price	\$21,000 per acre

UTILITIES

Electric	Oncor
Gas	Atmos Energy
Water	12" water line City of Temple, TX
Wastewater	8" wastewater line City of Temple
Telecommunications	AT&T

DEMOGRAPHICS

Temple is the principal city in the Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA). The MSA has an estimated population of 430,574.

POPULATION

Temple, TX	77,059
10 mile radius	107,072
15 mile radius	127,263
20 mile radius	188,306

WORKFORCE

Temple attracts commuters from the Killeen-Temple-Fort Hood Metropolitan Statistical Area.

Total Wage & Salary Employment	130,420
Annual Mean Wage	\$40,120

BNSF PREMIER PARKS, SITES AND TRANSLOAD PROGRAM

BNSF Certified Sites are a part of the Premier Parks, Sites and Transload program which is a strategic approach to addressing the increasing demand for customer site locations by developing various types of facilities across the BNSF network. BNSF Certified Sites have been reviewed by an industry expert in order to ensure accurate, reliable data. Our goal is to provide an inventory of rail-served sites that are available for immediate development.

* In order to ensure a safe, efficient and economical switch operation, BNSF will want to review and approve the engineering plans to serve each tenant facility.

For more information on BNSF's Certified Sites Program, please visit www.bnsf.com/ed or call 817.867.6845

Why BNSF | **How it Works** | **Resources** | **Certified Sites** | **Get Started**

BNSF's industrial site certification program supports BNSF's larger initiative of developing business parks and/or rail served sites along our network. Currently, we have ten BNSF Certified Sites; however, we are continuing to add to our inventory of sites.

For more information, or to contact our Certified Sites, please click on the map locations below.

(Interested in becoming a BNSF Certified Site, contact: [Lacy Kreger](mailto:Lacy.Kreger@bnsf.com), BNSF Economic Development.)

Greenville, IL

BNSF Regional Manager
Eric Pitcher
312-850-5699
eric.pitcher@bnsf.com

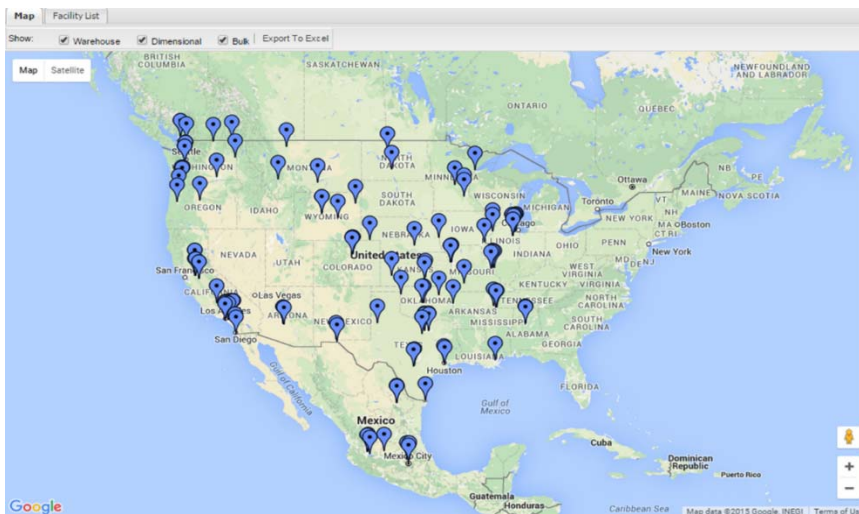
City of Greenville
Bill Walker
618-664-1644, ext 230
bwalker@greenvilleillinois.com
[Download Greenville, IL PDF](#)

The BNSF Site Certification Program is a comprehensive process that includes geotechnical standards, rail access, proximity to major highways, and acquisition and development.

Selecting a BNSF Certified Site can reduce development time, increase speed to market, and reduce upfront development risk of rail-served industrial sites.

For a downloadable version on the benefits of selecting a BNSF Certified Site, [click here](#).

Transload Overview



BNSF serves or has access to more than **391** transloading facilities

- More than **55** BNSF-owned facilities
- More than **336** privately owned facilities



BNSF handled **103,980** **carloads** through transloading facilities in 2016

Transload Is:

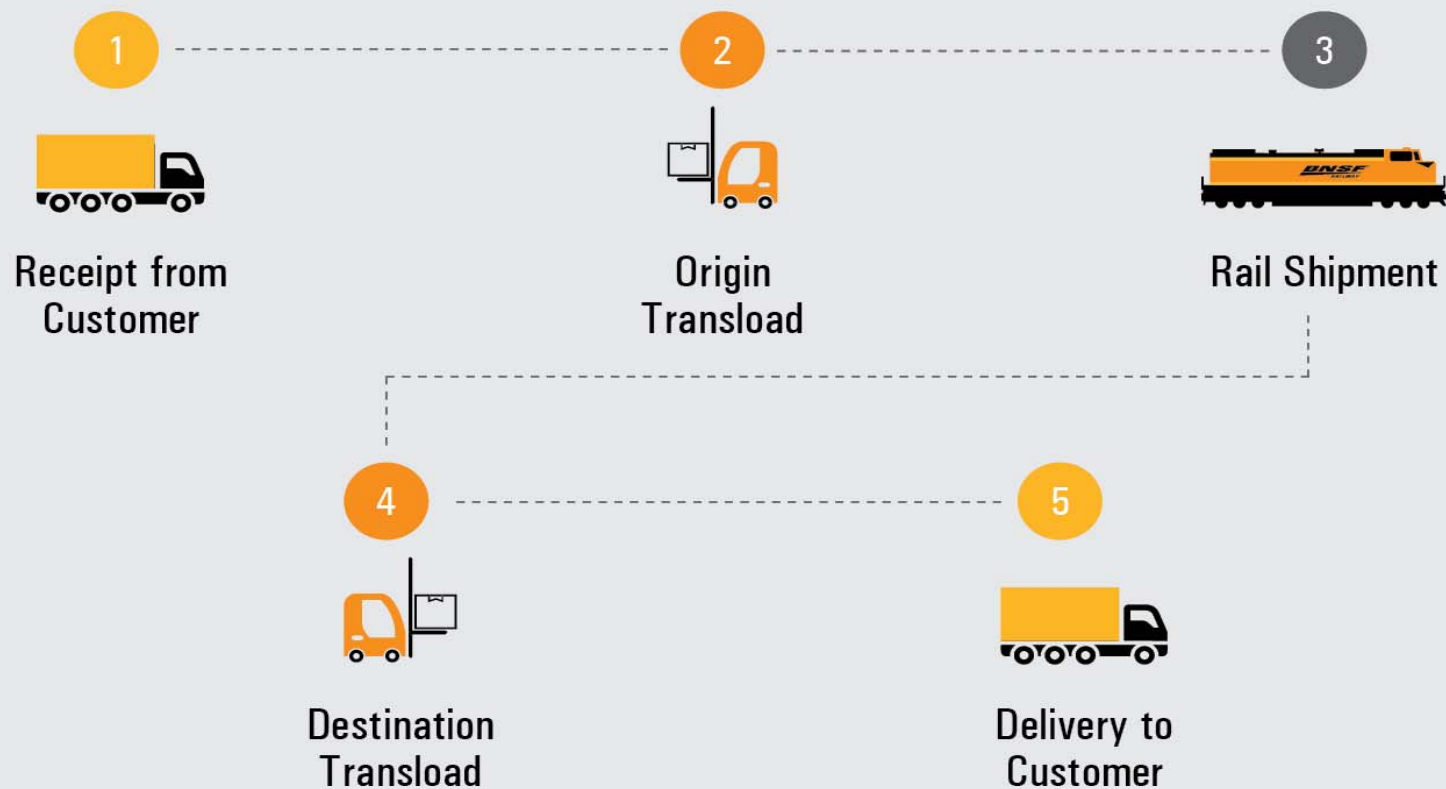


The ***transfer of freight between modes***, on behalf of non-rail served shippers and / or receivers.

Transload: Process Examples



TRUCK >> RAIL >> TRUCK





Our Economic Development Team

The BNSF Team









BNSF's **economic development team** works closely with companies, communities and consultants to establish transportation and distribution solutions that are customized for their enterprise.

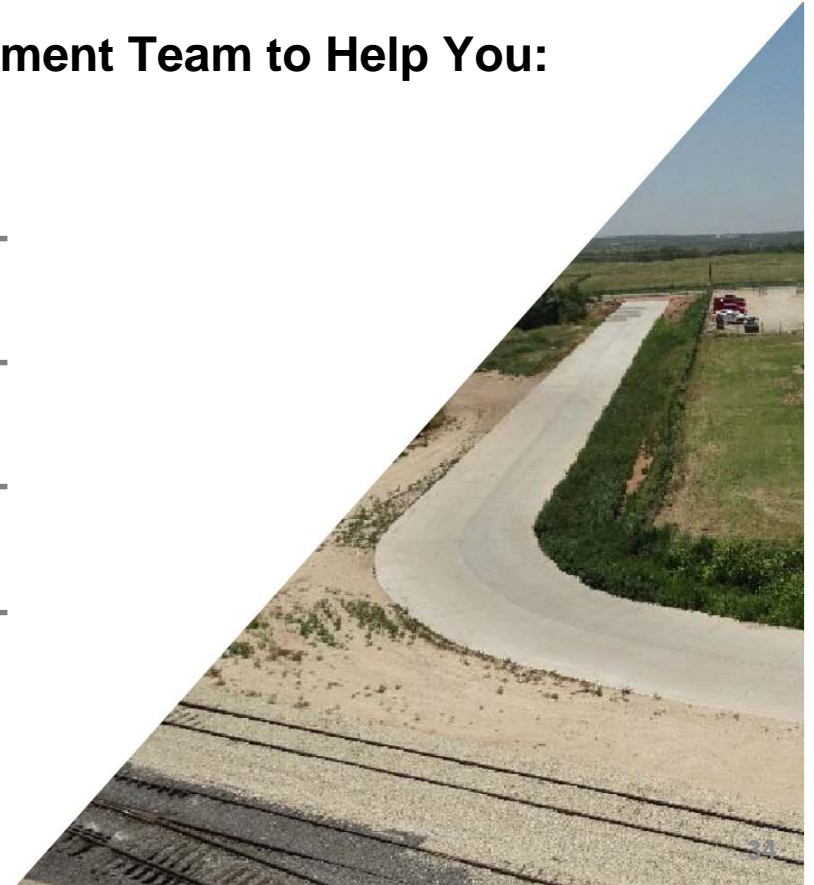


We're On Your Side



Count on BNSF Railway's Economic Development Team to Help You:

-  Select a site for a new facility
-  Expand an existing site
-  Evaluate transportation options
-  Improve transportation infrastructure
-  Establish rail service
-  Navigate the process



Our Experience Benefits You



The Economic Development professionals at BNSF:

- ✓ Support rail-served building or expansion projects in communities across the network
- ✓ Have over **250 years** of combined experience
- ✓ Help more than **100 shippers** grow their business each year

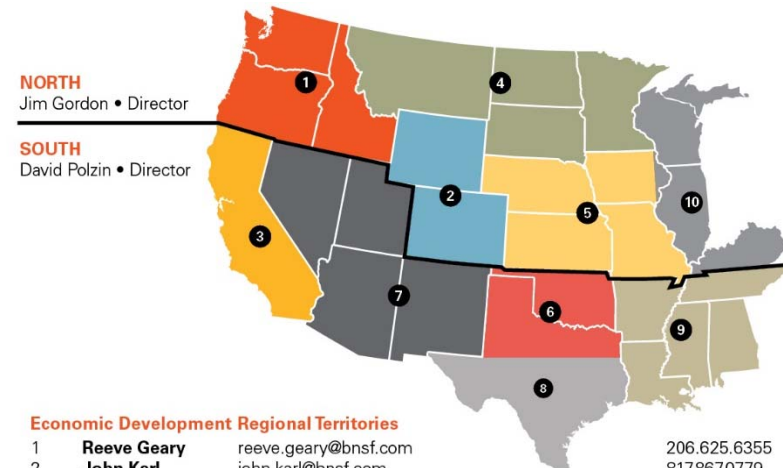


We're Here For You



Get started on a
rail-served project

Contact a BNSF
Economic Development
regional manager to
*guide you through
every step of the
process*



NORTH
Jim Gordon • Director

SOUTH
David Polzin • Director

Economic Development Regional Territories

1	Reeve Geary	reeve.geary@bnsf.com	206.625.6355
2	John Karl	john.karl@bnsf.com	817.867.0779
3	Hector Garcia	hector.garcia@bnsf.com	909.386.4020
4	Justin Pearson	justin.pearson@bnsf.com	701.667.7425
5	John Rider	john.rider@bnsf.com	913.551.4148
6	Janet Black	janet.black@bnsf.com	817.867.6526
7	Ean Johnson	ean.johnson@bnsf.com	623.463.4133
8	James O'Donley	james.odonley@bnsf.com	817.867.6137
9	Jarred Howard	jarred.howard@bnsf.com	817.867.6375
10	Eric Pitcher	eric.pitcher@bnsf.com	312.850.5699

Contact the regional manager listed for your territory.

Unit Train Projects

Larry Naeger • Director • 817.867.6962
Stan Ujka • Sand/Crude • 913.551.4146
Peiter Hjertstedt • Wind/Pipe/NGLs • 913.551.4145
Mike Ray • AG North • 817.867.6522
Mike Martucci • AG South • 817.867.0804
George Pacocha • Coal/Aggregate • 817.867.6584

Co-location and Ports

Cary Hutchings • Director • 817.593.6917
Don Karls • Ports North • 360.418.6278
Samantha Galltin • Ports South • 323.277.2016
Eric Goodman • Co-Location 913.551.4550
Jon Arita • Co-Location 817.867.0873

BNSF's Economic Development Team Will Keep Your Growth On The Right Track, Allowing You To Simply Move.





www.bnsf.com/rail-development



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