TIGER GRANT APPLICATION
CNY DISTRIBUTION HUB, LLC
CENTRAL NEW YORK REGIONAL INLAND HUB
Impacting the Regional, National & International Transportation System

Project Type: Intermodal: Container/Freight Transfer Facility & System Capacity Enhancement (A Marine - Inland Link Systems Project)

Location:
  State: New York
  Municipality: Town of Manlius
  County: Onondaga
  Congressional District: 25th

Project Area: Urban (Upstate Region)
Grant Amount: $42,230,000
Total Project Amount: $88,281,593
Grant Recipient: Central New York Regional Planning & Development Board
Sub-Awardees: CNY Distribution Hub, LLC
Type of Funding: TIGER Discretionary Grant/TIGER TIFIA Payment
Contact Information:

Grant Applicant Contact Information:
David Bottar, Executive Director
Central New York Regional Planning and Development Board (CNY RPDB)
126 North Salina St., Suite 200
Syracuse, NY 13202
(315) 422-8276 Ext. 207
dbottar@cnyrpdb.org
http://www.cnyrpdb.org

Sub-Awardee Contact Information:
Thelma Standart, Vice President
CNY Distribution Hub, LLC
PO Box 159
Wilmington, CA 90748-0159
Office Phone (310) 834-8288
Cell Phone (310) 350-8287
24-Hour Phone (310)-830-2002
xrtthelma@aol.com

Important Document Instructions:
This electronic document references significant additional information which is accessed by hyperlinks throughout the document. These links are indicated by blue colored text. Some links are hosted on external sites and may exhibit a slow load time.
Table of Contents

Project Description ................................................................................................................. 4

Long-Term Outcomes
State of Good Repair ........................................................................................................... 7
Economic Competitiveness ................................................................................................. 10
Livability .......................................................................................................................... 14
Sustainability/Environmental Impacts ................................................................................ 15
Safety ............................................................................................................................... 16
Cost Benefit Analysis ........................................................................................................ 17

Near-Term Outcomes - Job Creation & Economic Stimulus
Rapid Economic Impact ...................................................................................................... 18
Project Schedule ............................................................................................................... 19
Environmental Approvals ................................................................................................. 19
Legislative Approvals ........................................................................................................ 20
State and Local Planning ................................................................................................... 20
Technical Feasibility .......................................................................................................... 20
Financial Feasibility ......................................................................................................... 21

Innovation & Partnership
Innovation ......................................................................................................................... 23
Partnership - Jurisdictional & Stakeholder Collaboration ............................................. 23
Project Description

The following Project symbolizes the commencement of a unique opportunity, for the Company to implement its ‘National Strategic Freight Transportation Plan’ to assist the U.S. Department of Transportation in meeting both the challenges of our national transportation network and the state of the regions economy. The Plan is based on the Inland System Logistics Network Development (ISLND®) transportation model that was created as a global market and operating approach to cope with the growing challenges impacting the day-to-day operations of the shipping industry. The primary focus of this model is to develop a more efficient and sustainable means of moving container cargo to and from ocean ports and their respective destinations.

The Project utilizes the methods developed in the ISLND® model by establishing a more direct and sustainable surface delivery route and reducing environmental impacts of container freight delivery. These methods being utilized by the Project are anticipated to ensure the timely delivery of ocean cargo containers (TEU/FEU) between the Port of New York and New Jersey (PONYNJ) and a densely populated northeast region to and from intra-continental markets. The building of the system will extend to make the appropriate connection between US and foreign shipping points, producing a sustainable, cost-efficient and environmentally conscious freight transportation process that assist in increasing our national system's transportation capacity within the global trade network. The Project addresses the unsustainable issues facing our current system including delays, congestion, and pollution while creating jobs and long term economic growth.

In addition to the implementation of the transportation logistics system, the Project also includes the development of an intermodal container/freight transfer facility (CNY Hub) on approximately 90 (+/-) acres in the Central New York Town of Manlius, Onondaga County. The Project site is in the Syracuse Metropolitan Area, at the crossroads of international and domestic trade routes. The CNY Hub is approximately 250 miles from the PONYNJ and 250 miles from Toronto, Canada. The area provides access to a consumer marketplace of approximately 70 million people that live within a 350 mile radius of the CNY Hub that account for the highest Gross Domestic Product (GDP) per capita, with Canada being our country's top trading partner. (See the US Department of Transportation Federal Highway Administration Office of Freight Management and Operation’s Freight Facts and Figures 2008 page 8 tables 1-2 and page 16 tables 2-7.)

The Project site is supported by surface infrastructure, i.e. rail lines, industrial access roads and a confluence of interstate highways to efficiently make the intermodal connection between PONYNJ, Port of Oswego Authority (POOA) and Hancock International Airport (air cargo hub) and international trade routes. New York’s principal ports of entry, PONYNJ which covers the east coast marine port leg on the Atlantic side. POOA and Port of Toronto cover the west coast marine port leg from the Great Lakes to the St. Lawrence Seaway side.

The rail corridor of the Project is provided by CSX’s, a Class I railroad line in the northeast, extending from PONYNJ to Albany (River Line) and Albany to DeWitt. The interstate highway system of I-481, I-90, I-81 and I-690 are easily accessed from the Project site. The Interstate 481 junction is approximately one mile from the proposed CNY Hub with a full cloverleaf interchange sufficient enough to handle heavy truck traffic and provides access to the New York State Thruway (I-90) and I-81. Kirkville Road, I-481 interchange, and Girden Road serve as feeder roads to intermodal facilities, i.e. the CNY Hub and CSX rail yard, to efficiently make the model freight connection between the ports and regional and Canadian markets.

The CNY Hub strategic location will include terminal operations for container staging, transfer, storage, equipment interchange, equipment maintenance/repair shop and wash rack. Regional delivery will be provided by a fleet of alternative fuel trucks. In addition, the Hub will include locations for cross-dock/transloading, cool storage, customs and agriculture inspections and foreign trade zone warehouse storage.
areas. The facility will also include administrative offices, proposed day care/after school care, nutritional health center and a community emergency response center. The day care, nutritional health, maintenance repair shop, training center and wash rack are proposed to be accessible to terminal users.

The proposed Project has been actively in progress for approximately five (5) years and takes a systematic approach to creating a sustainable and economically viable freight transportation system; providing intermodal assets and value-added services to facilitate and process both domestic and international trade. This is a major demonstration Project for the country, which could be used as a model for other regions trying to address similar transportation issues.

The Central New York Regional Planning and Development Board (CNY RPDB) is the applicant for the TIGER funds that will be used to undertake this public-private partnership with CNY Distribution Hub, LLC (Company) The Project has established the appropriate industry and government relations, worked on the logistical aspects of the system, pre-construction and pre-business activities for the required development and operations of the freight transportation system.

Click here to view a presentation showing an overview of the proposed project.

<table>
<thead>
<tr>
<th>Major Regional Destinations</th>
<th>Mileage (Miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>300</td>
</tr>
<tr>
<td>Hartford</td>
<td>235</td>
</tr>
<tr>
<td>Montreal</td>
<td>250</td>
</tr>
<tr>
<td>New York, NY</td>
<td>250</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>340</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>340</td>
</tr>
<tr>
<td>Toronto</td>
<td>250</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>350</td>
</tr>
</tbody>
</table>
PROJECT LOCATION - Syracuse Metro Area - Town of Manlius

Legend
- Cargo Arrives on Rail
- Cargo is Transported into the Terminal for sorting
- Trucks Arrive for Cargo
- Trucks Leave with Cargo
- Car Entrance
The U.S. Gross Domestic Product (GDP) is expected to grow, on average, almost 3 percent per year between now and 2035, resulting in even greater demand for freight transportation. This demand heightens the existing unsustainable issues facing our current system. The Project addresses these issues by making improvements to and maximizing the existing infrastructure of the freight transportation network.

It is important to note that the available infrastructure supports the potential extension of the market, considered by the CNY Hub’s long-term operating horizon. The critical system components include PONYNJ port terminals, the under utilized Express Rail on-dock facility, CNY Hub (port related intermodal container/freight facility), CSX service and rail yard, key industrial access roads (Girden and Kirkville Roads) and interstate 481 & the NYS Thruway I-90.

The process includes train assembly at both the PONYNJ through Express Rail and CSX DeWitt rail yard. CSX would assemble a port train shuttle of either a minimum block of 50 containers or a full double stack train between 200 and 250 containers designated for the CNY Hub. This process optimizes the use of Express Rail, where containers are disembarked from ocean vessels and directly on-loaded to double stack rail cars. CSX would then make a ‘through movement’ to the DeWitt rail yard and process containers to the CNY Hub’s inland port designation. The CNY Hub would off-load or on-load ocean cargo containers from rail cars onto container chassis moved via truck for the purpose of staging containers (e.g. customs clearance, storage, transfer, direct delivery, etc).

Currently, CSX provides service to and from the PONYNJ with two full trains per day. As CNY Hub container volume increases, it is anticipated that an additional fully dedicated train may be required. The CSX DeWitt rail yard has mainly serviced the northeast region as a hump yard for domestic movements, but has slowly increased its intermodal activity in the past decade. The rail yard is approximately 500 acres of rail track, but space is limited to accommodate full utilization of intermodal potential due to its hump yard configuration. CSX is currently undertaking improvements to the rail yard to increase intermodal service. CSX has indicated in a letter to the Project of their intentions to further consider the CNY Hub facility as being part of their North America Intermodal strategic network.

The Project will also upgrade the surface transportation network in the vicinity of the proposed CNY Hub to reduce site congestion and increase the velocity of full container cargo through put. Central to this business model is the ability to provide the value-added services necessary to allow small and medium sized shippers to take advantage of the CNY Hub facilities, thus reducing their total highway miles that would otherwise be required.

As stated, the key goal in bringing this proposed Project and business model to the market, focuses on optimizing the intermodal transportation infrastructure systems, through the utilization of the CNY Hub, providing a sustainable connection between the US regional markets and global shipping routes. This Project will have a positive impact and will address the many issues facing our current system as highlighted below.
- Reduce highway life-cycle repair costs by an estimated $25 million per year by eliminating 40 million truck miles annually
- Reduce redundancy in maritime operations by utilizing container source-loading to facilitate just-in-time inventory system's delivery
- Infrastructure Optimization. Utilize existing transportation infrastructure by implementing a coordinated intermodal system between ocean, rail and truck freight process for timely delivery to regional markets
- Reduce major national bottleneck congestion at PONYNJ through short haul rail and US-Canadian crossing at Peace Bridge utilizing short sea shipping
- Reduce Port associated truck traffic through the New York and New Jersey metropolitan areas
- Reduce the impact of commercial heavy truck traffic through community traffic routes
- Optimize freight transportation infrastructure system where the goods movement industries, including manufacturing and agriculture industries have a means to sustain their economies and expand to international markets
- Develop cost efficiency through economy of scale intermodal freight movement, utilizing short sea shipping, short haul rail and short-haul trucking
- Create value added services that lessen freight handling cost and increase system efficiencies
- Creates a distinctive opportunity to stimulate awaiting markets by attracting maritime related industry and stimulate commercial development in Central New York region
- Optimization of Express Rail (Port Elizabeth)
- Maximize the existing infrastructure at CSX DeWitt Rail Yard
- Divert truck traffic to commercial access roads. (Town of Manlius) Fremont Road realizes heavy truck traffic on a daily basis. Residential commuters, roadside residents and schools compete with heavy intermodal (rail) truck traffic. The Project, inclusive of the system, proposes the construction of transfer facility adjacent to the rail yard as a means to divert current truck traffic from Fremont Road to Kirkville Road to interstate 481, via Girden Road to Kirkville Road via I-48), by assigning the main rail yard truck gate to the an existing rail gate with direct access to Girden Road.

Due to the nature of the quasi-public Project and complexities of innovative ‘public-private’ partnerships with local and state governments, the Company’s proposed capital finance structure incorporates a combination of proposed funding. These sources include private funds, grants, capital equipment leasing, commercial real estate syndicate sales and proposed financing from the USDOT (such as TIFIA and other available Federal credit programs suited for this type of freight transportation system project).

The commercial real estate syndicate financing is proposed to provide additional long-term capital financing to sustain the advance real estate development of additional facilities (warehousing, dry, cool and cold storage, and ‘green’ truck stops) within the footprint of the proposed Project and overall program. In brief, expansion includes: the development of the Inland Port Logistics Center (industrial development) and international trade corridor and associated industrial corridor projects. This part of the long term program would incorporate multi-county Industrial Development Agencies (IDA), Metropolitan Development Agencies (MDA) and regional planning organizations to establish the framework for economic development in Central New York’s economically distressed counties, cities, towns and rural agricultural areas.

The Company’s post-Project capital funding plan includes a sustainable source of revenue in the form of reduced costs of freight delivery within the Central New York Region that fully funds the operating budget's requirement for maintaining the facilities and capital equipment of the Company. In addition, the Company's policy is to fund a capital improvement reserve equal to 25% of the straight-line depreciation expense booked.
for the reporting period (note the line item entitled, “Capital Improvement Maintenance Reserve” from the table titled Statement of Assets Liabilities & Equities) in for the specific use of replacing any assets that become obsolete as a result of innovations of process and/or technology that are consistent with institutional investment underwriting requirements.

As can be demonstrated with the Proforma Income Statement, the Company is designating a $20.00 plus average per container allocation for the provision of maintenance costs for all of the Company’s facilities and equipment at the CNY Hub.
Economic Competitiveness

This Project is of national importance resulting from the United States economic dependence on freight transportation to link businesses with suppliers and markets throughout the nation and the world, in order to maintain a competitive advantage in the global market-place. This Project streamlines the movement of cargo containers at the PONYNJ, which will increase port capacity and significantly decrease the delivery time and costs associated with moving international cargo containers.

The CNY Hub, combined with a better utilization of the existing on-dock Express Rail system at the Port, would facilitate source loading (freight loaded directly into a container, delivered, and unloaded directly from the container at the end users site). This represents a significant reduction in transportation and handling cost of import and export container shipments. This method is a growing trend among global distributors, i.e. Wal-Mart, Home Depot, that use this method as a logistic strategy to minimize their handling and transportation cost. The Project would further support the changes in the shipping industry that redefines the direction in the supply chain for shippers and allows transportation companies to optimize their core competencies.

The Project will reduce the delivery time by providing container delivery in 4-7 days of ship arrival, reducing dwell time, bypassing port gate delays and associated metro traffic and congestion. Besides the competitive advantage of reduced cycle and inventories time, and limited stowage/handling fees, the users’ (customers) costs for average container shipment anticipates a reduction of up to 50%.

CURRENT OPERATIONS = 7-14 DAYS = Limited System Capacity = Higher Cost & Time

ISLAND PROCESS = 4-7 DAYS = Increase System Capacity = Lower Cost & Time

Up to 50% Savings in Time & Cost
Furthermore, this Project establishes a strong connection to Toronto and other markets in Canada. Today, there is a significant amount of import and export trade between Canada and PONYNJ that is trucked through the highway system accounting for approximately 500 miles daily. Transferring these containers by rail to the CNY Hub reduces the highway miles traveled allowing for two loads in a single day, versus the current system which requires three days for a single load (one load equals full load down and full load back).

The project also supplies a marine highway link alternative to Canada that includes; rail movement from PONYNJ to the CNY Hub, a 38 mile truck shipment to the Port of Oswego, and finally a container shipment across Lake Ontario to Canada. This further streamlines the container movements, reduces truck traffic at border crossings and bridges and provides further business opportunities to the Port of Oswego, Central New York and PONYNJ. The Port of Oswego has sponsored the ISLND® Marine-Land Link Corridor on behalf of CNY Hub for trade corridor designation through the Maritime Administration.

This Project will optimize intermodal cargo container infrastructure by adding capacity, reducing cost and reducing shipping times. The capacity increase at PONYNJ is estimated to be 3% annually. The introduction of the Project will enhance the regional and national economic competitiveness. Economic benefits resulting from the Project are listed below.

**Consignee Benefits**
- Lower drayage rate
- Reduced chassis charge
- Reduced drop and pull charges
- No waiting time charges
- Reduced demurrage and per diem charges
- More reliable scheduling
- Increase velocity to market
- Less dependency on harbor truck fleets (depleting driver pool)
- Bypass metropolitan (New York/New Jersey) congestion
- Container Yard depot, chassis and interchange availability
- Opportunity to coordinate and align with systems associated with import and export trade

**Transportation Carriers (all modes) and Infrastructure Benefits:**
- Better ‘throughput’ for Port customers
- Increased market opportunity and revenue for freight carriers
- Market expansion opportunity for transportation carriers
- Optimization of ‘power’ (assets: ‘trucks and driver)
- Increase driver productivity and safety – short runs

**Regional, National and International Benefits:**
- Develop and operate a comprehensive intermodal freight transportation system
- Relieve port of entry bottlenecks
- Opportunity to designate Marine-Land Link Corridors
- Opportunity to exploit benefits of commercial corridors
- Promote better trade relations with NAFTA and CAFTA trading partners
**Jobs and Hiring Practices**

Directly, the completed CNY Hub will create an estimated 376 new jobs at full capacity. These jobs will be high value transportation and logistics jobs with an expected average annual salary of $47,465 per job (compared to the current year estimated $25,579 per capita income for the region and $63,159 average household income for the region).

There is a sustainable workforce at various experience levels and degrees of education in the area. However, this workforce has limited exposure to global shipping logistics. International Transportation Training Center (ITTC), a non-profit partner, will work on behalf of the Company to develop and implement employee and entrepreneur training. Labor partners will include the Department of Labor, local and regional community organizations, such as CNY Works and other non-profit community-based organizations. The partnerships will assist in making the job and business connection for various socio-economic workers through the implementation of best practice employee hiring programs in respect to Federal laws guaranteeing equal opportunity. The Company anticipates utilization of both apprenticeship and pre-apprenticeship programs.

Returning veterans who have experience in DOD logistics, that may require minimum training, will be viewed as priority job candidates. The Company along with community-based organizations will work on purchasing and hiring policies that support qualified entities that are veteran, minority or woman owned small businesses. The Company will include in hiring practices, business that have a sound hiring track record and labor practices that are in compliance with Federal laws ensuring that American workers are safe and treated fairly. The Company will be consistent with the implementation of best practices with our nation’s civil rights and equal opportunity laws for ensuring that all individuals, regardless of race, gender, age, disability, and national origin may benefit equally through this public-private opportunity.

**Economically Distressed Areas**

Five out of six counties in the Central New York area are considered Economically Distressed Areas as referenced in the New York State DOT map, which identifies “Economically Distressed Areas” as defined in section 301 of the Public Works and Economic Development Act of 1965. The economic condition of the Central New York region is approximately 83% economically depressed. Although Onondaga County is the most vibrant of the counties, it has experienced an increase in unemployment due to the loss of several large manufacturing companies. Therefore, the overall economic condition of the total region is of an ‘economically distressed’ nature.

The development and operation of the Project is anticipated to support these regions with high employment rates, especially the counties that are highly dependent on agriculture and manufacturing to sustain their economies and population. The development of the Project reduces the barrier to entry, giving enterprises located in rural areas the opportunity to reach other markets due to their proximity to the proposed CNY Hub.

**Cost Benefits Analysis**

The completion of the CNY Hub project is expected to generate significant economic activity in the region it serves. To understand this, the Company commissioned the preparation of a Market Feasibility Report and Economic Impact Study (EIS) to quantify the business viability and public benefits. Rainmaker Marketing Corporation, the consultant commissioned to complete the study, and subsequent amendments, utilizing the RIMS II system, currently projects that the CNY Hub will produce 1,740 jobs.
including construction jobs, direct jobs for operations at the CNY Hub and indirect jobs in the surrounding community. This **increase in earnings estimated at $82.5 Million** is projected to increase the **economic output by more than $215 Million** in direct, indirect and induced effects.

The total number of jobs is quantified as follows. The ongoing operations of the proposed quasi-public Project would be expected to support a total of 920 new jobs within the **Primary Market Area**. This is comprised of 376 direct jobs and 544 induced jobs. (**Click here to refer to the Statement of Operations Jobs Creation & Earnings Summary.**) The construction of the project is projected to support a total of 820 construction jobs. This is comprised of 225 direct on-site jobs and 595 induced jobs. (**Click here to refer to the Statement of Construction Jobs Creation & Earnings Summary.**) In all, the proposed TIGER Grant would allow the government to provide funding that would be expected to leverage a total of 1,740 jobs, resulting in an average capital investment cost per new job created of $15,283. Overall, the total capital finance budget of $88,281,593 is expected to generate $215,831,501 in projected output, $82,577,281 in earnings.

**Primary Market Area**
Livability

The Project improves the quality of life for people in several areas. Perhaps one of the largest items is the reduction in pollution. By eliminating approximately 40 million truck miles per year between the PONYNJ and Central New York in favor of more efficient, less polluting freight trains, the project is anticipated to reduce CO2 emissions by 32 million tons. Also, the reduction in the truck traffic will lessen the traffic congestion, especially around the New York City area. The Project will also eliminate 3.2 million truck miles per year between Toronto and the Central New York region by the use of short sea shipping through the Port of Oswego. Safety will also be enhanced with a decrease in traffic accidents expected due to this reduced truck traffic. Creating new jobs will allow for more of the areas workforce to be productive and contribute to the economy. In addition, the Company plans to work with the local school systems, and their BOCES program, to offer vocational and technical programs for high school students who are interested in the transportation and logistics industry.

Furthermore, the construction of the Project would realign current truck traffic that enters and exits the existing CSX DeWitt rail yard. Currently all truck traffic uses a busy local road, Fremont Road. This truck traffic disrupts residential commuters, local pedestrians and school traffic to access the CSX site. The Project would rebuild Girden Road to heavy truck standards and allow CSX to use this location as its primary truck entrance and exit which will bypass the heavy commuter traffic on Fremont Road.

This project is directly adjacent to the CSX DeWitt rail yard, and one mile from the Interstate highway system. This area has long been discussed by area planners as a logical location for a distribution project. The Central New York Regional Planning and Development Board has targeted this site for an intermodal container yard, and worked to secure funding for a feasibility study, several years ago, prior to Container Intermodal Distribution identifying this site for the CNY Hub.
Sustainable/Environmental Impact

A vast number of vehicles and vessels move goods over the intermodal transportation network, and the growing demand for goods and services has contributed to the increase of freight transportation. This growing demand for freight transportation heightens concerns about its energy consumption and environmental impacts.

The number of gallons of fuel burned by commercial trucks increased significantly over the past 26 years. Between 1980 and 2006, the fuel consumed in highway freight transportation increased from 20 billion to 38 billion gallons annually. In 2006, trucking accounted for two-thirds of freight transportation energy consumption (fuel). The Project’s ability to streamline the movement of cargo containers at the PONYNJ to the CNY Hub reduces the amount of miles traveled by truck by approximately 41 million annually. The average fuel consumed is 5.1 miles per gallon (based on the U.S. Department of Transportation, Federal Highway Administration, Highway Statistics). The Project would reduce overall fuel consumption by 7,996,520 gallons annually.

A key environmental issue facing the freight transportation industry today is air quality. Air quality is affected by the emissions released from freight vehicles. Diesel-fueled heavy trucks, for instance, emit small amounts of carbon monoxide (CO) but large amounts of nitrogen oxides (NO\textsubscript{x}). Freight transportation is a major source of NO\textsubscript{x} emissions, accounting for 27 percent of all NO\textsubscript{x} emissions in the United States and one-half of emissions from mobile sources. Freight transportation also accounts for about one-third of emissions of particulate matter 10 microns in diameter (PM-10) from mobile sources. Trucks are by far the largest contributor to freight emissions nationally. The Project anticipates reducing approximately 32,000 tons of diesel emissions annually.

The Project address these concerns by reducing the number of trucks traveling from the point of origin to a final destination utilizing ‘through movement,’ at the PONYNJ on dock-rail to the CNY Hub. On a per ton-mile basis, railroads emit one-tenth the hydrocarbons and diesel particulates as trucks, and one-third the oxides of nitrogen and carbon. On average, railroads are three or more times more fuel efficient than the alternative. Trains can move a ton of freight 423 miles on a single gallon of fuel. The Project will not only reduce the distance needed to be traveled by truck, but will utilize alternative fuel vehicles to deliver goods from the CNY Hub to its final destination.

The strategy developed under this program seeks methods that mitigate impacts to the environment and freight transportation. The Project provides a reliable and efficient mode of freight transportation creating a more sustainable environment. The Project will reduce vehicular road traffic leading to less emissions and dependency on oil. The energy consumption and environmental impacts this Project addresses are noted below.

- Utilization of alternative fuels
- Reduction of carbon monoxide and nitrogen oxides
- Reduced dependence on foreign oil

Click here to view the Cost Benefit Analysis which quantifies the estimated amount of savings associated with energy consumption and emissions.
Safety

One of the major issues that effects the freight transportation industry is the public’s concern about safety. As the Project addresses delays, congestion, and pollution utilizing the ISLND model, a direct correlation can be made to the reduction of crashes and fatalities resulting from the miles traveled by trucks in the freight transportation industry. The Project eliminates 41 million truck miles annually, by optimizing the use of Express Rail at the PONYNJ to bring cargo to and from the CNY Hub. The substantial crash and fatality reductions are outlined in the Cost Benefits Analysis.

Furthermore, the Project proposes to reconfigure the CSX DeWitt rail yard in Syracuse, NY to relocate the main truck gate. The existing CSX DeWitt rail yard is a major hub of freight activity and one of the largest intermodal rail yards in the Northeast. Currently all truck traffic to the rail yard uses a heavily traveled local road, Fremont Road. The East Syracuse-Minoa schools and many residential areas are located on Fremont Road. Fremont Road also is a busy commuter road. Due to the school down the street, and area residences, many pedestrians are in the area. The truck traffic on Fremont Road causes great safety concerns in the area and has been a source of discussion between residence, local officials, planners and CSX for several years. To date no funds have been made available to improve this local safety issue. This project includes the reconfigurations necessary within the CSX rail yard to relocate the truck gate to Girden Road. Girden Road is directly accessible from the Interstate Highway system via Kirkville Road, and would by-pass Fremont Road; eliminating the traffic safety concerns associated with the truck traffic from the CSX rail yard.
Near Term Outcomes

Rapid Economic Impact

This project is well positioned to move forward quickly and is a very significant project in the Central New York area that will have an immediate and substantial economic impact.

This project represents an $88M project investment of which $34M will be hard construction costs. This will be one of the larger construction investments in the area. As stated earlier in this application, the construction of the project is estimated to support a total of 820 construction jobs. This is comprised of 225 direct on-site construction jobs and 595 indirect and induced jobs. (Click here to refer to the Statement of Construction Jobs Creation & Earnings Summary.) This equates to $41.6M total new earnings for the local economy due to construction activities. This in turn is estimated to generate $164.5M in economic output for the local economy, all due to the construction jobs and indirect/induced jobs from the development of this Project. This direct injection of economic activity is projected to occur in the first 18-24 months from the notification of a TIGER award for the Project.

All of the counties surrounding Onondaga County are economically distressed. Reference the New York State DOT map. The labor pool for construction and construction related jobs would pull from all of these surrounding, economically distressed areas. In addition, Onondaga County (the project county) over recent years has suffered the loss of several large manufacturing companies employing thousands of people. This loss of manufacturing base from a historically manufacturing region is a significant issue. Much of this manufacturing loss is due to international competition. The region has been in a transition to replace these companies and jobs as they have been disappearing. One of the areas well suited to replace the loss of manufacturing is logistics and distribution. This is largely due to the geographic location in the densely populated northeast, and the inherent advantages of the current highway infrastructure that allows easy movements in all directions, north, south, east and west. The CNY Hub project would provide a tremendous asset to boost the logistics and distribution industry in the area. This Project would also provide more cost effective import and export services that may stem the loss of area manufactures, allow area business to grow, or enable the creation of new manufacturing and agricultural businesses.

VIP Structures is a Syracuse based Design-Build firm that specializes in the design and construction of industrial projects like the CNY Hub. They will be managing all aspects of construction and hiring of area contractors and material suppliers. VIP Structures has a well defined hiring practice for their employees, as well as their bidding and purchasing efforts for their projects. VIP Structures will ensure that all efforts are made to utilize minority owned businesses, women owned businesses, veteran/disabled veteran owned businesses, small businesses, and all disadvantaged businesses. Their experience and local resources will insure all labor laws and civil rights are followed, and an equal opportunity is provided for all parties interested in the construction of the project.
Project Development Schedules

The planning for the Project has been ongoing for more than five years. Please refer to the list of Project Milestones completed to date. Financing plans are in place, subject to the receipt of a TIGER Grant, and the project team is fully prepared to expedite the planning and design work within 6 months for a quick start of construction. Preliminary site plans have been developed and are currently being used for planning discussions/approvals and the environmental review process. Please review the overall project schedule. The project will utilize the Design-Build delivery method in order to help expedite the schedule, ensure a timely commencement of construction and a quick completion of the project. Design-Build is an innovative construction project delivery practice that integrates the design and construction services to streamline procedures, simplify communications and shorten the overall project schedule. The Design-Build process has been proven to reduce project delivery time by over 33% as compared to traditional delivery method. CNY Hub LLC has engaged VIP Structures as the Design-Build firm for the project. VIP Structures has the credentials to ensure this project moves forward swiftly. VIP Structures is based locally in Syracuse, has performed large projects across the country, and specializes in Industrial and Distribution Design-Build projects.

In addition, a quarterly expenditure and job schedule has been provided to demonstrate an estimated quarterly draw down schedule and estimated jobs for that particular quarter.

<table>
<thead>
<tr>
<th>Estimated Project Quarterly Jobs and Expenditures Schedule Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Quarter 2010</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>QRT1 QRT2 QRT3 QRT4 QRT5 QRT6 QRT7 QRT8</td>
</tr>
<tr>
<td>Project Expenditures</td>
</tr>
<tr>
<td>Development Direct</td>
</tr>
<tr>
<td>Development Indirect</td>
</tr>
<tr>
<td>Project Construction Jobs</td>
</tr>
<tr>
<td>Jobs (Dev. direct)</td>
</tr>
<tr>
<td>Jobs (induced)</td>
</tr>
<tr>
<td>Project Business Jobs*</td>
</tr>
<tr>
<td>Jobs (on-project)</td>
</tr>
<tr>
<td>Jobs (on- project sustained)</td>
</tr>
<tr>
<td>Induced Jobs</td>
</tr>
</tbody>
</table>

Environmental Approvals:

The Project has begun the design and planning approval process and the State Environmental Quality Review (“SEQR”) process required by the State of New York. To date, the Onondaga County Industrial Development Agency (OCIDA) has declared themselves Lead Agency for the SEQR process and moved to determine the project requires further environmental review due to the magnitude of the project. The Project team has started a Draft Environmental Impact Statement (EIS) and begun performing the required environmental due-diligence. To date, the environmental work completed includes:

- Several discussions and meetings with various environmental agencies including US Army Corps of Engineers, US Fish and Wildlife Services, US Environmental Protection Agency, and New York State Department of Environmental Conservation.
- Preliminary wetland delineations completed
- Review from New York State Office of Parks Recreation and Historic Preservation – “No Effect” letter issued
- Endangered Species – A Federal Protocol Survey for Indiana Bats was performed complete with
mist netting and no endangered bats were captured

It is estimated the completion of the SEQR process and the National Environmental Protection Act (“NEPA”), mandated by any Federal finance or funded programs (Title 23) sub-title of the Transportation Equity Act of the 21st Century (TEA-21) will be completed within six months. The Project anticipates an approval of the Environmental Assessment Finding of ‘No Significant’ Impact (EA/FONSI).

**Legislative Approvals**

There are no required legislative approvals for this project. Multiple Federal, State and local officials and/or agencies support this important project. Please review the letters of support listed below:

- US Congressman Dan Maffei (25th CD)
- US Senator Charles Schumer
- USDOT/FHA/TIFIA, Chief Mark Sullivan
- New York State Senator David Valesky
- New York State Assemblyman Al Stirpe
- Empire State Development Corporation
- Central New York Regional Planning & Develop, Executive Director, David Bottar
- Metropolitan Development Association, Rob Simpson
- Onondaga County Industrial Development
- Cayuga County – Steven Lynch
- City of Syracuse – IDA, David Michaels
- Syracuse Metropolitan Transportation Council/TIP
- Port of New York and New Jersey
- Port of Oswego, Jonathan Daniels
- NYS AFL-CIO, Denis Hughes, President/ Joe Jamison, Transportation Director
- CSX
- Allegiance Realty LLC, Jeffrey C. Kelsen Broker

**State and Local Planning**

The Project’s management team anticipates working in a joint effort with regional and state planning to place focus and direction on supporting surface infrastructure. Such efforts will assist in reaching the vision and goals of the TIP/STIP and the Project.

**Technical Feasibility**

This site is designated as a Shovel Ready Site by the “Build Now New York” (BNNY) program as shown by the BNNY map. Financing plans are in place, subject to the receipt of a TIGER Grant, and the project team is fully prepared to expedite the remaining planning and design work within 6 months for a quick start of construction. Preliminary site plans have been developed and are currently being used for planning discussions/approvals and the SEQR/NEPA review process. Please review the overall project schedule.
Financial Feasibility

Capital Funding Plan: Project and Post Project

The Company has prepared a proforma financial presentation pertaining to the expected operating and non-operating cash flows for the development, construction and asset acquisition activities of the proposed Project which includes a proposed capital funding structure program. The resulting report’s key assumptions, findings and proforma financial schedules are listed below:

Statement of Sources & Uses of Project Funds
Statement of Project Operating Income & Expense
Statement of Assets, Liabilities & Equities
Statement of Project Cash Flows

Key assumptions pertaining to the Program are:

1. Inflation: Applied to all categories of operating expenses at the annual rate of 3.5% (year-over-year applied to all years subsequent to the first year of the forecast period), but is not applied to any projected revenue streams.

2. Schedules: The assumed forecast period of five (5) years and is divided into a Pre-Construction Phase (an assumed period of 8 months), a Construction Phase (an assumed period of 10 months) and the remaining months constitute the Operating Phase of the proposed Project.

3. Component Costs of Development: The costs of development presented in the program are based upon an assumed $54,460,213 hard cost, an assumed $5,775,970 soft cost of construction and $24,455,410 in finance and carrying costs for the proposed Project.

4. Revenues Analysis: The program is based upon a maximum daily average ocean freight container “pick” of 641 containers per day for each annual period, under the assumption of a maximum sustainable pick rate of 750 containers per work day with 312 work days per annum being assumed. The program assumes the first 12 months of operations will commence an assumed operating capacity of 37.5% and end with an assumed operating capacity of 75% of rated capacity. For the second 12 months of operations the assumed starting operating capacity is 76.25% and ends with an assumed operating capacity of 90%. For the third 12-month period operations is assumed to commence with an operating capacity of 90.42% and end with an operating capacity of 95% that is assumed to continue at this rate for the remaining months of the forecast period.

5. The baseline hub fee for loading/unloading each container was assumed to be $650 and is not adjusted for inflation in subsequent years of the forecast period. The additional revenues include: (i) an assumed $55 per container fee for the provision of drayage, cross-docking and related services; (ii) an assumed $35 per container fee for customs and related services; and (iii) an assumed $37 per container fee pertaining to all other ancillary services and programs. In total, the expected total revenue per container is expected to be $777 per container picked and these assumptions are based upon the findings of the market feasibility analysis.

6. Operating Expenses: The assumptions as to the expense of ongoing operations are based upon labor estimates provided by IAM and the managers of the Company and are adjusted for inflation in all subsequent years. The key assumptions pertaining to the total full-time equivalent employees (actual employees would be significantly higher) for each year of the forecast period are: 5 (End of Year 1), 294 (End Year 2), 294 (End Year 3), 294 (End Year 4) and 294 (End Year 5).

The Proforma financial presentation makes the following assumptions:
7. Sponsor Capital Contributions: The computer software uses this line item as the “catch all” category that provides funding to close the capital expense gap not otherwise provided for by the other sources and does not include an advance of approximately $2.1 million in capital expenses, made prior to the date of the adoption of the Plan that are pending review and or audit.

8. Private Financing: This line item provides cost account for assumed private commercial real estate syndicate financing pursuant to TIGER Grant funding. Debt obligation is projected to be repaying at a later date from ongoing operations and/or cash flows derived from the proposed services and tenants-in-common commercial real estate syndication.

9. Construction and Permanent Financing Proceeds: This line item provides cost reporting for the assumed direct federal loan pursuant to financing program, pursuant to the requirements of the Federal financing grant and loan programs and expenses the proceeds of this loan over the course of the Construction Phase of the Program. These funds include no funding availability for direct funding of working capital expenses of the proposed Project.

10. Major Equipment Operating Funds: This line item provides funds being applied for an assumed debt obligation for capital equipment financing that apply to the line item entitled, “Cranes, Loaders, Yard Goats, Tractors, and Other Major Fixtures & Equipment”

11. Infrastructure Construction Reimbursement Grant/Loan Funds: This line item provides funding allocations from the “Build Now-New York” Grant program (“BNNY”) and Empire State Development Market Feasibility Study.

CNY Hub Operations - Routine and Ancillary Revenue Stream Strategies

Projected throughput container capacity takes the sum total of throughput factors to create the conditions precedent that serve to limit the actual operating capacity of the proposed Project and Business, resulting in the difference between total capacity and actual capacity for the year ending.

The routine and ancillary revenue streams available to the Project dependent upon: 1) Market conditions, 2) Contractual negotiations, 3) Actual operating capacity, 4) Develop value added assessorial services, and 5) acceleration of marketing and sales program.

The prospective revenue generating capacity of the proposed Project is as indicated below, includes routine revenue price points and ancillary revenues. (Years were changed to reflect new post Project years).

1. Routine Revenues should not be expected to exceed 2% of total average cargo value per ocean container, but a likely range of 1.75% to 2.5%, being of practical considerations for market pricing capacity.

2. The calculation of routine revenues were calculated for each of the assumed primary marketing area geographies including an optimized market area assumption that resulted in a penetration rate (into the optimized market geography) that does not exceed 10% of total market capacity.

3. The expectation for ancillary revenues (i.e. ancillary revenues that pertain directly to the intermodal facility) are that such revenues will make up no more than 10% of the total routine revenues and are dependent upon the facility development, labor restrictions and management capacity.

Summary Findings of Market Feasibility & Revenues Analysis

The conclusions, findings and recommendations developed as a result of the analysis of the information presented in this report are divided into three principle areas: 1) Throughput Capacity, 2) Projected Routine & Ancillary Revenue Streams, 3) Facility Development.
Innovation & Partnership

Innovation

The development of the Project’s IT environment is a critical platform that focuses on communications and improving data and message transmissions between our supply chain partners. The Project takes into consideration the Electronic Freight Management (EFM) initiative sponsored by the USDOT to provide a mechanism for sharing supply chain freight information.

The Company's IT goal is to develop an overall IT system that improves the business process between the CNY Hub and primary trading partners. This technology will enhance data transmission, reliability and storage; create and maintain redundant systems in case of emergency; and secure the CNY Hub’s IT infrastructure.

The Company's IT objective is to focus on business continuity and process improvement. The future environment will support our maritime customers, which include ship lines, shippers, freight forwarders, custom house brokers and terminal operators by providing consistent, real-time access to the CNY Hub’s system and critical information at any location at any time. The successful implementation of the IT environment will include immediate redundancy for any failed system enabling users the ability to instantly access an application, document, or system regardless of location. Our future IT environment will focus on automating and improving current paper-based processes by converting those transactions into intranet-based processes directed by workflow software. This vision also includes the incorporation of technologies and document management applications, not limited to, the management of data retention requirements of the Company. The following are additional IT technology considerations that will enhance operational performance of the CNY Hub.

- Intelligent transportation systems
- Energy recovery
- Smart cards
- Real-time dispatching
- Active traffic management
- Radio Frequency Identification (RFID)
- New bar code technology

Partnership - Partners and Stakeholders

PROJECT PARTIES:

Central New York Regional Planning and Development Board:
The Central New York Regional Planning and Development Board (CNY RPDB) is the public sponsor and applicant for this project. The CNY RPDB is a public agency that was established in 1966 by its five member counties under the provisions of Article 12B of the New York State General Municipal Law and is categorized as a special purpose unit of local government. The agency is governed by a board of directors which consists of 35 members, appointed by the legislative chairs of each member county.
Financial support for the agency is provided by its member counties, federal and state grants, and contract service revenue. The agency maintains professional staff of 20 full-time employees.

Over the past 20 years, the agency has managed a comprehensive economic development program that included the development of business parks, infrastructure improvements, small business lending, regional marketing, and business recruitment efforts. In recent years, the agency has worked closely with each county-based industrial development agency in the region, along with representatives from the Syracuse Metropolitan Transportation Council and the Port of Oswego, to develop projects and attract private sector investment in the region. This close working relationship will provide a solid foundation for the successful implementation of the TIGER transportation improvement and economic development project presented in this application.

**Town of Manlius:**
Project’s local market advocacy and regulatory oversight: Manlius is within the incorporated metropolitan area of Syracuse. The town is a co-project sponsor of this project.

**CNY Distribution Hub, LLC:**
Operating Company: Delaware limited liability company (“Company”), a privately-held, for-profit owner/operator. Temporary offices: c/o Paul Curtin, Esq., 250 South Clinton Street, Syracuse, New York and 6303 Fremont Road, Manlius, New York, mailing address: PO Box 159, Wilmington, CA 90748. The Company is a new start-up company in New York, created for the express purpose of undertaking the capital funding, development, construction, marketing and ongoing operations of the proposed Project. Managing principals: Jeffrey Standart (Chairman) and Thelma Standart (President) and private investment partner Bridge Port Transportation and Warehousing, Inc. The Company is a licensed user of the ISLND® model approach. [Link]

**Container Intermodal Distribution, LLC (CID):**
A New York limited liability company, privately-held, for-profit, created for the express purpose of undertaking the development and implementation of the ISLND Strategic Plan’s programs and associated projects at regional, national and international levels, inclusive business development of the Project and post-Project steward of the ISLND’s quality control service management program. Temporary office: c/o Paul Curtin, Esq., 250 South Clinton Street, Syracuse, New York, and 6303 Fremont Road, Manlius, New York, mailing address: PO Box 159, Wilmington, CA 90748. The managing principals are Jeffrey Standart (Chairman) and Thelma Standart (Chief Operating Officer) [Link]

**PROJECT DEVELOPMENT MANAGEMENT TEAM**
The Company has carefully assembled a project management team of local area professional firms and industry experts. These professionals are capable of meeting challenges and the demands of this ISLND® Project to successfully deliver the Project on-time and on-budget.

**Shulman Curtin Grundner & Regan, P.C.:**
Full service real estate law (New York) firm.

**Rainmaker Marketing Corporation:**
The firm is a full-service commercial real estate finance consulting firm.

**VIP Structures, Inc:**
The firm is the Project’s lead Design-Build Team, and leading provider of LEED certification support.
**Innovation & Partnership**

**Barton & Loguidice:**
The engineering firm is a full-service engineering, lead firm in the SEQR and NEPA review.

**Eric Mower and Associates:**
Expertise in risk management campaigns in community relations, public affairs

**Gill Hicks & Associates:**
Port advisory & infrastructure project management (prior Alameda Corridor project)

**The Byington Group:**
Infrastructure development Management-Success ‘Job Tunnel’ rail project Detroit/Windsor, Canada

**STRATEGIC PARTNERS**

**CSX Corporation:**
Class I railroad carrier in the region

**Port of Oswego Authority:**
Strategic west NY coastal maritime leg partner, Public Corridor Sponsor

**Port Authority of New York & New Jersey:**
Key strategic east coast maritime leg partner

**International Transportation Training Center:**
Non-profit advocacy group, supports the freight transportation logistics sector industry through education, training, business management and public outreach to communities and other organizations and owner-operators impacted by economic, policy and regulations, challenges.

**Additional Strategic Partners:**
Include truck carriers, and various other Federal, local and state department and agencies.

**STAKEHOLDER COLLABORATIVE**
The Project has garnered support from key political leaders, local and state governmental and local business leaders. The Project’s objective is to continue to gain multi-jurisdictional support, including international trading partners under NAFTA and CAFTA. The funding of the quasi-public Project is anticipated to accelerate synergy among supporters to establish a collaborative to further promote the ISLND® Project(s). A list of ISLND® Program supporters is below. Key supporters include; Empire State Development Agency’s (ESD) declaration of the Project site as a “Build-Now-New York” (“BNNY”) site, providing matching grants for market feasibility studies, SEQR and a near term “regional significance” certification for the proposed Project. USDOT-FHWA/TIFIA has provided a letter of acknowledgement in regards to the Project’s ‘national significance’.

The Project has received numerous support letters from national, state and local officials. Refer to Rapid Economic Impact section of this application.

----- END OF DOCUMENT -----