

# Sauk County Rail Economic Impact Analysis Preliminary Findings

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# 10 Rail Users interviewed:

## Reedsburg

- Grede Foundry
- Loeb-Lorman
- Primex Plastics
- Midwest Hardwoods
- United Cooperative

## Baraboo

- Senger Lumber
- Flambeau Plastics
- RR Donnelly
- Seneca Foods

## LaValle

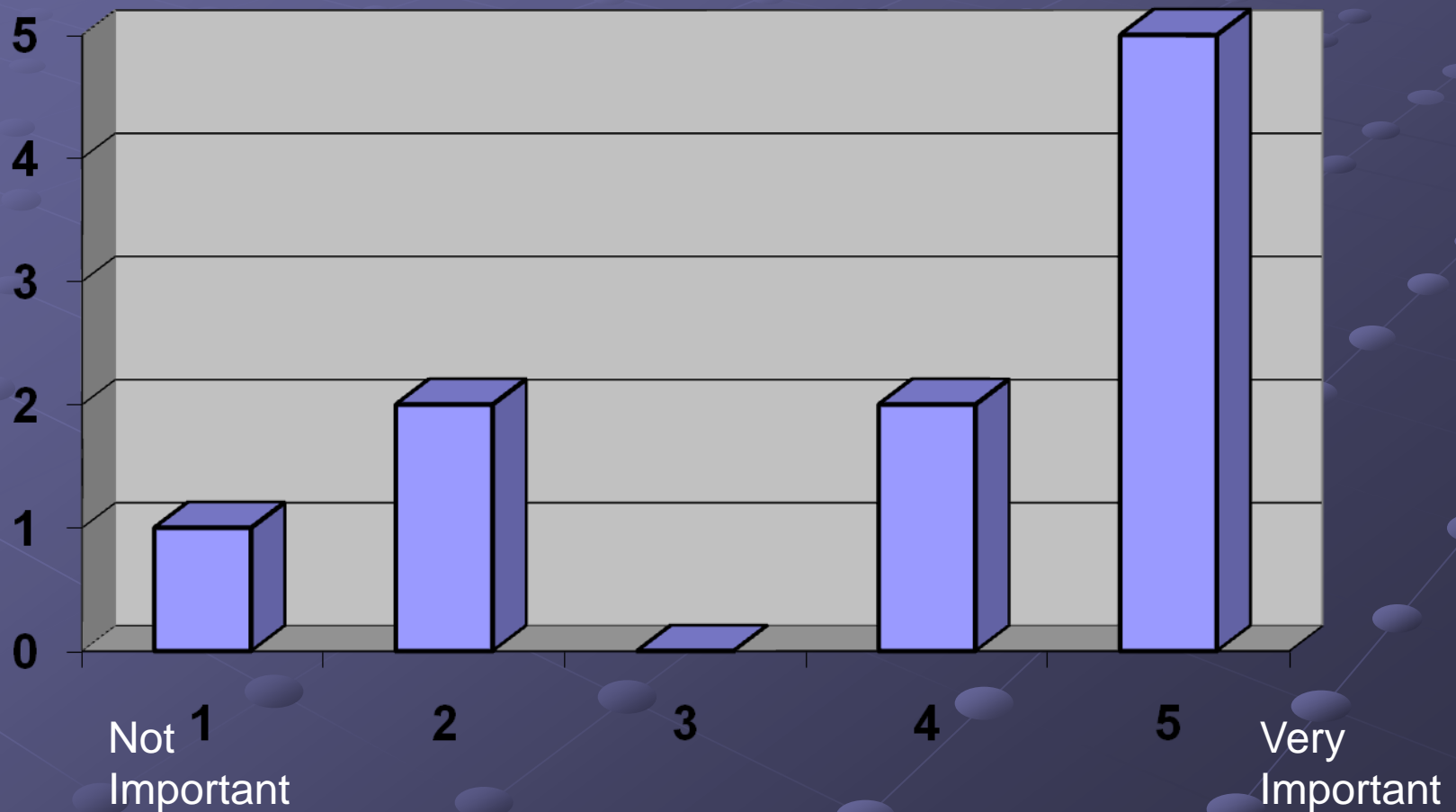
- Hartje Lumber

## Rock Springs

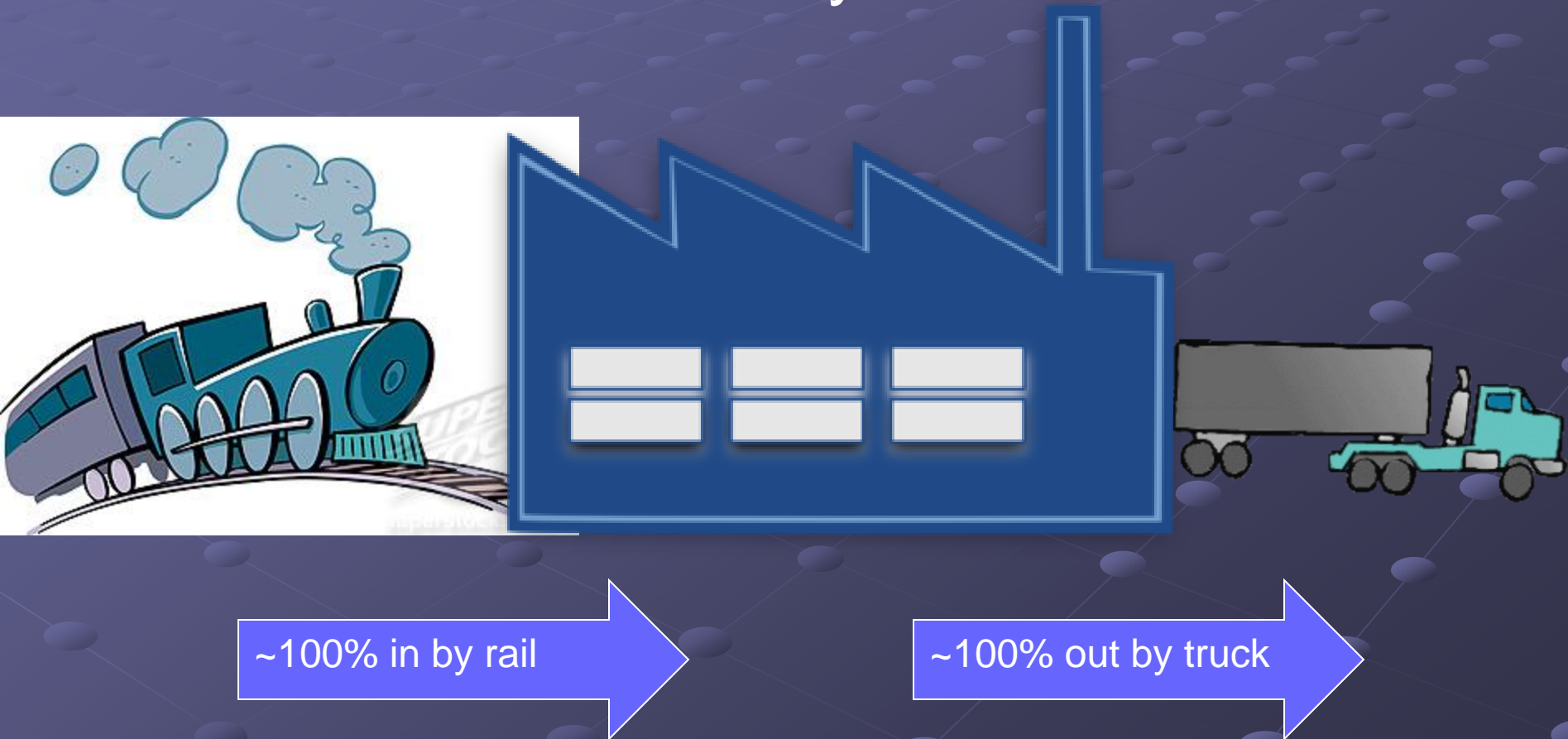
- United Cooperative

Fred Weber (Rock Springs Quarry) could not be reached.

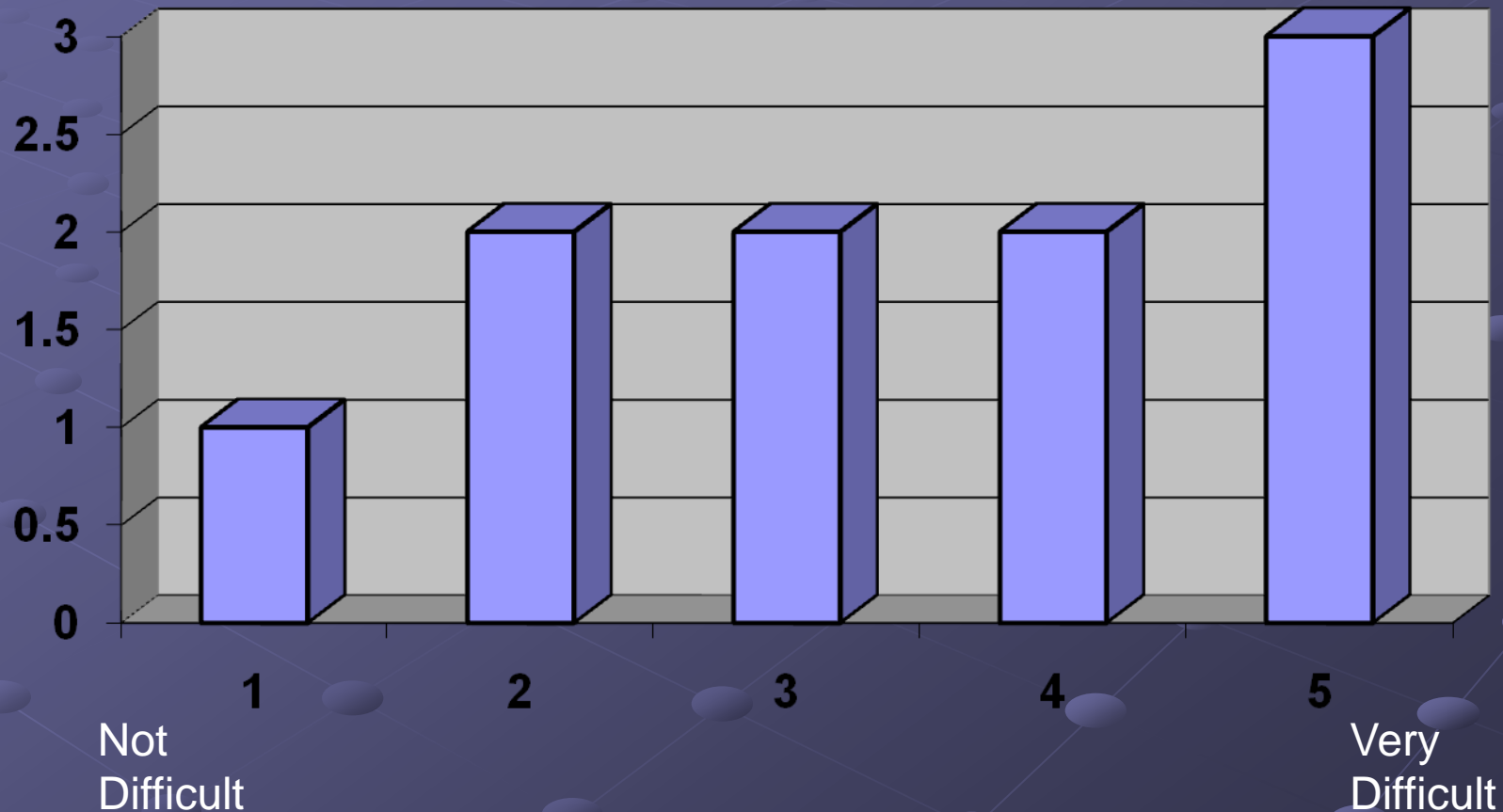
# How important is rail to your business?



Most businesses that used rail heavily  
shipped most materials in by rail  
and out by truck.



# How difficult would it be for your business to shift from rail to truck?

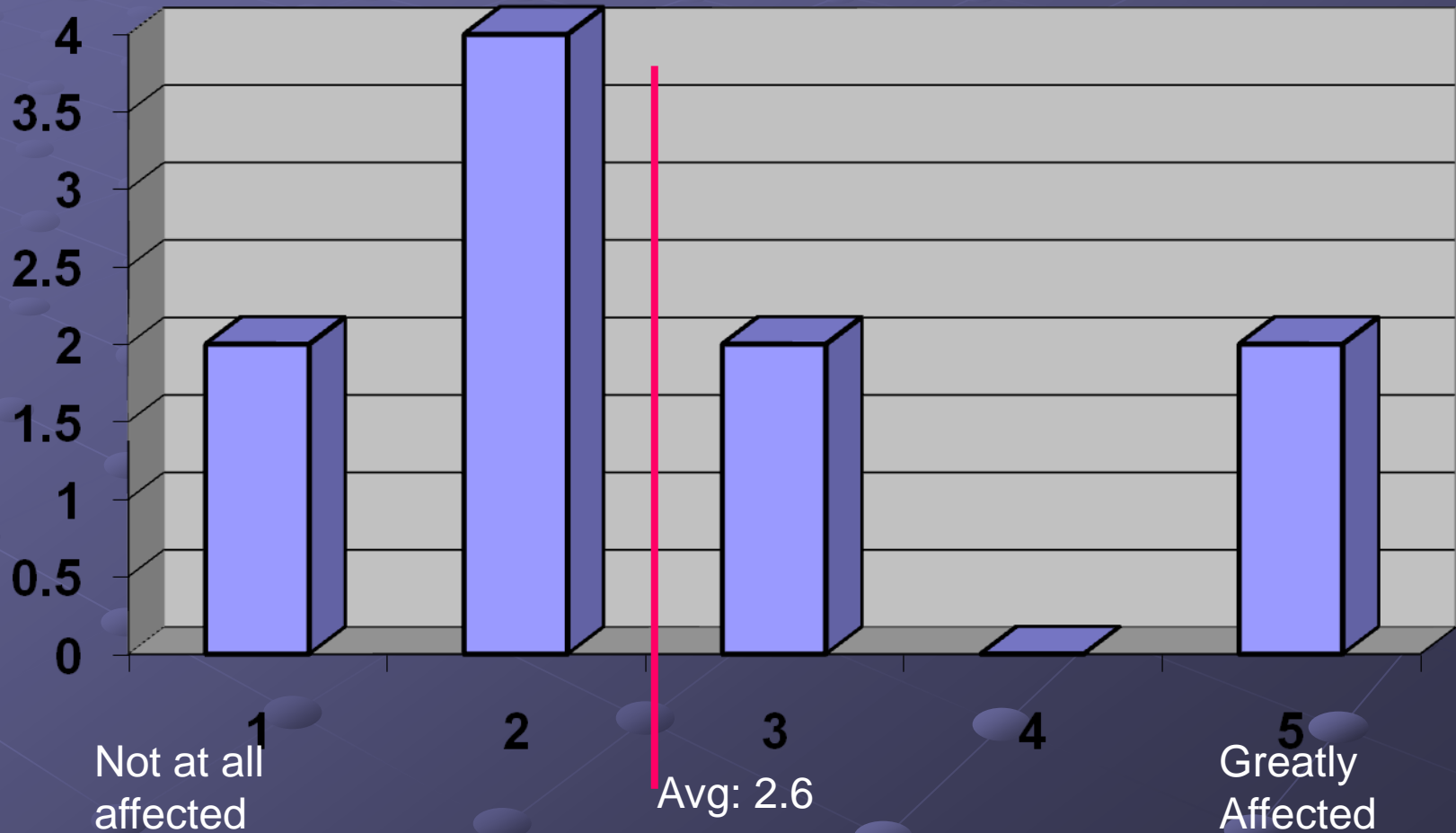




# How would it impact transportation and labor costs, etc?

- Three would not be affected
- “It would raise costs significantly \$300,000-\$400,000/year”
- “Continuous bulk trucks would be needed. Additional staff (\$500,000/year) to unload trucks manually”
- “Currently no room for trucks would have to change city’s infrastructure”
- “Four truck loads to every rail car so 4 fold increase in delivery cost”

# How did the 2008 floods and subsequent rail line closing impact your business?



# Comments on Transportation During 2008 Flood:

➤ "It was huge, we had to build a crane in Madison and haul to Reedsburg around the clock to keep the foundry going."

➤ "Because the loss of rail was short term we were able to use the inventory we had on hand." (3)

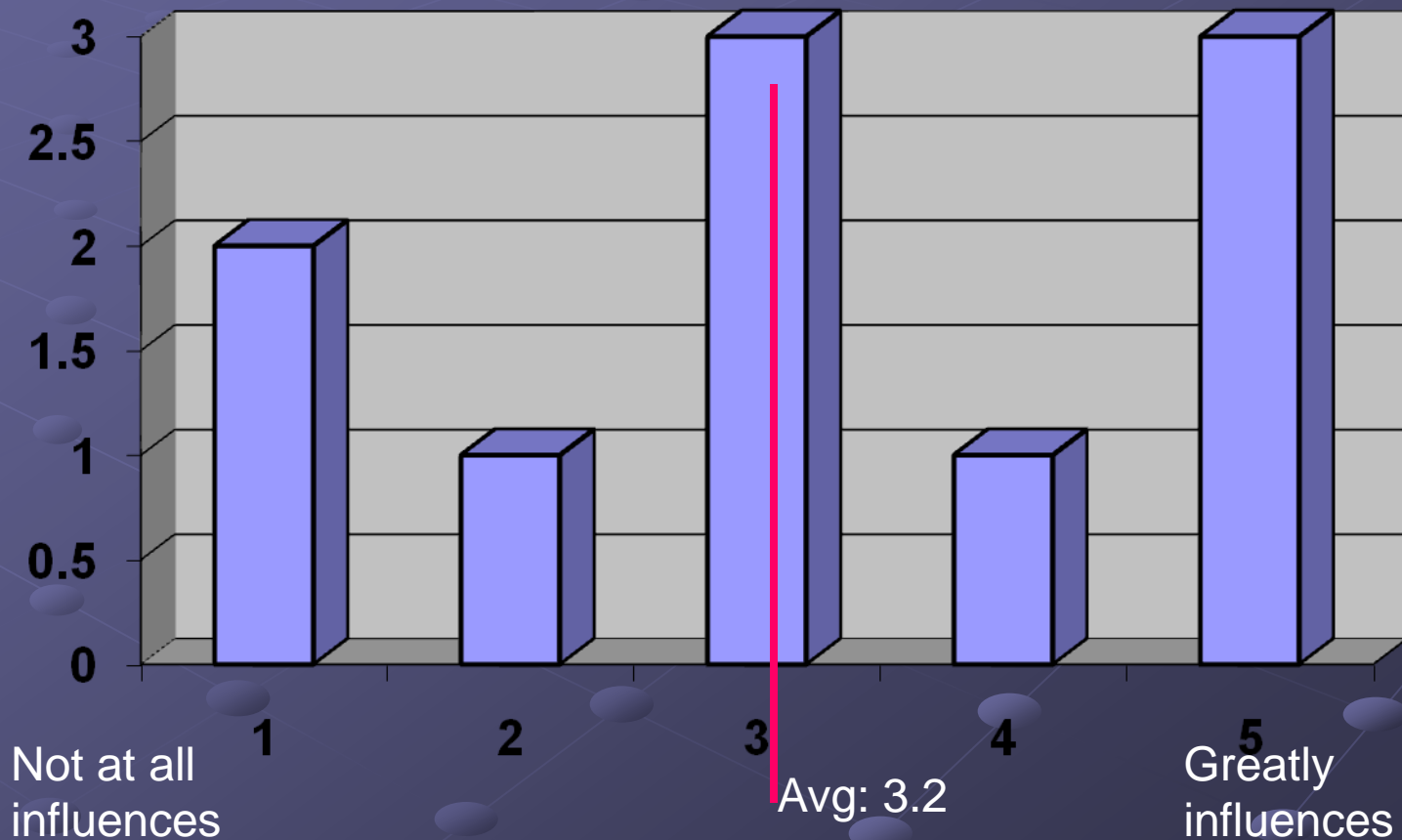
➤ "Timing was key, but could have been devastating"

➤ 2 businesses trans-loaded materials from Madison





**How does the current uncertainty regarding the long term future of the Madison to Reedsburg rail line influence your business's investment and expansion decisions in Sauk County?**



## Other Comments

- “As the price of fuel increases rail becomes even more economical”
- “Future policies related to carbon footprint could also make rail more economical. Rail has significantly less carbon emissions than trucks.”
- “Haven't considered the future without rail”
- “All competitors have access to rail”
- The loss of rail would place a major portion of the supply chain at risk.
- “We are not currently considering any new investments in the future”
- “Growth would not occur here without rail”
- “No service is not an option”
- “Not currently a factor, but could be an influence in future decisions.”

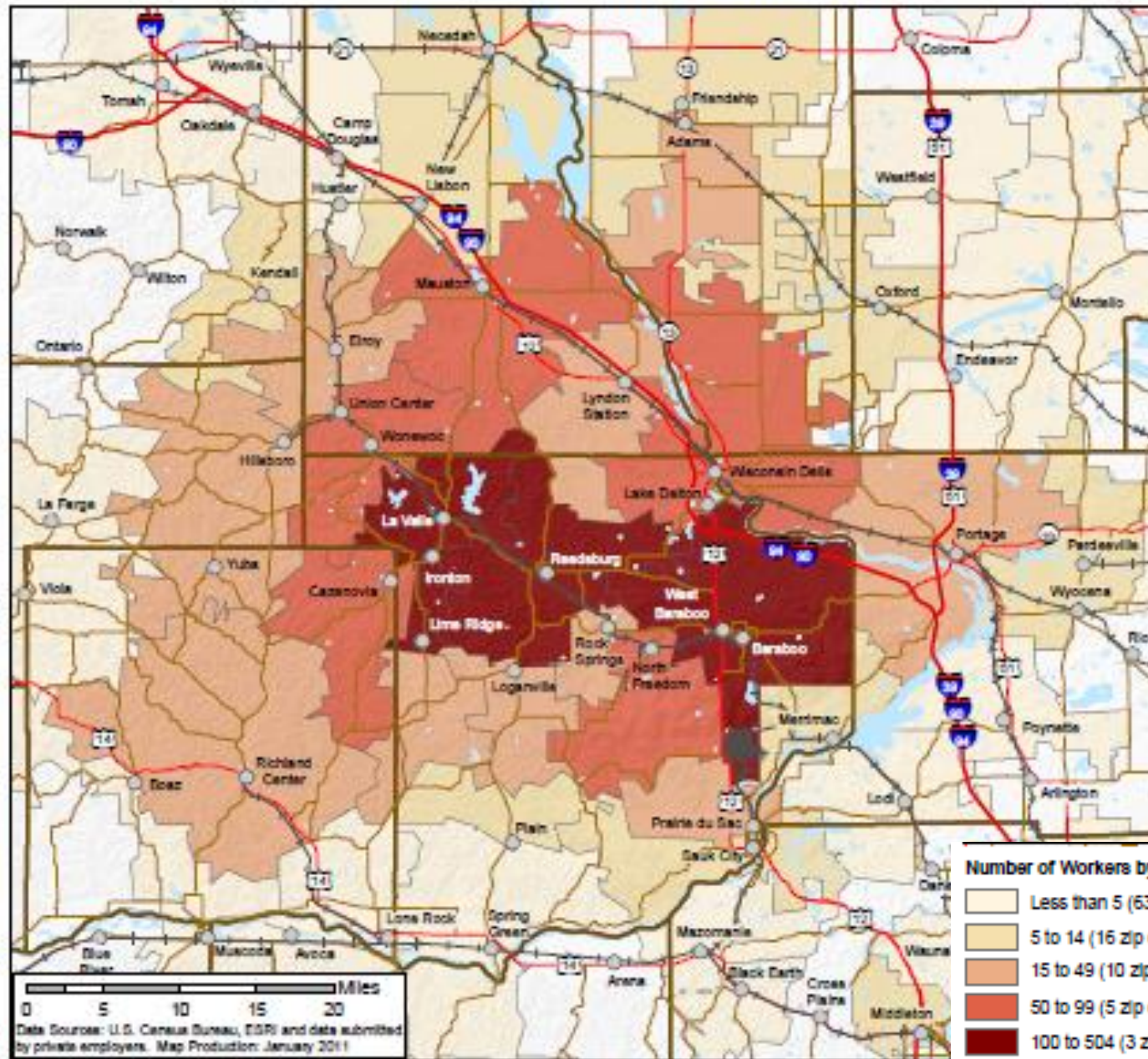
**Total employee wages from  
rail users:**  
**\$86.6 Million/year**

**Property tax paid by rail  
users:**  
**\$808,000 - \$988,000/year**





# Home Zip Codes for Rail User Employees





A close-up photograph of a spider web, likely a orb-weaver web, with its intricate spiral and radial patterns. The web is set against a blurred background of green foliage and brown branches. Overlaid on the web are several semi-transparent dark blue rectangular boxes, each containing a label for an economic sector. The labels are arranged in a circular pattern around the center of the web, with 'Retail' at the very center. The text is in a bold, yellow, sans-serif font.

# What is Impact Analysis for PLANning?

Manufacturing

Construction

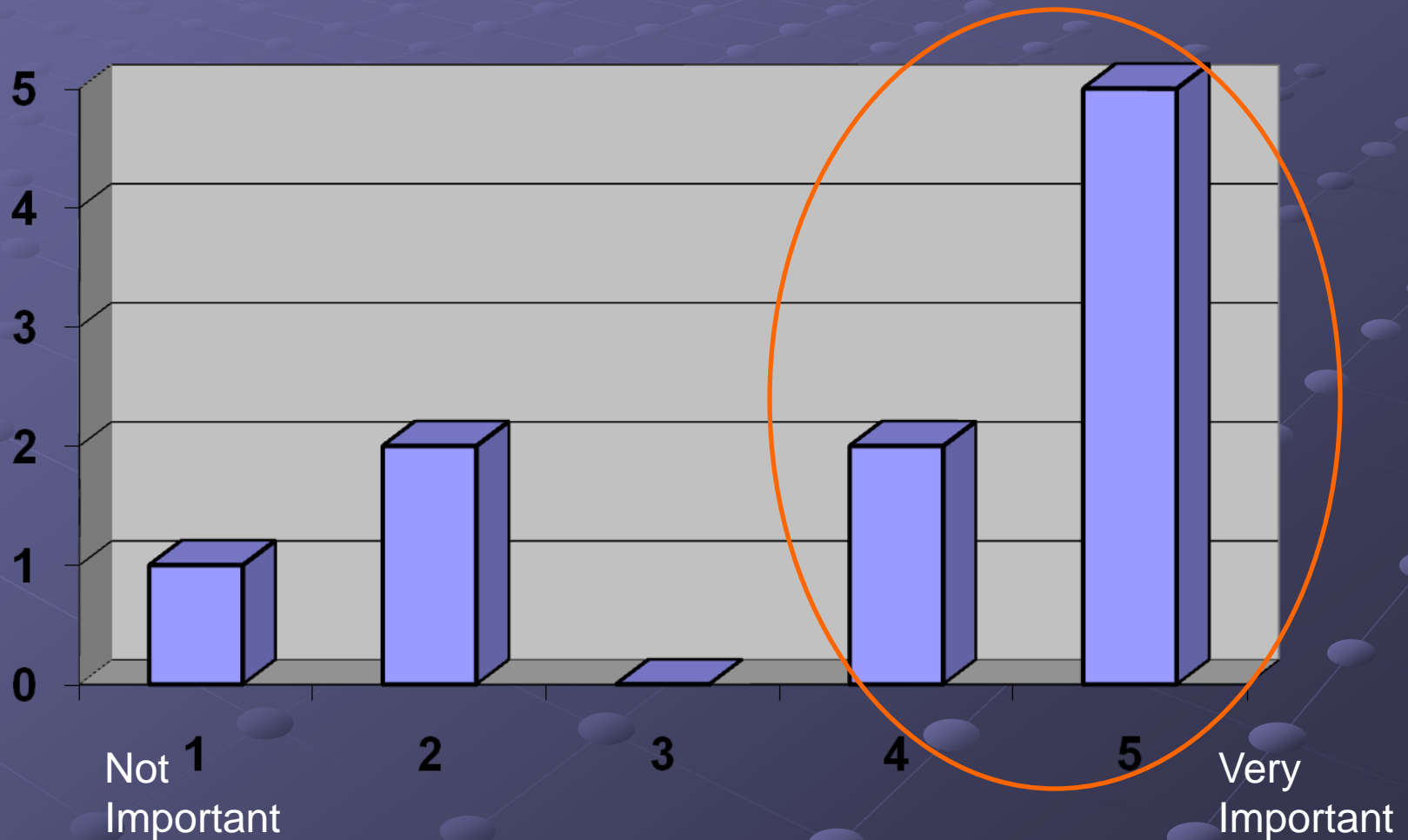
Retail

Agriculture

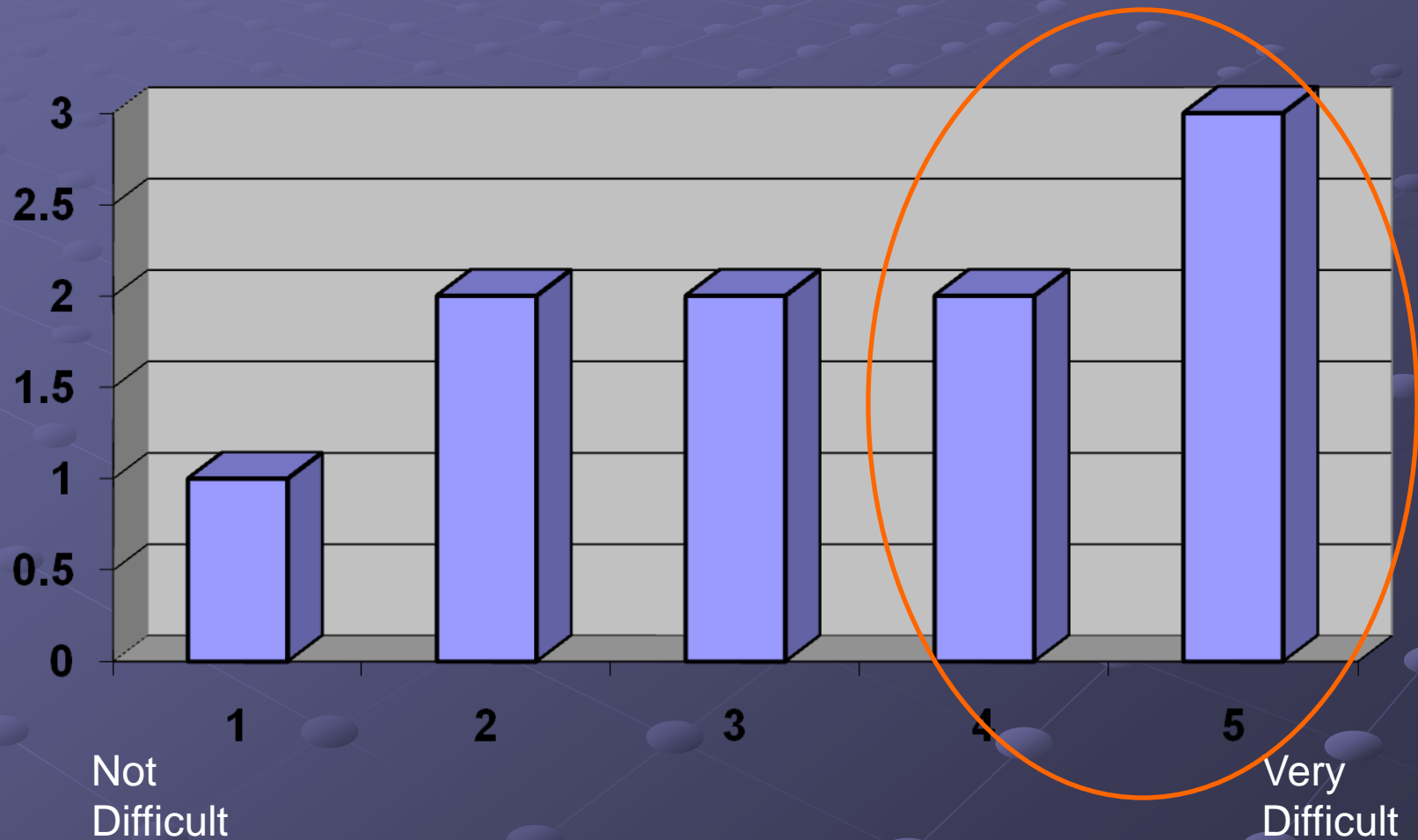
Government

Service

# How important is rail to your business?



# How difficult would it be for your business to shift from rail to truck?

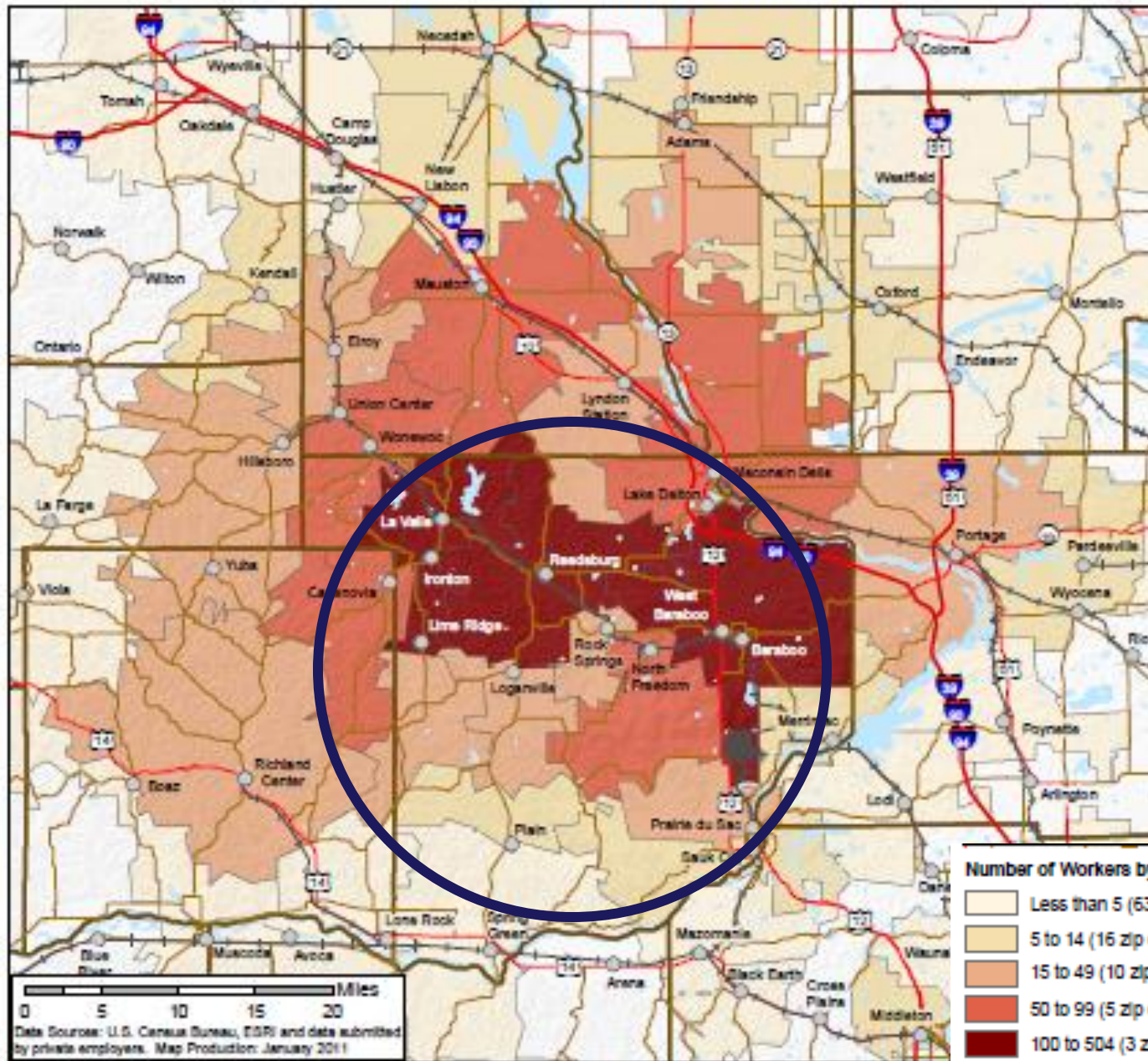


# Economic Impact Model Assumptions

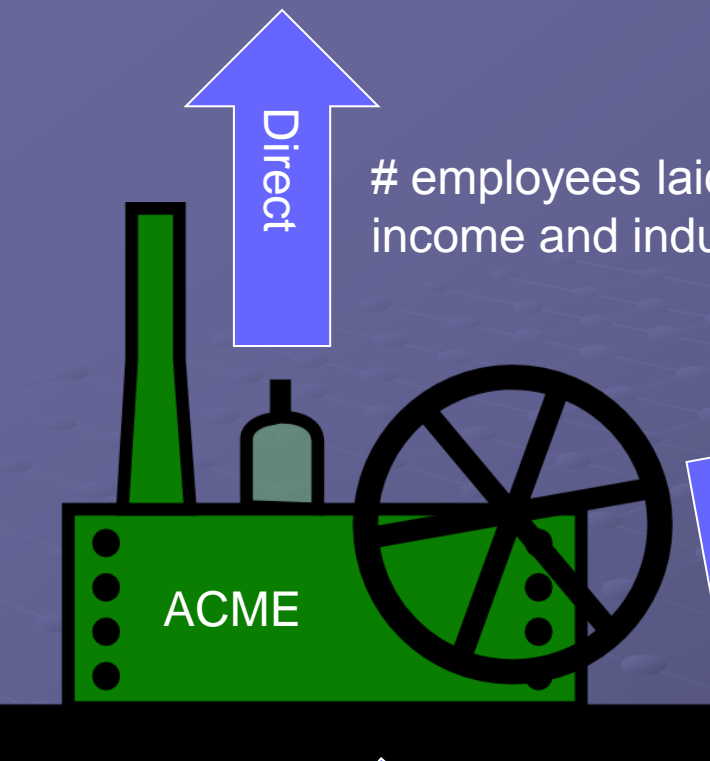




## Home Zip Codes for Rail User Employees



85% of rail user employees live in Sauk County



Direct

# employees laid off, employees' lost income and industry sales lost

Indirect  
(business to business)

Indirect  
(business to business)

Local Suppliers



# employees laid off, employees' lost income, and industry sales lost

Local Suppliers



Indirect

Indirect



# Induced Effect – Labor Spending in Local Economy



40 jobs lost



1 job lost



6 jobs lost



## Economic Impacts for the “Definitely Leaving”

	Metrics of Economic Activity		
Impact Type	Employment	Labor Income	
Direct	1,525	\$103 Million	
Indirect (business to business)	548	\$26 Million	
Induced (labor spending in local economy)	680	\$23 Million	
<b>TOTAL</b>	<b>2,753</b>	<b>\$152 Million</b>	



## Economic Impacts for the “Definitely Leaving AND Maybe Leaving”

	Metrics of Economic Activity		
Impact Type	Employment	Labor Income	
Direct	1,672	\$111 Million	
Indirect (business to business)	576	\$27 Million	
Induced (labor spending In local economy)	723	\$24 Million	
<b>TOTAL</b>	<b>2,972</b>	<b>\$162 Million</b>	

# Sales and Property Tax Revenue

	Definitely Leaving	Definitely & Maybe Leaving
Sales Tax	\$4,098, 000	\$4,345,000
Property Tax	\$5,417,000	\$5,744,000



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