

RAIL PARK PUT WINDSOR ON THE MAP

WINDSOR— A remnant from a time when sugar beet farming was the region's top industry, the Great Western Sugar Railway wasn't in such great shape when Denver businessman and developer Pat Broe made the decision to buy the railroad, his first, in 1986.

At the time, Great Western had 80 miles of track stretching from Longmont on the southern end to Fort Collins on the north, with spurs east to Greeley and west to Loveland. It carried an average of about 500 carloads of beets and other freight annually.

Today, the Great Western Railway — which is owned by Broe Group affiliate OmniTRAX — carries an average of about 20,000 carloads of freight a year. That's thanks in large part to the railway's centerpiece: the \$420 million, 1,500-acre Great Western Industrial Park in Windsor.

A combination of factors — direct access to the railway, the price of land, the industry-ready infrastructure that the Broe Group's Great Western Development Co. put into the park — has led to some large companies locating there.

"We don't have property that might be rail-served someday," said Rich Montgomery, vice president of Great Western Development Co. "We have property that is rail-served."

Longmont is considering a rail-served industrial park of its own, but the folks in Windsor have a healthy head start.

Capital investment and jobs

The Great Western Industrial Park is designed around the Great Western Railway and the sprawling Eastman Kodak campus, which opened in the late 1960s.

O-I, formerly Owens-Illinois, was the first company to sign on to the new park in 2003, building a \$140 million bottle manufacturing plant on 90 acres, mainly to serve Anheuser-Busch InBev in Fort Collins. The facility employs about 200 people and produces 1.2 billion bottles a year.

Danish wind turbine company Vestas Blades A/S signed a deal in 2005 to build its first North American plant at Great Western Industrial Park. The company bought 75 acres and spent more than \$100 million to build its 400,000-square-foot plant, which employs 400 workers.

Vestas chose Windsor over 42 other sites it looked at around the U.S., Montgomery said.

Hexcel, which makes composite

material for wind turbines, opened its 100,000-square-foot, \$16 million production facility last year. Hexcel moved to the park specifically to be near Vestas, its biggest customer.

In between, several other companies moved in, investing hundreds of millions of dollars and creating hundreds of jobs.

Putting Windsor on the map

"All those new companies that have come in have increased our assessed property value revenue," said Kelly Arnold, Windsor's town manager.

That, and the primary jobs Great Western Industrial Park has brought to his community, are the biggest benefits, Arnold said.

In 2000, Windsor was a town of fewer than 10,000 residents, according to census data. Its population in 2008 was 19,001, according to the town.

Arnold said the city had the second-



RAIL PARK PUT WINDSOR ON THE MAP (continued)

highest number of building permits in the Northern Front Range in 2009, although some of that was a result of the rebuilding that occurred following the devastating tornado that ripped through town in 2008.

The town handed out 95 single-family home permits in 2009, nearly four times the number in Longmont.

Taxes and permit fees have helped Windsor avoid cutting back on staffing or services, something many other Front Range cities have been forced to do, Arnold said.

Larry Burkhardt, president and CEO of Upstate Colorado Economic Development, said the rail-served park is an important feature to be able to offer companies considering locating in Weld County.

“My hunch is that probably 20 (percent) to 30 percent of the inquiries that we receive are looking for a rail site, so that’s significant,” Burkhardt said.

He said the impact of the park on the area’s economy has been significant.

“Look at Windsor,” he said. “That’s a disproportionate amount of jobs created compared to anywhere else in the country.”

Complementary users attracted to park

Great Western Railway is classified as a short line railroad. It connects to two of the four Class 1 railroads that serve the entire U.S.: Burlington Northern Santa Fe and Union Pacific.

Montgomery said that giving tenants of the industrial park access to two Class 1s forces the big railroads to compete for business, thus, saving companies money.

“The biggest thing is having those transportation options,” Montgomery said.

For example, he said, for a company that builds a \$150 million plant on 80 acres, “your land cost is insignificant to your annual shipping cost.”

The U.S. Department of Transportation has predicted that the demand for moving freight by rail will rise 92 percent by 2035, compared with 2002 levels.

A major reason for that is cost, Montgomery said — especially fuel costs.

“A rail car, on average, will hold 3 1/2 to 4 1/2 times what a truck will hold,” Montgomery said.

About half of the 1,500-acre Great Western Industrial Park is zoned heavy industrial.

Later phases will include light industrial zoning and some mixed-use, as the park develops to the west toward existing neighborhoods.

But Montgomery said his company is now focused on finding more tenants for the industrial park. As a real estate company that also owns the railroad, his company is in an unusual position compared with any other industrial park in the country, he said.

Until more users are found, the

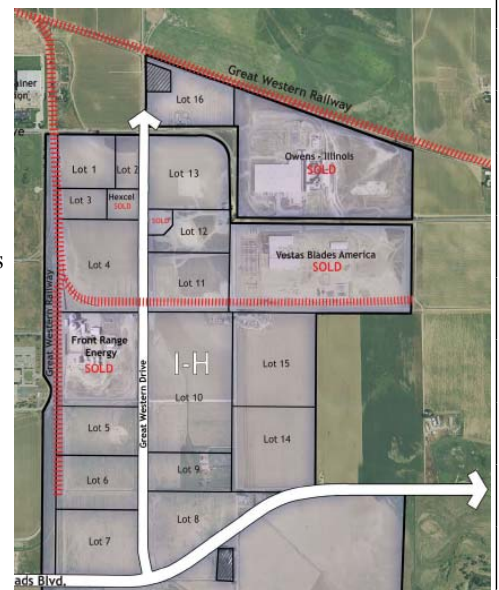
park’s vacant parcels of land are being used to grow corn, much of which is consumed by Front Range Energy, an ethanol production plant located there.

Another company, Reliant Energy, processes and sells the carbon dioxide produced as a byproduct of the ethanol production.

Having complementary users in the park was the intent all along, Montgomery said, as was an effort to keep up the park’s aesthetics.

Despite the heavy industrial zoning, there are no char-spewing smokestacks in sight. The Hexcel building, in particular, looks much more like a large office building than it does a factory.

Large tracts along the Poudre River on the southern end of the park are set aside as open space, and a trail system in the park connects with the trail along the river, Montgomery said.



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