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ENTERED
Office of Proceedings
October 22, 2021
Part of
Public Record

October 22, 2021

By E-Filing

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: Docket No. FD 36546, *325 South Route 31 Railroad, LLC –
Operation Exemption – Tracks of 325 South Route 31, LLC in
Kendall County, Illinois*

Dear Ms. Brown:

Accompanying this letter for filing in the referenced docket on behalf of 325 South Route 31 Railroad, LLC is a Notice of Exemption for operating authority over certain tracks in Kendall County, Illinois described in the Notice. Please note that this filing CONTAINS A COLOR IMAGE.

The applicable filing fee for this Notice is being submitted pursuant to Pay.Gov. Please do not hesitate to call me if you have any questions.

Sincerely,



Thomas W. Wilcox
Attorney for 325 South Route 31 Railroad, LLC

Enclosure

FILED
October 22, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
October 22, 2021
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36546

**325 SOUTH ROUTE 31 RAILROAD, LLC
- OPERATION EXEMPTION – TRACKS OF 325 SOUTH ROUTE 31, LLC
IN KENDALL COUNTY, ILLINOIS**

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R Part 1150, Subpart D, 325 South Route 31 Railroad, LLC (“SRRR”), a non-carrier, hereby files this Verified Notice of Exemption (“Notice”) for authority to operate as a Class III carrier over approximately 11,245 feet of railroad track located on a 350-acre industrial site located around 40 miles west of Chicago, Illinois in Kendall County, Montgomery, Illinois (the “Site”). The Site is a former manufacturing campus of Caterpillar, Inc. that the company vacated in 2017. All of the rail track covered by this Notice, which does not have mileposts, was present on the Site and acquired by the parent company of SRRR, also a non-carrier, in 2019 when it purchased the Site for the purpose of reviving it and establishing it as a rail-served industrial park with multiple shipper tenants. As explained herein, SRRR is acquiring the tracks from its parent company through a long term lease and will retain the authority to hold out to provide common carrier service over the track to industrial facilities that locate on the Site and request rail service. Based upon projected annual revenues SRRR expects to be a Class III rail carrier following consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.33, SRRR submits the following information:

Name and Address of Applicant. 49 C.F.R. § 1150.33(a)

The applicant's full name is 325 South Route 31 Railroad, LLC. Applicant's address is 172 South Broadway, White Plains, NY 10605.

Applicant's Representative. 49 C.F.R. § 1150.33(b)

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Statement Concerning Agreement: 49 C.F.R. § 1150.33(c)

SRRR is entering into a Track Lease and Operating Agreement with the owner of the Site, its parent company, 325 South Route 31, LLC, which agreement will grant SRRR rights to lease, operate, and maintain approximately 11,245 feet of previously private tracks located on the Site, and to hold out to provide common carrier rail services to industries that locate on the Site (the "Tracks"). The Tracks covered by this Notice are shown in yellow on Exhibit A. Rail operations on the Site will consist primarily of switching railcars to and from industries and the tracks of the BNSF Railway Company ("BNSF"), which has historically served this industrial site. SRRR intends to rehabilitate some of these existing tracks prior to rail operations commencing over them. SRRR plans to close this transaction after on or after the effective date of this Notice. Actual operations will commence when the industrial park in question is developed to the point that

industries have located there and they request rail service, which is currently expected in the 4th quarter of 2021.

Operator of the Property: 49 C.F.R. § 1150.33(d)

Upon consummation of the transaction contemplated herein SRRR will lease the Tracks and retain the common carrier obligation to provide rail operations over them as requested by tenants of the Site. However, as the Site is being developed and repopulated with rail-served industries in the short term, railroad operations on the Tracks will be performed by a third party, expected to be the Burlington Junction Railroad ("BJRR"), pursuant to a contract with SRRR to provide private switching operations.¹ The BJRR will coordinate its contract operations with BNSF's main line service. BNSF will not provide common carrier rail service to shippers using the Tracks.

Summary of the Transaction: 49 C.F.R. § 1150.33(e)

The Site is located in an unincorporated area of Kendall County, Illinois. It was constructed by Caterpillar in 1958. At one point, Caterpillar was one of the largest employers in northern Illinois with approximately 6,000 to 7,000 employees. In addition to extensive manufacturing facilities and thousands of square feet of buildings, the Site contained all the Tracks covered by this Notice. The Site has historically been served by BNSF and its predecessors in interest, and BNSF is the only Class I railroad whose tracks can physically connect to the Site. The physical connection of the tracks on the Site to BNSF's main line has always been through a switch

¹ Even though it will not initially be providing operations over the Tracks SRRR intends to apply for Federal Railroad Administrative reporting marks and publish a tariff that would govern any future SRRR operations and services on the Site Tracks.

connection to two ancillary tracks owned by BNSF that run parallel to its dual main line tracks that run by the Site.

In 2017 Caterpillar closed its equipment manufacturing line at the plant and moved its operations to Decatur, Georgia and North Little Rock, Arkansas. This resulted in layoffs of roughly 1,200 Caterpillar employees, the closing of its facility and the Site becoming vacant. It also resulted in the connections to the BNSF main line tracks being removed, but most of the track infrastructure on the Site and the two BNSF ancillary tracks to which that track was connected remained in place. In March 2019, the entire Site was purchased by 321 South Route 31, LLC, which is a wholly owned subsidiary of Reich Brothers, LLC, a multi-national development firm that specializes in the acquisition, repurposing, and management of manufacturing and distribution facilities across the United States. Reich Brothers, LLC has committed to redeveloping the Site into an industrial park with multiple rail-served tenants, and it believes that establishing a Class III short line rail carrier to operate over the Tracks and serve the Site's tenants will attract new tenants and help bring jobs back to this section of Kendall County and assist the local economy. To date, two industries have committed to locating new rail-served facilities within the Site boundaries.

SRRR, in addition to leasing the Tracks covered by this Notice of Exemption from 325 South Route 31, LLC, will also lease the aforementioned ancillary tracks from BNSF pursuant to a Land and Track Lease, which also contains the terms and conditions governing the re-establishment of connections of the Site tracks to the leased tracks and BNSF's main line.

Map: 49 C.F.R. § 1150.33(f)

See attached Exhibit A.

A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier. 49 C.F.R. § 1150.33(g)

A Certificate of Compliance with the provisions of 49 C.F.R. 1150.33(g), certifying the SRRR's projected annual revenues are not expected to exceed those that would qualify it as Class III railroad carrier, is attached as Exhibit B to this Notice.

Interchange Commitments. 49 C.F.R. § 1150.33(h)

SRRR's and BJRR's proposed operation of the Tracks does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier.

Advance Notice: 49 C.F.R. § 1150.32(e)

The annual revenues of SRRR are not expected to exceed \$5 million. Accordingly, the advance notice requirements of 49 C.F.R. § 1150.32(e) are inapplicable. See the certification included with the verification to this Notice.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), SRRR's proposed operation of the Tracks is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5). Under 49 C.F.R. § 1105.8(b)(1), SRRR's assumption of operations on the Track also is exempt from historic preservation reporting requirements. Further, Board approval is required to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.32(a)

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Respectfully submitted,

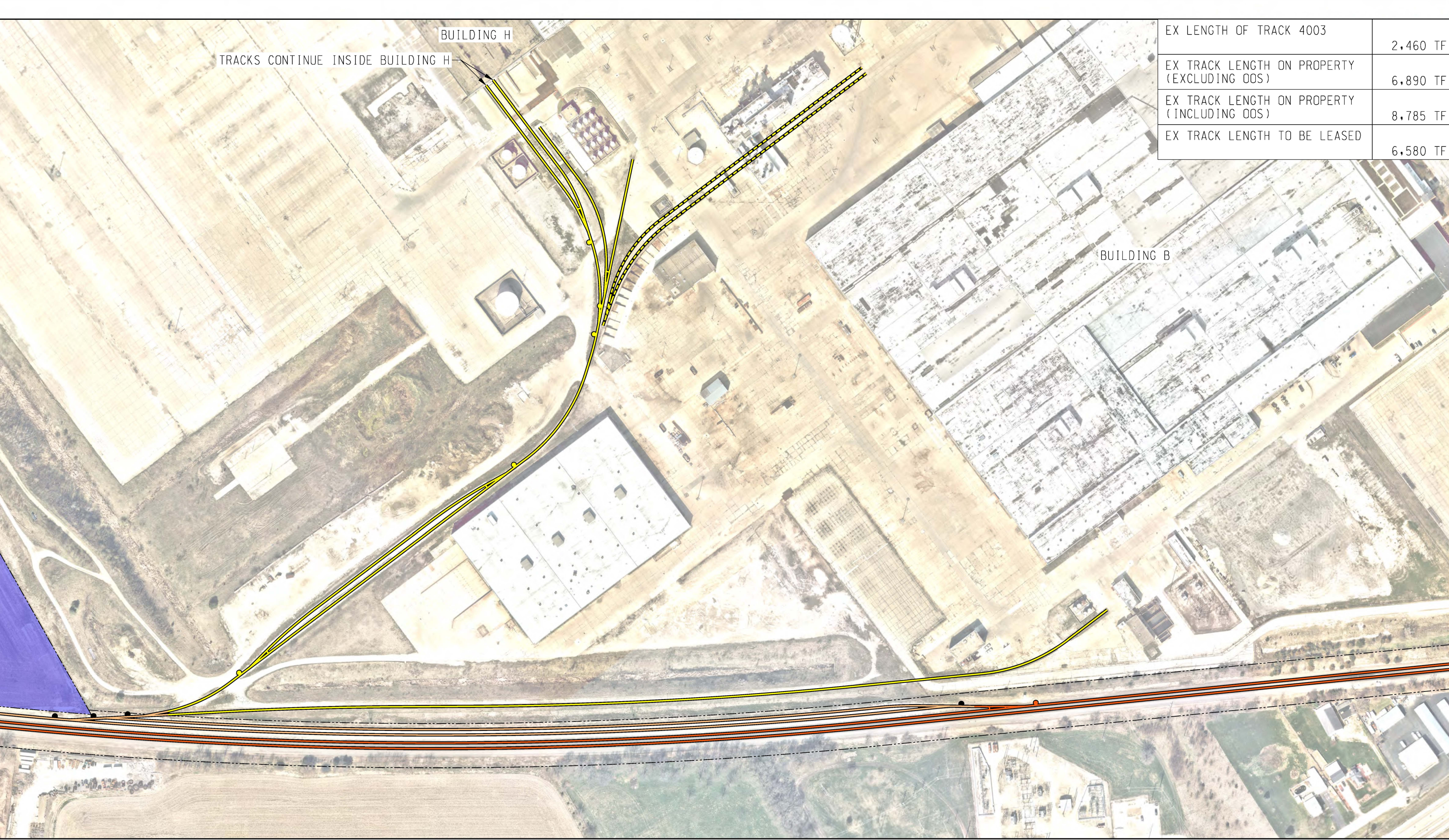
A handwritten signature in blue ink, reading "Thomas W. Wilcox", is written over a horizontal line.

Thomas W. Wilcox
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tom@twilcoxlaw.com

Attorney for 325 South Route 31 Railroad, LLC

October 22, 2021

EXHIBIT A
MAP



LEGEND

-  BNSF MAINLINE TRACK
-  EXISTING TRACK
-  EXISTING TRACK (OUT OF SERVICE)
-  BNSF SIDETRACKS TO BE LEASED
-  RIGHT OF WAY
-  PRIVATE PROPERTY

ABBREVIATIONS

EOT	END OF TRACK
EX	EXISTING
OOS	OUT OF SERVICE
PR	PROPOSED
ROW	RIGHT OF WAY

EXHIBIT B
CERTIFICATION

**CERTIFICATE OF COMPLIANCE
AND VERIFICATION**

I, Jonathan Reich, hereby certify and declare under penalty of perjury as follows:

1. I am an authorized signatory of 325 S Route 31, LLC, the sole member of 325 South Route 31 Railroad, LLC.
2. I certify that the annual revenues of the 325 South Route 31 Railroad, LLC will not exceed levels that would qualify it for a Class III rail carrier.
3. I have read the foregoing Verified Notice of Exemption and know that the factual information contained herein is true and correct.

Executed: October 22, 2021



Title: Authorized Signatory

EXHIBIT C
CAPTION SUMMARY

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 36546

**325 SOUTH ROUTE 31 RAILROAD, LLC
- OPERATION EXEMPTION – TRACKS OF 325 SOUTH ROUTE 31, LLC
IN KENDALL COUNTY, ILLINOIS**

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Site is developed, rail operations on the Site will be switching operations conducted by a third-party railroad entity pursuant to a contract with SRRR.

Comments must be filed with the Board and served on:

Thomas W. Wilcox
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The notice is filed under §1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.