

## **Gateway Rural Improvement Pilot Association, Inc.**

### **Executive Overview**

March 27, 2006

The Gateway Rural Improvement Pilot Association, Inc. (GRIP, Inc.) is a Vermont non-profit corporation dedicated to implementation of the Gateway Rural Improvement Pilot™ (GRIP™) authorized in the 2005 SAFETEA-LU transportation authorization bill. This Overview describes GRIP's origins and the team that will move it forward.

### **Background**

GRIP™ is about partnerships.

The GRIP™ story started more than five years ago when a small group of public and private interests came together to find ways to upgrade the Western Corridor rail system in order to foster economic development. The western side of the state has long suffered from lack of an interstate highway. Without cost-effective, time-efficient access to regional and national markets, efforts to recruit new businesses into Bennington, Rutland and Addison Counties are greatly inhibited. In recent years it has become clear that no new interstate highways will be built. Western Vermont must effectively utilize what they have: U.S. Rt. 7 and the Vermont Railway line.

The economic development challenge is significant:

- Companies must be able to move freight on a reliable schedule and at competitive costs.
- Efficient movement of freight requires consistent capacity throughout the system. A rail line is only as good as its weakest bridge.
- Individual projects, such as the Middlebury Spur, will facilitate economic growth with existing companies. The real return on investment will only come when the corridor upgrades are complete and the line is open for economic development.
- The challenge is to leverage these few existing opportunities to gain the resources necessary to complete the system-wide project.

In the late 1990s VTrans teamed up with a group of public and private partners to address the problem. Actions taken included:

- VTrans, and the Agencies of Commerce and Community Development and Natural Resources, Vermont Railway (VTR), Omya, Middlebury and Conservation Law Foundation came together as a team to define a strategy for the Middlebury Spur.
- Based on the findings of a 1990 site alternative study, VTrans and Rutland Redevelopment Authority (RRA) collaborated and started work on the Rutland Railyard Relocation.

- VTrans undertook several studies to evaluate upgrades of the VTR main line as part of the ABRBE passenger rail project.

**From these roots grew the Western Vermont Rail/Highway Corridor strategy, parent of GRIP™. The concept is elegant in its simplicity: upgrade the rail line and U.S. Rt. 7 in tandem, finding ways to share the load between rail and highway, resulting in an intermodal system that will be competitive for economic development, while reducing environmental and congestion impacts and improving safety.**

The idea has wide appeal. In 2002, VTrans entered the corridor strategy in a national competition entitled, “Smart Moves: Transportation Strategies for Smart Growth” Sponsored by AASHTO, FHWA and EPA, the award recognized eight projects nationally that reflect best practices in smart growth planning in transportation. Vermont was a winner; Secretary Brian Searles received the award on behalf in the State at the AASHTO convention in October of that year.

Buoyed by this show of national interest, the Vermont team moved forward to establish the project as a national pilot in the transportation reauthorization bill. Thus the Gateway Rural Improvement Pilot™ (GRIP™) came into being. Support came from many quarters.

- Senator Jim Jeffords was “on point” in Washington to get the Pilot and associated funding inserted into the authorization bill.
- Governor Douglas sent a letter to Sen. Jeffords supporting the Pilot.
- Secretary Terrill traveled to Washington with the project team to meet the Federal and corporate partners.
- Grass-roots advocates in the business community generated 250 letters to Senator Jeffords supporting the Pilot.
- RRA, Omya, Vermont Railway, St. Albans City and Lockheed Martin contributed a total of \$91,000 to fund lobbying activities in support of Senator Jeffords and Senator Leahy.

The effort paid off. The final federal authorization bill included two provisions that support the GRIP™ Pilot.

First, Section 1946 of the bill authorized the Gateway Rural Improvement Pilot Program.

- The five project elements are designated as a single project for administrative purposes, allowing resources to be pooled between the five. This means that excess non-federal match paid into the Middlebury Spur project may be used to offset match requirements in Rutland, St. Albans and for the passenger and freight mobility projects.
- **User fees paid by private sector partners may be credited as non-federal match, a provision that adds great flexibility in the projects ability to generate non-taxpayer funded match.**

- The project is authorized to seek additional funding through future appropriations.

Second, Section 1934 authorized \$30 million for Western corridor rail improvements.

- The wording of the Legislative Report relates the funding to the pilot priorities program.

**Thus, after five years of dynamic evolution, the GRIP™ public-private partnership came through, delivering a project with the potential to upgrade the rail system in the shortest possible time, support economic development and enable increased passenger service throughout the corridor. All of this will be accomplished while maximizing the use of private dollars and minimizing the use of taxpayer dollars.**

## The GRIP™ Elements

Under the Federal Pilot, five project elements are combined into a single pilot, allowing the flow of resources within the project to support prioritization and maximize efficiency.

**Rutland Railyard Relocation:** Replace a constricted, obsolete railyard in Rutland, VT, with a new facility that will accommodate growth of intermodal freight shipments; enhance safety and reduce congestion on US Rt. 7 by redirecting significant local traffic flows; and create development opportunities within an established growth area.

**Middlebury Spur:** Build an intermodal facility in Middlebury, VT, with a connecting rail spur from the main rail line to an industrial area with multiple users, the largest of which quarries marble. The spur will allow quarried rock to be transported 23 miles to a processing plant by rail instead of truck; reduce the flow of trucks through the town of Brandon by 70,000 trips per year; allow the stone processor to operate at full capacity at an existing location; and reduce emissions by shifting freight from highway to more fuel efficient rail. In the first year of operation the environmental savings result in a reduction of 5,833 lbs of HC and 18,028 lbs of NOx emissions.

**St. Albans Connector:** Construct an Intermodal Connector from downtown St. Albans, VT, to I-89; create the infrastructure for an intermodal facility within an existing industrial zone; enhance facilities for international transshipment to Canada. St. Albans could also house a container security facility serving all of New England.

**Bennington-Rutland-Burlington-Essex Main Line Improvements:** Upgrade main rail line to facilitate freight (and passenger) service the entire length of Vermont's Western Corridor; increase weight capacity of bridges to 286,000 lbs; improve the efficient flow of freight shipments through the Rutland Railyard.

**WISDOM™ Freight Mobility Security and Safety:** During the 1991 Persian Gulf War the U.S. military needed to improve the efficiency with which supplies were shipped to the Middle East. Lockheed Martin designed and implemented a freight mobility system that tracks the flow of good through the entire shipping system, improving efficiency and reducing costs. Shipments that once took up to three months were reduced to two weeks. Now, working with U.S. DOT and Homeland Security, Lockheed is developing a civilian version of this technology. GRIP will be the test corridor for deployment of this important management tool.

Mark Yachmetz, FRA's Associate Administrator for Railroad Development, showed early interest in the pilot project and visited Vermont to see the project first-hand. Thus it was a natural progression that the administration of the Pilot was assigned to FRA.

FRA's designated project manager, Peter Montague, has visited Vermont, toured the project sites and met with VTrans officials, including Secretary Terrill.

In order to implement the Pilot effectively, FRA needs an in-state collaborator to oversee project development. The public-private partners came together once again to form the Gateway Rural Improvement Pilot Association, Inc., a non-profit corporation modeled after successful projects elsewhere around the country.

GRIP™ serves several useful roles:

- 1) It will provide a “third party” platform for financing agreements between public and private partners.
- 2) The GRIP™ partners will focus on identifying sources of non-Federal matching funds not dependent on state taxes.
- 3) They will also work to identify public/private strategies to provide full funding for the five project elements.
- 4) They will help prioritize projects to maximize economic development potential.

Use of this model will allow implementation to move forward without transferring ownership of the rail line or reconfiguring VTrans' rail program. It is a proven mechanism for supplementing State transportation programs by attracting outside resources and leveraging tax-payer investment.

On October 3, 2005, Ned Corcoran, a Boston-based attorney with extensive experience on similar projects, and John Mohler, Lockheed Martin's Washington-based project manager, briefed Secretary Terrill, Asst. Secretary Dill and Neale Lunderville on the 63-20 strategy.

While there are not exact comparables for GRIP™ (it is a pilot project exploring a new concept), several projects elsewhere illustrate the success use of 63-20 non-profits. Most notable among these are Virginia Route 895 (Pocahontas Parkway), Route 3 North (Boston, MA), and the Las Vegas Monorail. (Information on all of these is available at [www.fhwa.dot.gov/ppp/case\\_studies.htm](http://www.fhwa.dot.gov/ppp/case_studies.htm).) Perhaps the most famous example of the use of public-private partnerships on a rail project is the recently completed Alameda Corridor in California. (See [www.acta.org](http://www.acta.org))

Building on this model, GRIP™ was incorporated in November, 2005, and is poised to move forward.

## **GRIP, Inc.**

A unique, dynamic partnership has come together to support the GRIP™ Pilot. The GRIP, Inc. board of directors is comprised of prominent private sector leaders with extensive experience in business and economic development. The board works to build collaborations between private sector and institutional partners, and state and federal government agencies. Representatives from the regional planning organizations, regional development corporations and affected municipalities further broaden the base of support and ideas.

The following section outlines the scope of the partnership represented by GRIP, Inc.

### GRIP, Inc.'s five-member board of directors includes:

Francis J. Heald, President  
Rutland

William G. Cioffi  
St. Albans

Thomas W. Huebner  
Rutland

Melinda L. Moulton  
Burlington

Craig Newton  
Middlebury

Successful Pilot implementation requires careful response to the interests of many stakeholders. GRIP, Inc will provide the forum where participants, both public and private, can develop joint project strategies. It will then provide the platform for structuring financing packages that maximize the use of private investment to leverage public funding, expedite construction and respond to economic development opportunities.

### Public Private Partnership

Primary GRIP™ partners include the following:

#### Vermont Agency of Transportation (VTrans)

- Primary owner of rail facilities.
- Primary interface with State Administration and Legislature

#### Vermont Railway

- Maintain and operate rail system
- Interface with private rail users

#### Federal Railroad Administration

- Coordinate interaction between GRIP, Inc. and other Federal agencies
- Coordinate the flow of Federal funds from multiple sources
- Prepare reports on Federal Pilot

Lockheed Martin

- Develop and test a freight tracking and security system with the potential for national application.

University of Vermont Transportation Research Center

- A new research center authorized by SAFETEA-LU.
- Research and technology transfer related to WISDOM
  - Identify needs and requirements
  - Measure effectiveness
  - Develop business models
  - Assess economic impact

Omya

- Pledge user fees for Middlebury Spur
- Florence plant upgrades

Rutland Redevelopment Authority

- Project management for Rutland Railyard Relocation

City of St. Albans

- Project management for Intermodal Connector and Freight Street improvements

## **Advisory Councils**

The GRIP, Inc. board and partners must be cognizant of the interests of a number of major stakeholders. These include local government, regional public planning organization and private advocacy groups. To respond to these, GRIP, Inc. will maintain two Advisory Councils:

### **GRIP Municipal Advisory Council**

*(Initial membership)*

John Tenny, Chairman

*Chairman, Middlebury Select Board*

Sharon Davis

*President, Rutland City Board of Aldermen*

Mary Garceau

*City Manager, St. Albans*

Michael Monte

*Community Development Director, Burlington*

### **GRIP Regional Development Corporation Advisory Council**

*(Initial membership)*

Tim Smith, Chairman

*Exec. Dir., Franklin County Industrial Development Corporation*

William McGrath

*Exec. Dir., Rutland Economic Development Corporation*

Jamie Stewart

*Exec. Dir., Addison County Industrial Development Corporation*

## **GRIP Advocates**

Vermont Rail Advocacy Network (VRAN)

- Non-profit corporation supporting upgrade of the Vermont rail system for both passengers and freight.
- Represents a statewide membership of 1,800 including businesses with interests in freight rail and individuals advocating for passenger service.
- VRAN is chaired by Andréa Sisino, a GRIP, Inc. incorporator.

Environmental Interests

- The Western Rail Corridor strategy that evolved into GRIP was supported early on by The Conservation Law Foundation (CLF), The Sierra Club of Vermont, Vermont Public Interest Research Group (VPIRG), and Vermont Natural Resources Council (VNRC).

### **GRIP™ Goals:**

1. Implement the Gateway Rural Improvement Pilot Program created in Sec. 1946 of the SAFETEA-LU transportation authorization bill of 2005.
2. Use GRIP's status as a Federal Pilot Project to attract future appropriations.
3. Provide a platform for the use of Public-Private Partnerships to expedite implementation and leverage public investments while minimizing the share borne by taxpayers.
4. Work in partnership with VTrans to support the agency's efforts to improve project delivery while controlling costs.
5. Improve Vermont's western rail corridor to work in tandem with U.S. Rt. 7 to efficiently serve the needs of both passengers and freight.
6. Promote economic development by improving the efficiency of the rail system and providing access to commercial and industrial sites along the rail alignment.
7. Provide a forum for constituent and stakeholder involvement.
8. Provide a test platform for the WISDOM Freight Mobility Safety and Security System being developed by Lockheed Martin.

### **GRIP™ Leverages Resources**

GRIP, Inc. will be the recipient of user fees paid by Omya, with the ability to pledge these fees as non-Federal match for the Section 1934 Western Rail earmark. As negotiated, these fees will total \$22 million over a 23 year period. Implementation of a Tapered Match Agreement with FRA allows this match to be credited at the start of the project.

For GRIP, Inc. the participation of the owner of the major rail assets is essential to the success of the Pilot. The objective is not to replace the involvement of VTrans but rather to leverage more resources for the upgrade of their rail assets.

### **Economic Development**

Economic growth is the brass ring at the end of the rail infrastructure race. Many industrial sites across the state located along the rail alignments, and GRIP™ provides an excellent opportunity to put these parcels back into productions.

Several initiatives are already in the works. Rutland City and Rutland Economic Development Corporation are undertaking a marketing campaign to attract rail-oriented businesses to parcels in and around the new railyard sites. A study entitled “Marketing Evaluation for Future Economic Development Related to the Rutland Railyard Relocation Project” was completed by Corporate Logistics of Newton, MA, in November 2005 under contract with Rutland City and Rutland Town. The report indicates significant opportunities may exist for these properties, and recommended that recruitment efforts begin even before the yard is moved. This project will commence by April, 2006.

The St. Albans Intermodal Connector will improve access to properties in and around that city’s industrial park, which is adjacent to the rail line and will create opportunities for freight transfer facilities and rail-oriented development in the park. Further, WISDOM will most appropriately locate a control facility in St. Albans in order to be close to the border, bringing high-tech jobs to the community.

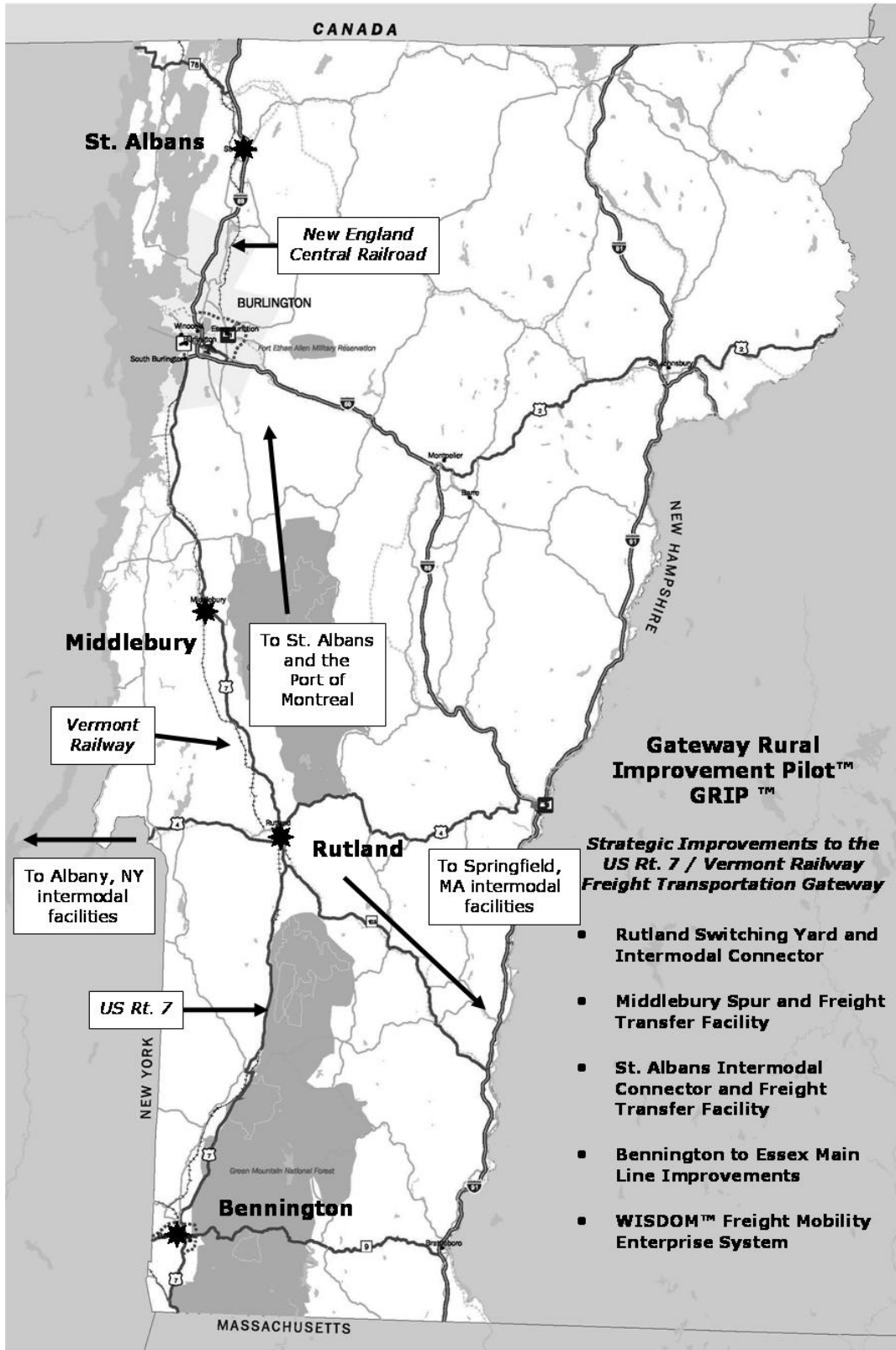
Similar results are possible in Middlebury, where the industrial park lies near the rail line, and in multiple communities along the corridor. The key is that the rail system must be upgraded before these sites become fully competitive.

#### Security and Freight Mobility

Lockheed became a GRIP™ partner in 2004 when the Vermont team was searching for a project component that would enhance the efficiency of freight movements through the Vermont rail system. Interested parties at USDOT and Homeland Security put the team in touch with Lockheed, which had developed a freight mobility system for military use and is now designing a civilian version. A test market is needed, and Vermont’s small size and international border crossing make it an excellent choice.

On a parallel track, the federal authorization bill designated UVM as a University Transportation Research Center, created by Congress to develop and test new strategies for transportation efficiency and security.

UVM and Lockheed have initiated discussions about collaborating on the research and technology transfer required to successfully implement the WISDOM test under the auspices of GRIP.



GRIP, Inc. Board of Directors  
Biographies

### **William G Cioffi**

Born St Albans, Vt. 3/4/29; Educated in the Catholic school system: St Mary's grade and high school and St Michael's College. Called to active duty in 1950; commissioned in the US Army 1952 (distinguished military graduate); Attended The Army Finance and Administrative School, Regular Army Officer's Advance Schooling, Command and General Staff College; Was a trained nuclear weapons officer, and parachutist; Served in Korea as a unit commander, Indo China and Vietnam as Joint Staff Officer; Retired 1972 as Regular Army Lt Col. Returned to Vt. and became associated with SS Watson Insurance and Real Estate, becoming part owner in 1976; Joined the City of St Albans in 1980 as asst manager, becoming manager in 1984, serving until 2003; Past member of Regional Planning Commission and City Planning Commission; Currently chair the High School Scholarship Commission, the NW Solid Waste District, the Franklin County Industrial Development Corp; Member of the Samaritan House Board of Directors (a homeless shelter) and the St Albans Historical Museum; Married to the same woman for 52 yrs, 5 children (2 teachers, 2 doctors and a venture fund broker); Never been arrested; Two speeding tickets (1957 and 1958); Wife was a teacher (Johnson State College and UVM); Now you know more about me than most people; Also attended the University of Maryland, Kansas and UVM.

### **Frank Heald**

Town/Village of Ludlow, Vermont: Municipal Manager October 2002---Present  
Chris Fucci & Associates: Sales Associate/Realtor February 2002---April 2003  
Mountain Telecom, Inc.: Vice President May 2001—December 2001  
Vermont Office Products/Panasonic Of Vermont: President, 1999- Jan. 2001  
Green Mountain Propane Gas Company, Richmond, Vermont: President, 1996-1998  
Heald Associates, Rutland, Vermont: Principal, 1995-1996  
Pico Ski Resort Inc., Rutland, Vermont: Executive Vice President & General Manager, 1982-1989 and 1991-1995; Vice President, Pico Management Company, 1989-1991  
Sales & Marketing Manager, 1977-1982; Administrative Assistant to General Manager, 1971-1977  
Alpine Pipeline Company, Rutland, Vermont: President, 1983-present  
Blue Cross/Blue Shield of Vermont, Montpelier, Vermont: Chairman of the Board, 1990-1995; Director, 1988-1995  
Rutland Savings Bank, Rutland, Vermont: Assistant Treasurer & Mortgage Officer, 1966-1971  
Universal CIT & Commercial Credit, Rutland & Burlington, Vermont: Credit Adjuster and Assistant Loan Manager, 1963-1966

## Volunteer Affiliations

Congressional Award Council of Vermont, *President 1989-94*  
Governor's Council of Economic Advisors, *member 1985-90*  
Rutland Industrial Development Corp., *President 1987-89*  
Rutland Partnership, *Vice Chairman 1988-90*  
Rutland Redevelopment Authority, *member 1989-96 / Chairman 1999-2003*  
Rutland Region Chamber of Commerce, *Director 1985-89*  
Sherburne Planning Commission, *member 1977-82*  
Vermont Historical Society, *trustee 1992-98*  
Vermont Ski Areas Association, *President 1985-88*  
Vermont State Chamber of Commerce, *Chair 1983, Director 1997-99*  
Vermont Travel Information Council, *member 1984-present*  
Vermont Symphony Orchestra Board, *1997-99*  
Youth Enrichment Services, Boston, *trustee 1977-95*

## **Thomas W, Huebner**

Thomas W. Huebner is the President of Rutland Regional Medical Center and Rutland Regional Health Services (the hospital's parent corporation). Mr. Huebner joined the Medical Center in 1990 as Vice President responsible for systems development and planning. He previously served as Executive Vice President at Choate-Symmes Health Services, Inc. in Woburn, Massachusetts. Prior to that, Mr. Huebner was a Senior Consultant for the Massachusetts Hospital Association; he also served as Deputy Assistant Commissioner of Public Health in Massachusetts. He is a member of the American College of Health Care Executives. He served as chairman of the Vermont Association of Hospitals and Health Systems, the Rutland Area Community Services and currently serves on the Blue Cross Blue Shield Board, the Governance Committee of Blue Cross Blue Shield, The Vermont Health Plan Board, a locally owned HMO, the Vermont Business Roundtable Board and various other civic organizations. Mr. Huebner holds a BA from Colby College and an MBA from Boston University with a specialty in health management.

## **Craig Newton**

Newton was born, raised and educated in Vermont graduating from Vermont Technical College in 1971 with a degree in Agricultural Business Management. His working career started when he went to work for Agway, a northeast dairy cooperative, working in their feed business in various locations and capacities. In 1986 he and his wife started their own business, Feed Commodities International, which they built to be one of the largest feed suppliers in Vermont culminating with its sale to Agway in 1998. Agway merged FCI with its existing New England feed business with Newton as President thus creating

the largest business of its kind in New England with sales of 50 million annually. He retired in 2002 to pursue other entrepreneurial pursuits which today include being a part owner/consultant of the Woodstock Water Buffalo Company, the only producer of Water Buffalo cheese and yogurt in the United States. Newton and his wife Kathy have two grown children and live in the Middlebury area.

### **Melinda L. Moulton**

Melinda Moulton has been involved in environmental and socially conscious redevelopment since 1983. She is the CEO/Redeveloper of Main Street Landing. She has spearheaded the redevelopment of over 250,000 square feet of built environment on the Burlington, Vermont Waterfront. Melinda's passionate commitment to public transit has produced the renovated Union Station and a vision for a state-wide multi-modal transit system. Melinda served for eight years as the Chair of the Burlington Parking & Transportation Council, Chair of the Burlington Business Association and the Waterfront Action Group, and is a member of the Lake Champlain Regional Affairs Committee. Melinda serves on the Board of the Vermont Public Interest Research Group, Vermont Businesses for Social Responsibility, and is the Board Chairman of the Intervale Foundation, and the Burlington Currency Project. Melinda was recently appointed to the Board of the YMCA and the Orton Family Foundation. She sits on the Advisory Council of the Vermont Green Building Network. . Melinda served ten years on the Board of the Vermont Retail Association, two of those years as the Board President. She also served four years on the School Board of Chittenden East School District and spearheaded the six million dollar expansion project at the Mount Mansfield High School. Melinda in the year 2000 was honored by the Burlington Business Association with the Nate Harris Award in recognition of her contribution to the economic vitality of downtown Burlington.

Melinda grew up surrounded by the construction business where her father owned one of the leading general contracting firms in Pennsylvania, H. E. Stoudt & Sons. Her role as co-founder and redeveloper of the Main Street Landing project includes supporting the arts and local culture, providing incubator space for start-up local businesses, nurturing social responsibility, and educating people about environmental and social conscience. Her sustainable agenda of ecological integrity, economic security, individual empowerment, and social well-being is recognized throughout the country as the way of the future for design, development, and construction.