

2024 SYMPOSIUM

A High Desert Commercial Real Estate Review & Forecast

Presented By:



COLDWELL BANKER
COMMERCIAL
REAL ESTATE SOLUTIONS

DRIVING ECONOMIC GROWTH

BARSTOW INTERNATIONAL GATEWAY



Lena Kent

EXECUTIVE DIRECTOR PUBLIC AFFAIRS FOR BNSF RAILWAY

**Barstow International
Gateway Project**

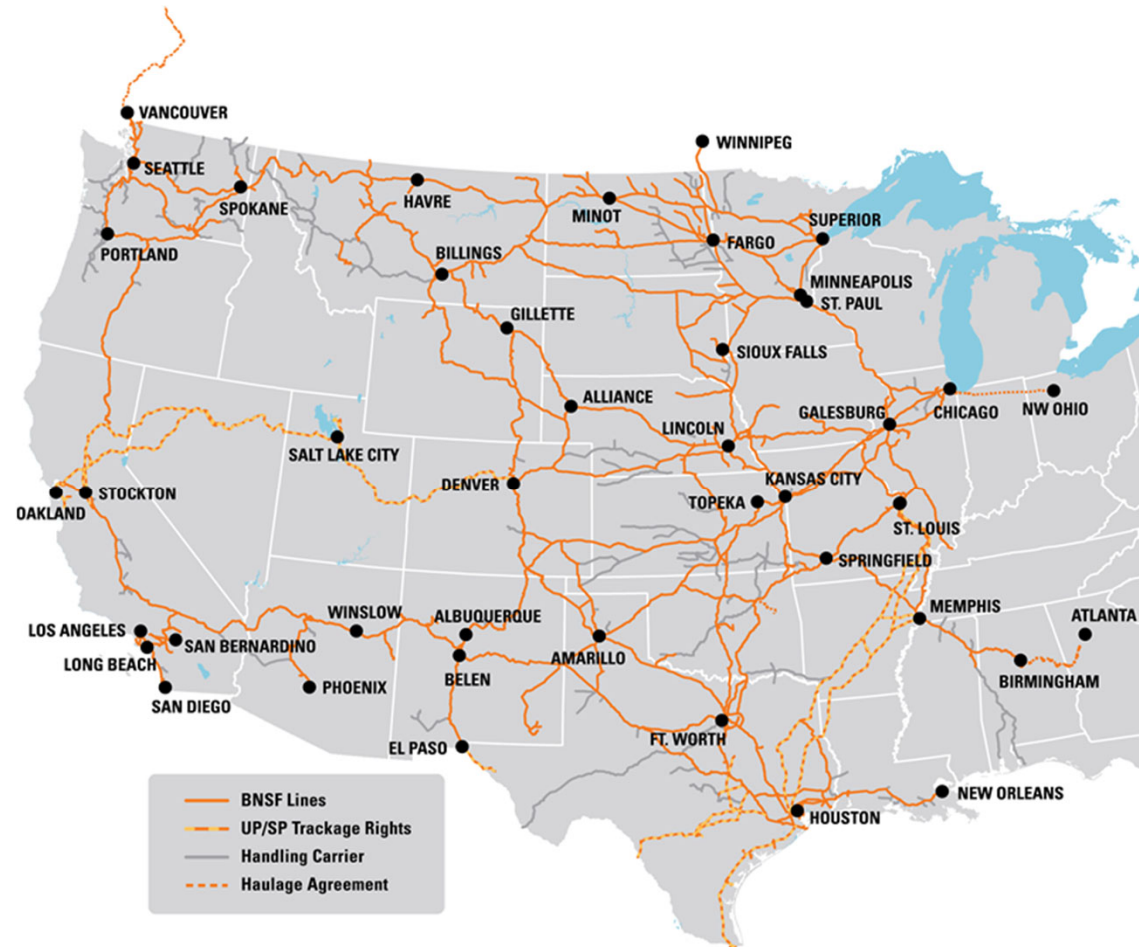
March 14, 2024



About BNSF Railway



- Owned by **Berkshire Hathaway**
- **~37,000** employees
- Average of **1,200** trains/day, approximately 10 million units per year
- **32,500+** route miles in 28 states and three Canadian provinces



Goods Movement in Southern California

The Ports of Los Angeles and Long Beach are the largest in the nation, 40% of goods entering the U.S. Record demand, coupled with inefficiencies, has put a strain on the ports' goods movement network.

CURRENT PROCESS

1. International cargo arrives in 40-foot containers that are then trucked from the Ports to warehouses in Los Angeles or Inland Empire
2. Containers are unloaded, classified, and re-loaded onto 53-foot domestic containers
3. Domestic containers are either transported by truck to a railyard and loaded onto trains headed for destinations across the United States; or are trucked across the country



Credit: Nick C Prior, Wikipedia

Impacts of Inefficiency

- **Increased congestion** and traffic on highways, impacting air and quality of life
- **Longer, multi-hour commutes** for residents in the high desert who travel to and from the Inland Empire and elsewhere for employment
- **Supply chain** delays/inefficiencies



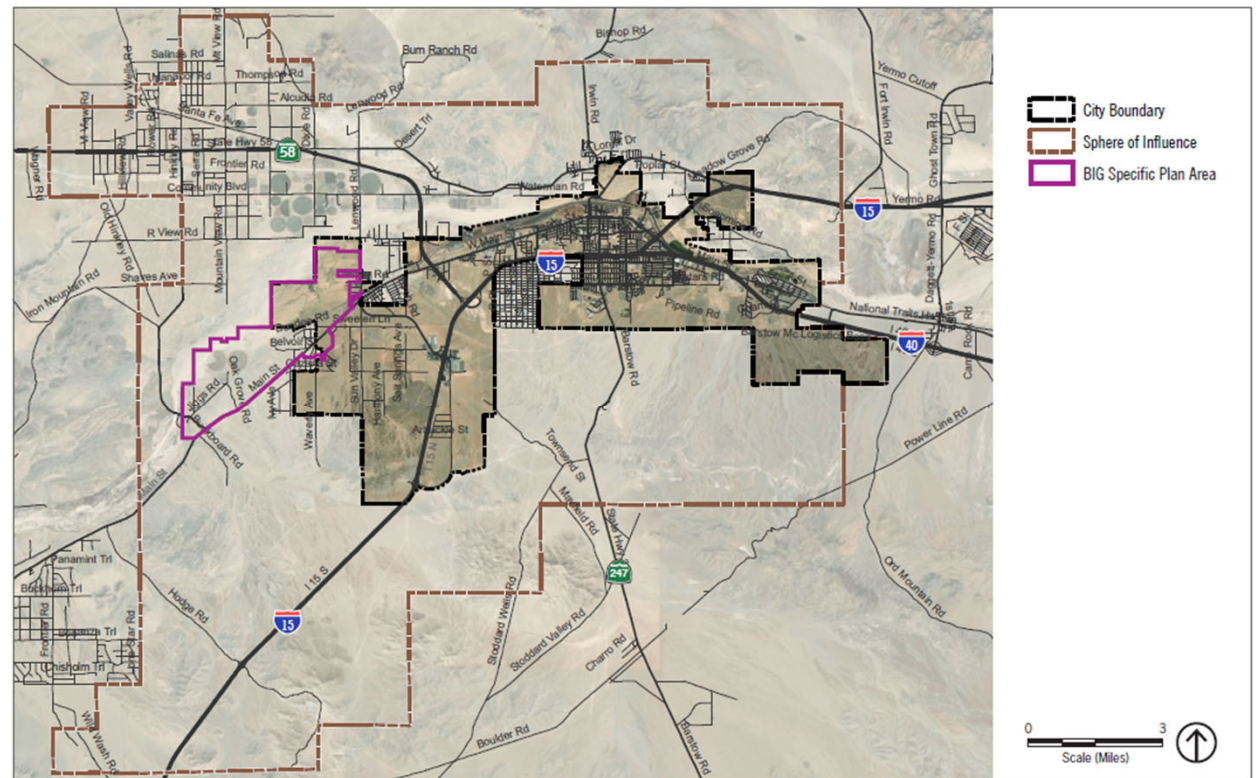
Barstow International Gateway

- **BNSF proposes the Barstow International Gateway (BIG)**, a \$1.5 B+ state-of-the-art master-planned facility that will allow for fast, efficient rail service
- Goods would move on trains directly from the Ports of Los Angeles and Long Beach through the Alameda Corridor to BIG's integrated intermodal and transload facilities in Barstow.
- Largest facility in North America with 4,500+ acres



Barstow International Gateway

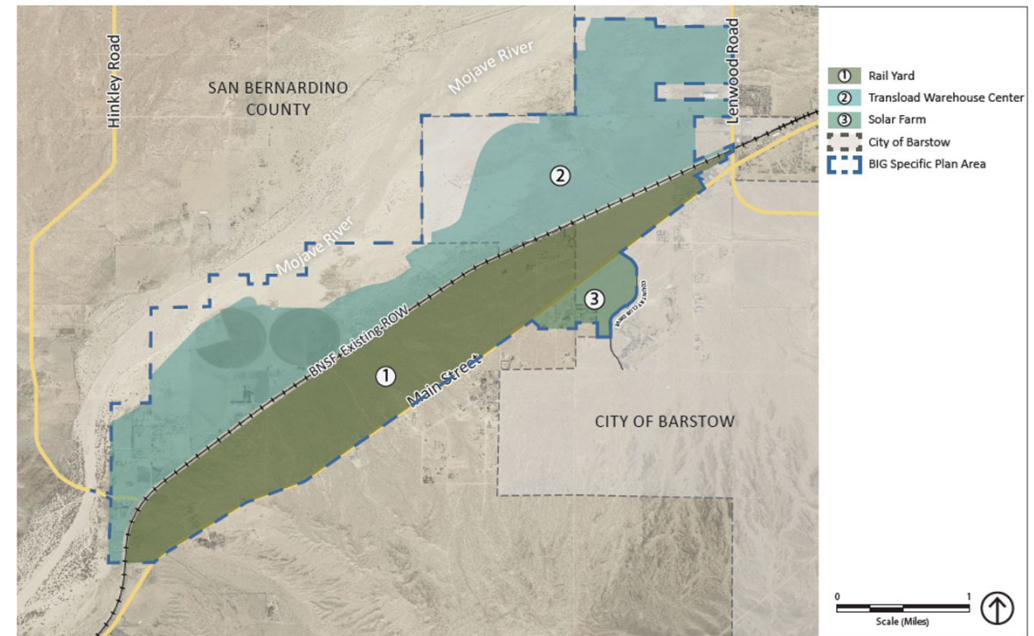
- Fully integrated rail and transload for a streamlined supply chain
- Significant land for on-site warehouse development
- Access to the fastest intermodal route and largest hub network
- More sustainable supply chain solution



Source: City of Barstow, PlaceWorks, BNSF 2024.

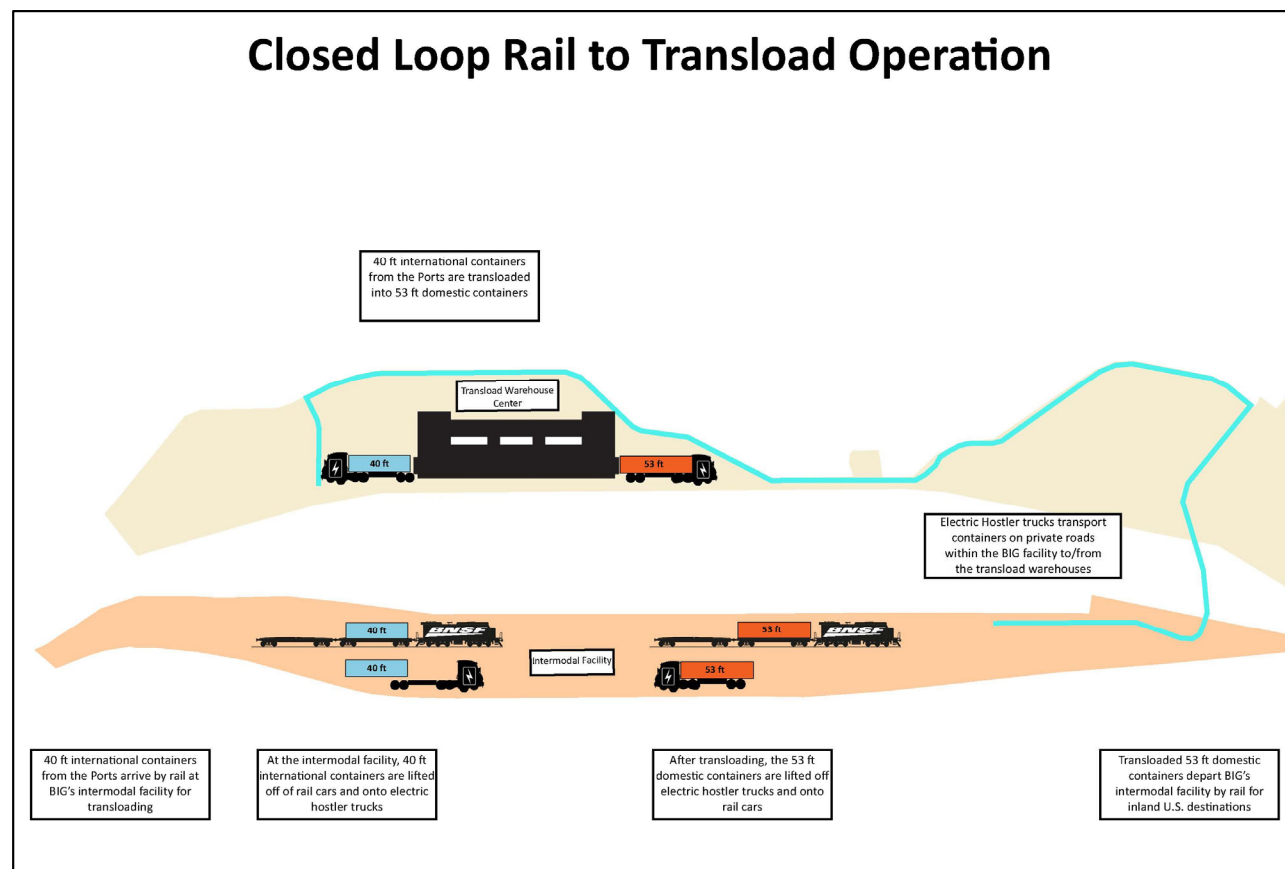
Barstow International Gateway Components

- BIG Specific Plan to establish site-specific zoning and standards
 - Rail Yard:
 - Block swap yard
 - Intermodal facility
 - Ancillary rail areas
 - Transload warehouse center
 - Solar Farm: Would function as a private utility to generate a source of clean energy for the rail yard
- Offsite Rail and Non-Rail Improvements: Lead track extensions, drainage, utilities, and roadways to serve BIG



Solution: How It Works

1. Cargo containers arriving at the Ports will be **transferred directly from Ports to trains** for transport to BIG
2. Containers will then be handled with **zero- and near-zero-emission cargo-handling equipment**
3. Containers will be transloaded at the **on-site transload warehouses** with minimal truck movement
4. Containers will be **sorted by destination** and loaded on trains moving east to maximize rail and distribution efficiency



Slide 33

ERO

Could we go back to the other graphic? This one is HARD to read!

Elisabeth Rosenson, 2024-03-08T01:15:16.748

BIG Overview



BIG Benefits

Economy

- Brings thousands of **direct** and **indirect jobs** to high desert communities

Supply Chain

- Allows for more efficient **transfer of cargo** directly between ships and rail
- Maximizes rail and distribution efficiency **regionally** and across the **U.S.** supply chain
- Improves fluidity and reliability of rail corridor

Environment

- Reduces truck and **freeway** congestion in the Los Angeles Basin and Inland Empire, improving air quality



BIG Features

Facility Design

- Maximizes use of rail; minimal truck/drayage traffic
- Battery-electric yard & local dray trucks; electric wide-span cranes; and hybrid rubber-tired gantry cranes
- Solar photovoltaic systems on-site
- Sufficient on-site parking
- Internal private roadways to move containers between the IMF and warehouses, making it an integrated operation
- Automated gates to minimize truck queuing, idling time and emissions
- Designated entry/exit points from public roads

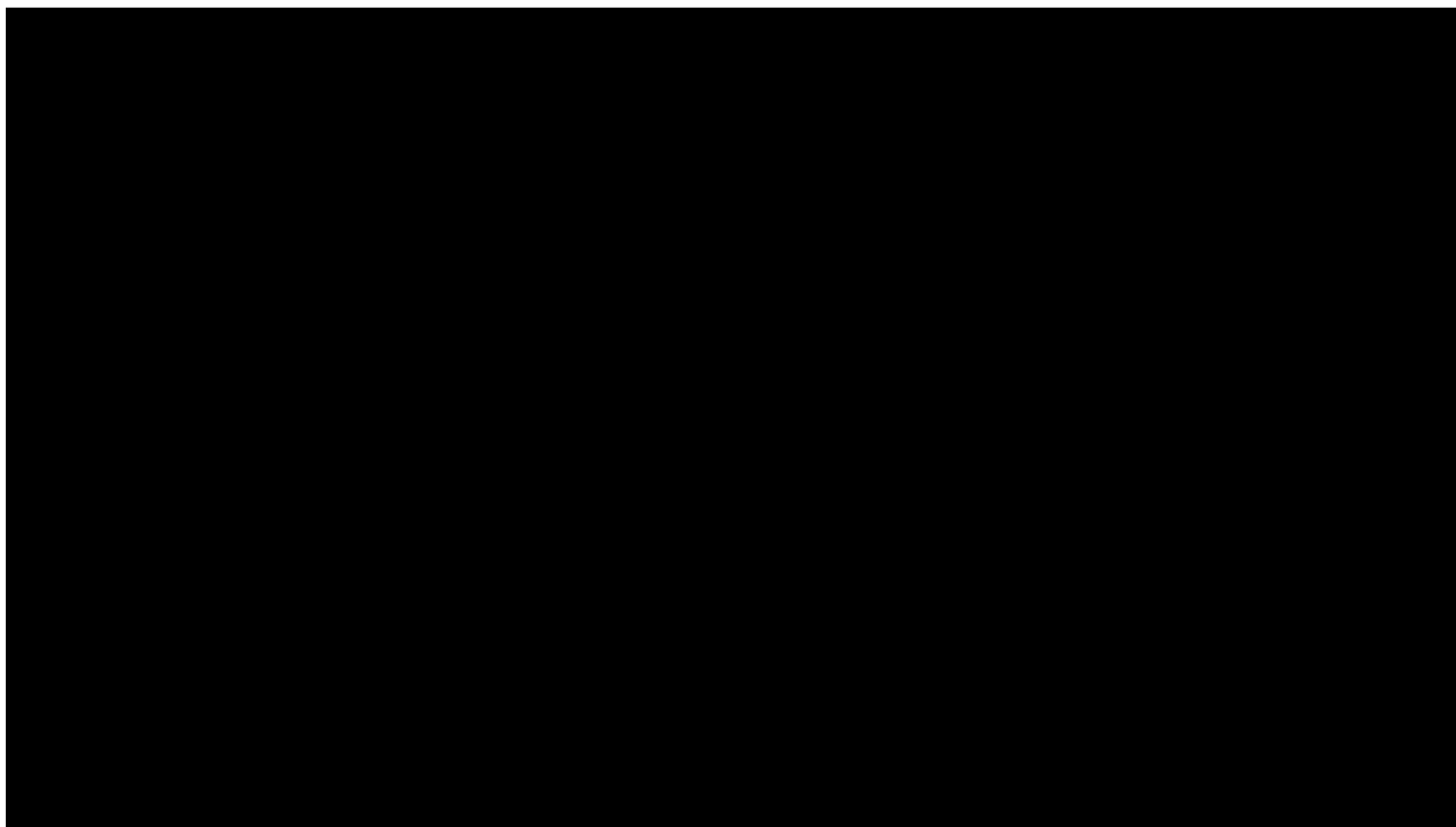


High Desert Community Benefits

- Located on mostly vacant land, **away from densely populated urbanized areas**
- Shifts freight off roadways, **reducing roadway traffic and wear and tear**
- Provides **job opportunities** closer to home, reducing commutes



BIG Equity & Opportunity



Community Engagement To-Date

- Oct. 2022: Project announced at City of Barstow 75th anniversary celebration
- Close coordination with City of Barstow, County of San Bernardino and regulatory agencies
- Nov. 2022-April 2023: 13 small group workshops hosted by BNSF and the City with 100 key community leaders
 - Healthcare, real estate, education, small business, youth sports, seniors/veterans, students, and the military
 - Participants were supportive of the project and felt it would bring significant positive benefits to Barstow: increased revenue, population growth, well-paid/living wage jobs, and economic development, opportunity for residents and improvements in services and schools
- April 2023: Community meeting drew 350+ attendees
- March 2024: Scoping meeting



Current Status/Next Steps





- February 15, 2024: Notice of Preparation to begin environmental review under CEQA
- March 26, 2024: CEQA scoping period ends; comments due
 - Comments may be submitted to:

Genesis Crank, Planning and Community Development Administrator
City of Barstow, Community Development Department
220 E. Mountain View Street, Suite A
Barstow, CA 92311
760-255-5152
generalplan@barstowca.org
- Preparation of Draft Environmental Impact Report (EIR) for public review and comment

EPA Consideration of CARB In-Use Locomotive Rule

- California Air Resources Board (CARB) has asked EPA to allow implementation of its In-Use Locomotive Rule – a first in the nation
- Would require implementation of zero-emission locomotives in California and contributions to technology development fund (\$800 million/year per railroad)
- Key issues:
 - Ignores the interconnected nature of railroad operations (regulated at the federal level to promote interstate commerce)
 - National supply chain depends on efficient rail movement
 - Technology isn't ready for commercial deployment; not clear when it will be
 - Insufficient power for electric locomotives

Consequences of CARB Rule Approval

- Rail projects already in progress, like the Barstow International Gateway, would be **canceled completely**
 - Thousands of existing and promised well-paying jobs would vanish
 - Cost of goods movement through California would increase to the point of being non-competitive, shifting cargo to other ports outside the state
 - Our national supply chain and West Coast port throughput would suffer without new rail projects that improve efficiency
 - Ultimately, this regulation will result in shifting freight from rail—the most efficient way to move goods over land—to trucks, increasing highway congestion
- 
- 

How You Can Help

- Submit a comment to EPA, CARB and state elected officials →
- [Comment deadline is April 22, 2024](#)
- The EPA will hold a hearing to receive public comment on March 20, 2024 at 7 am Pacific time.
- Register to speak at the hearing:
<https://www.eventbrite.com/e/hearing-registration-epa-consideration-of-cas-in-use-locomotive-request-tickets-836186826307?aff=oddtcreator>
- The deadline to register to speak is March 13th.

