



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: May 15, 2023

Re: Authorizing an agreement with Ozinga Cement, Inc. for use of Columbia Terminal Railroad Side Track and Transload Facility.

Executive Summary

Staff has prepared for Council consideration a resolution authorizing the City Manager to execute an agreement for Columbia Terminal Railroad Transload and Side Track Usage with Ozinga Cement, Inc. This agreement will allow Ozinga Cement, Inc. to utilize a sidetrack at the Transload Facility to load freight onto railroad cars and then be transported by the Columbia Terminal Railroad to Norfolk Southern for delivery to the final destination. The potential revenue for the Transload Facility and Columbia Terminal Railroad is estimated to be between \$288,000 and \$432,000 annually.

Discussion

The City of Columbia owns, operates and maintains a short line railroad that runs approximately 20 miles from Centralia, Missouri into the City of Columbia. This rail line is used to transport materials directly to industries and retailers in the City and to the Transload Facility. Materials delivered to the Transload Facility are stored in the warehouse and then delivered to the final destination via truck.

Ozinga Cement, Inc. has requested to utilize a sidetrack at the Transload Facility to load freight (fly ash) onto railroad cars and then be transported by the Columbia Terminal Railroad to Norfolk Southern for delivery to the final destination. This has been evaluated by staff and determined it would not negatively impact operations of the Transload Facility nor the railroad operation. Approval of this agreement will result in an increase in rail traffic on the City owned railroad and would result in an estimated revenue increase of approximately \$288,000 to \$432,000 annually.

Fiscal Impact

Short-Term Impact: Potential revenue increase estimated to be between \$288,000 and \$432,000 annually with minimal increase in cost of operations.

Long-Term Impact: Potential revenue increases estimated to be between \$288,000 and \$432,000 annually with minimal increase in cost of operations. Increases in revenue may occur based on inflation and cost of conducting operations.



Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
None	None

Suggested Council Action

Approval of the resolution.