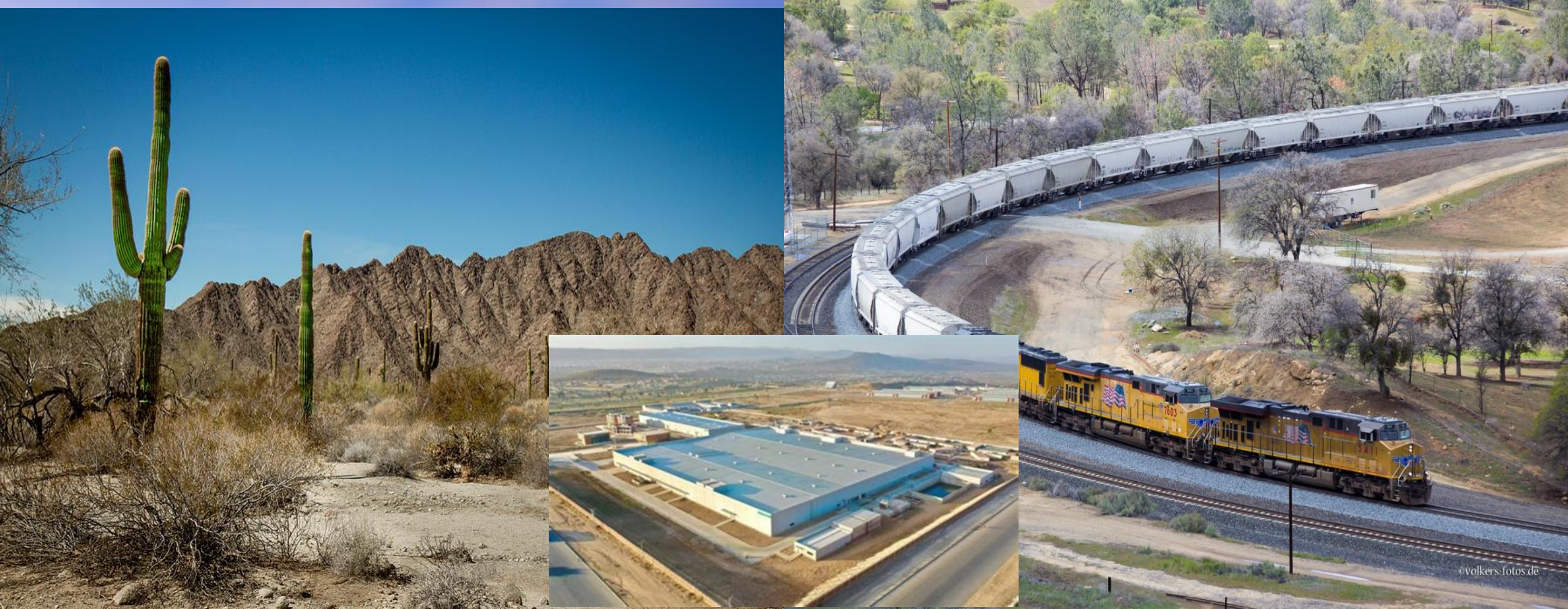




# Asher Inland Port

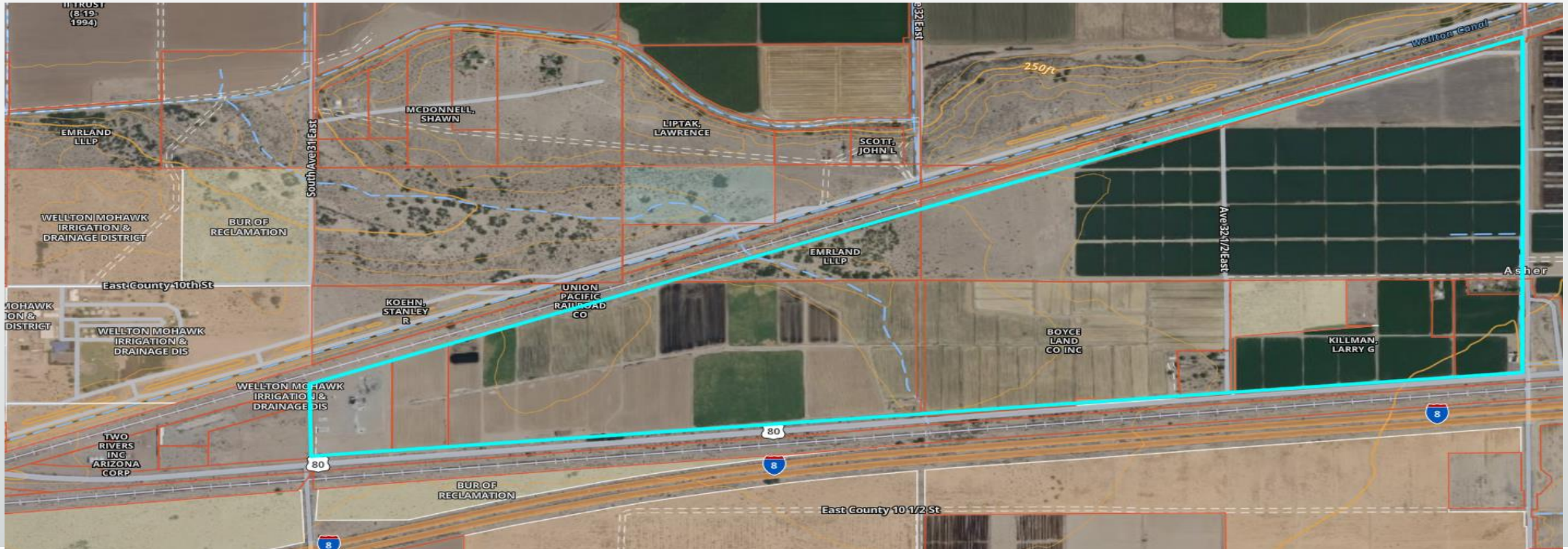
East Yuma County Arizona / February 2024

# Asher Inland Port Deliverables

- Quickly provide a range of solutions for various industrial needs
  - Industrial sites for manufacturing, warehousing and logistics
  - Foreign Trade Zone status (tax and inspection advantages)
  - Rail/Truck in and rail/truck out
- We are “shovel ready” to accommodate accelerated timelines for Federal Programs
  - Necessary zoning already in place for half the site, remainder in a few months
  - Site is already a series of level pads, no “mother nature” to worry about
  - 69kv power line, 5 existing 3-phase 480-volt connections
  - Natural gas service, on-site fiber optic cable and Kinder-Morgan products pipeline
- Seeking to Improve logistics and crop alternatives for Local Agriculture
  - Southwest Arizona efficiently serve the rest of North America or export to Asia
  - Farmers are currently looking for rotation crops that use less water

# Location, Location, Location: 565.2 ac

- Ave 31E to Ave 33E between Hwy US80 and the Wellton Branch of the Union Pacific Railroad
  - Boyce Land Co 233.8ac (farmland, 5 wells, desert, house and shop)
  - 5 Rivers LLC 208.3 ac (farmland and composting yard, desert, District water)
  - Larry Killman 53.5ac (farmland, yard, District Water, house and mobile home park)
  - BLT 26.7ac, Bureau of Reclamation 15.3ac , Michael Wright 4.7ac, Others 1.3ac



# Asher Inland Port Success Factors

- Fee simple ownership of land within Asher Inland Port. No debt. Currently being farmed
- Not California, first large site in Arizona with Union Pacific Railroad access
  - No PM-10 regulation at our location unlike Yuma County west of the Gila Mountains
  - No CEQA, no \$22/hour minimum wage, Prevailing wage only \$10.55/hour
  - For the parcels zoned A-10, no permits or inspections for agriculture related construction
- Most of Asher Inland Port has Heavy Industry land use designation.
- Heavy Industrial zoning applications have been submitted, hearing in April
- Significant State and Federal Incentive Programs
- Revitalization District being set up now, RD creates ability to issue tax-exempt bonds to pay for infrastructure
- Working on solarPV and “green Hydrogen” to reduce GHG footprint

# Federal Incentive Programs

- New Market Tax Credit program offers a 39% Federal Tax Credit to companies that create jobs and significant capital investment (>\$5M) within impoverished census tracts
  - ITC spread over 7 years (5% first 3 years, 6% last four years)
  - ITC is typically monetized at 27% of the total CAPEX (at 10% discount rate)
  - Process administered by GYCEDC
- Foreign Trade Zone Eligible
  - Customs Inspections done on site, eliminates logistics at Port of LA/Long Beach
  - Substantial reduction in export/import tariffs
  - Must be within 50 miles of an existing POE
- The best located site in Yuma County not in a PM-10 Non-Attainment Area
- Inflation Reduction Act has substantial incentives for renewable energy in low-income communities

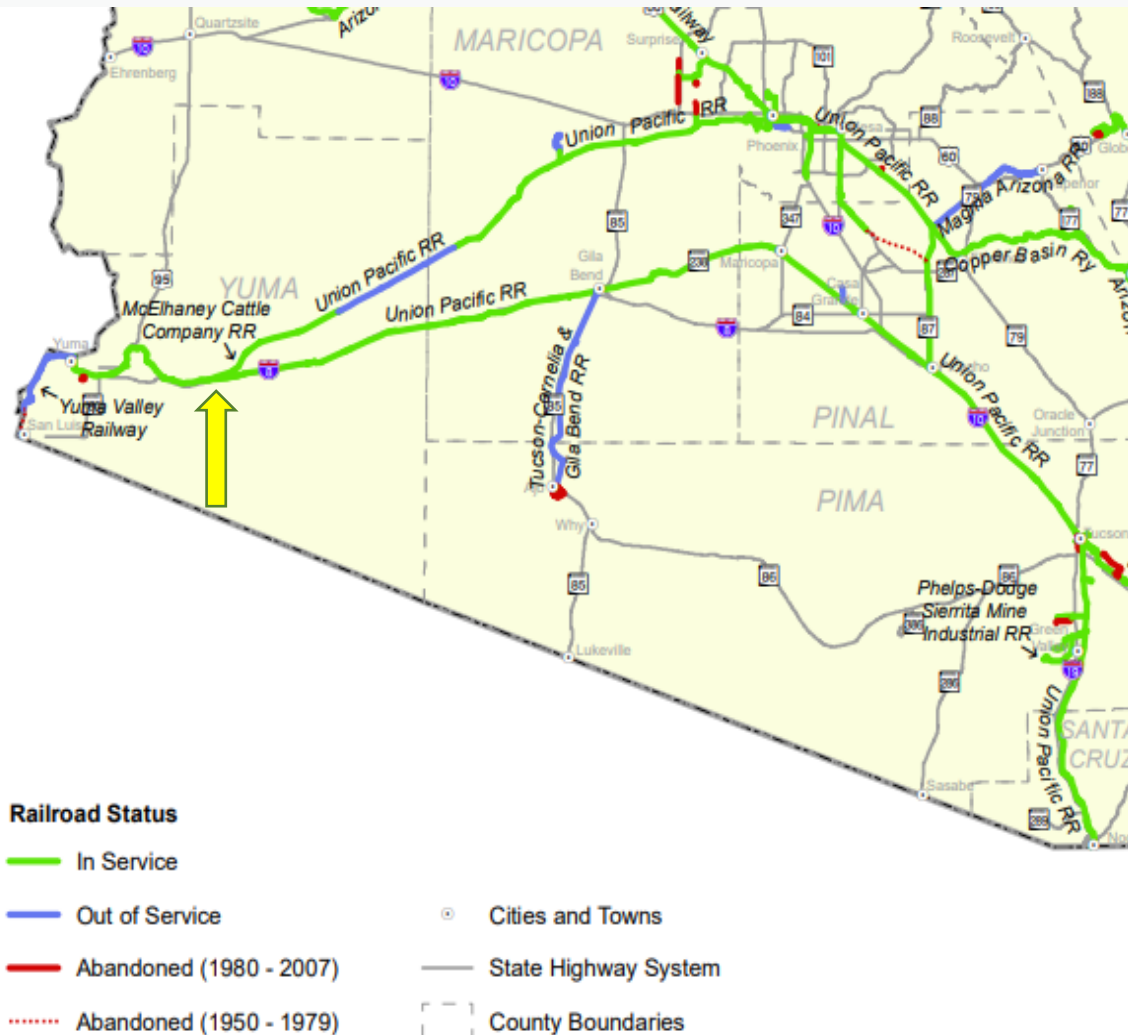
# Railroad and Interstate Update

## Union Pacific Railroad rehabilitation project on Wellton Branch

- \$760mm project on 98 miles, new rock, ballast, rail and switches
- Amtrack announced resumption of passenger rail service between Los Angeles and Phoenix
- Connects to new Inland Ports being built in Goodyear (Amazon, Walmart) and Ports of LA/Long Beach
- Bi-Partisan Infrastructure Law has substantial incentives for railroad upgrades
- Best Rail Served site in Yuma County
  - Only site bigger than 80 acres (we have 556 ac)
  - Only area in Yuma County outside the PM-10 Non-Attainment Area
  - Space for Unit trains coming off UPRR Mainline and multiple connections to the Wellton Branch
  - Very positive meetings with UPRR and Mountain States Construction on project
- Yuma County Strategic Plan has a new Interchange planned for Ave 31E
  - IC would connect to upgraded 10<sup>th</sup> St which leads to Ave 33E and second overpass over RR and I-8
  - Two miles of frontage on US-80

# Bipartisan Infrastructure Law

- Wellton Branch to be re-opened with substantial funding from the BIL



| Programs                                                                                                                                                                         | FY22           | FY23           | FY24           | FY25           | FY26           | Total        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Amtrak                                                                                                                                                                           | \$4.4B         | \$4.4B         | \$4.4B         | \$4.4B         | \$4.4B         | \$22B        |
| • Northeast Corridor                                                                                                                                                             | \$1.2B         | \$1.2B         | \$1.2B         | \$1.2B         | \$1.2B         | \$6B         |
| • National Network                                                                                                                                                               | \$3.2B         | \$3.2B         | \$3.2B         | \$3.2B         | \$3.2B         | \$16B        |
| Discretionary Grants                                                                                                                                                             |                |                |                |                |                |              |
| • Consolidated Rail Infrastructure and Safety Improvements (CRISI)                                                                                                               | \$1B           | \$1B           | \$1B           | \$1B           | \$1B           | \$5B         |
| • Railroad Crossing Elimination                                                                                                                                                  | \$600M         | \$600M         | \$600M         | \$600M         | \$600M         | \$3B         |
| • Federal-State Partnership for Intercity Passenger Rail                                                                                                                         | \$7.2B         | \$7.2B         | \$7.2B         | \$7.2B         | \$7.2B         | \$36B        |
| • Restoration & Enhancement*                                                                                                                                                     | \$50M          | \$50M          | \$50M          | \$50M          | \$50M          | \$250M       |
| <b>Total Grant Funding</b>                                                                                                                                                       | <b>\$13.2B</b> | <b>\$13.2B</b> | <b>\$13.2B</b> | <b>\$13.2B</b> | <b>\$13.2B</b> | <b>\$66B</b> |
| * Grants for Restoration & Enhancement (advanced appropriations portion) are funded through "takedowns" from Amtrak NN account; not included in totals to avoid double-counting. |                |                |                |                |                |              |

| Programs                                                           | FY22           | FY23           | FY24          | FY25           | FY26           | Total           |
|--------------------------------------------------------------------|----------------|----------------|---------------|----------------|----------------|-----------------|
| Safety & Operations                                                | \$248M         | \$254M         | \$263M        | \$271M         | \$279M         | \$1.315B        |
| Research & Development                                             | \$43M          | \$44M          | \$45M         | \$46M          | \$47M          | \$225M          |
| <b>Total Operational Funding</b>                                   |                |                |               |                |                | <b>\$1.54B</b>  |
| Amtrak                                                             | \$3.87B        | \$3.3B         | \$3.650B      | \$4B           | \$4.4B         | \$19.22B        |
| • Northeast Corridor                                               | \$1.57B        | \$1.1B         | \$1.2B        | \$1.3B         | \$1.4B         | \$6.57B         |
| • National Network                                                 | \$2.3B         | \$2.2B         | \$2.45B       | \$2.7B         | \$3B           | \$12.65B        |
| Discretionary Grants                                               |                |                |               |                |                |                 |
| • Consolidated Rail Infrastructure and Safety Improvements (CRISI) | \$1B           | \$1B           | \$1B          | \$1B           | \$1B           | \$5B            |
| • Federal-State Partnership for Intercity Passenger Rail           | \$1.5B         | \$1.5B         | \$1.5B        | \$1.5B         | \$1.5B         | \$7.5B          |
| • Restoration & Enhancement                                        | \$50M          | \$50M          | \$50M         | \$50M          | \$50M          | \$250M          |
| • Railroad Crossing Elimination                                    | \$500M         | \$500M         | \$500M        | \$500M         | \$500M         | \$2.5B          |
| <b>Total Grant Funding</b>                                         | <b>\$6.92B</b> | <b>\$6.35B</b> | <b>\$6.7B</b> | <b>\$7.05B</b> | <b>\$7.45B</b> | <b>\$34.47B</b> |
| <b>Other Funding</b>                                               |                |                |               |                |                |                 |

# Bipartisan Infrastructure Law: New Amtrack Service

## Proposed Stations

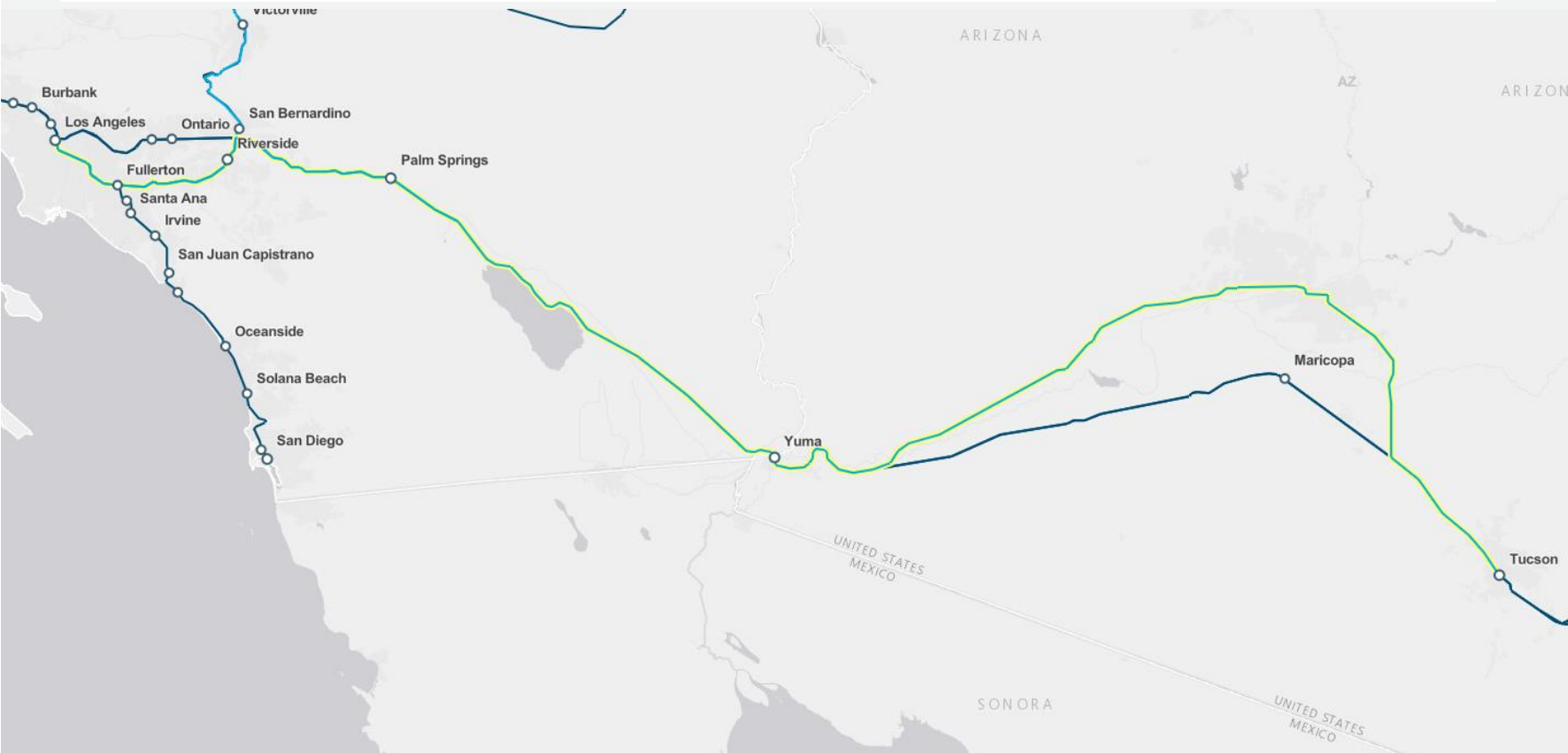
- Tucson
- Marana (NEW)
- Coolidge (NEW)
- Queen Creek (NEW)
- Tempe (NEW)
- Phoenix Sky Harbor Airport (NEW)
- Phoenix Downtown (NEW)
- Goodyear-Avondale (NEW)
- Buckeye (NEW)

*Stations served by an extension to Los Angeles:*

- Wellton, AZ (NEW)
- Yuma, AZ
- Indio, CA (NEW)
- Rancho Mirage, CA (NEW)
- Palm Springs, CA
- Banning, CA (NEW)
- Loma Linda, CA (NEW)
- Riverside, CA
- Fullerton, CA
- Los Angeles, CA

- Wellton should get a station when the new high-speed rail connects Phoenix and Los Angeles

| Frequency                                 | Initial Trip Time                                      | Host Railroad      | Economic Impact                                                                                          |
|-------------------------------------------|--------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------|
| Tucson-Los Angeles:<br>1 daily round trip | Phoenix-Los Angeles: 7:43<br>Tucson-Los Angeles: 10:11 | BNSF, SCRRA,<br>UP | \$96.9 million annually, plus<br>\$819 million in economic activity<br>from one-time capital investments |

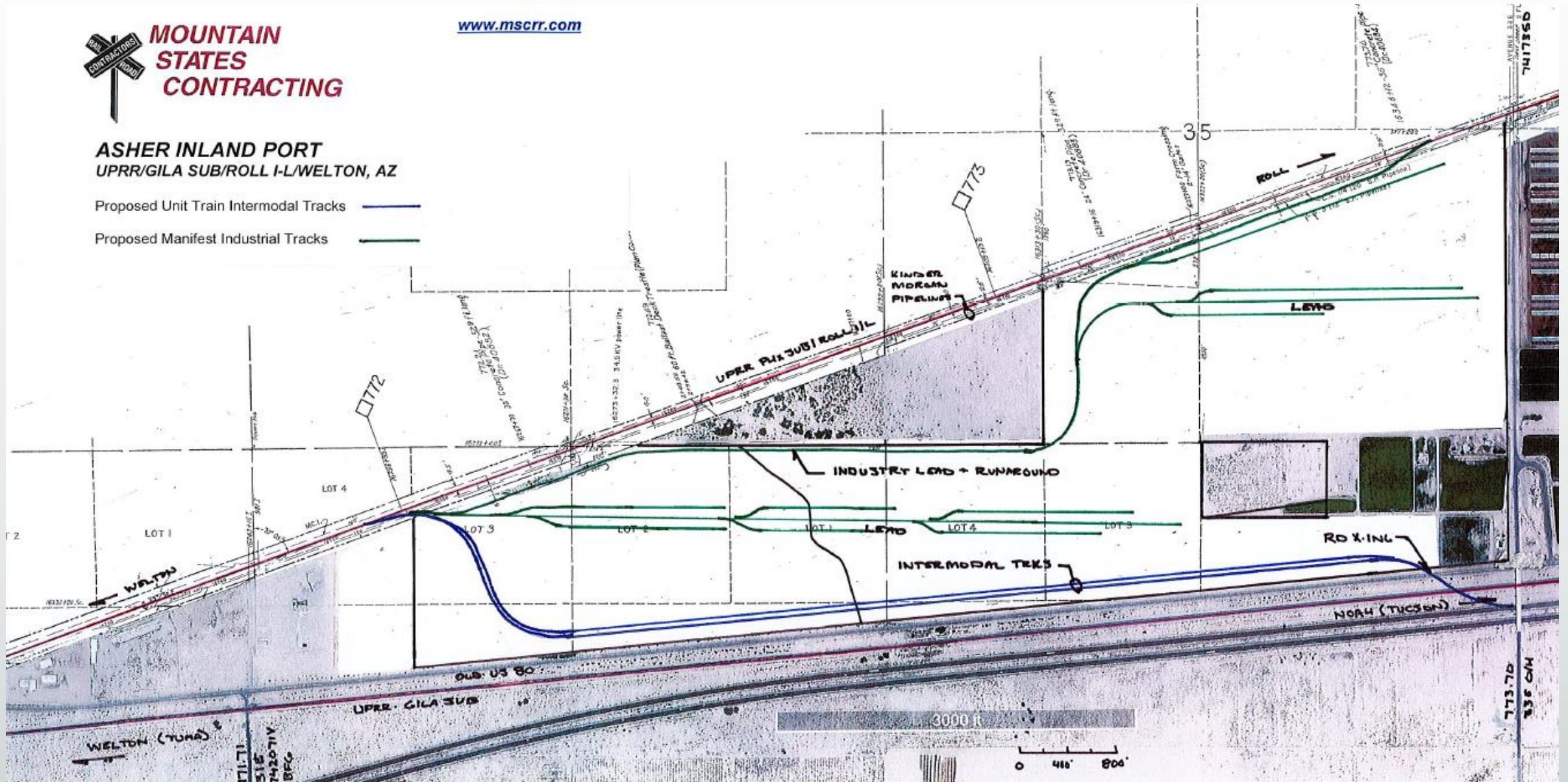




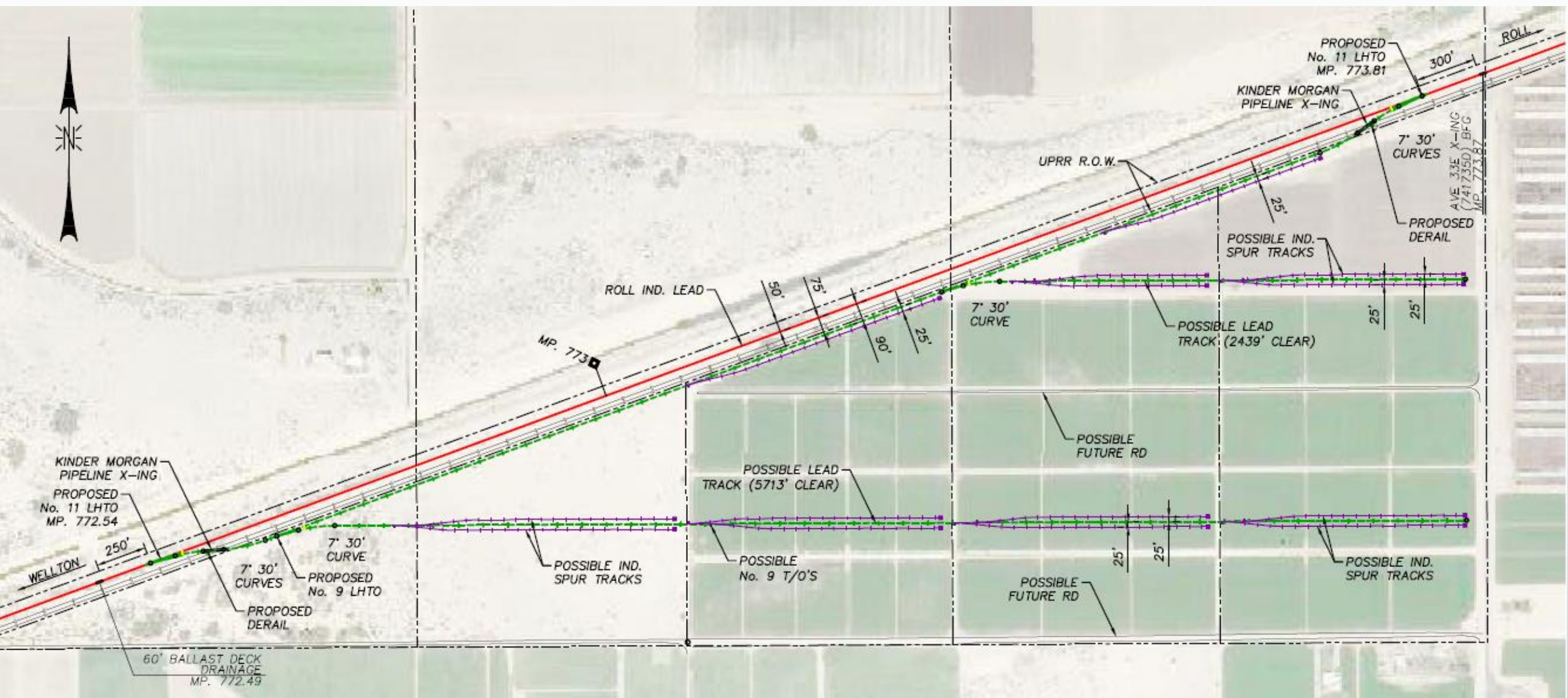
[www.msccrr.com](http://www.msccrr.com)

Proposed Unit Train Intermodal Tracks

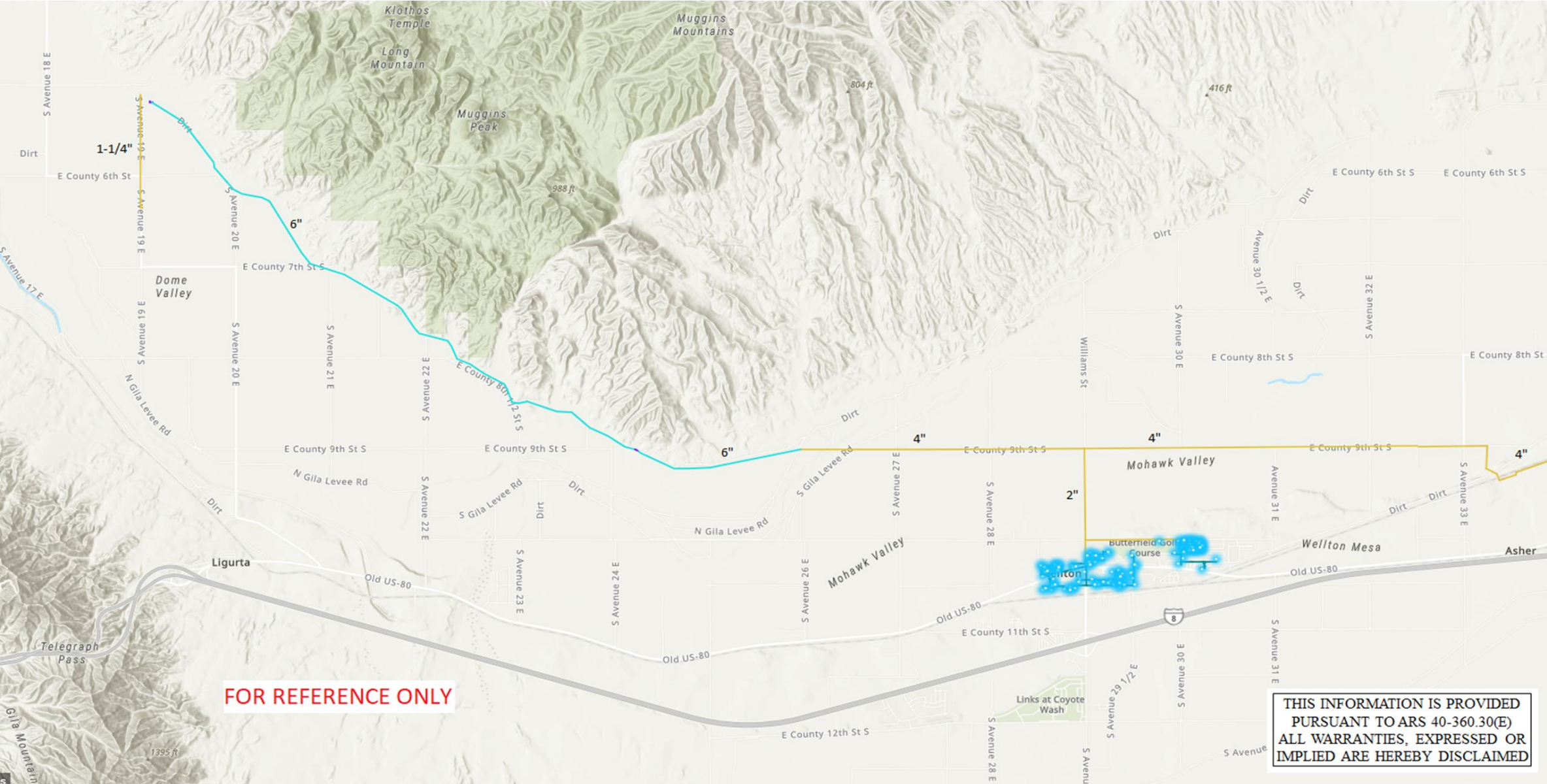
Proposed Manifest Industrial Tracks



# Preliminary Mercnaht Railroad Layout: Northeast Corner

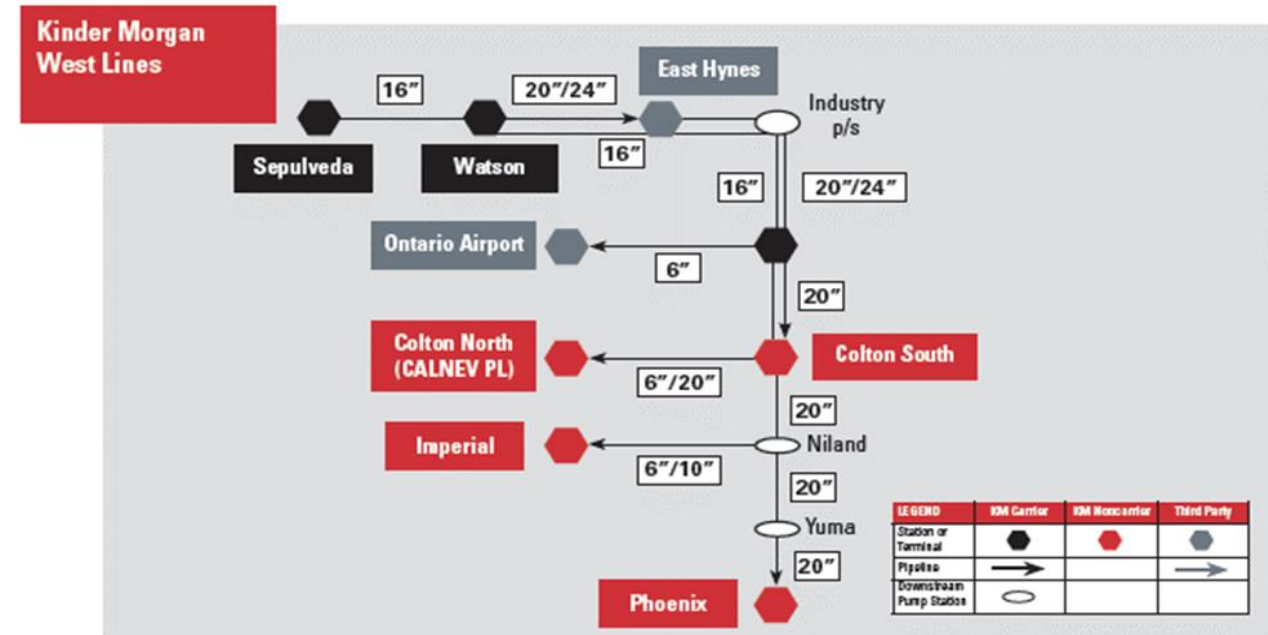


# Southwest Gas Pipeline



# Kinder-Morgan Pipeline

- 20" Product pipeline runs along south side of Wellton Branch UP railroad line
- Main products pipeline connecting Phoenix with the refineries in coastal California
- Could fill and store diesel for reliable power
- Natural gas line upgrade will take 12 to 18 months
- Use dual-fuel, combined-cycle reciprocating engines to generate power
  - MAN
  - Wartsilla
- Must provide own 24/7 power
- District needs power



| ORIGINS         |                                                                                                                          |                            |
|-----------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Sepulveda PL    | Gathering line to Watson; additional tariffs apply                                                                       |                            |
| Watson          | Via gathering lines into breakout facility; West Line origin                                                             |                            |
| East Hynes      | West Line injection point for third-party facility                                                                       |                            |
| DESTINATIONS    |                                                                                                                          |                            |
| East Hynes      | Deliveries to third-party terminal                                                                                       | Gasoline, diesel, jet fuel |
| Ontario Airport | Deliveries into airport storage                                                                                          | Jet fuel                   |
| Colton          | Deliveries to KM and third-party terminals; breakout facilities for SFPP West Line; connection point for CALNEV pipeline | Gasoline, diesel, jet fuel |
| Imperial        | KM terminal                                                                                                              | Gasoline, diesel           |
| Phoenix         | Deliveries to KM and third-party terminals; Third-party connecting pipeline to Sky Harbor Airport                        | Gasoline, diesel, jet fuel |

**Notes:**

- Lines are operated by SFPP, LP
- Service from Sepulveda Jct via SFPP pipeline
- Service via 16" pipeline to CALNEV pipeline
- Service from East Hynes via 20"/24" line and connection at Colton
- Service via 20"/24" line from Watson to Ontario and Colton
- Breakout facilities at Niland for Imperial