



MISSOURI Supply Chain Task Force

Meeting #3

presented to
Missouri Supply Chain Task Force
Members

presented by
Missouri Partnership
St. Louis Lambert International Airport
Jacobs International
Missouri Eastern Railroad, Jaguar
Transport

March 10, 2022

Business Attraction in Missouri

Missouri Supply Chain Task Force

March 10, 2022

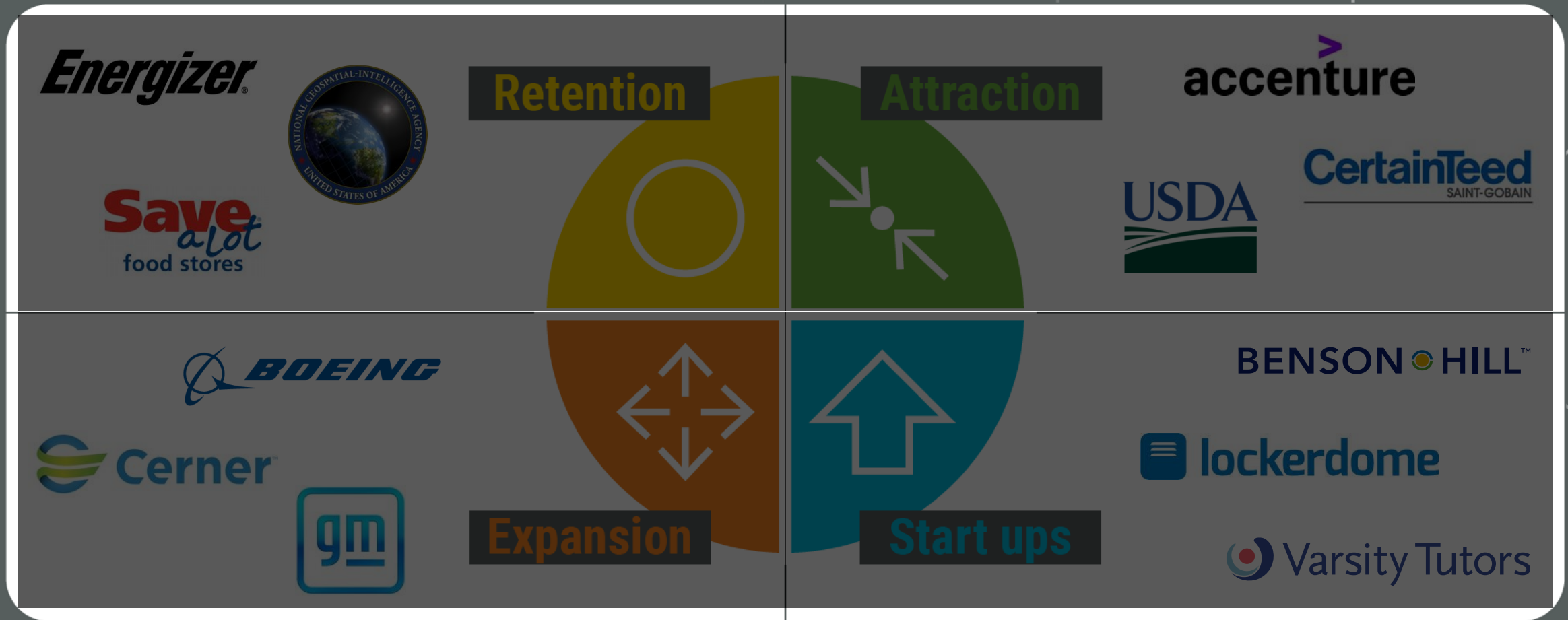
MISSOURI
PARTNERSHIP®



Missouri Department of
Economic Development

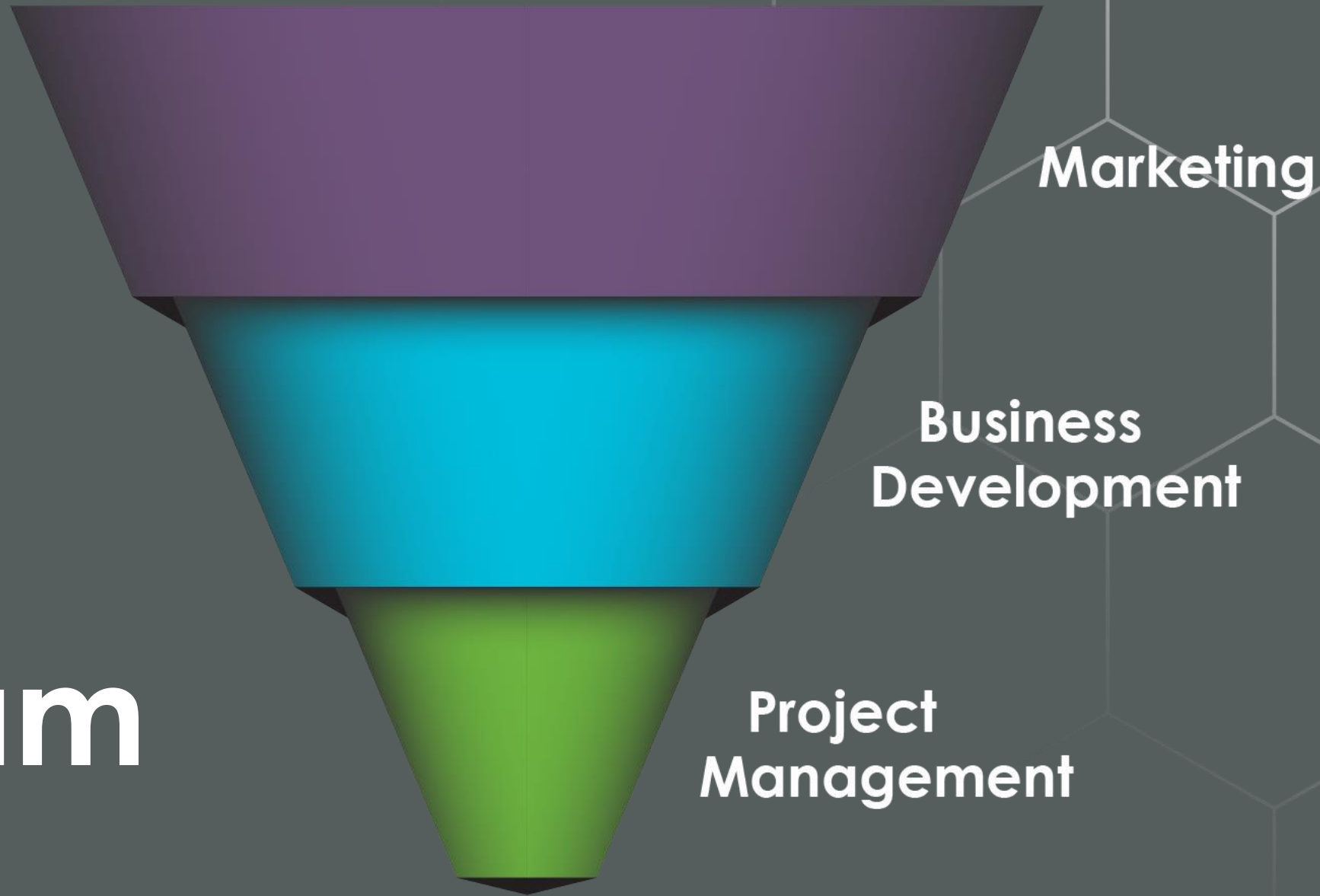






Economic Development

Key Program Areas





Marketing

Missouri just hit the reset button on economic development

Missouri One Start
Statewide customized workforce solutions to address your unique business needs



Fast Track
Free college for adult learners



Deal Closing Fund
Missouri was already competitive. Now, it just got even better.



#WeWantMO

Contact us at
314-725-0949 today.



MISSOURI
PARTNERSHIP

missouripartnership.com



Business Development

Company Outreach

Consultant Engagement

Business Development Events



S1-024

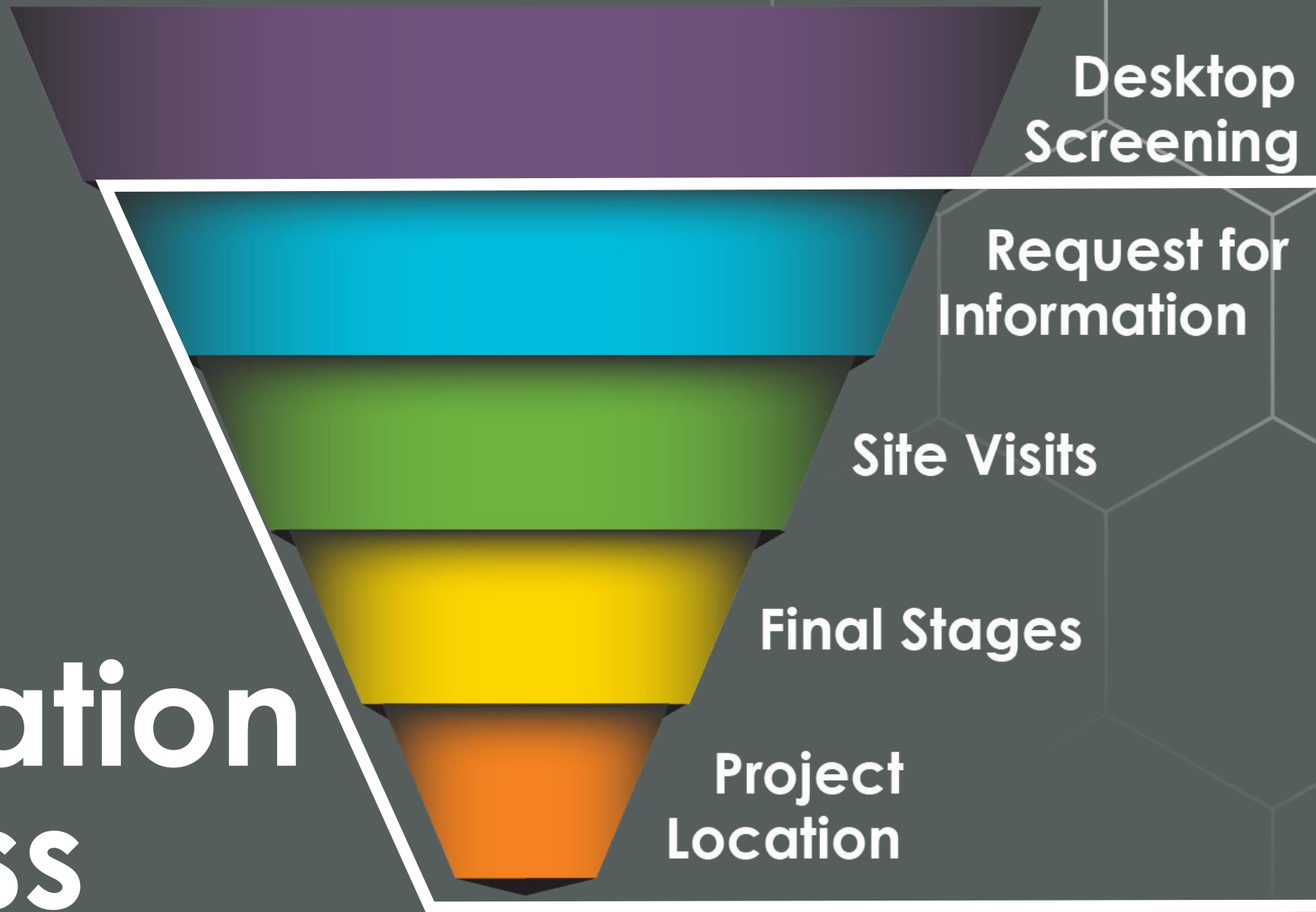




Project Management

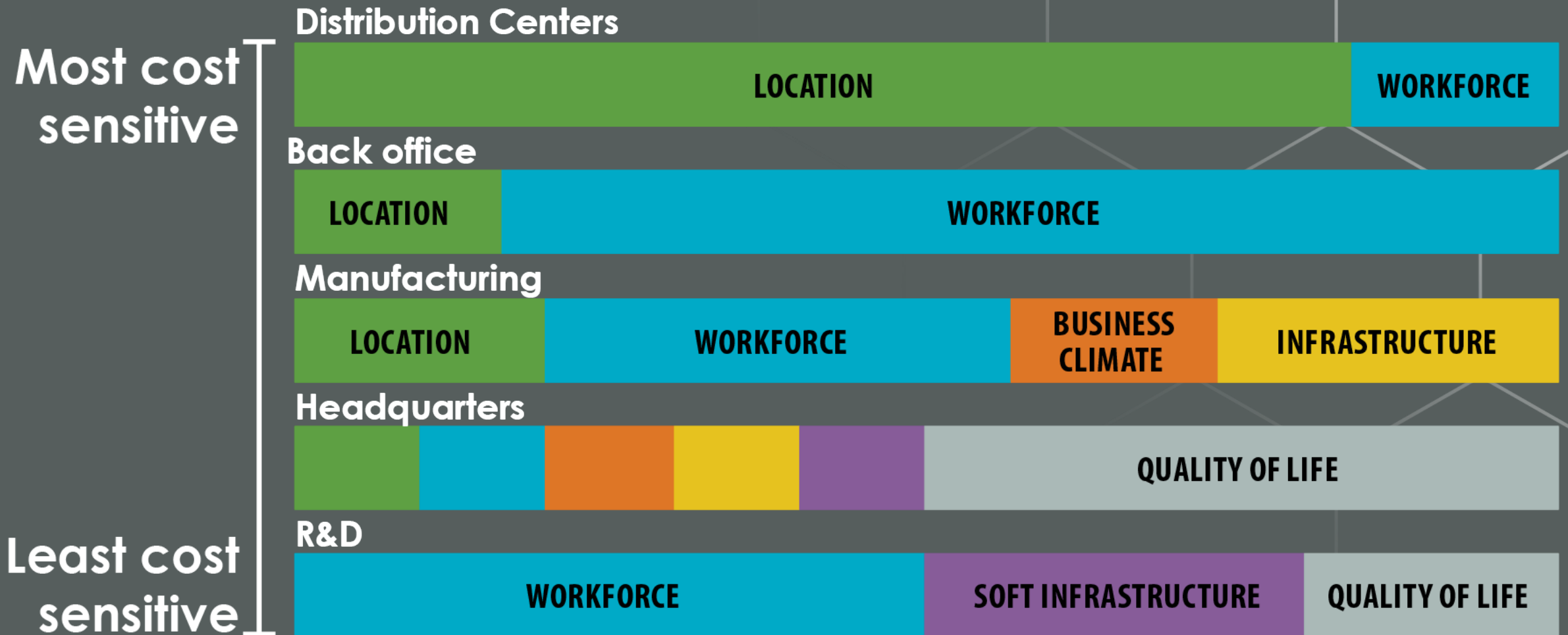


Elimination Process



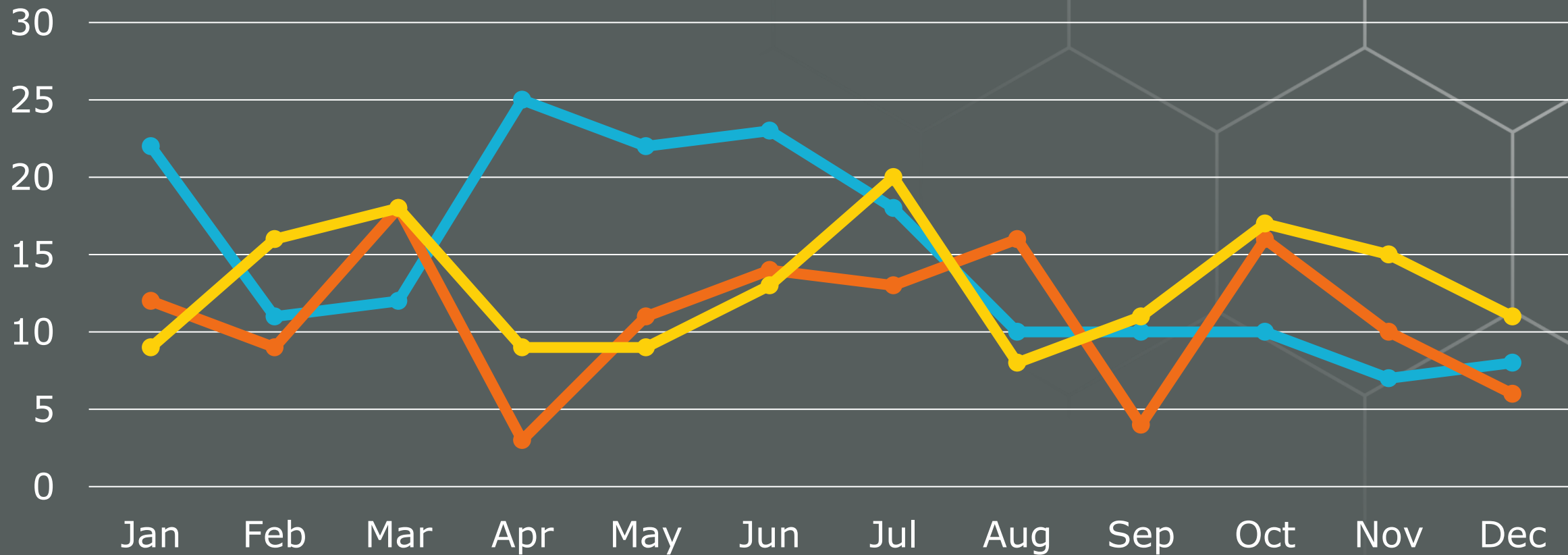


What Do Companies Evaluate?



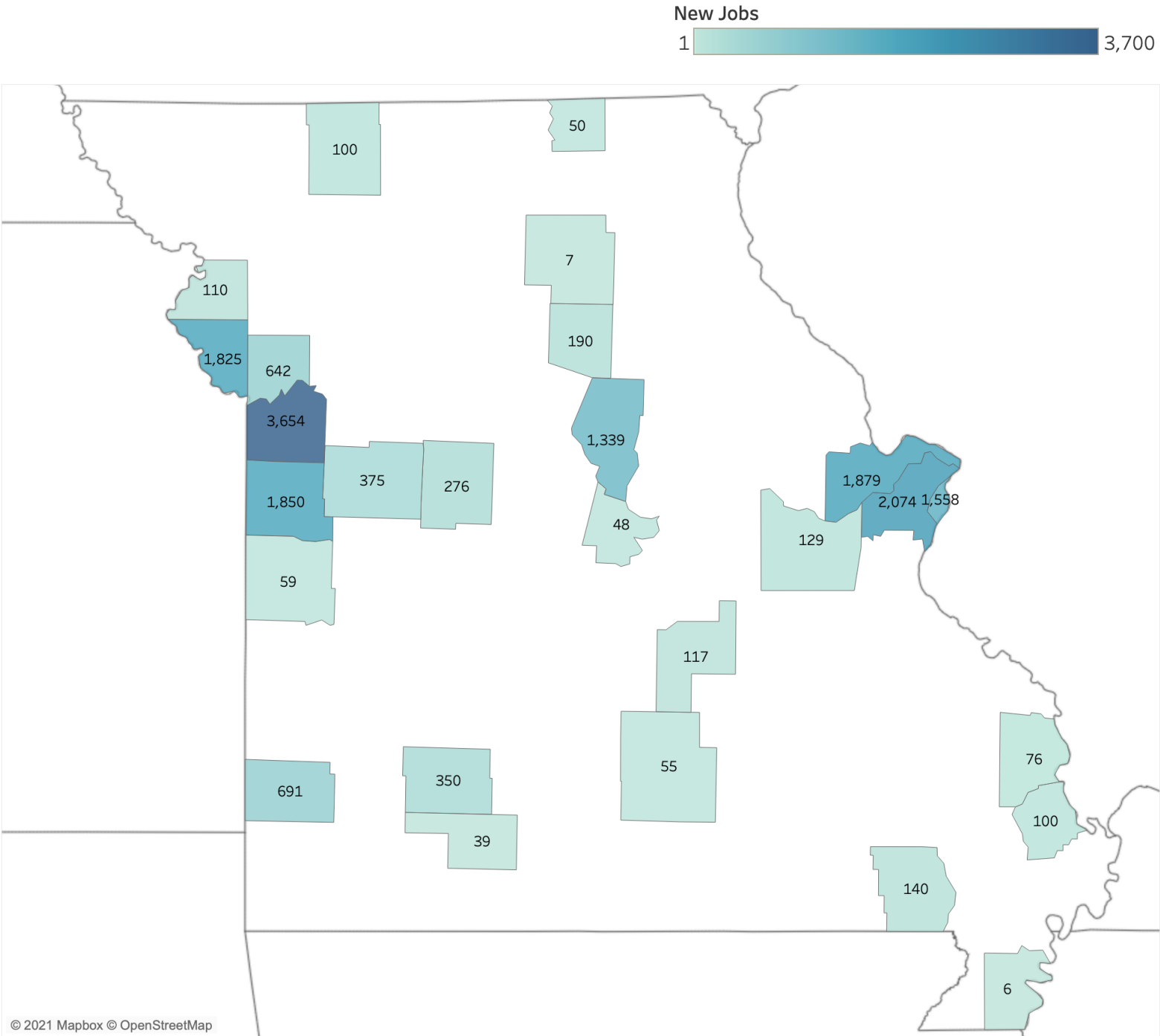
Decision Factors

2019 2020 2021



Projects Opened

New Jobs Recruited FY15-FY21



Lost Projects

**Total Projects
Opened:**

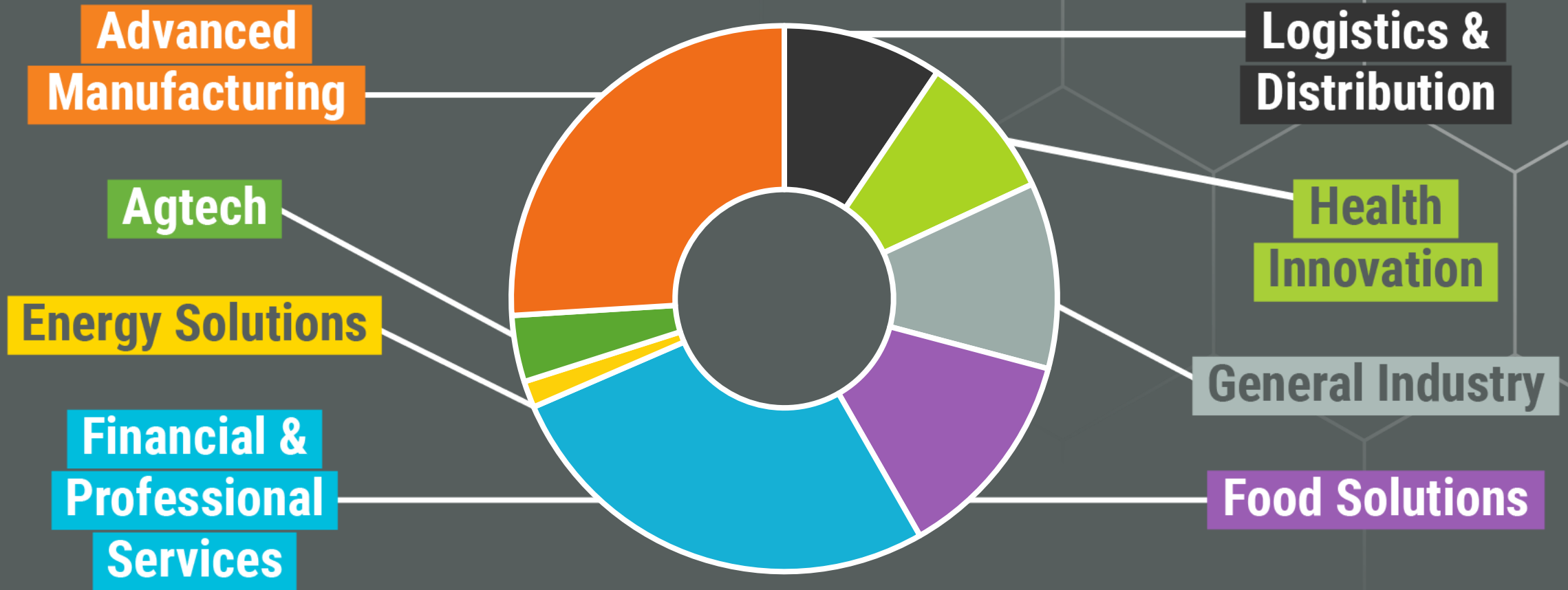
509

**Total Projects
Lost:**

128



Projects Lost FY16-FY20



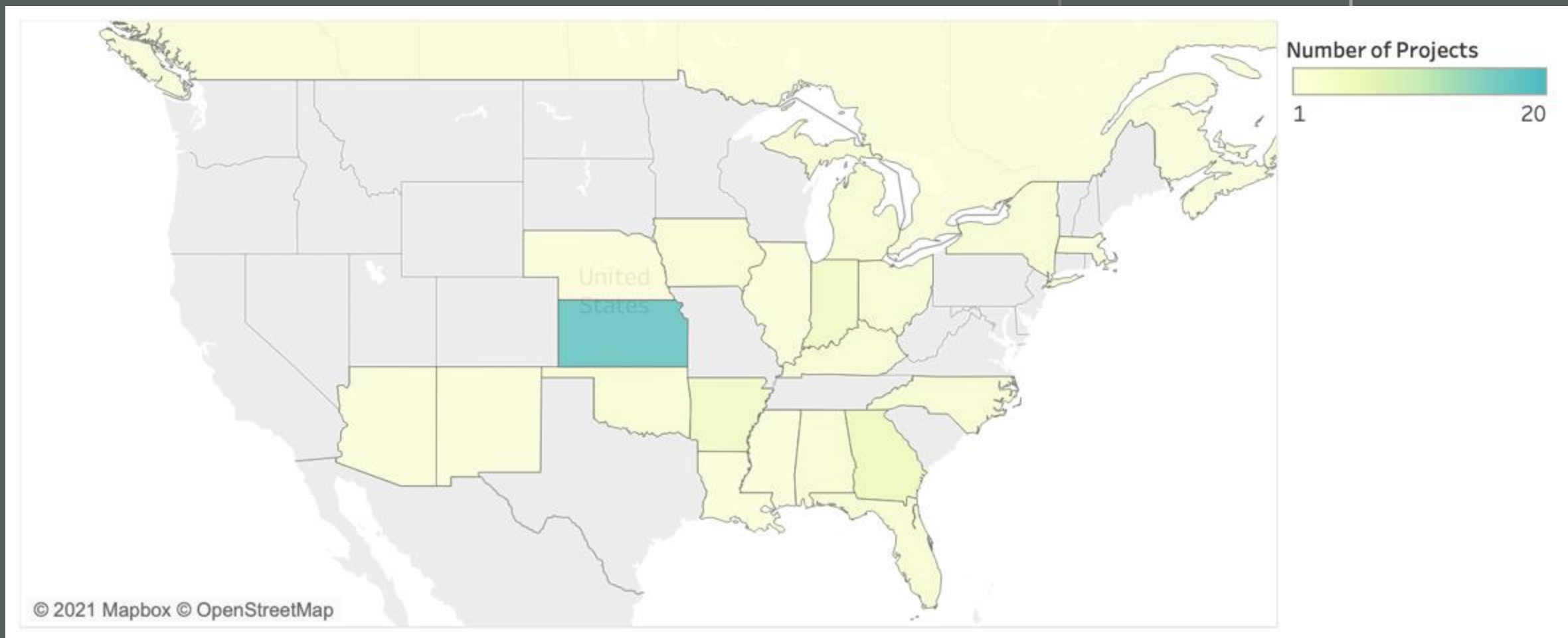
Lost Projects by Sector



Decision Factors in Loss

“Labor costs were on the fringe and we were in the middle of the pack for labor availability of some southeastern states. Cited that our incentives were also on the fringe and were not as competitive. But we performed the best in the Midwest.”

“The most compelling reason was their **capacity to build on an existing footprint** with an operational center already in place in Atlanta... Another contributing factor was the **lack of Class A office speculative development** ...And lastly...a member of the leadership team with **strong ties to Atlanta** that did not join the site team on any of the KC visits.”



Location Chosen FY16-FY20



Won Projects

**Total Projects
Opened:**

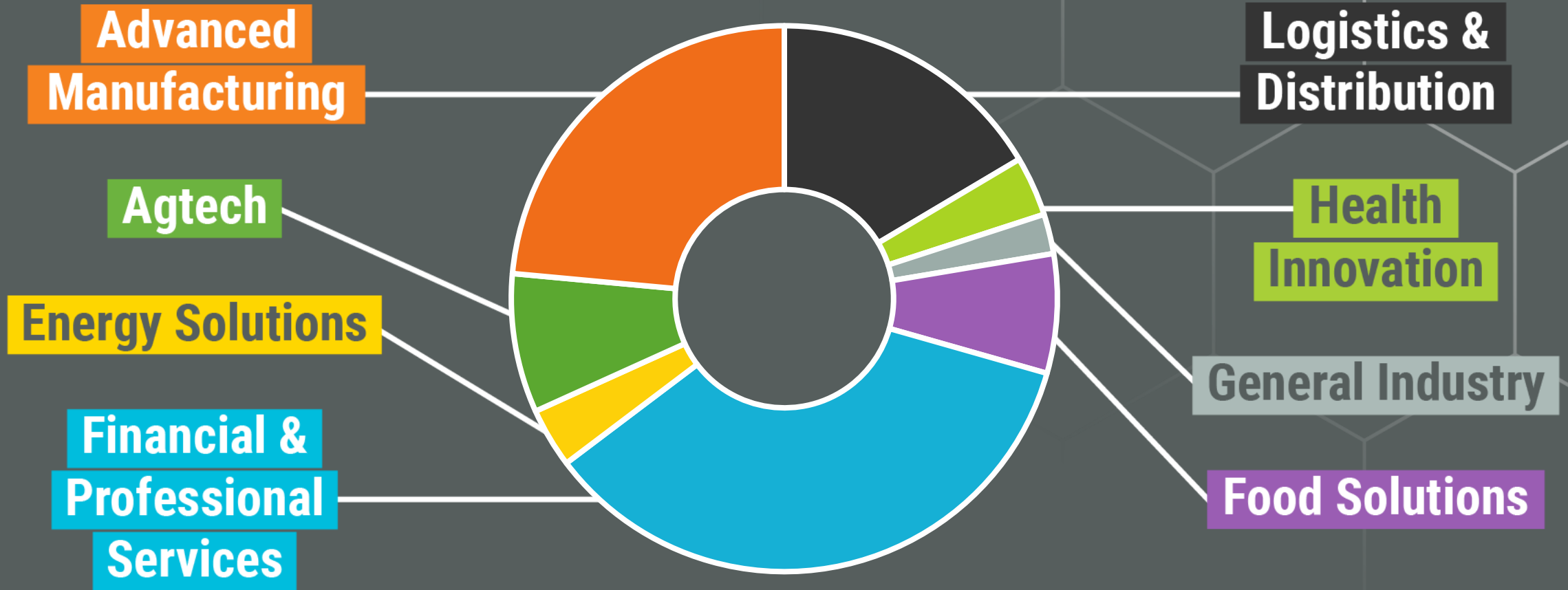
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**Total Projects
Won:**

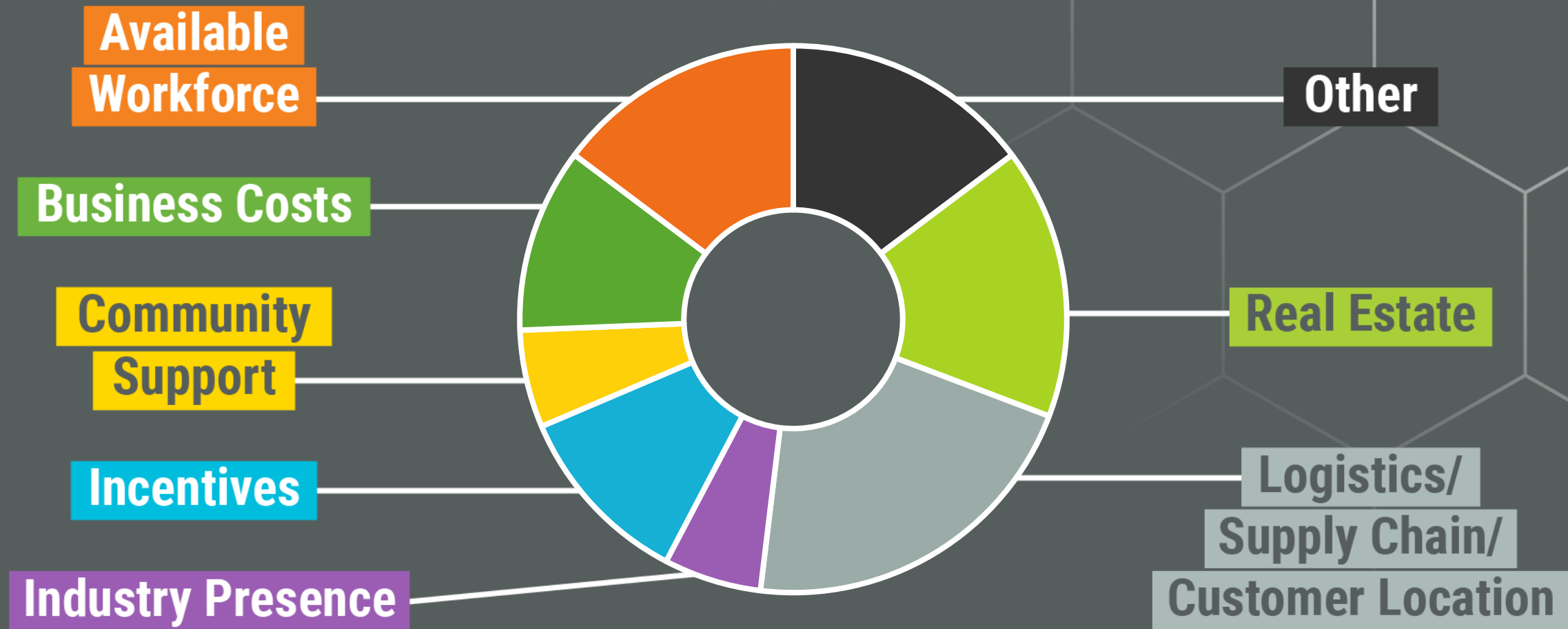
85



Projects Won FY16-FY20

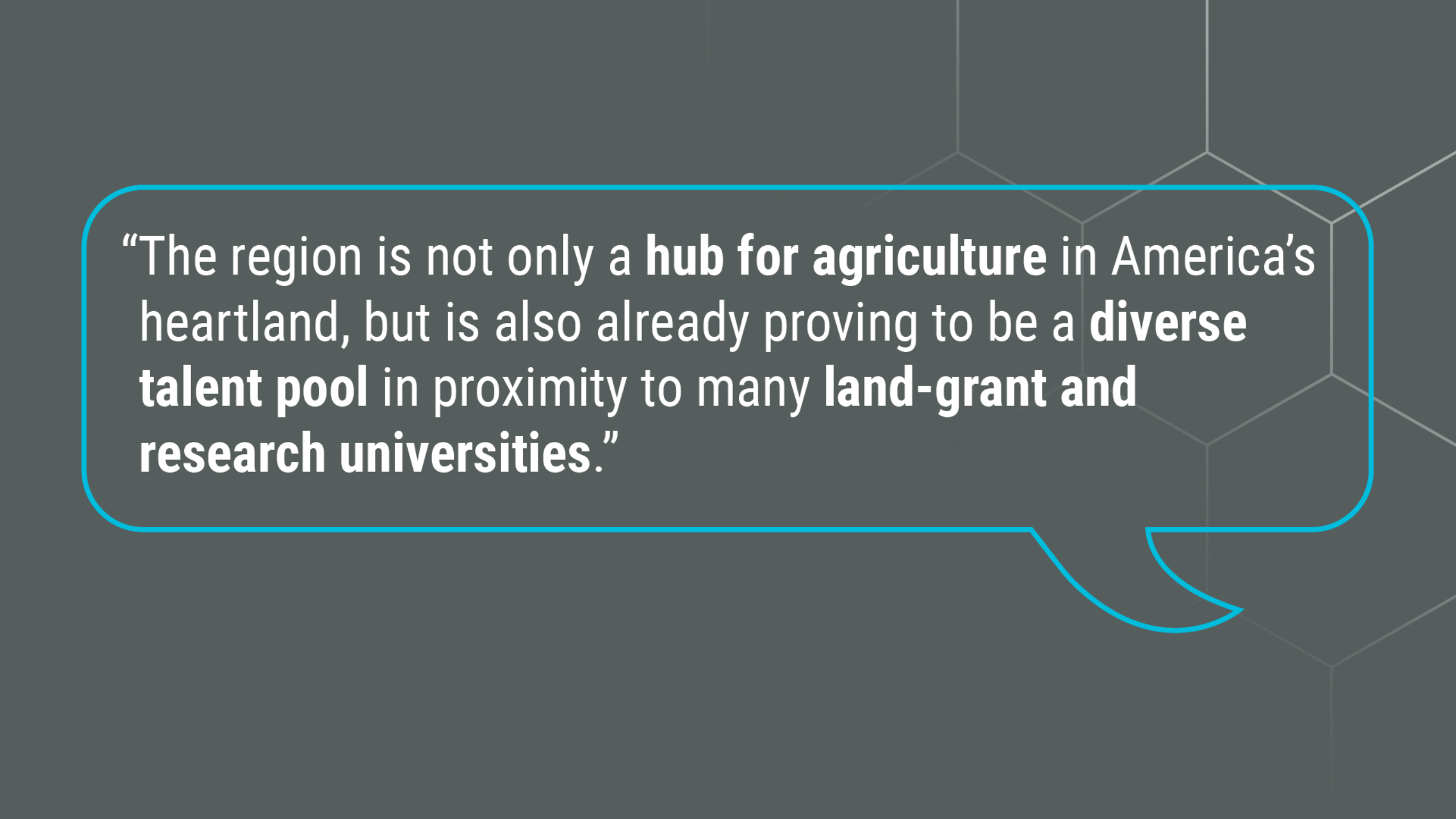


Won Projects by Sector



Decision Factors in Win

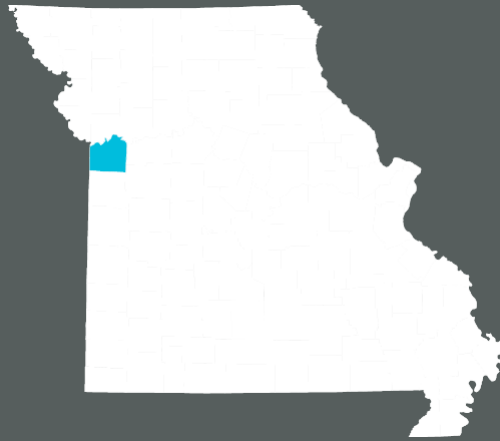
“The company’s decision...was largely influenced by the region’s **quality workforce**. The key factor in site selection proved to be the **existing knowledge base** in the Springfield area, which far exceeded competing locations in other states.”



“The region is not only a **hub for agriculture** in America’s heartland, but is also already proving to be a **diverse talent pool** in proximity to many **land-grant and research universities.**”

USDA

- Kansas City
- 576 jobs
- \$45,680,000 investment





Accenture Federal Services

- Town & Country
- 1,400 jobs
- \$28,500,000 investment





Gateway Studios

- Chesterfield
- 106 jobs
- \$111,000,000 investment

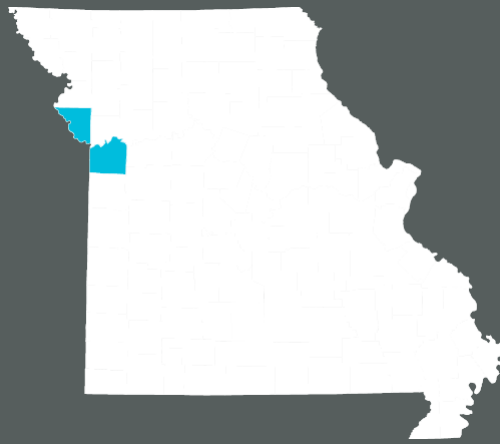




Swift Prepared Foods

- Moberly
- 190 jobs
- \$68,600,000 investment
- Columbia
- 251 jobs
- \$185,700,000 investment



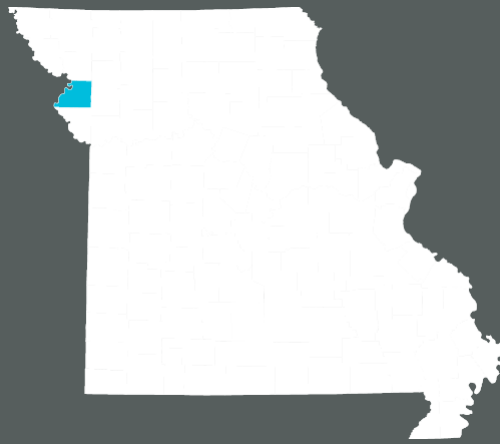


Niagara

- Kansas City, Jackson County
- 49 jobs
- \$68,000,000 investment

- Kansas City, Platte County
- 92 jobs
- \$156,000,000 investment





Cereal Ingredients Inc.

- St. Joseph
- 60 jobs
- \$25,404,500 investment





Chewy.com

- Belton
- 1,600 jobs
- \$143,300,000 investment

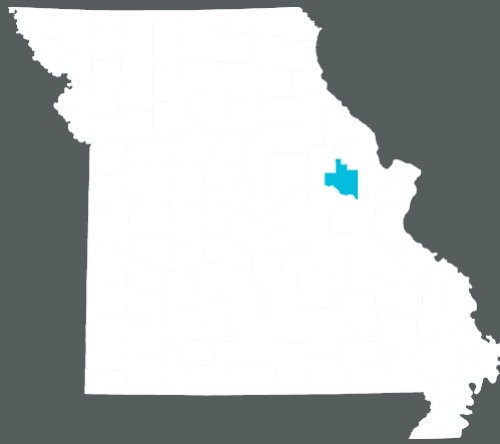




Carlisle Construction Materials

- Sikeston
- 100 jobs
- \$61,999,000 investment





American Foods Group

- Foristell
- 1,363 jobs
- \$450,000,000 investment





Frozen Foods Express

- Butler
- 59 jobs
- \$5,900,000 investment





Belleville Boots

- Carthage
- 238 jobs
- \$2,720,000 investment



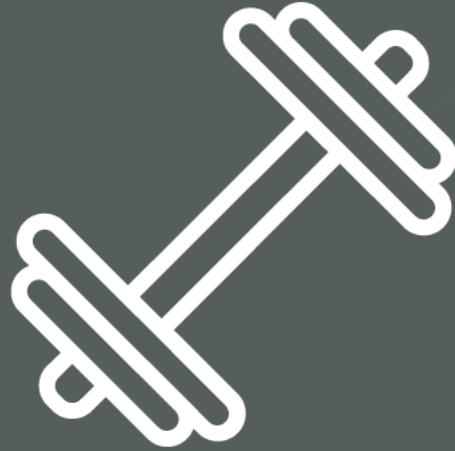
Thank You

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ASSESS

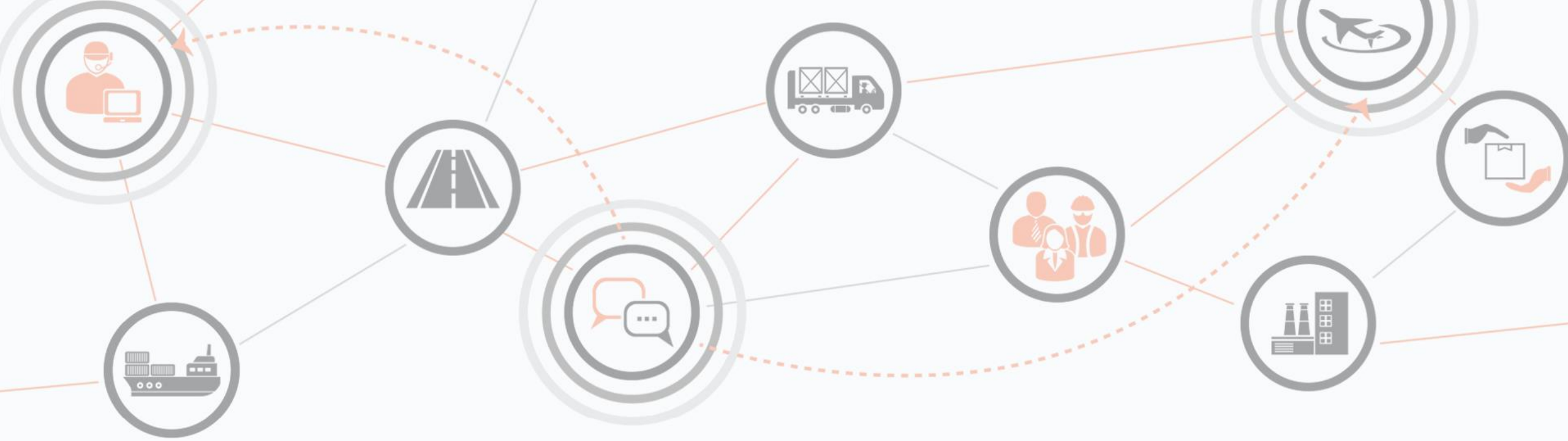


TRAIN



COMPETE

Raise the Bar



Missouri Supply Chain Task Force Meeting



ST. LOUIS LAMBERT
INTERNATIONAL AIRPORT®

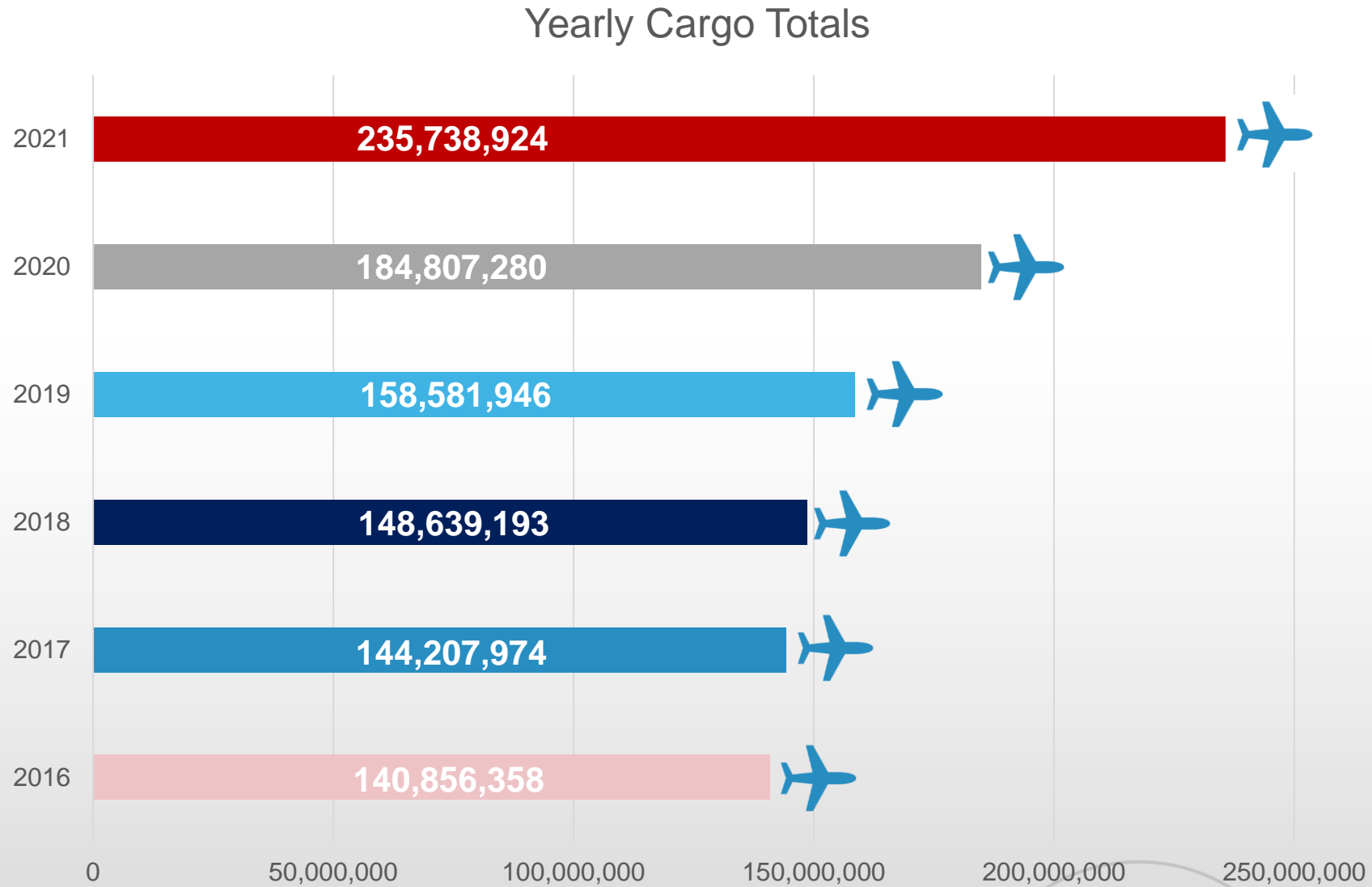


STL Cargo Operations

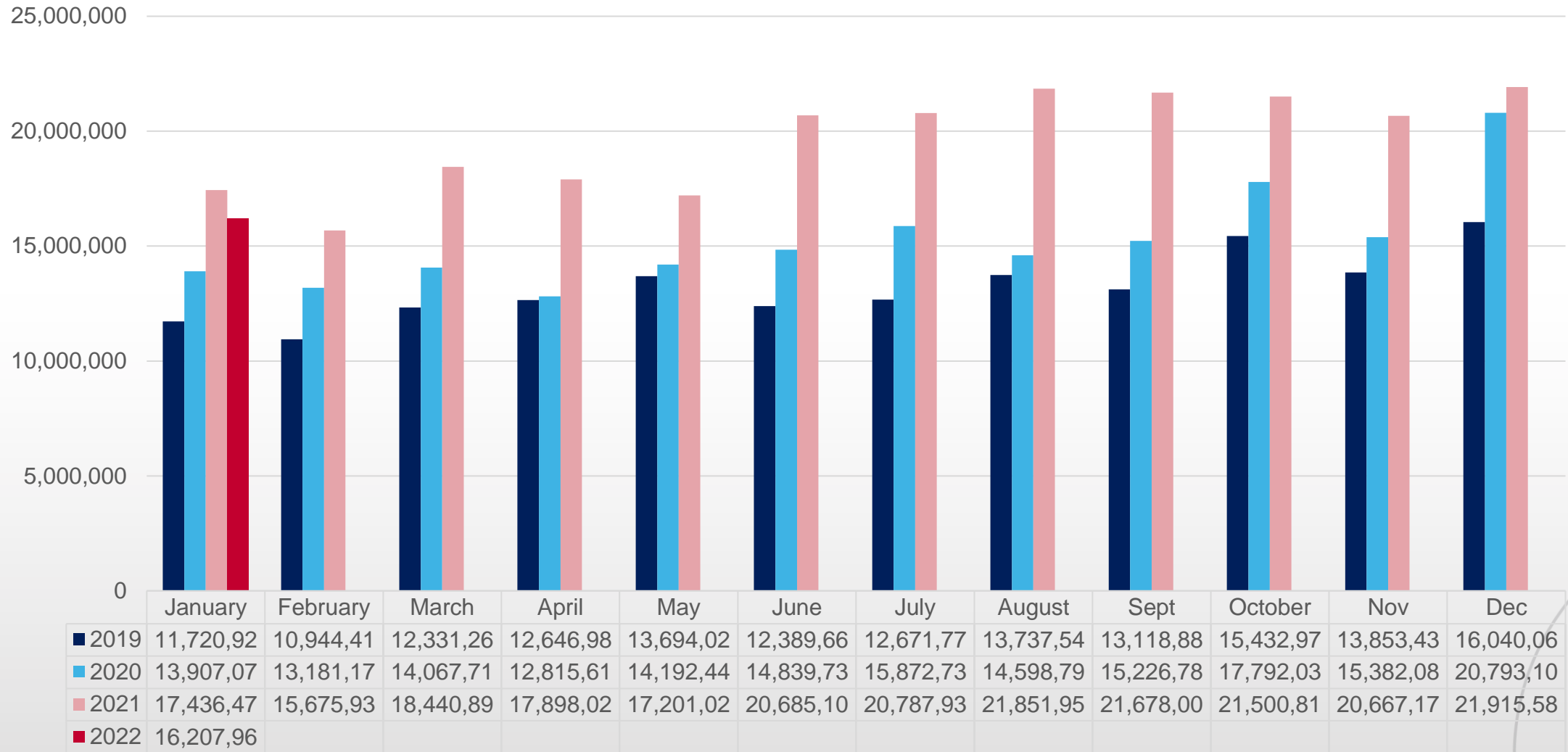
March 8, 2022



STL Total Cargo Data (2016-21)



STL Monthly Cargo and Mail (lbs)



Total 2021 Calendar Year Mail/Cargo



TOTAL CALENDAR YEAR MAIL/CARGO
235,738,924



**CARGO
CARRIERS**

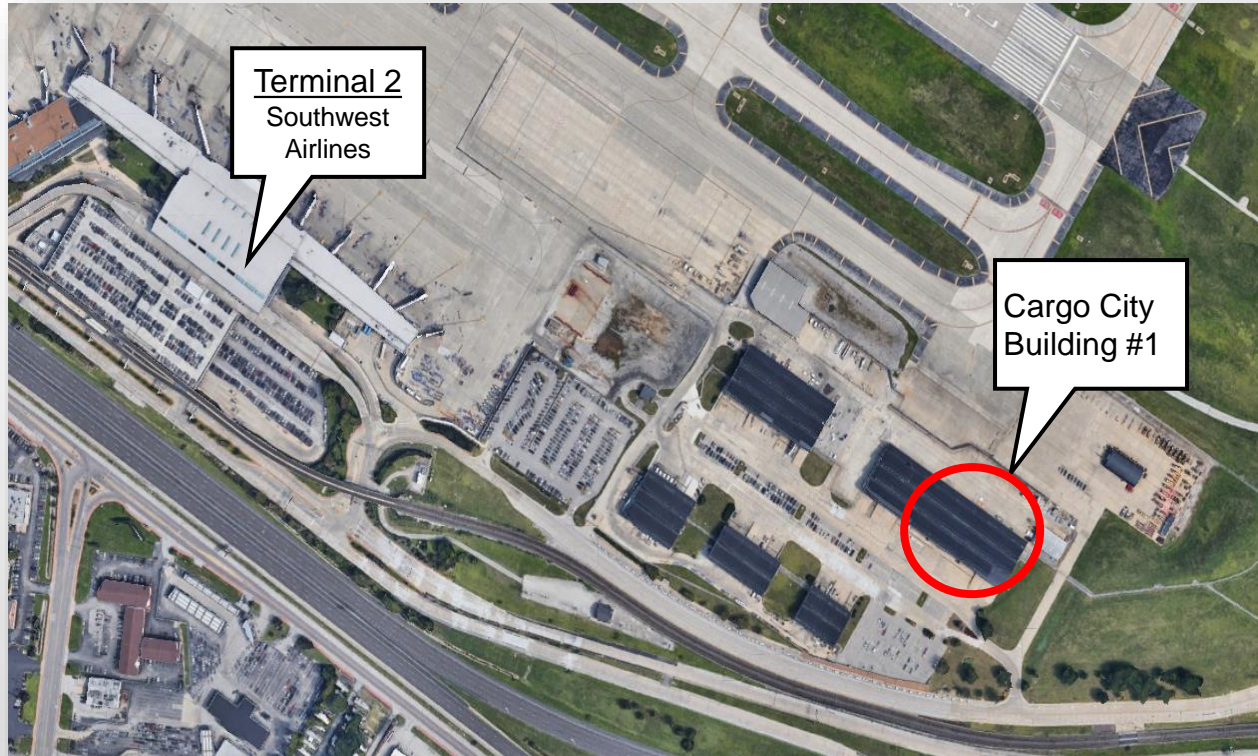
AIRLINE BELLY
21,121,723



STL Livestock Export Center (LEC)



STL LEC - 36,000-square-foot facility located in Cargo City Building #1



STL Livestock Export Center (LEC)

- Approved by the United States Department of Agriculture (USDA) – Animal and Plant Health Inspection Services (APHIS) as a Temporary Export Inspection Facility and Port of Embarkation
- 18,000-square-foot penning area
- 12,000-square-foot roller system area to allow for ease of direct transfer



STL LEC - Background



- Designed for the sole purpose of off-loading (tractor trailer), penning, crating and loading (aircraft) of livestock such as hogs, cattle, goats, sheep and horses
- Access for both landside off-loading and airside loading
- 56 modular rest and inspection pens (10'x10') - allows for various configurations
- Multiple loading chutes
- On-site quarantine available





Investment in improvements and specialized equipment are needed to make the facility more competitive:

- Epoxy Flooring
- 100 AMP Electrical Feeder
- Emergency Generator
- Roof Ventilators
- High Volume Ceiling Fans
- Access Control on Doors
- and various other upgrades to the building



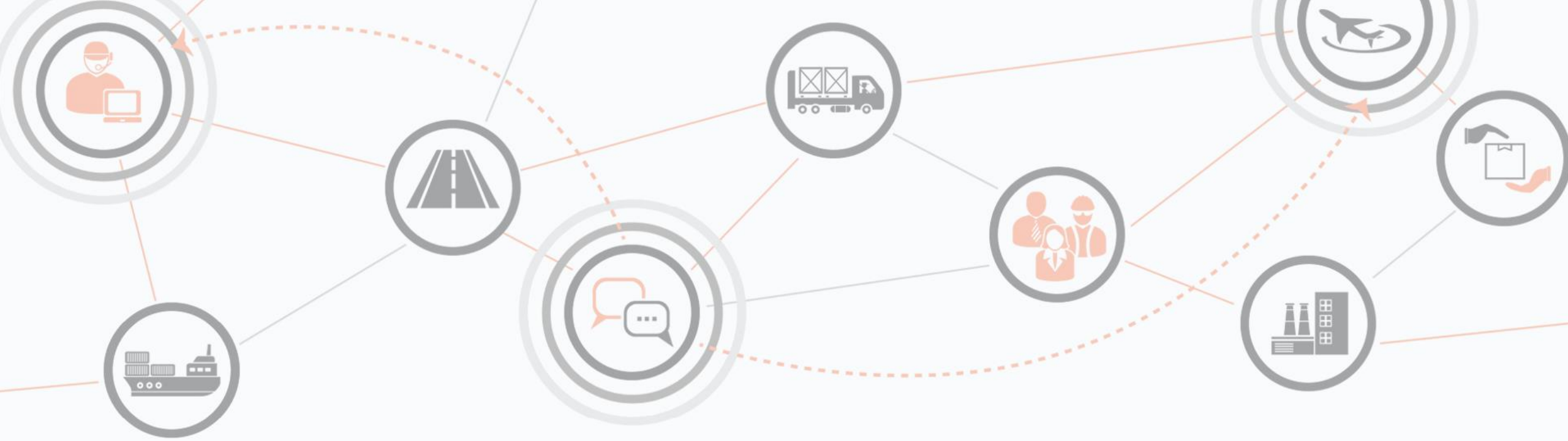
Questions? Discussion?

THANK YOU!



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Missouri Supply Chain Task Force Meeting

Terminal Railroad Association of St. Louis Since 1889



TRRA – At a Glance

- **133-Year-Old Railroad**
- **230 Full-Time Employees**
- **5 Class I owners**
- **80 Direct Serve Industrial Customers**

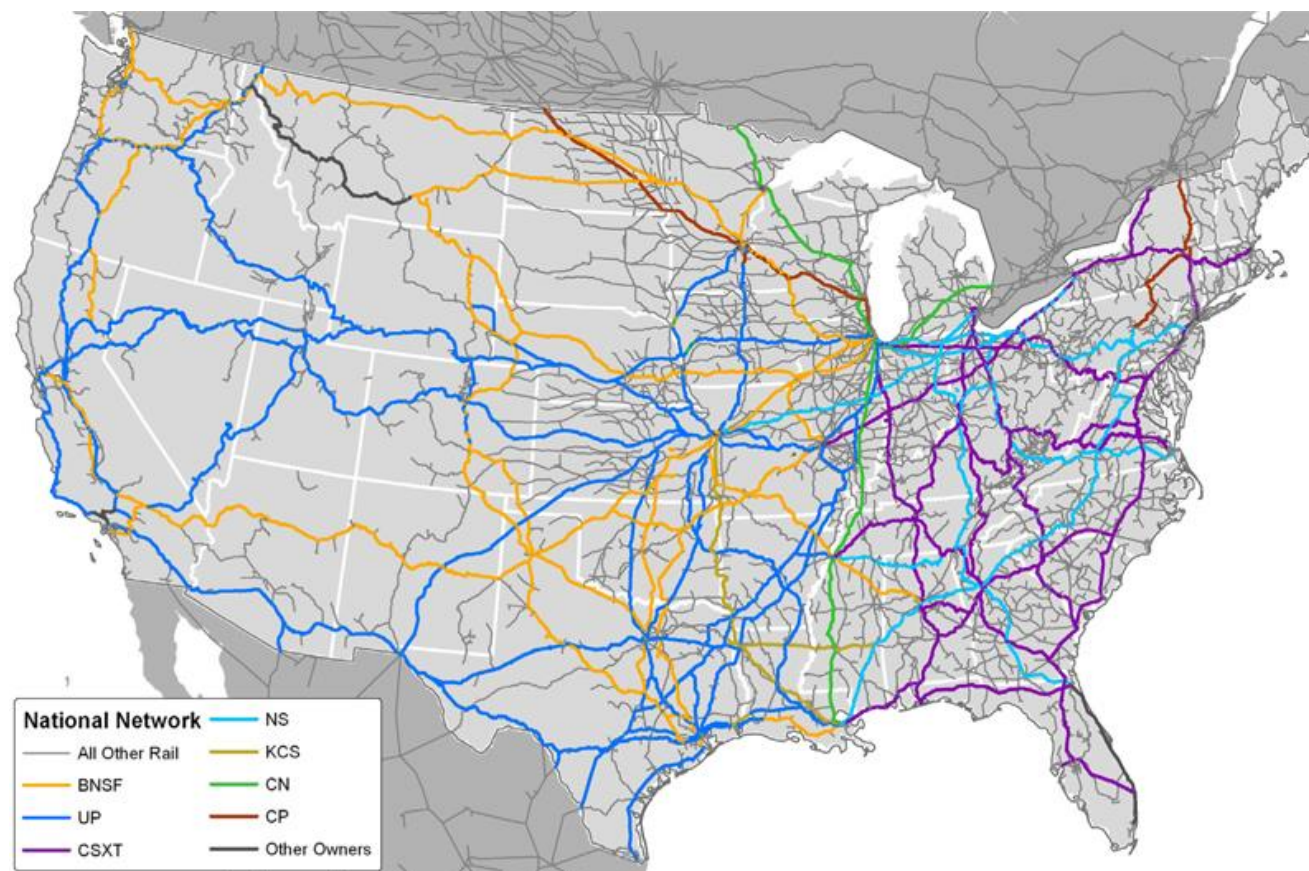
TRRA – At a Glance

- **50 miles mainline in Metro St. Louis**
- **2 Mississippi River Bridges**
- **Single largest freight rail River Crossing in U.S.**
- **STL is the 2nd largest rail freight interchange location in the U.S. by volume (Chicago) and 3rd largest by tonnage (Kansas City)**
- **TRRA owns extensive property on both sides of the Mississippi River**

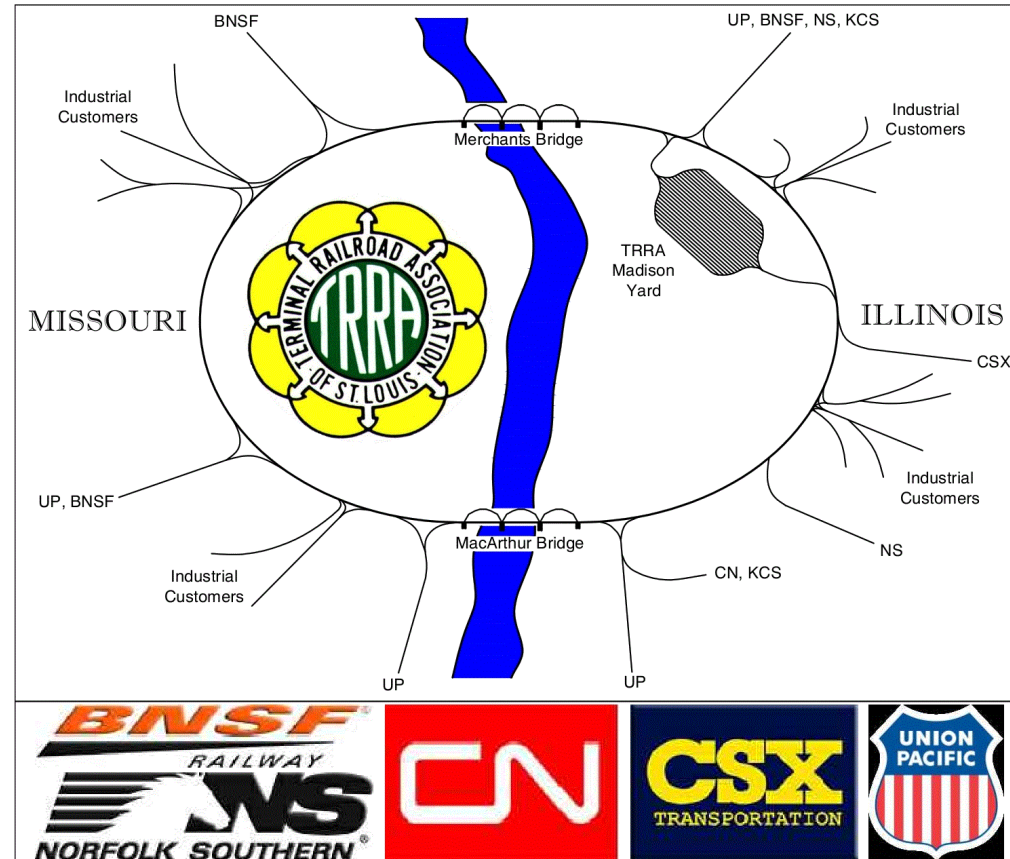
Current Ownership of TRRA



U.S. Freight Rail Network

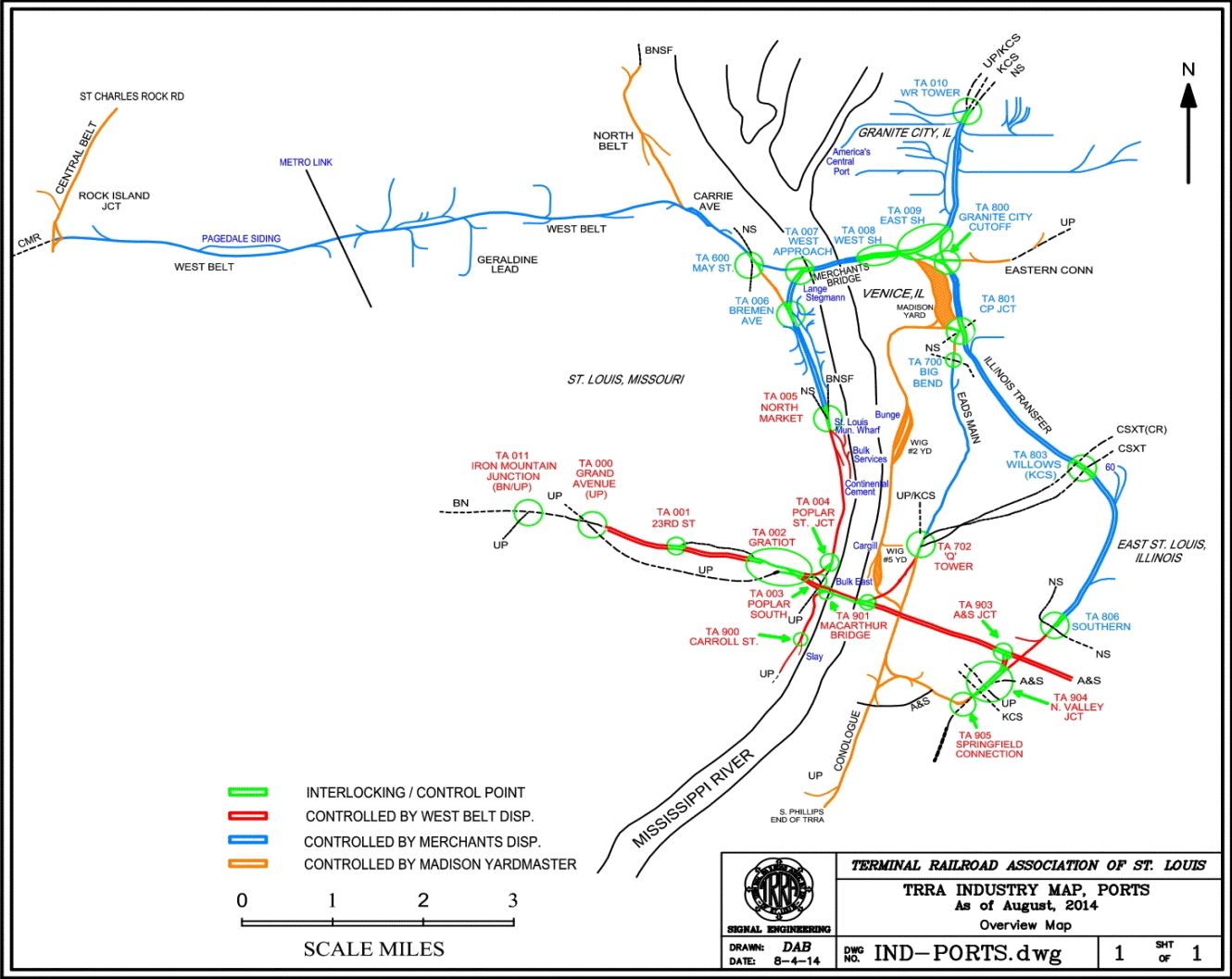


Connectivity: Connecting the River and the Region



TRRA Infrastructure & Assets

TRRA System Map



Infrastructure & Properties

MacArthur Bridge



Infrastructure & Properties

MacArthur Bridge

- Main Spans (3 river spans @ 668') double track Completed 1915.
- Carries 80 to 100 MGT per year, up to 55 Trains per Day, Amtrak alternate corridor.
- Total Structure Length - 22,762 feet.
- Total Track Length on Structure - 38,226 feet.
- Maximum Single Track Load Rating - Cooper E76.
- Primary Users - Amtrak, UP, TRRA, and ALS.

Infrastructure & Properties

Merchants Bridge



Infrastructure & Properties

Merchants Bridge

- 3 – 520' River Through Truss Spans Across Mississippi River constructed in 1890.
- Original Bridge Length 4,632'.
- 40 MGT of Freight per year and 32 Trains per Day.
- Amtrak High Speed Rail Corridor.
- Double Track bridge reduced to single track service due to load restrictions.
- Primary Users: NS, BNSF, Amtrak, & TRRA.

TRRA - Vital River Crossing

2014 Train Count - Mississippi River Bridges

Rank	Bridge	States	Count	Average TPD	Source
1	Ft Madison BNSF	IL-MO	23152	63.4	AEI 178 179
2	Thebes UP	IL-MO	16699	45.8	AEI 625
3	Clinton UP	IL-IA	15644	42.9	AEI 475 476
4	MacArthur Bridge-TRRA	IL-MO	14790	40.5	AEI 68 69
5	Memphis BNSF	TN-AR	12023	32.9	AEI 137
6	Merchants Bridge-TRRA	IL-MO	11798	32.3	AEI 1150 1151
7	Hastings CP	MN		20.0	Estimate
8	La Crosse CP	WI-MN		20.0	Estimate
9	Burlington BNSF	IL-IA		20.0	Estimate
10	Huey P Long Bridge NOPB	LA	6907	18.9	AEI 473/474
11	Vicksburg KCS	MS-LA	6309	17.3	AEI 1121
12	Camden Place (Minneapolis) CP	MN		16.0	Estimate
13	Hoffman UP	MN	5562	15.2	AEI 418
14	Memphis UP	TN-AR	4954	13.6	AEI 235 236
15	Hannibal NS	IL-MO		11.0	Estimate
16	East Minneapolis BNSF	MN		10.0	BNSF TPD map
17	Rock Island IAIS	IL-IA		10.0	Estimate
18	Sabula CP	IL-IA		8.0	Estimate
19	Quincy BNSF	IL-MO		8.0	Estimate
20	Roberts Street UP	MN		7.0	Estimate
21	Baton Rouge	LA		7.0	Estimate
22	Louisiana KCS	IL-MO		5.0	Estimate
23	Bridge 15 UP	MN		4.0	UP Volume map

Infrastructure & Properties

Madison Yard



Infrastructure & Properties

Madison Yard

- 11 Inbound Tracks – 7.7 Miles.
- 40 Classification Tracks – 14 Miles.
- 25 Outbound Tracks – 17.7 Miles.
- Automated Classification Yard – Hump Control System – Trainyard Tech Classmaster.
- Average Processing Capacity – 1,000 cars/day.
- Average Car Dwell – 25 Hours.

Infrastructure and Properties

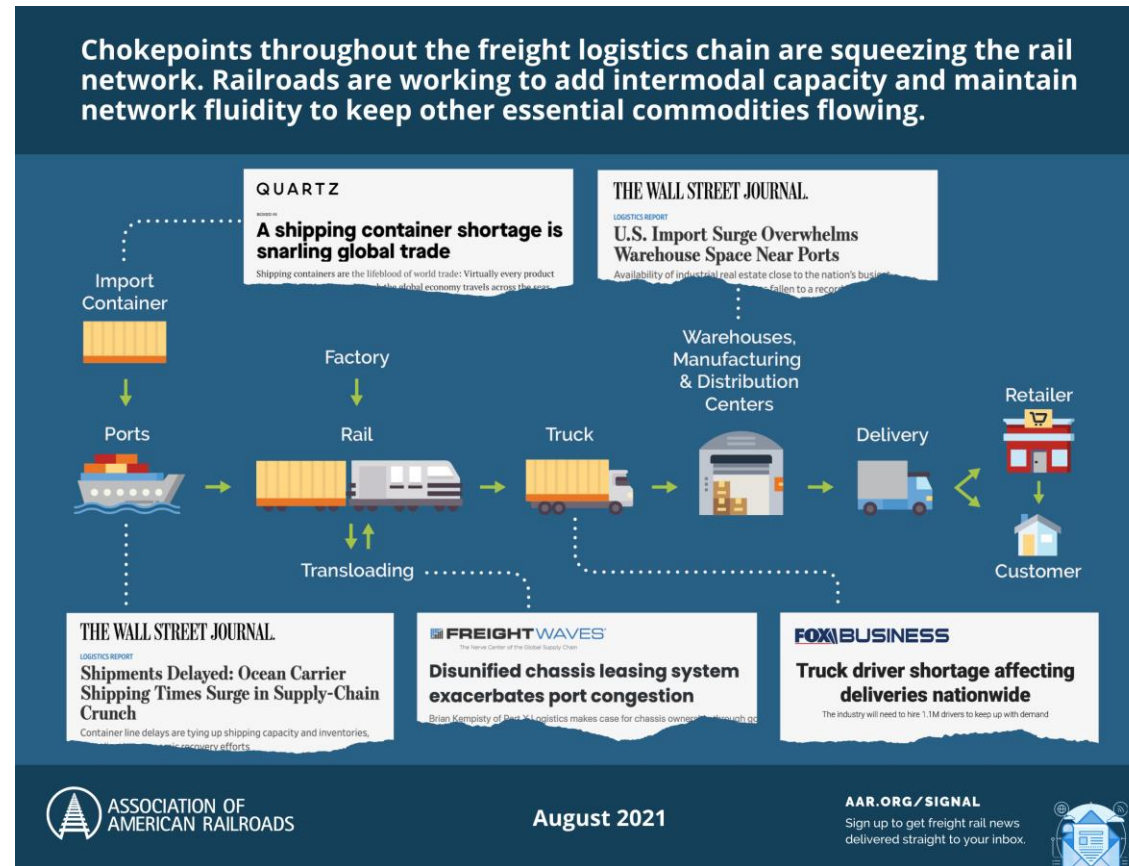
Mainlines and Outer Yards

- 43 track miles of mainline FRA Class II track.
 - 39 miles of CTC.
- 12.5 track miles of industrial lead FRA Class I track.
- 38 miles of outer yard tracks.

TRRA and the Mississippi River: Partnering for Success

- Three of our top Ten customers are River terminals – We focus on them!
- Provides River customers access to 6 national rail carriers.
- St. Louis Gateway is fluid year-round.
- Alternative to Chicago terminal congestion
- We are investing to modernize infrastructure and better serve growing customer base

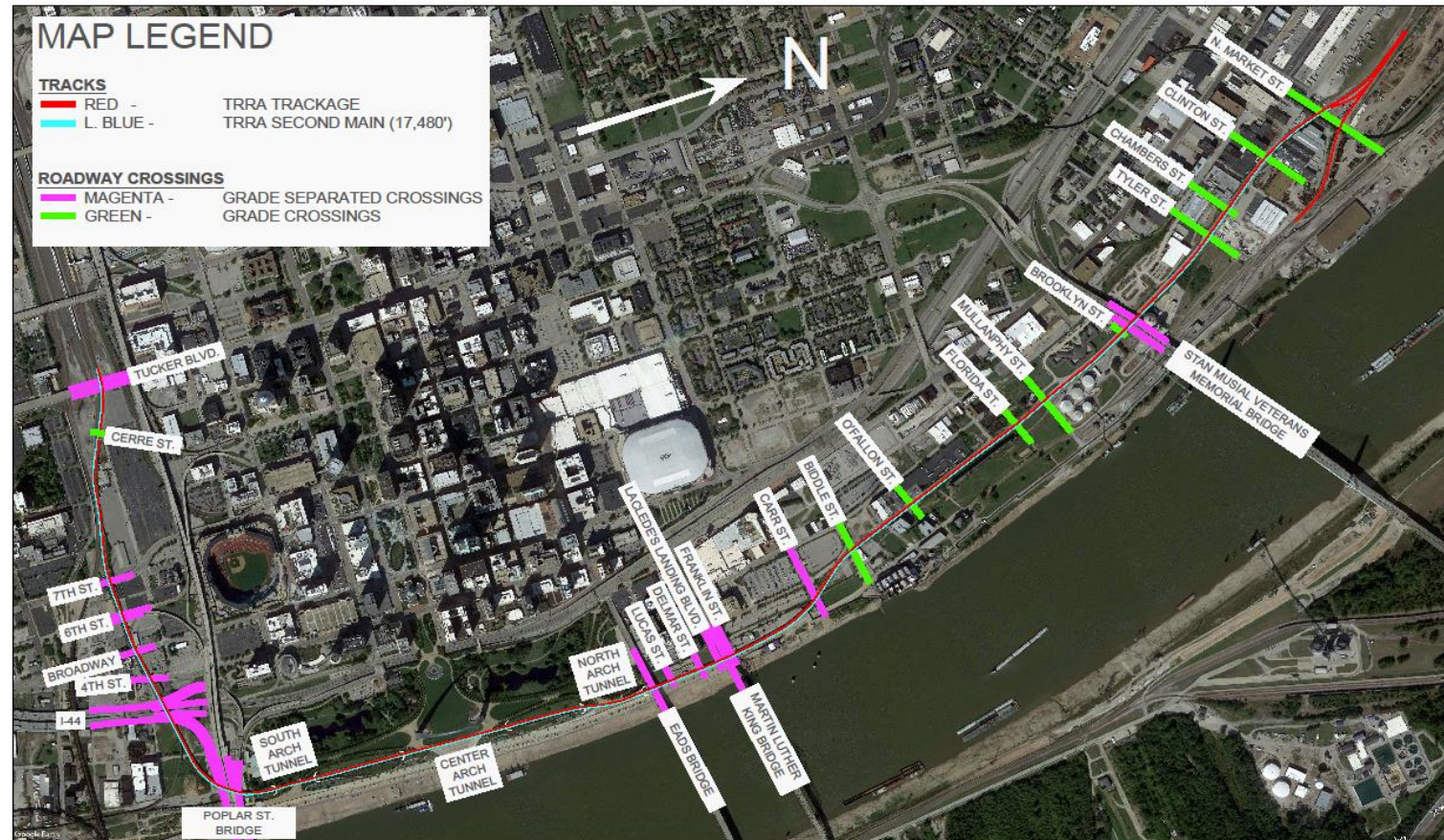
Railroads and the Supply Chain



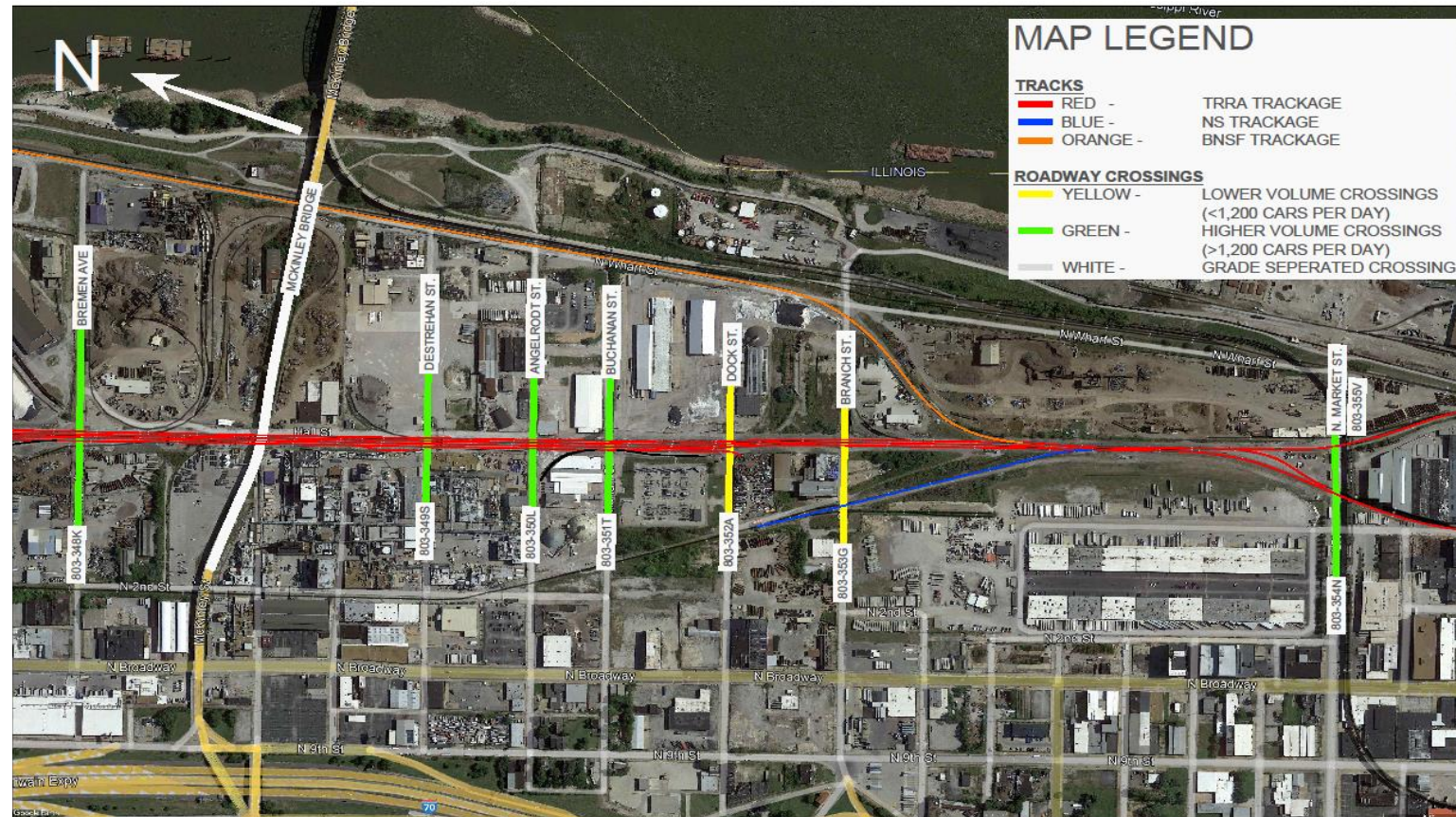
Missouri Impact

- 1,650,000 Total Revenue Cars 2021
- Property Tax Paid \$500,000
- Income Tax Paid \$225,000
- 68 Employees

Infrastructure Improvements



Infrastructure Improvements



Economic Incentives

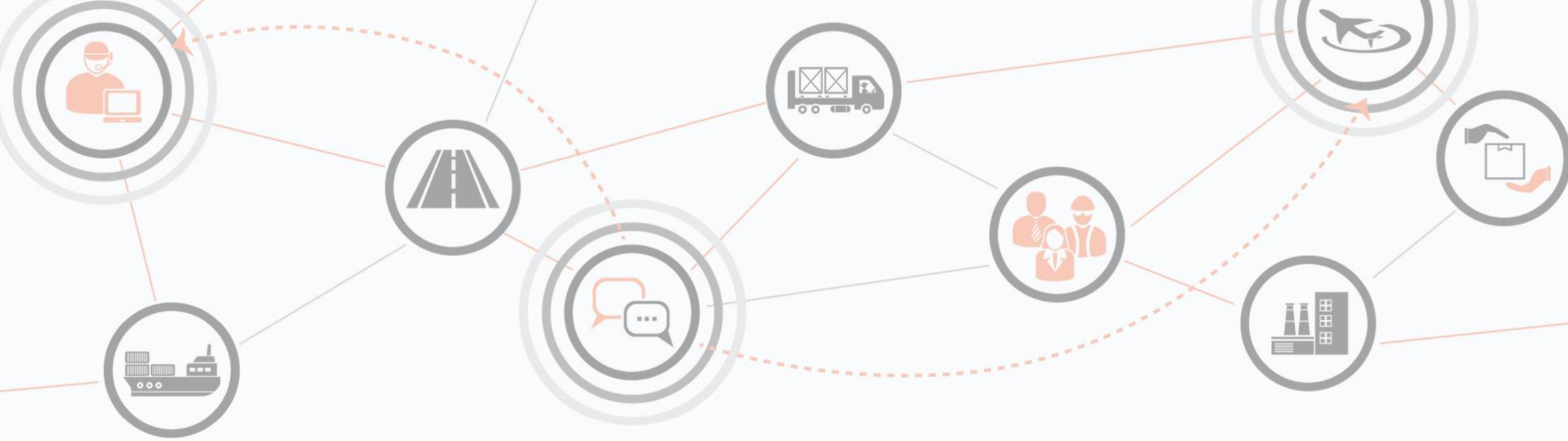
- First Mile/Last Mile
- Funds necessary for infrastructure
- Neighboring States more attractive

Workforce Challenges

- Hiring people is a challenge
- Lifestyle Preferences
- Drug Testing

Questions?





Missouri Supply Chain Task Force Meeting



2022 Governor's Supply Chain Task Force

Jeff Van Schaick
SVP External Relations

March 10, 2022



Who We Are

We believe in supporting our people, building satisfying careers, continuously focusing on our customers and partners, and planning for financial growth alongside our customers. We'll gladly say "no" on business that isn't the right fit – we're looking for long-term relationships that can be cultivated over time.

Our first investment in West Memphis, Arkansas gave us the opportunity to diligently scale our leadership team. These individuals are zeroed in on serving others and approaching company culture as ONETeam.

We're excited to be focused on growing organically with private business owners who have a common vision for both value creation and a dedication to their people, customers, and partners.

Stu & Terry Towner



At a Glance



7

Railroads

593

Miles of Track

4

Logistics
Parks

10

Transload
Locations

6

Class I
Partners

11

States with
Operations

Supply Chain Value Add



RAILROADS

- Strong partnerships with Class I Railroads
- Best-in-class safety records
- High-touch, customizable service solutions



RAILCAR STORAGE AND REPAIR

- Loaded and empty railcar storage
- Short and long - term options
- Railcar maintenance, cleaning and scrapping services
- Storage available across most regions of US



TRANSLOADING AND WAREHOUSING

- Transfer between truck and rail
- Inventory management
- Storage
- Supply chain analysis
- Transload capabilities on all railroads



INDUSTRIAL DEVELOPMENT

- Site selection, design and construction
- Brownfield revitalization
- Greenfield development
- Designated Foreign Trade Zone locations
- Rail-Ready sites

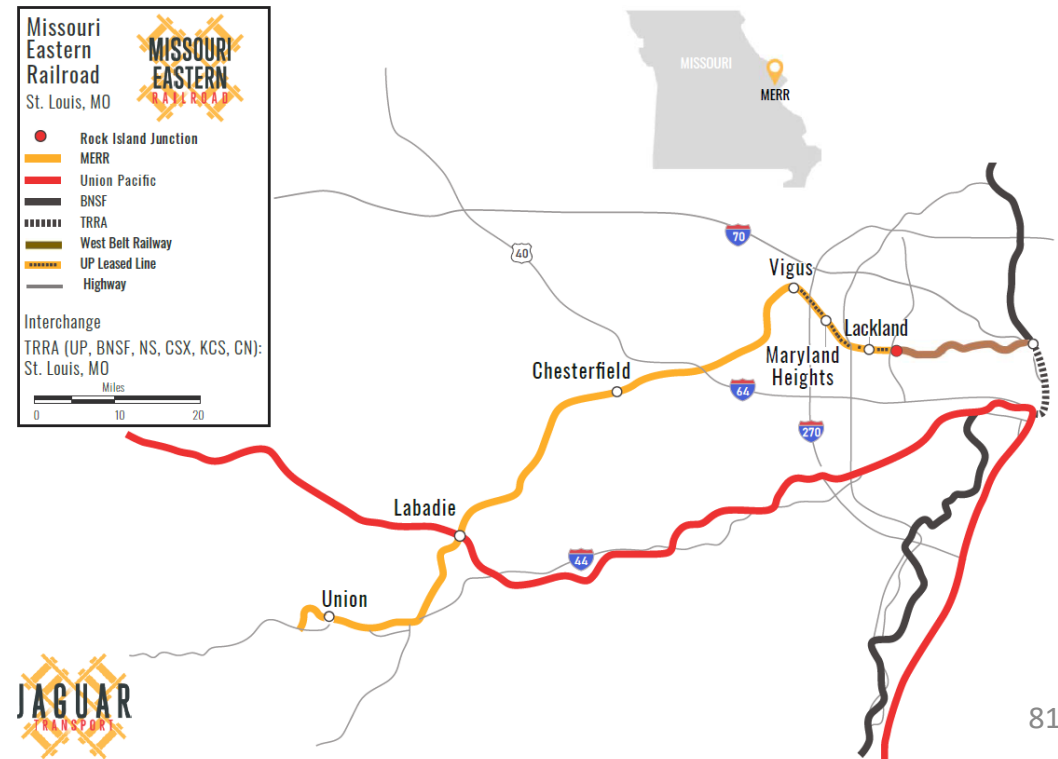


- **Interchange:** TRRA – BNSF, UP, NS, CSX, CN, KCS
- **Interchange Station:** St. Louis, MO
- **Miles Operated:** 60
- **Storage Space:** 500 cars
- **Car Repair Services:** Yes
- **Transload Services:** Yes

Missouri Eastern Railroad



The Missouri Eastern Railroad (MERR) is part of a former Rock Island line that ran across the state of Missouri. Located just outside of St. Louis, the line has interchange access to six class 1 railroads through the Terminal Railroad Association of St. Louis. The line currently serves a diversified group of customers such as producers of plastics and paper products, as well as food products, fly ash, and building materials. The connectivity of the railroad combined with the potential for commercial and industrial development along the line makes this a very attractive railroad for existing and future customers.



For Jaguar and MERR, the supply chain is all about creating capacity by using and improving existing infrastructure to better serve our current and future customers.

State investment in the short line railroad system

“While the good news is that Missouri has an integrated multimodal freight system that facilitates the efficient, reliable, and safe movement of freight, our challenge will be to maintain and expand the system to meet the needs of tomorrow.”

- Missouri State Freight Plan

State Grant Programs

- Competitive process with projects vetted by State so theoretically only the best projects are funded. Usually oversubscribed.
- Project usually scoped based to solve a specific problem (KS 286k)
- Private match (typically) required
- Quick turnaround (compared to Fed programs)

Examples

Kansas RSIF/SLRIF

\$5 million annually for railroads/shippers for:

- Expansion or capacity improvement
- Preservation or Major Rehab

30-40% private match required

ConnectOregon

Competitive program for non-highway modes supporting efforts to attract or expand business to the state. Funding ~\$50 mil per round.

30% required match

WA FRAP

\$7.2 million available every other year for projects of strategic importance to the local community or state.

NC Rail Ind Access Program

Incentive for rail customers to expand or locate business on railroads in NC, maxed at 50% of total project cost. Capped at \$200,000 per project

PA RTAP/RFAP

Preserve and enhance freight rail service to stimulate local economic development.. Grants and line-item budgets. 2020 awarded \$31 mil.

Max of 70%, capped at \$700,000

MO Freight Enhancement Program

- \$1,000,000 per year for transportation purposes other than highways for:
- Safety, Connectivity & Mobility, Economic Development, and Major Maintenance
- 20% minimum match, and a \$500,000 per project cap

Short Line Infrastructure Tax Credits



NEED

- Railroading is incredibly capital intensive
- Short Lines spend between \$15,000-\$20,000 per mile, up to 30% of revenue
- Short lines across the country move 30% of the rail freight but make only 5% of the revenue
- Constant backlog of infrastructure needs



STRUCTURE

- Credits equal to 50% of qualifying investments
- Capped on a per mile basis of track owned or leased by a class II or III railroad in a state
- Credits are transferable allowing accelerating reinvestment



BENEFITS TO RAILROAD/CUSTOMER

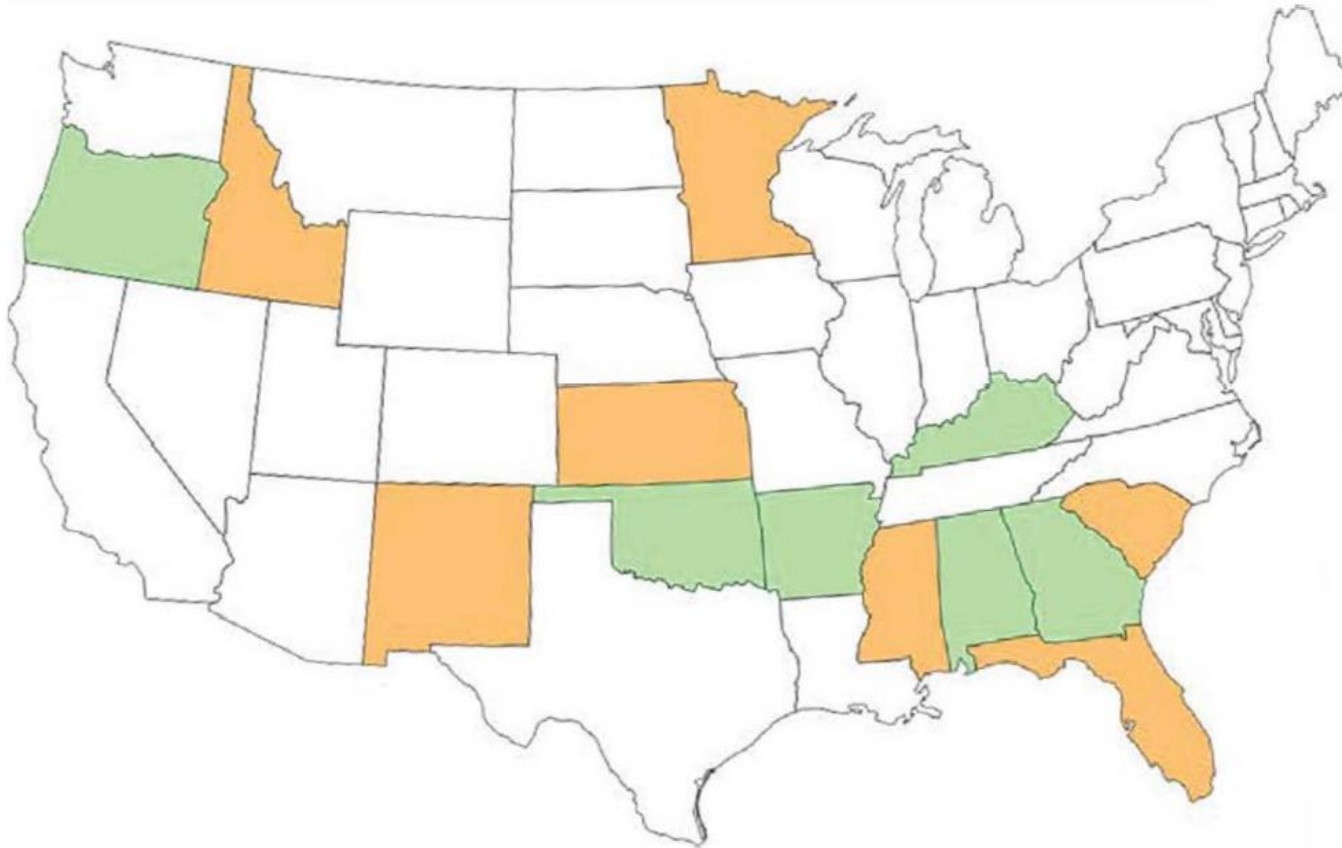
- Railroads able to spend more than otherwise would be able to
- Allows for real time investments prioritizing economic development and congestion opportunities
- Predictable and able to budget appropriately



BENEFITS TO SUPPLY CHAIN

- Annual betterment of track infrastructure increasing effectiveness of transportation mode
- Decreased derailments leading to improved reliability and sustainability and predictable commodity flow
- Incentives for expansion on rail served sites

Existing Tax Credit Programs



Existing State Tax Credit Programs

State	Year	Credit Cap/Mile	Annual Program Value (Cap)	Tax Credit Type
Oklahoma	2008/2020	\$ 5,000	\$ 5,000,000	Transferable
Kentucky	2009	\$ 3,500	\$ 3,000,000	Transferable
Georgia	2018	\$ 3,500	\$ 5,700,000	Transferable
Alabama	2019	\$ 3,500	\$ 3,700,000	Transferable
Oregon	2019	\$ 3,500	\$ 1,800,000	Transferable
Arkansas	2021	\$ 5,000	\$ 4,900,000	Transferable

States Currently Considering Legislation in 2022

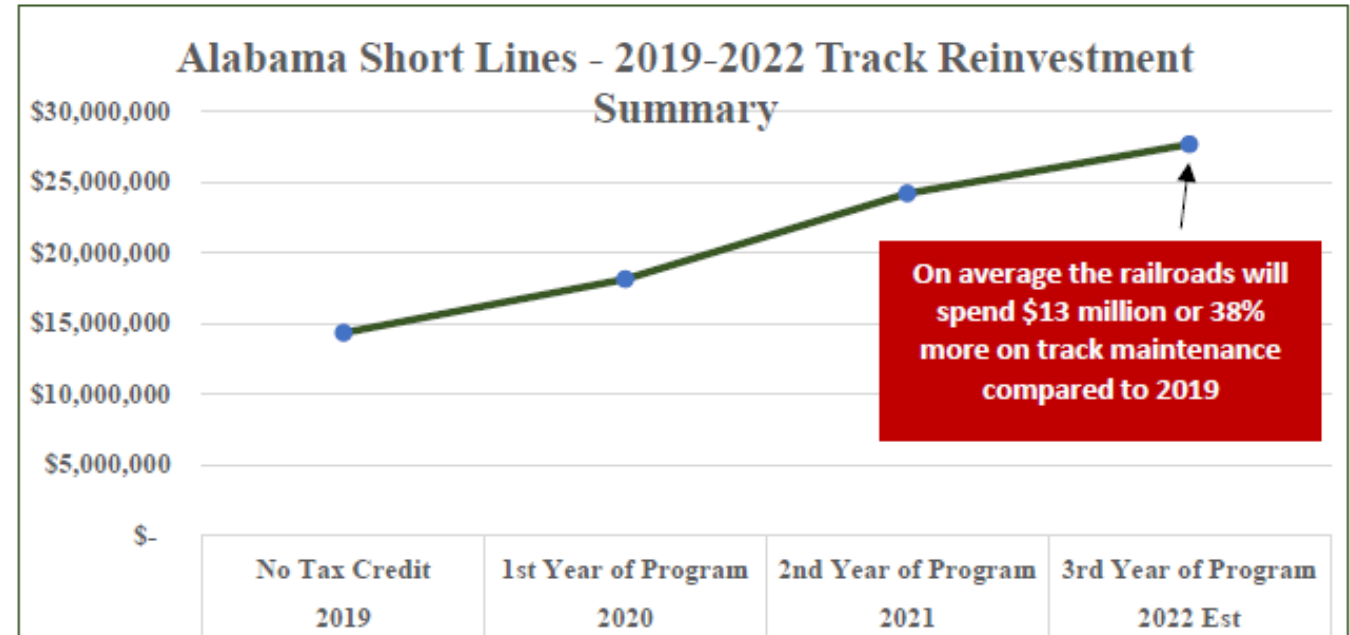
State	Credit Cap/Mile	Annual Program Value (Cap)	Tax Credit Type
Florida	\$ 3,500	\$ 7,700,000 (est.)	Transferable
Idaho	\$ 5,000	\$ 7,300,000	Transferable *
Kansas	\$ 5,000	\$ 8,700,000	Transferable
Minnesota	\$ 5,000	\$ 7,500,000	Transferable
Mississippi	\$ 5,000	\$ 10,000,000	Transferable *
New Mexico	\$ 5,000	\$ 3,500,000	Transferable *
South Carolina	\$ 5,000	\$ 5,000,000	Transferable *

* Bill draft includes industrial development incentive for new rail infrastructure for new/expanding customers

Tax Credit Success Stories



The Alabama Short Line Railroad Tax Credit was passed into law in 2019 and became effective in the 2020 tax year. The program has been widely utilized. Each year the Alabama Department of Commerce has received applications exceeding the \$3.7 million available in the program. This success has resulted in accelerated track reinvestment from the short line railroads. Data compiled from a majority of the short lines in the state showed track reinvestment expenditures have increased by over \$13 million since 2019 – a 38% increase in spending. The program currently sunsets in 2022 and the railroad industry and their shippers would like to extend the tax credit given the success of the program.



How Does this Impact the Supply Chain

- Providing programs that help railroads increase/accelerate infrastructure investment creates efficiencies for the movement of goods to and from interchange.
 - Increased speed, passing sidings, transload options, etc
- State programs designed to help customers expand or locate on short line railroads reduces congestion on interstate highways and at crucial transload pinch points
 - State and local EDCs play a critical role
- Short line railroads can typically accommodate new customer facilities/trackage more quickly and at a much more economical cost than a Class I railroad
- Rail customers create/retain critical jobs across the state providing secondary impact to rural economies



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