



Shawnee Economic Development Foundation

7-26-2009

Mr. Ray LaHood  
Office of the Secretary  
US Department of Transportation  
1200 New Jersey, SE.  
Washington DC, 20590

Mr. LaHood,

In light of recent requests to elaborate on the affect of rail service related to the Shawnee Oklahoma economy, or more specifically the lack of rail service, let me share the following economic impact information with you.

Based upon the last employment numbers our office secured in the fall of 2008, it was estimated that over 2125 individuals were employed in our local manufacturing facilities, which are served by the rail lines. With an average hourly rate of \$12.50 at these facilities, (a very conservative hourly estimate), these jobs represent over \$55,250,000.00 in yearly wages. Please note these are just the wages paid at the facilities and do not include those firms that exist to service the manufacturing plants referenced.

When you calculate the additional jobs provided by those who serve the manufacturers, the sales tax on products purchased locally, the property taxes paid by both the companies and their employees, along with the utilities they consume, it would not be hard to calculate a total number of economic impact of between \$75 to \$100 million dollars. Needless to say our regional economy is greatly affected by these rail lines.

Since taking this position as the new economic developer in Shawnee in January of this year, the Shawnee Economic Development Foundation has turned down or not been able to qualify to compete or submit proposals to over eight large projects, due to lack of adequate or sufficient rail infrastructure. All told these projects could have allowed for over \$110 million in new capital investment in this area and the creation of an addition of over \$153 million in new yearly payroll. The affect of even one of these projects would have had a remarkable impact on the region's economy.

The information we have listed here merely scratches the surface of the economic impact the rail has on Shawnee and this region. As the Oklahoma City region expands, a location with suitable and affordable land, which is served by adequate rail, becomes harder to find. Shawnee has such available properties and is poised to grow and create prosperity for its citizens, **IF** we are able to maintain and provide passable rail service to our existing and new prospects.

Please feel free to contact me at this office if we can provide you with any additional information.

Sincerely,

  
Tim Burg  
Executive Director  
tburg@sedf.biz