

Docket No. FD 36616, *Savage Tooele Railroad Company – Construction and Operation – Line of Railroad in Tooele County, Utah*

November 14, 2022

Draft - Project Description, Purpose and Need

A. Project Description

The railroad construction project for which Savage Tooele Railroad Company (“STR”) is seeking approval entails the reinstitution of common carrier freight service over a previously abandoned railroad line, and the construction of new trackage to and into the Lakeview Business Park, a 1700-acre industrial park being constructed in Grantsville, Utah in Tooele County, Utah. More specifically, STR will rehabilitate and reinstitute rail service over an approximately six-mile segment of a former 15.8-mile branch line now owned by Union Pacific Railroad Company (“UP”) that was fully abandoned by UP’s predecessor Western Pacific Railroad Company (“WP”) in 1983. The right-of-way remains largely intact and much of the six-mile segment still has railroad track in place. STR will also construct approximately five miles of new railroad line to extend the reinstated railroad line to and into the Lakeview Business Park. The approximately eleven miles of new railroad line covered by this project would re-establish the former UP branch line’s connection to UP’s Shafter Subdivision at Burmester, Utah, and STR will provide common carrier service over the combined reinstated UP line and newly constructed track to enable tenants of the industrial park to receive and ship commodities by railroad. The operations will consist of switching services and other railroad activities within the park boundaries, and the movement of railcars to and from the UP main line.

B. Purpose and Need for the Project

The purpose of the proposed rail construction and operation by STR is to provide rail service to tenants of the business park. This rail track and service is needed because there presently is insufficient rail infrastructure to accommodate the rapid growth of manufacturing and warehousing facilities across the country, but specifically in the Greater Salt Lake City area, including Tooele County, as part of a national trend that started prior to the COVID-19 pandemic. This national trend has seen manufacturers and distributors of goods respond to the supply chain disruptions that resulted in part from the pandemic by adding manufacturing and warehousing capacity in the United States, either by moving existing operations from overseas or adding brand new capacity.¹

Most of the companies seeking to locate in Utah desire rail service to their facilities but tracks and reasonable access to line haul railroads currently does not exist. The Lakeview Business Park is being constructed to meet this demand for rail service by including track infrastructure to be constructed and operated by STR and additional rail facilities to be utilized by rail-served businesses and structures. Construction of the industrial park began in 2020, and currently there are two tenants in place that are receiving commercial truck service pending completion of the rail construction. There are also numerous prospective tenants who desire to utilize rail service, so the project is needed to meet the rail service requirements of present and future business park tenants.

¹ This phenomenon has been referred to as “onshoring” by various business analysts. See, e.g, <https://rejournal.com/the-promise-of-onshoring-as-companies-bring-manufacturing-back-to-the-u-s-demand-for-industrial-space-soars-even-higher/>

Moreover, the proposed project is needed to help meet the expanding population of Tooele County, which has been referred to by local officials as the seventh fastest growing county in the United States,² due in large part to housing that is more affordable than neighboring Salt Lake County. Roughly 75% of Tooele County residents commute to Salt Lake County for work. The County is accordingly in need of manufacturing, distribution and warehousing facilities to meet the demands of the rising population. Rail service to business park tenants will mean that large volumes of commodities and goods can be transported into and out of the County without tying up local roads and highways with commercial trucks. Rail is also the more environmentally friendly transportation mode, being the lowest-emitting mode of freight per ton mile.³ The lower emissions from rail transportation is important in this area because the portion of Tooele County where the project will be constructed and operated is a “nonattainment area” under the Clean Air Act for ozone.

C. Projected Volumes and Commodities

Current plans for the Lakeview Business Park contemplate the delivery of inbound loaded railcars containing commodities such as refrigerated products which would then be transloaded to trucks for distribution to surrounding communities. Carload projections are 1,200 in the first year of operation, and could expand to up to 8,000 carloads, depending on the tenants and their commodities. Lakeview Business Park has contracted with their first potential rail-served customer. However, STB approval of STR’s construction and operation proposal will be a

² <https://www.abc4.com/news/local-news/the-secrets-out-tooele-county-exploding-with-growth/>

³ <https://www.freightwaves.com/news/5-rail-sustainability-trends-for-2021>

prerequisite to this customer making a multi-million-dollar investment in rail and building infrastructure to facilitate rail service.