



Norfolk Southern Industrial Development

A Part of Your Economic Development Team

North Carolina Association of County Commissioners
Marc Hoecker
Director Strategic Planning

August 15, 2014

Overview

Part 1:

Railroad Basics – An Overview

Part 2:

Working with NS Industrial Development Team to Successfully Locate a Prospect

What is a Train?

At Norfolk Southern, we focus on moving freight. Our trains mainly consist of a locomotive(s)....



and Rail Cars.



Different Types of Rail Cars

Intermodal



Steel Coils



Center Beam –
Forest Products



Covered Hopper –
Ag Products



Tank Cars



Gondola - Coal



Box Car –
General Merchandise



High Wide Loads



Auto – Finished
Vehicles



Multiple Rail Networks

We have a main line or in some cases multiple main lines, yet we really have multiple rail networks sharing common Norfolk Southern rail corridors.



Multiple Rail Networks: Unit Train



- Runs Point to Point
- Mainly Private Facilities
- Minimum Number of Cars
- You Build It...We'll Serve It

Multiple Rail Networks: Intermodal



- Facility to Facility Service
- No “Local Service”
- Railroad or Port Owned Facilities
- Works best with a balance of inbound and outbound loads

Multiple Rail Networks: Carload



- Also called Carload Service, Merchandise Service, Single Car Service
- Hub and Spoke Network
- Service is unique to a specific location (2, 3, 5, 7 Day a week Service)
- Door to Door Service

The Industrial Development Process

Now that you know the different networks on NS, how do work with us to land a project?

Request For Proposal (RFP)

It all starts
with a RFP!



P.O. Box 1107, Effingham, IL 62401
Ph. 217-342-4443 • Fx. 217-342-3299 • www.agracel.com

Project: S-Plan Food Manufacturing Operation Preliminary Location Search

Desired Location & Site Criteria

- States – Ohio & Indiana
- Within 50 miles north and west of Cincinnati, OH
- Green field site 5 – 20 acres
- Rail access required – access to existing spur and switch preferred

Desired Location Criteria & Project Information

- Electric – 2,000 KW demand, 1M kwh monthly usage
- Natural Gas availability
- Transportation - Proximity to major highways, 4- Lane divided preferred
- Employees – 20 to 30
- Investment – \$20 to 30 million for building and equipment
- Timeline -- decision within 3 to 6 months. (construction to begin Summer 2012)

Requested Information

- Site information data & costs
- Railroad Carrier and potential access serving the site
- Electric Power Provider & capacity on site
- Natural Gas Provider & capacity on site
- Transportation access

Please respond by October 17, 2011 to:

Todd Thoman
Director, Business Development
Agracel, Inc.
1200 Network Centre, Suite 3
P.O. Box 1107
Effingham, IL 62401

217-342-4443
tthoman@agrancel.com
www.agracel.com

10/06/2011



Information Needed to Select Sites

Information that NS needs to evaluate the over 2000 sites that NS has in our inventory

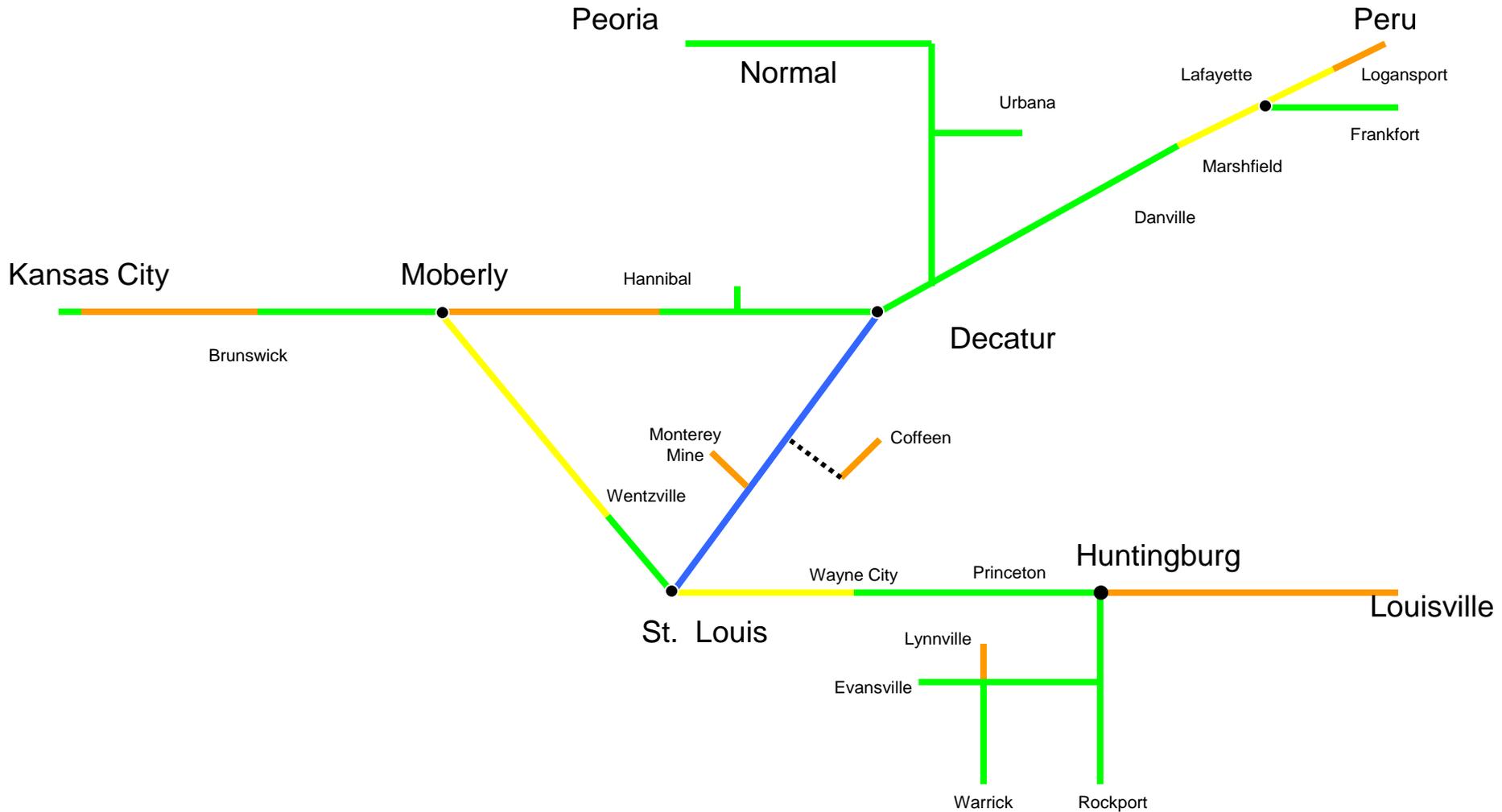
- What is the commodity? (corn, crude oil, coal, etc)
- How will it be loaded/unloaded? (pit, loading dock, crane, etc)
- How will it be shipped? (regular train service or unit train service)
- What type of frequency of rail service is required?(1, 3, 5, 7 days a week)

How will the car be loaded / unloaded?

Will the car be loaded/unloaded with a hoist, by large crane, or by split beam?



Service – Frequency



Initial Site Analysis

Use the specific prospect information to narrow down the qualifying sites and then submit site brochures.

Site Brochure Selection

Norfolk Southern Site

HAVERHILL NW SITE
OH-SCIOTO-1

PHYSICAL CHARACTERISTICS

SIZE: 754 acres.

LOCATION: South central Ohio, 12 miles southeast of Portsmouth, in Scioto County.

TOPOGRAPHY: Elevation between 540 - 550 ft.

ZONING: Not Zoned

OWNERSHIP: Norfolk Southern Corporation

UTILITIES

WATER: Municipal water service is not available. Shallow wells produce up to 220 gpm. Process water can be obtained from the Ohio River.

SEWERAGE: Municipal sewer service is not presently available. Private waste water treatment facility can be constructed on site.

GAS: United Fuel Gas Company. Line size is 6 in. High pressure line located along the eastern border of the site.

ELECTRICITY: American Electric Power. Line size is 765 KV. Transmission line is located on site and forms a portion of sites northern boundary line.

TRANSPORTATION

RAIL: Norfolk Southern Railway. Mainline forms sites northeastern boundary

HIGHWAY: Interstate 64 is located 30 miles south, US-52 (4 lane) parallels railroad along northeast boundary. Old US-52 provides direct access to the site.

AIR: 30 mi from Tri-State Airport.

WATERWAY: Site has 1767.8 kilometers (5800 feet) of frontage along the Ohio River which has a MDF of 10647 liters/sec (3,760 cfs).

For additional information, please contact Norfolk Southern

Chris Ingraham, Manager
Industrial Development Department
8000 Raines Edge Court, Suite 100
Columbus, OH 43226
(614) 433-6913 FAX: (614) 436-6929
Email: Chris.Ingraham@nscorp.com

Robert A. Bowling, Director
Industrial Development Department
1200 Peachtree St., 12th floor
Atlanta, GA 30309
(404) 529-2245 FAX: (404) 529-1057
Email: rbowling@nscorp.com



LOCATION MAP

NJS NORFOLK SOUTHERN

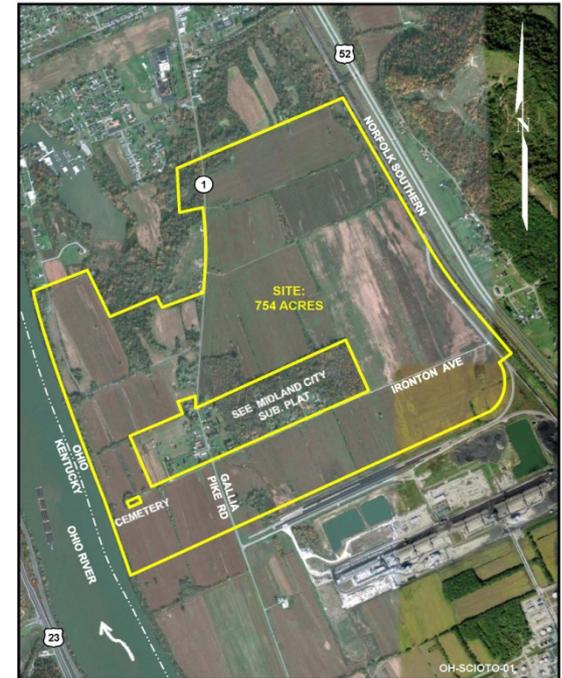
SITE DATA
2/10/2010 - 1/15



TOPOGRAPHIC MAP SECTION

SCALE: 1 INCH = 2000 FEET
CONTOUR INTERVAL: 20 FEET

NJS NORFOLK SOUTHERN



AERIAL PHOTOGRAPH

NJS NORFOLK SOUTHERN

Provided by GOOGLE EARTH
Image Date: 10/29/2009

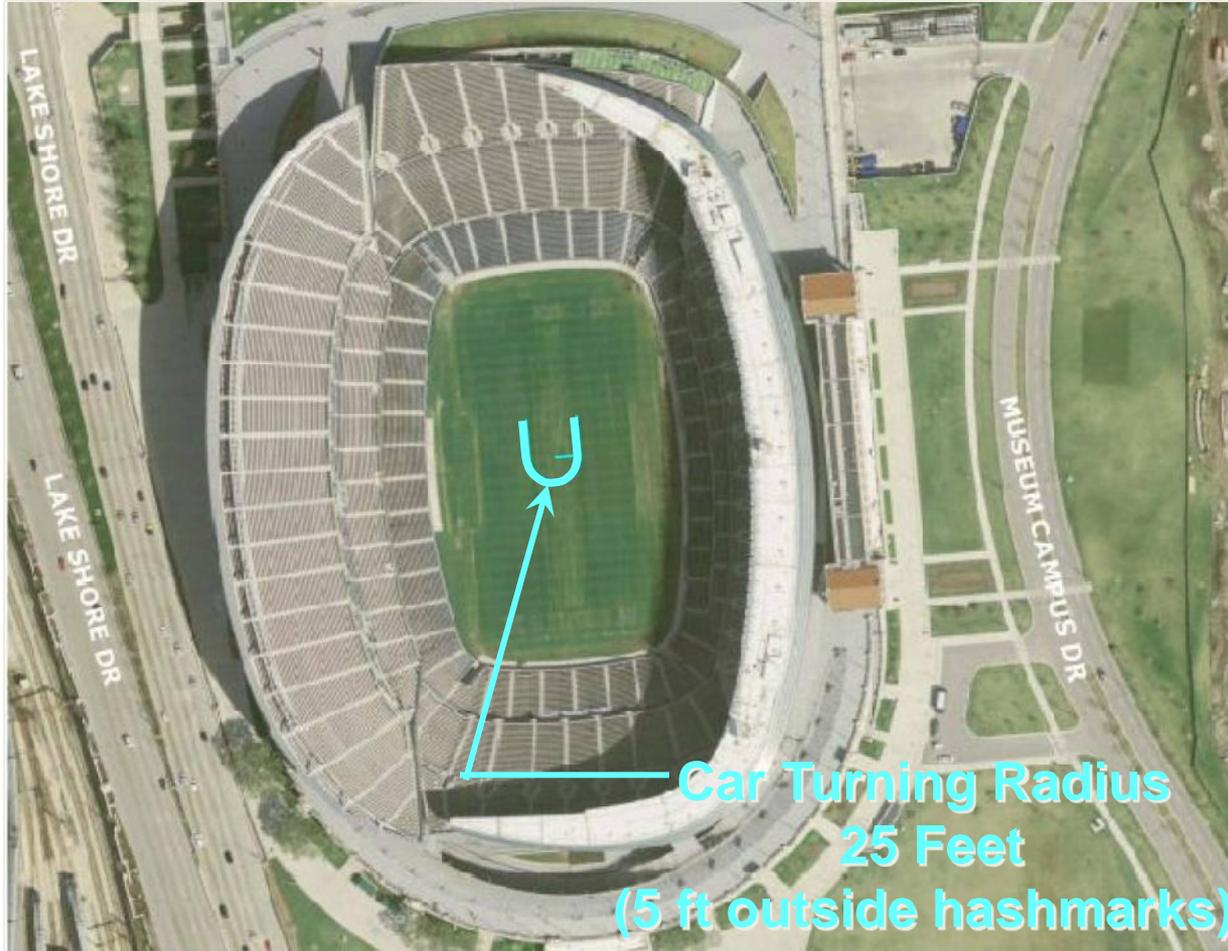
Prepare Site Plans

We use Site Plans to do the following:

1. Provide a conceptual representation of the horizontal and vertical track alignments.
2. Prepare a Ballpark Estimate of Cost for the rail infrastructure
3. Ensure a sufficient amount of track is designed to meet the local service levels.

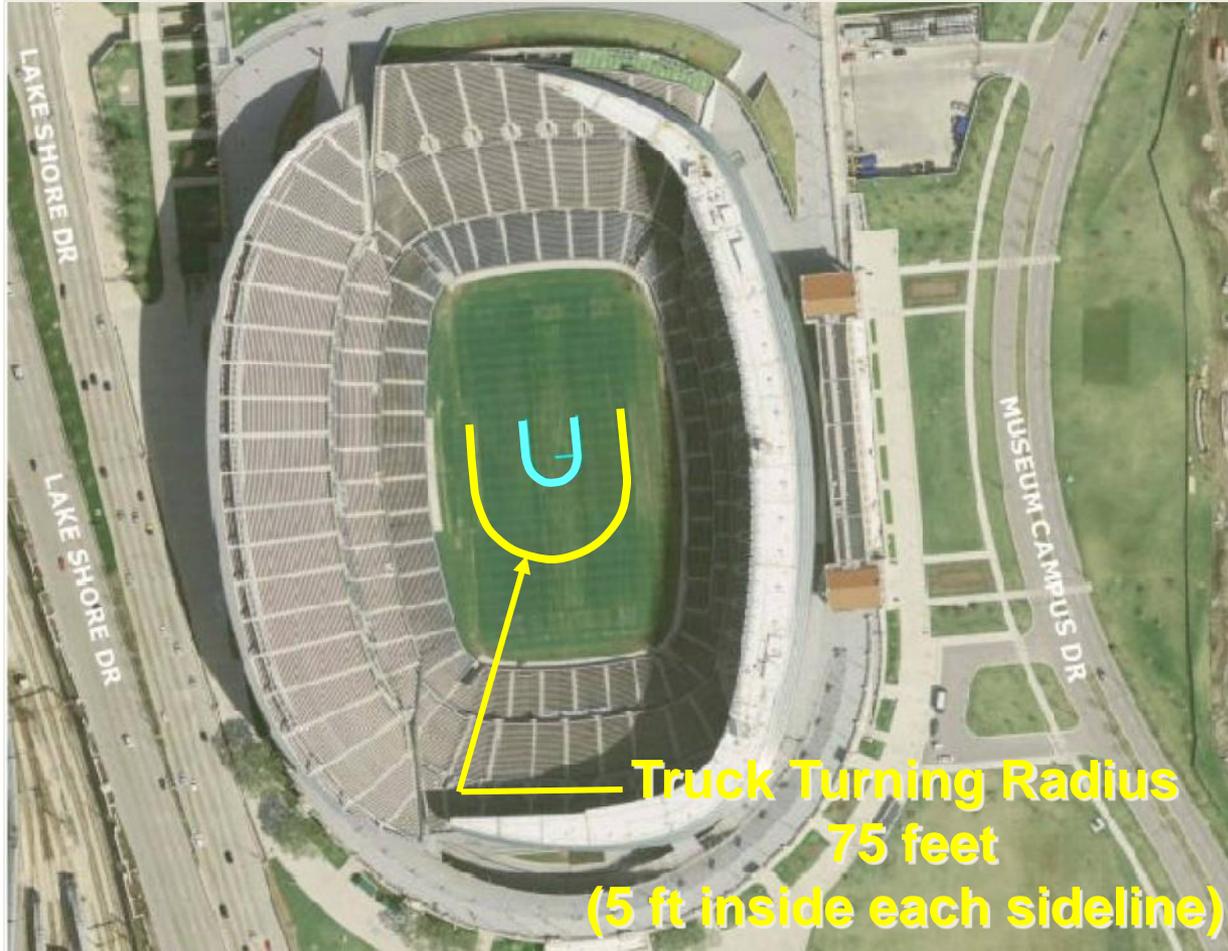
Site Plans – Horizontal Alignment

Restrictive Horizontal Alignments



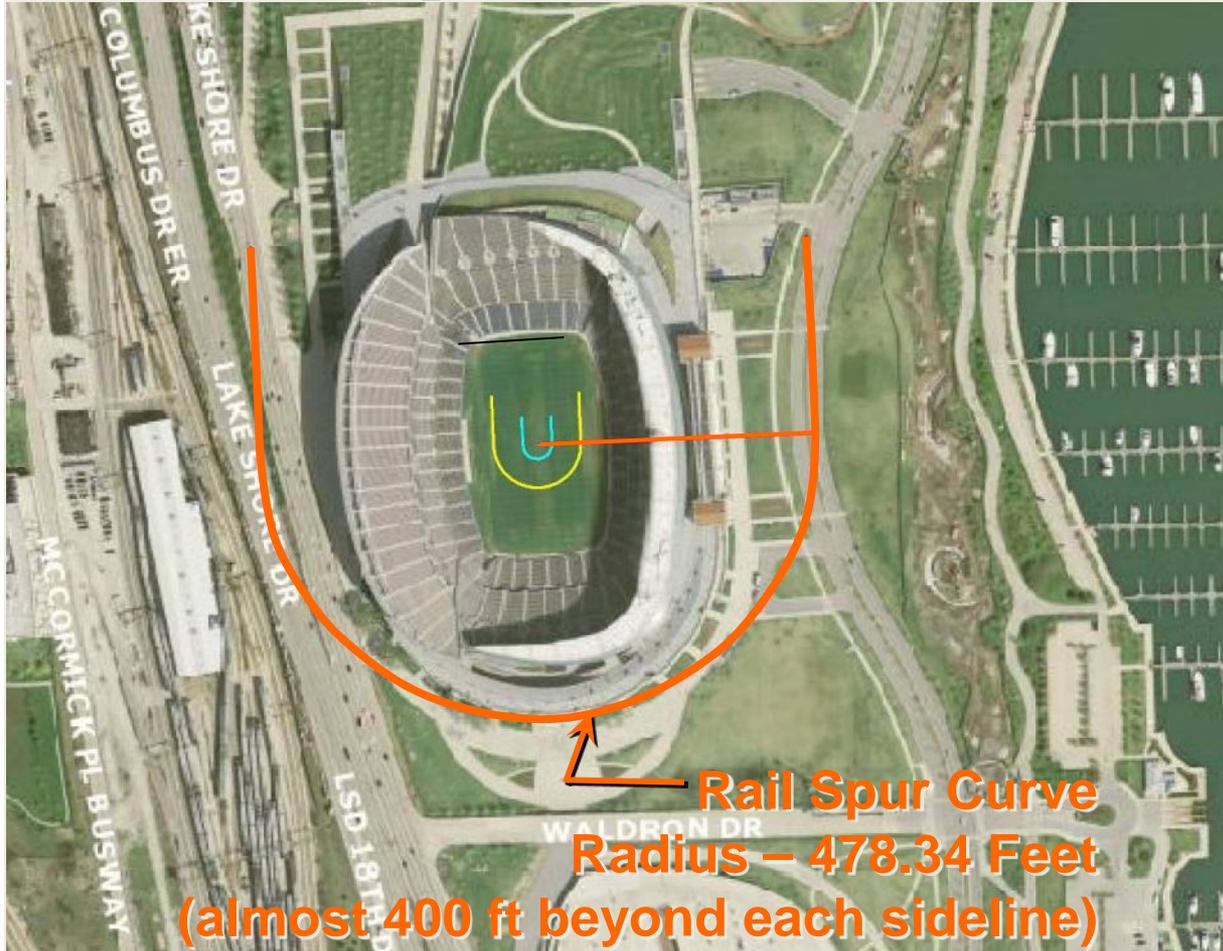
Site Plans – Horizontal Alignment

Restrictive Horizontal Alignments



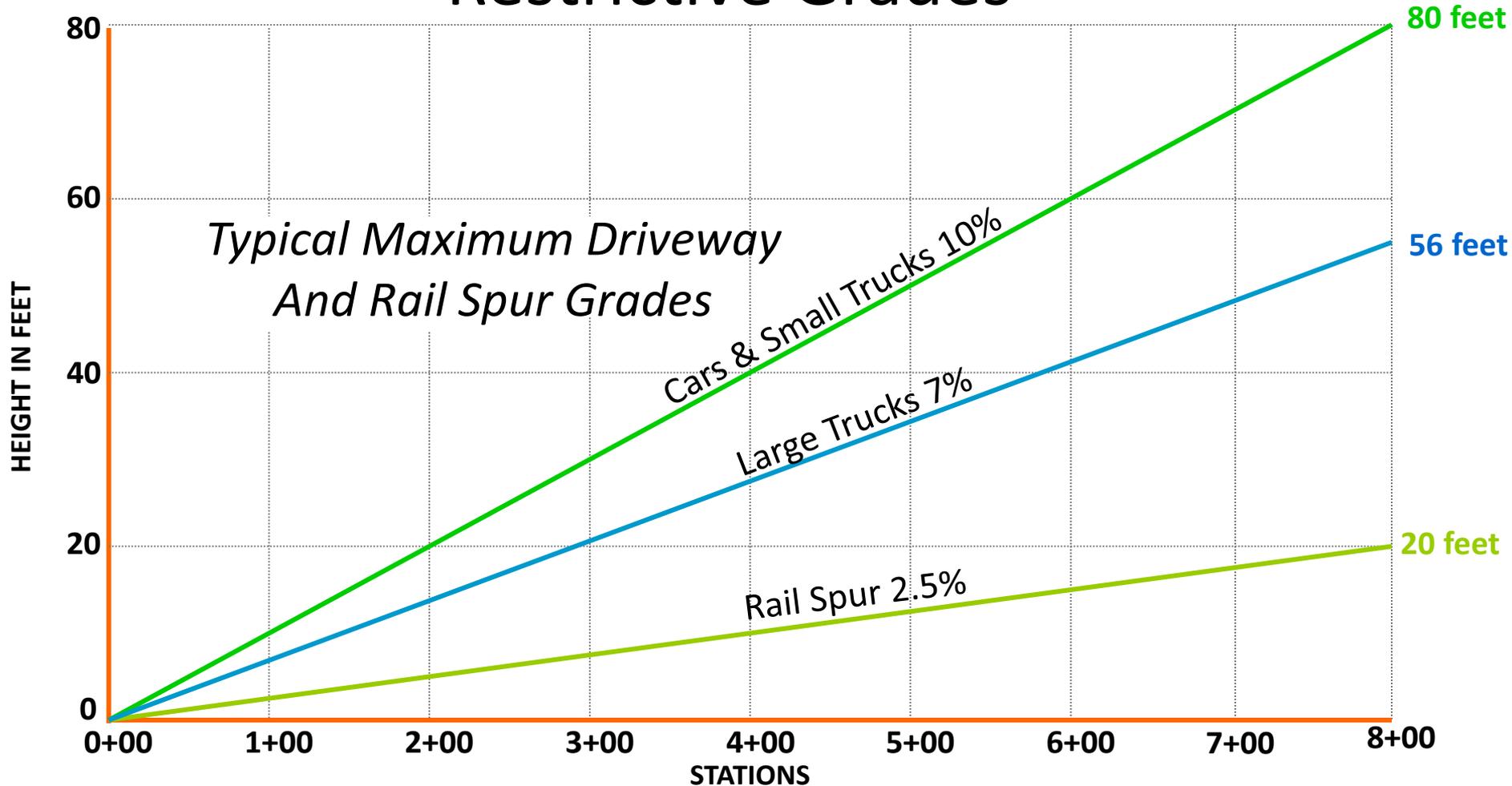
Site Plans – Horizontal Alignment

Restrictive Horizontal Alignments

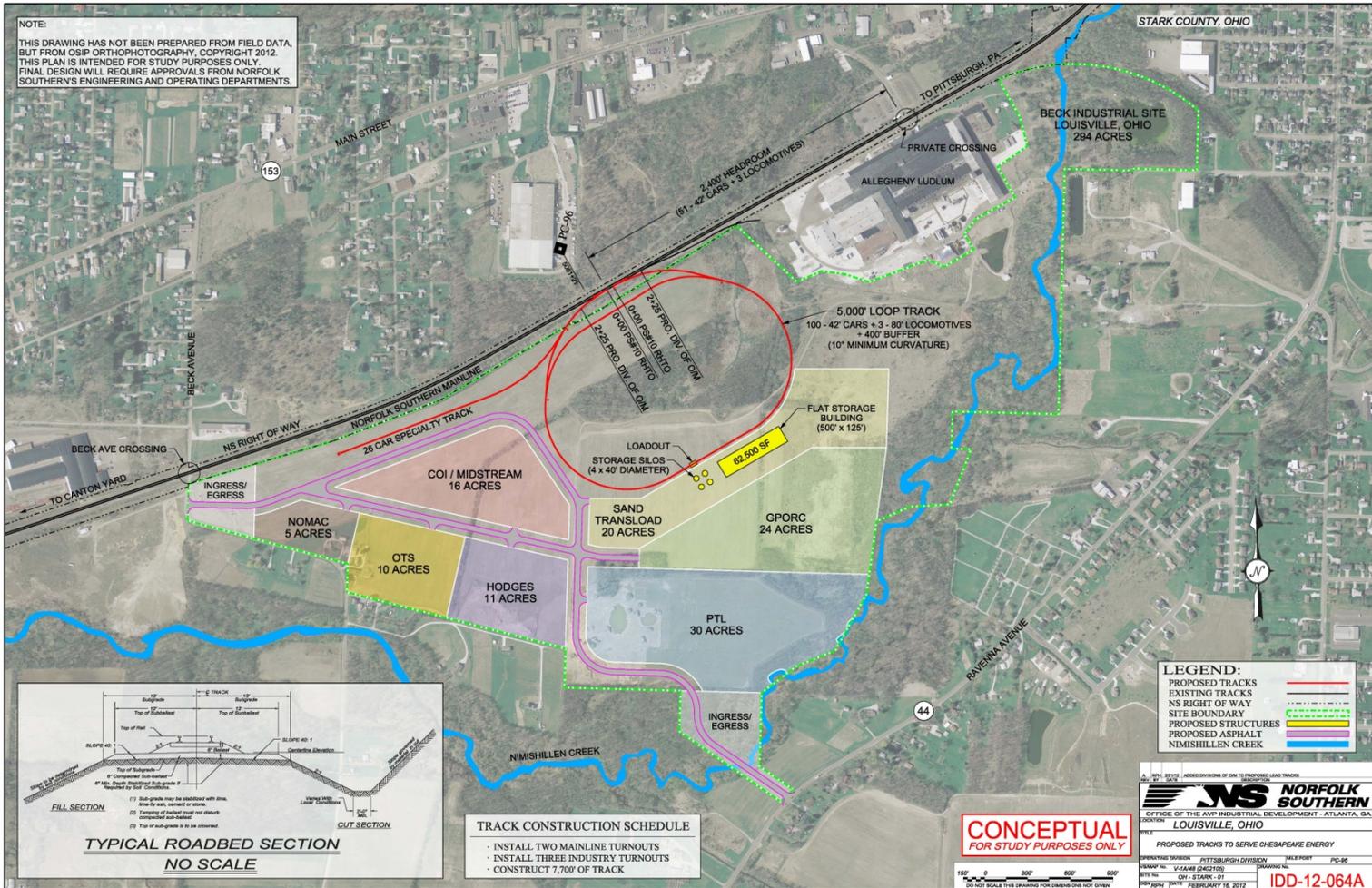


Site Plans – Vertical Alignment

Restrictive Grades



Site Plans – Louisville, OH



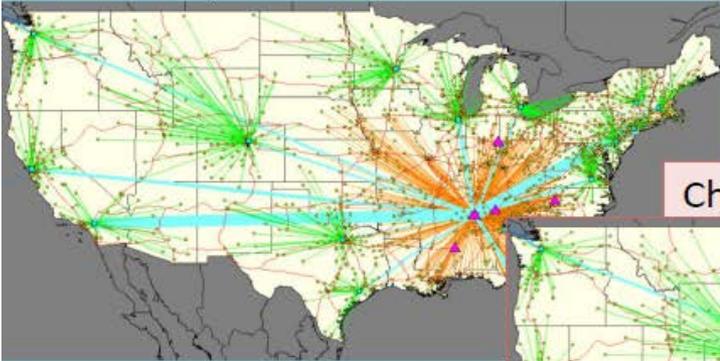
Analysis of the Project

Railroad Analysis of the Project will require detailed information on the following:

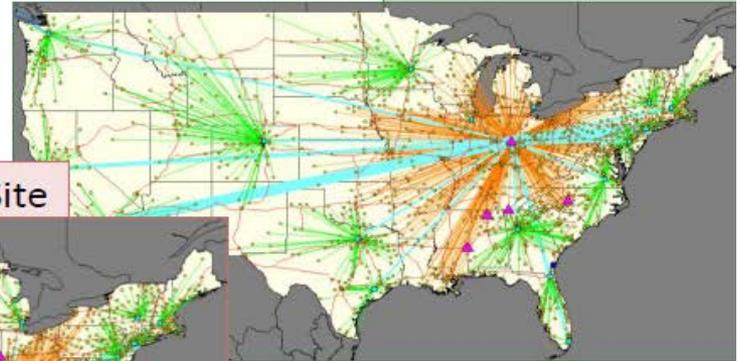
- Types of commodities being shipped
- Total Number of Carloads of each commodity
- Origin Destination Pairs on the Proposed Traffic
- Estimated Annual volume in each lane
- How cars are shipped (Single or Unit Train)
- Connecting Carriers
- Mileage
- Type of Railcar

Modalgistics: Site Comparison

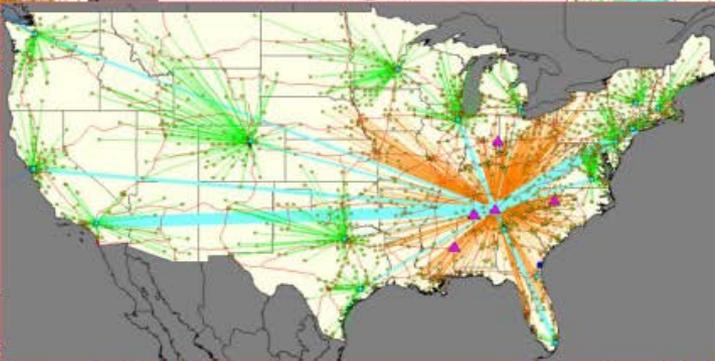
Greenbrier, AL Site



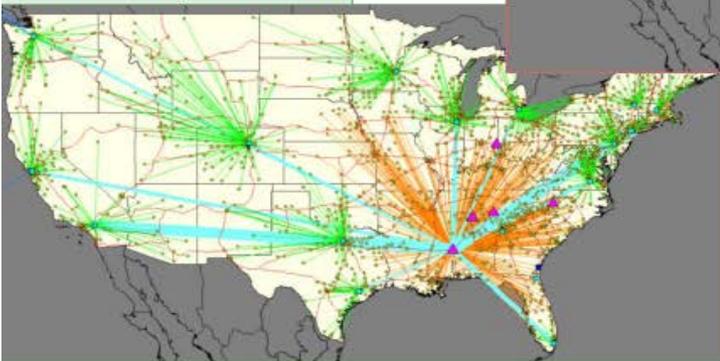
Richmond, IN Site



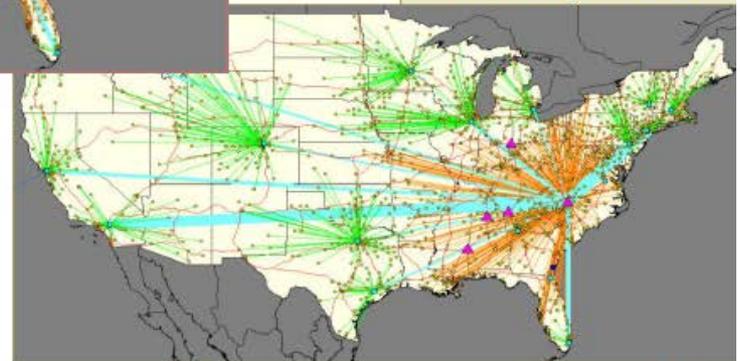
Chattanooga, TN Site



Kewanee, MS Site



Linwood, NC Site



--- Plant to Dealer Direct --- Plant to Ramp --- Ramp to Dealer ▲ Plant Sites ■ Ramps ● Dealers ■ Ports

Incentives

Will Norfolk Southern pay for the cost of an industry's track?

What about other incentives like land cost, site preparation, etc.?

Incentives

It depends upon the project...

- We must have detailed traffic information
- The industry must provide an assurance of business
- Our decision will be based upon risk and return

Final Steps

Once the site has been selected, we continue to work with the industry on...

- Detailed Engineering Plan Submittal
- Siding Agreement Execution
- Switch Installation

So... How Long does it take?

Well...It depends on the Industry's Engineering Consultant and Lawyer.

Transportation Contract and Siding Agreements

Transportation Contract and Siding Agreements

SIDING AGREEMENT

THIS SIDING AGREEMENT ("Agreement"), made as of the 31st day of October, 2011, between **NORFOLK SOUTHERN RAILWAY COMPANY** (hereinafter referred to as "Railway") and **POLY ONE CORPORATION** (hereinafter referred to as "Industry").

WITNESSETH:

Railway and Industry agree as follows:

DESCRIPTION OF TRACK

1. Railway will provide rail service on the industrial track or tracks which are described below and which are hereinafter referred to as "Track":

Three industrial tracks identified as Track No. 1, 1105 feet in length, Track No.2, 547 feet in length, and Track No. 3, 426 feet in length at **ELYRIA, Lorain County, Ohio**

as shown on print of Plan No. AD-2010-31, dated May 14, 2010, attached hereto as Exhibit A and made a part hereof.

OPERATION

2. (a) The Track will be maintained and operated in accordance with the terms and conditions set forth in this Agreement. Such terms and conditions will apply to all extensions of, additions to and relocations of the Track; but Railway will not be obligated to operate over any such extensions, additions or relocations unless they have been approved, in writing, by Railway.

(b) Railway hereby authorizes the construction, maintenance and operation by Industry of any unloading pit, tipple, conveyor, Special Facilities (as defined in Section 14 hereof), private road crossing, gate or door affecting the Track as shown on the attached drawing.

RIGHT-OF-WAY

3. (a) Industry understands that the track connection and rail service provided for under the terms of this Agreement are subject to the rights granted under agreement dated May 15, 1990 (hereinafter "NOAP Agreement"), between Consolidated Rail Corporation ("Railway, successor by merger"), and Northern Ohio Associates Partnership, insofar as they may be applicable to the Track:

(b) Industry hereby guarantees to Railway the right and authority to operate over any portion of the Track, and the tracks of any third party, including tracks covered under the NOAP Agreement, necessary to provide service to the Track, located beyond the right-of-way of Railway or upon any public roadway, provided Railway will not have any responsibility to provide rail service to Industry under this Agreement if access is denied to Railway. Railway hereby licenses and consents to the use of so much of its right-of-way as may be necessary for the construction and maintenance of that portion of the Track owned by Industry located thereon.

EFFECTIVE DATE AND TERMINATION

22. This Agreement shall be effective as of the date first above written. Either Railway or Industry may terminate this Agreement at any time upon sixty (60) days' written notice.

INSURANCE

23. (a) Industry will, at the expense of Industry and for the further protection of Railway, procure and maintain during the life of this Agreement, in a form and with an insurance company that is satisfactory to Railway, a policy of Commercial General Liability Insurance with a combined single limit of not less than \$2,000,000 per occurrence for injury to or death of persons and damage to or loss or destruction of property. Said policy shall be endorsed to provide contractual liability coverage for liability assumed under this Agreement. In addition, said policy shall be endorsed to name Railway as an additional insured and shall include a severability of interests provision. As evidence of said insurance, a certificate of insurance shall be furnished to and approved by the Director Risk Management, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-2191 prior to entry on Railway's property. The certificate of insurance shall state that thirty (30) days advance written notice will be given to Railway of any material change in, or cancellation of such insurance.

(b) The furnishing by Industry of such evidence of insurance and acceptance of the same by Railway is not intended to and shall not reduce, limit, affect or modify the primary obligations and liabilities of Industry under any other provisions of this Agreement.

CONSTRUCTION OF AGREEMENT

24. The headings used in this Agreement are for convenience only and shall not affect the construction or interpretation of any section of this Agreement. If any provision of this Agreement or any part of any provision should become or be found to be invalid or unenforceable, the remaining provisions and parts shall continue to be fully effective and enforceable. Where necessary or appropriate in this Agreement, the singular and plural shall be interchangeable and words of any gender shall include all genders.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

WITNESS:

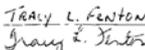
NORFOLK SOUTHERN RAILWAY COMPANY



By 
General Manager

WITNESS:

POLY ONE CORPORATION


Tracy L. Fenton
Tracy L. Fenton

By 
Tracy L. Fenton
Title: Director of Business Development
2011/10/31

TRACY L. FENTON
NOTARY PUBLIC - STATE OF OHIO
Recorded in Cuyahoga County
My commission expires May 25, 2015

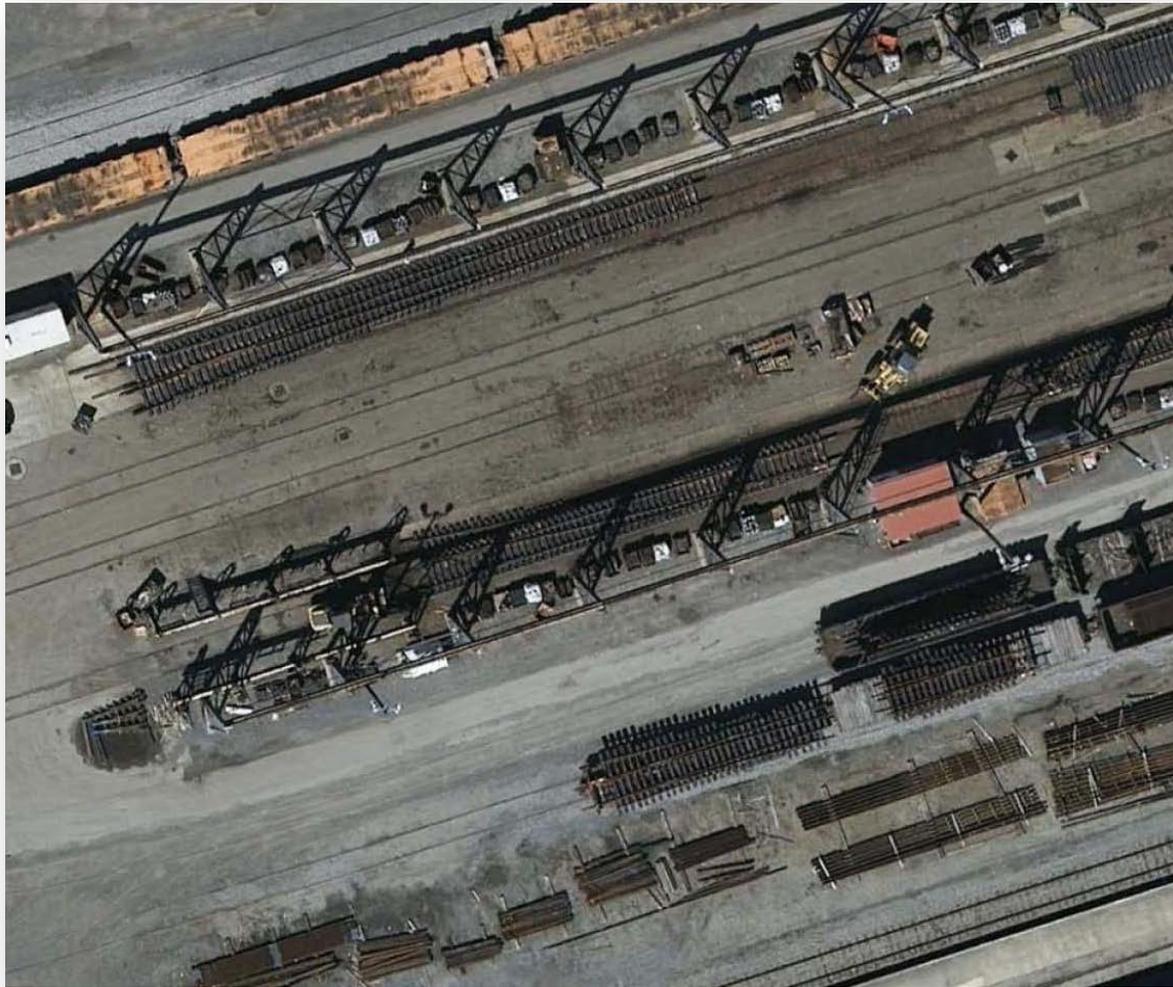
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Switch Installation

Now that the Engineering Plans have been approved and the Siding Agreement has been executed, all you have to do is install the switch.

Sounds simple, but is it?

Switch Fabrication – Roanoke, VA



Switch Panels Shipped



Switch Delivered



Switch Installed



Start Shipping Cars



Summary Slide

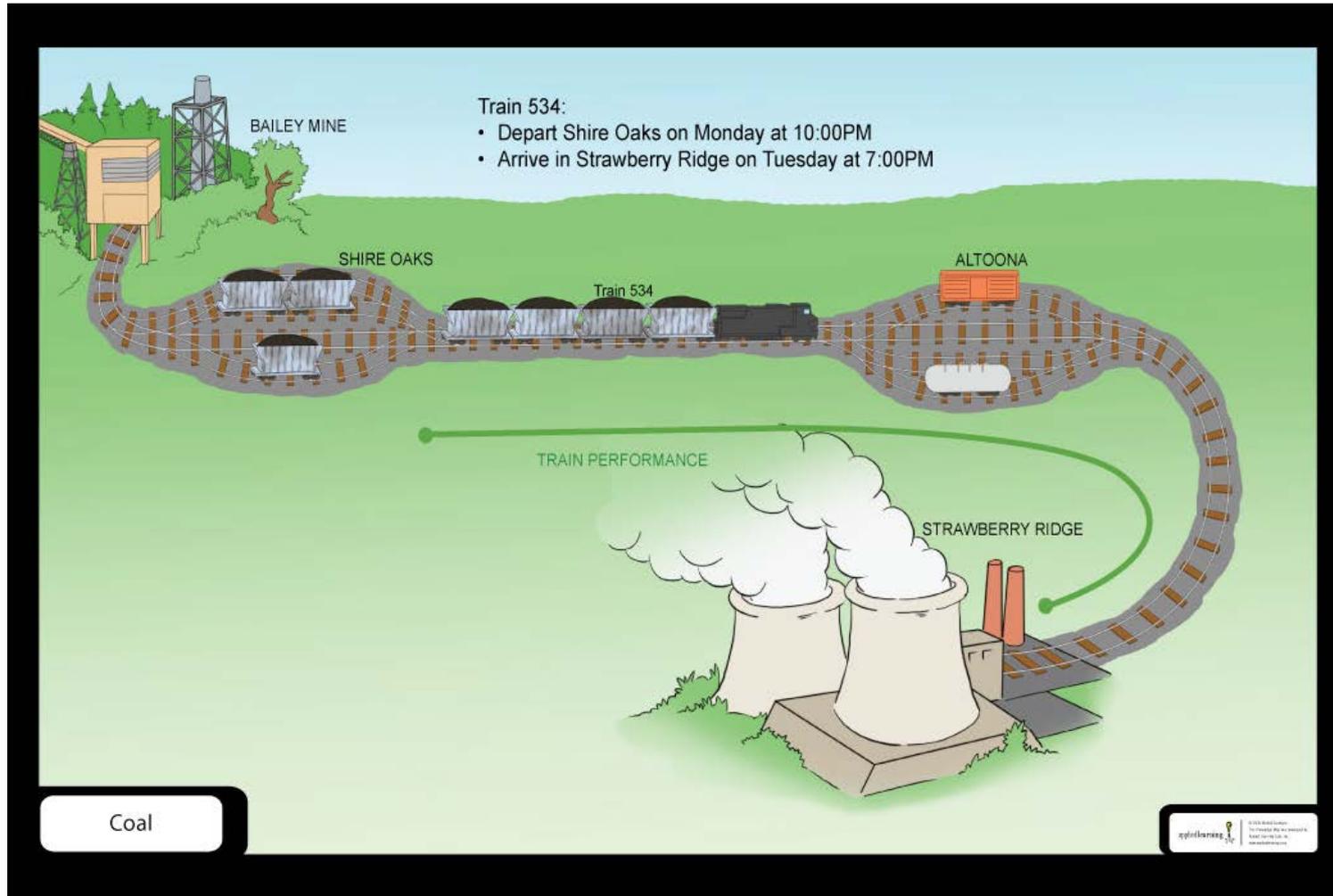
- When working a rail project remember to provide us with the necessary information.
- If you call us early...
 - We can help with Preliminary Plans
 - And....Possible Incentives

The End

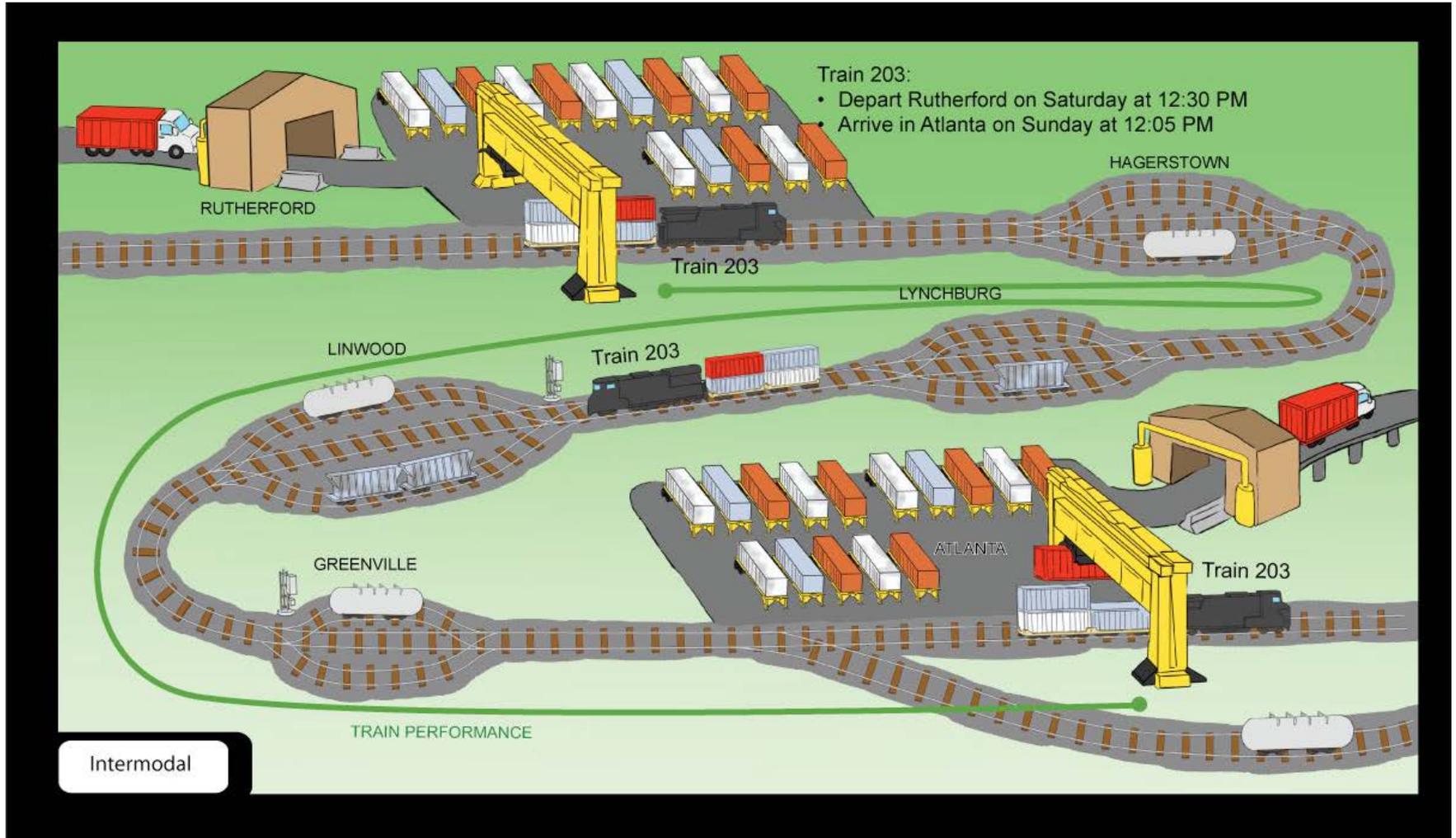
Questions?



Unit Train Service – Coal

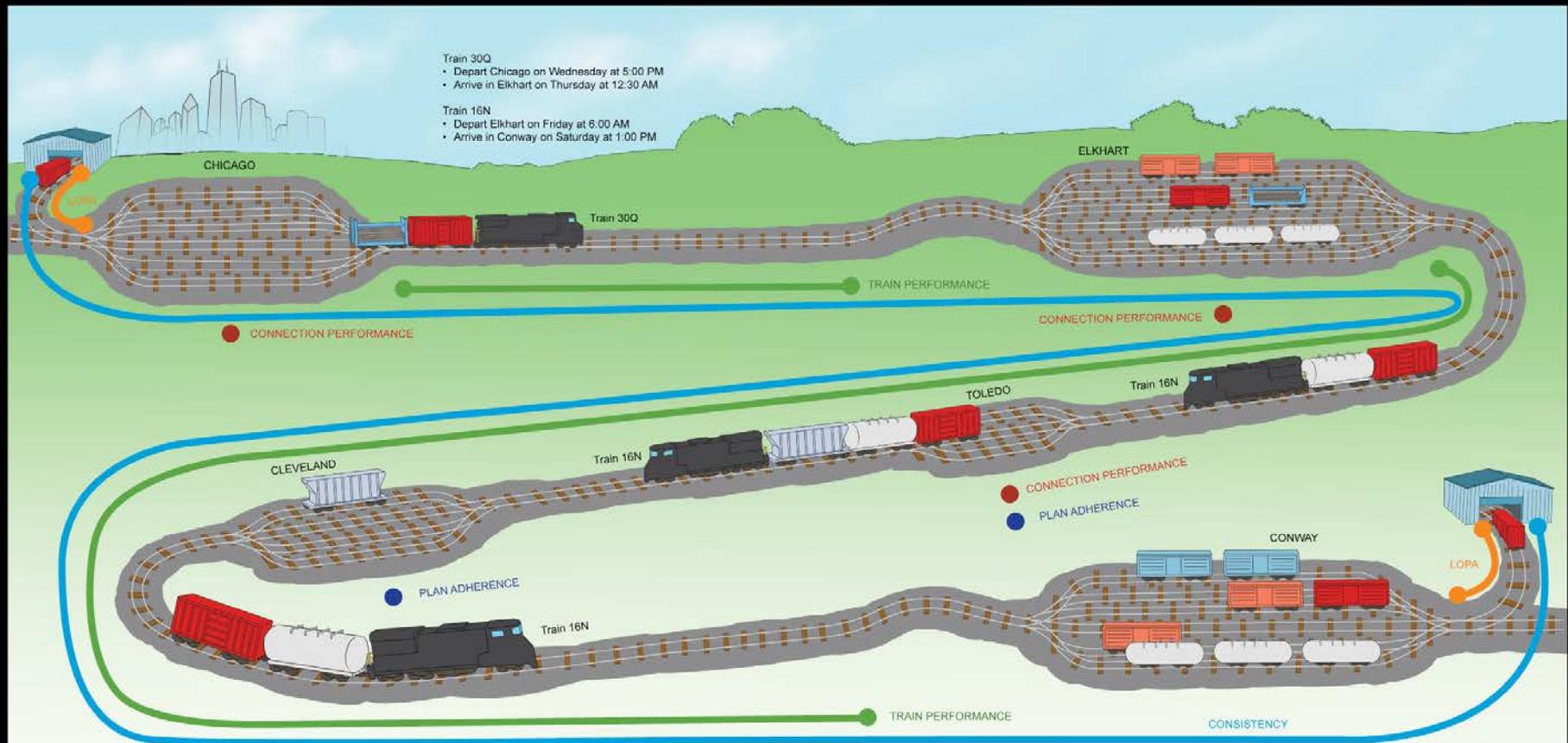


Intermodal – Rutherford to Atlanta



Carload Service – IL to PA

- Train 30Q
 - Depart Chicago on Wednesday at 5:00 PM
 - Arrive in Elkhart on Thursday at 12:30 AM
- Train 16N
 - Depart Elkhart on Friday at 6:00 AM
 - Arrive in Conway on Saturday at 1:00 PM



General Merchandise

Track Construction and Final Inspection

- Construction and Track Inspection
 - NS Typically only installs the switch and builds to clearance point (15') where a private rail contractor can then SAFELY construct the remaining track infrastructure.
 - All private work is inspected by NS Track Department.
 - Provide a new customer ships a minimum # of cars in a year (8 or 11 Annual Cars), NS will maintain our portion of track. If not the customer will be required to pay a switch maintenance fee or ask NS to remove the switch.