

## Realignment of Geiger Spur track to start this spring

Spokane County seeks to cut project cost to \$5.5 million to stay within budget

**Emily Brandler   November 22nd, 2006**

Work on the long-awaited Geiger Spur project which is touted as having the potential to save hundreds of jobs on the West Plains and to create thousands more in the next two decades is expected to start this spring.

Spokane County, which has been planning the project for several years, hopes to complete the rail realignment part of it by the end of summer 2007, says Erik Skaggs, the county's economic development director. The county will set a timeline for the project during a public meeting Nov. 30, Skaggs says.

The high end of estimates for the cost of the first phase of the project is between \$7 million and \$8 million, but the county is working to cut that cost to \$5.5 million to stay within budget, Skaggs says. The county has received \$5.5 million in state and federal funds to build the new track and to remove the portion of the line that runs through Fairchild Air Force Base and must cover any costs over that amount.

Our main hurdle right now is refining the project, and getting it on schedule and on budget, Skaggs says. I'm optimistic that we can achieve those goals.

Currently, the Geiger Spur runs from the BNSF Railway Co. line just to the north of Fairchild, to the east along the north edge of the base, then turns south and runs along the base's eastern boundary as far south as McFarlane Road. From there, it runs east again along McFarlane before ending at Hayford Road. A new section of the spur most likely would start along the McFarlane stretch, about a quarter-mile west of Craig Road, and run 3.5 miles south to link with the Palouse River-Coulee City (PRCC) rail line near Medical Lake, says acting county engineer Bob Brueggeman. The tracks at Fairchild then would be removed, and sections of the older part of the line would be upgraded, he says.

Part of the second phase of the Geiger Spur project is expected to include building a Geiger Transload and Logistics Center somewhere along the new spur. The transloader, which is expected to be built by the end of next year, would use cranes and other equipment to transfer freight from rail cars to trucks and vice versa.

Earlier this year, the Washington Legislature appropriated \$60,000 for the county to study possible sites for the transloader. HDR Engineering Inc., of Bellevue, Wash., is conducting that study and will issue a report to the county soon, Skaggs says. The most likely location for the facility would be along McFarlane, where businesses that use the rail already are operating. The size of the transloader, which could occupy up to 20 acres, hasn't been determined, he says. The county would contract out the operation of the transloader to a private company, he says.

Meanwhile, Reno, Nev.-based Railroad Industries Inc. is conducting a marketing and feasibility study for the planned transloader project, he says. Once the county receives both of those studies, which is expected next month, it will determine the size of the transloader and set a timeline for the project. An exact cost hasnt been estimated for the transloader yet, but systems typically range in cost between \$2 million and \$3 million, he says.

Part of the second phase also is expected to include installing fiber-optic conduits from U.S. 2 to the PRCC line, along the new portion of the Geiger Spur, at an estimated cost of \$1 million, he says. The county wants to install the conduits there so telecommunications companies can run fiber-optic cables through them to provide broadband Internet access to current and future businesses in that area.

In March of 2005, an economic-impact study found that the Geiger Spur supported five main industrial manufacturers with a combined total of 400 jobs and an annual payroll of \$11 million, Skaggs says. The annual economic impact of those jobs on the Spokane region at the time was \$66 million. The study projected that after the Geiger Spur project is completed, the improved line could create roughly 4,000 new jobs over 20 years, have an annual \$773 million economic impact on the local economy, and generate roughly \$77 million in new state and local tax revenue each year, he says.

Our goal with the Geiger Spur project has been retention, expansion, and recruitment of businesses on the West Plains, Skaggs says.

BNSF planned to abandon the spur in 2004, which would have meant the loss of several hundred jobs, he says. Instead, BNSF donated the line to Spokane County in October of that year. Meanwhile, U.S. military officials wanted the line moved off Fairchild since it posed a security threat, and pulling up that portion of the tracks would have disconnected the spur from the BNSF line to the north. That BNSF line only operated one day a week, while the BNSF line that connects to the PRCC line in Cheney operates six days a week, he says.

Todd Weaver, president of one of the biggest users of the Geiger Spur, Metals Fabrication Co., says he expects the realignment project and the transloader project will boost that companys business, and he is eager for the projects to get under way.

Weaver says Metals Fabrication plans to use the line more heavily once the realignment project has been completed. The company has 70 employees and expects to hire more soon.

We plan on continuing to grow, and this project will help us stay competitive and stay around and keep hiring, he says.

The county, which will continue to own the spur, is working with Railroad Industries, the Nevada company that's the construction manager for the Geiger Spur project, to devise the rates that will be charged to users of the spur once the project has been completed, Skaggs says.

That's an important part of the project we're working on as well, because we want to make sure we have economically competitive rates, Skaggs says. We could have a failed railroad if the rates drive customers away.

The county has a contract with Western Rail Switching Inc., an affiliate of Western Rail Inc., an Airway Heights-based concern that sells and leases used locomotives, to operate the Geiger Spur until 2009, he says.

Rates charged to users of the Geiger Spur and the PRCC will be affected by the outcome of the state's negotiations with Pittsburg, Kan.-based Watco Cos. to buy the 108-mile-long PRCC track, which runs from Coulee City to Cheney, Skaggs says. The state could reach an agreement with Watco by the end of this year, Skaggs says, although state officials are less willing to disclose details about the status of negotiations.

Negotiations are ongoing and progressing, says Scott Witt, freight multimodal program and policy manager for the Washington state Department of Transportation.

If the state buys the PRCC, it likely would contract out the operation of the line to a private company, and the terms of that contract would affect rates charged to users, Skaggs says. Spokane County plans to work closely with the state on rates for both the Geiger Spur and the PRCC, he says.

Todd Havens, who owns Western Rail Switching, says he plans to submit an application to the state to operate the PRCC line. If the five-employee company wins that contract, it likely would hire up to 20 more workers, he says.

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