
KEDC talks rail at Synergy

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Kilgore Economic Development Corporation board members discussed options to pay for proposed railroad service and additional roadways within Synergy Park during their regular meeting Tuesday night.

The proposed projects amount to \$9.7 million, with \$3.126 million of that amount for new roads for auto traffic. Mike Byrd, senior vice president First Southwest Company, discussed various funding options, including bond both tax-exempt and taxable, grants and cash.

Amanda Nobles, KEDC manager, said the railway projects have been discussed from time to time since Synergy Park's master plan was completed in 1999, but new roads are first on the board's wish list.

The road project would include extensions to Synergy Boulevard to the west side of the industrial park and Elder Lake Road on the east side of the park. The plan also includes an east-to-west connector road between the two roads that would give KEDC access to about 60 acres located north of Orgill and access to 200 acres the corporation purchased in addition to the original 500-acre tract.

Speaking of the latter two, Nobles said KEDC officials can only show those pieces of property by four-wheeler or by standing on the road and pointing.

"It doesn't show well," Nobles added.

KEDC has applied for a \$1.5 million federal grant from the federal Economic Development Administration for the roadway construction and should hear whether it was approved within the next four months, she said.

As for the railroad construction, KEDC's wish list includes a side track and spur from the Union Pacific Railroad's line, which runs along the western boundary of Synergy Park.

The side track would require a one-mile track that would run parallel to the railroad's main line and it must have automated switches at each end to connect to the existing line at two places.

"Union Pacific has said it must be minimum of one mile long so they can get an entire 100-car train off the main track and not bog down the traffic on the main line. The goal is to get the freight train to get off the line so other trains can pass it," Nobles said.

The cost for this side track, including engineering surveys and construction, is estimated at \$3.3 million.

A spur connected from the side track to travel into Synergy Park is estimated to cost \$1.8 million.

"The spur would be KEDC-owned and available for individual private companies to attach their own spurs, so they could get delivery to their buildings," Nobles said.

The third wish for railroad access would bring a spur to about 30 unoccupied acres KEDC owns south of the Hwy. 259 loop. This property was separated from the main part of Synergy Park when Hwy. 259 was constructed, Nobles said. It also has frontage along the Union Pacific and fronts FM 349 and Hwy. 259. The cost for this project is estimated at \$1.5 million.

"From time to time through the years, we have had prospects (companies) that have looked at Synergy Park, liked the park, and talked about bringing rail in but the issue is always the timeline to get through the design and approval process with Union Pacific and then construction," Nobles said.

The timeline, on average, is two years and most companies are not interested in waiting that long.

"Union Pacific officials have stated the absolute shortest timeline, if everything was perfect, is 17 months and prospects generally don't have more than a one-year window," Nobles said.

Nobles said KEDC board members must consider whether they really want the rail and how to fund it.

"So right now, this is a process of looking at the issues; we've got good costs numbers now so they can at least make an intelligent decision," Nobles said.

She said a rail line into the park would enhance the park, no matter what.

"We had a real project within the last 60 days, with potential for 100 jobs, that needed the rail service within six months, but we lost it to one of two regional sites because we could not offer that," Nobles said.

She noted construction would bring jobs to town and permanent jobs would result if companies located at Synergy Park because of the railroad service.

"On the down side, do we have enough funds to do this? If there's not available cash, what funding options make sense? We are just beginning the planning process," Nobles said.

Byrd told the board that interest rates are "attractive" at this time because they are low.

"The time to issue bonds is when the economy is in the tank because of low interest rates. Then, when the economy is good, revenues will improve," he said.

Byrd said construction costs are also lower now than they were before the economic downturn.