

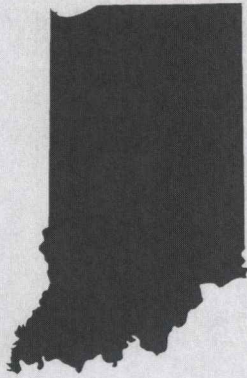
# INDIANA

## THE ECONOMIC IMPACT OF RAILWAY SUPPLIERS

FILED

JUN 06 2024

CITY CLERK



The railway supply industry helps to power Indiana's economy.

2020 CONTRIBUTION TO INDIANA'S GDP

\$1.80 billion

### TOTAL IMPACT SUMMARY

GDP	\$1.80 billion
Jobs	18,191
Tax contribution	\$363.0 million
Labor income	\$1.18 billion

## 18,191 jobs SUPPORTED IN INDIANA

**Direct jobs**  
6,624

Direct impacts represent the economic activity (jobs, GDP) taking place at rail suppliers themselves.

**Indirect jobs**  
5,303

Indirect impacts represent the economic activity in rail suppliers' supply chains.

**Induced jobs**  
6,263

Induced impacts represent the economic activity supported as direct and indirect employees spend their wages on consumer goods.



## 2.7 jobs

Total jobs supported throughout Indiana's economy for every direct job in the state's railway supply industry

**Total jobs**  
● + ● + ●  
**Direct jobs**  
●

The **Jobs multiplier** shows how many total jobs (direct + indirect + induced) in the economy are supported for each direct job.



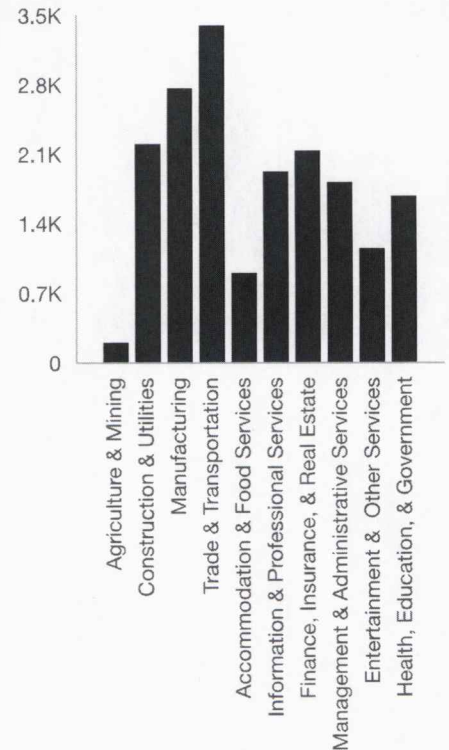
**\$363.0 million**

Tax contribution in the state of Indiana in 2020

**\$162.8 million**  
Federal

**\$200.2 million**  
State/local

## TOTAL RAILWAY SUPPLY JOB IMPACT BY INDUSTRY IN INDIANA



**\$76,700**

Average annual compensation of direct employees in Indiana's railway supply industry in 2020

By comparison, the average employee compensation in Indiana was \$64,000.

**4,041**

Miles of rail in Indiana

Source: Oxford Economics, IMPLAN

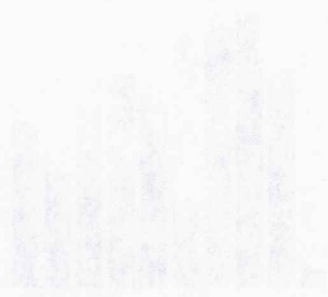
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JAN 15 1954

NOT A PUBLIC OFFICE  
NO EMPLOYMENT BY CITY

18,431 jobs



S.V. jobs

\$200 million



0.041

\$75,700



# GATX

## 2023 COMPANY OVERVIEW

# GATX Business Segments

## Rail North America



- One of the largest railcar lessors with a diversified fleet of over 109,600 railcars
- The only diversified lessor with wholly owned, full-scale, network-wide repair and maintenance capability for tank and freight cars
- Strong customer credit quality, diversification in car types and commodities carried
- Approximately \$2.4 billion of contractual lease receipts

## Rail International



- GATX Rail Europe (GRE) is a leading European tank car and freight car lessor with over 28,000 railcars
- Strong customer credit quality, diversification in car types, geography, and commodities carried
- GATX Rail India (GRI) is the largest private railcar lessor in India with over 5,800 railcars

## Portfolio Management



- Primarily composed of our 50% ownership in Rolls-Royce and Partners Finance Affiliates (RRPF) and GATX Engine Leasing (GEL), our wholly owned aircraft spare engine leasing business
- RRPF, a leading worldwide lessor of aircraft spare engines, owns 398 engines with \$4.2 billion of net book value
- GATX Engine Leasing (GEL) has 19 aircraft spare engines with \$475 million of net book value

## Trifleet



- One of the largest tank container lessors in the world with an owned and managed fleet of approximately 22,000 tank containers
  - Trifleet has a global network of offices and depots providing tank container leasing and services worldwide
- Trifleet's tank containers transport a variety of liquids and gases and are leased to a diverse base of customers in the chemical, industrial gas, energy, food grade, and pharmaceutical industries

~\$10 Billion  
Net Book Value  
of Assets



● Rail North America ● Rail International ● Portfolio Management ● Other (Includes Trifleet)

As of 12/31/2022

# Proven Business Model



## LEASE

the railcar to a quality customer at an attractive rate for a term that reflects the business cycle



## MAXIMIZE

the value of the railcar by selling or scrapping at the optimal time

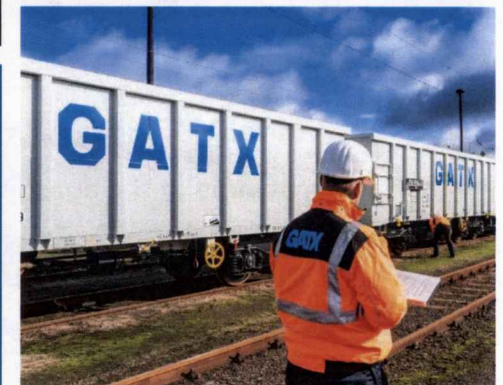
## BUY

the railcar at an economically attractive and competitively advantaged price at the right time



## SERVICE

the railcar in a manner that maximizes safety, in-use time, and customer satisfaction



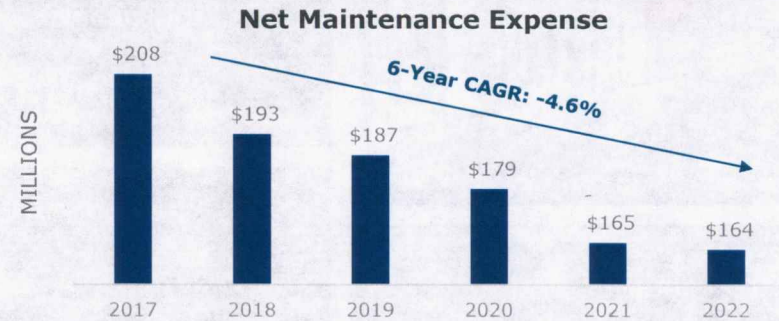
# GATX Rail North America: Maintenance Network

Investments made in recent years allowed GATX to increase the percentage of service events completed in our owned maintenance network, which we believe is the best maintenance network in the industry

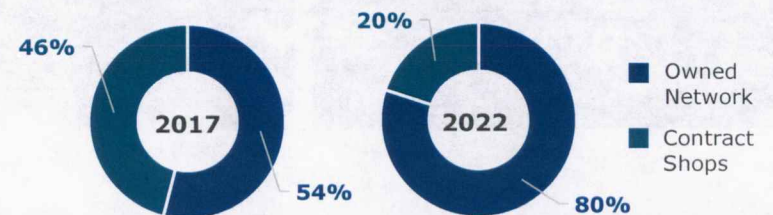
## Since 2017, we have invested over \$80 million into our owned network

- **Technology**
  - Implemented new electronic labor management platform and audit system aimed at **streamlining work content, work instructions, and billing**
- **Network Rationalization**
  - Closed 15 cost-ineffective locations since 2017
- **Infrastructure Investment in our Core Network**
  - Focused on 1) safety and employee welfare, 2) productivity, and 3) capacity expansion/increased capabilities, with the goal of achieving **economies of scale** in our core network
  - Enhanced ability to service **more car types** in our core network

All while continuing to prioritize and maintain the highest level of safety and quality at our shops



## Service Events in Owned Network vs. Contract Shops



# Terre Haute, Indiana (“GATI”)



# Terre Haute, Indiana - Summary

*GATX is now, and has been, a valued employer in the Terre Haute community since 1973.*

## Facility Overview

- Number of employees 2023: 42
- 2023 Standard Hours: 38K
- Cars serviced in 2023: 721

## Recent Growth

- Employee Growth from 2020: 9 (27%)
- Capital invested since 2020: \$5.3M
- Cars serviced in 2020: 555 (30%)
- Standard Hours in 2020: 36K

## Management Team

- James Chapman – VP N/A Service Centers
- Kevin Cleary – Sr. Director N/A Svc Ctrs & Locomotives
- Chris McDonald – Shop Manager
- Nick Pfeifer – EH&S Manager
- Ken Muenster – Quality Manager
- Josh Lutz – Production Manager



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# Terre Haute, Indiana – Project Overview

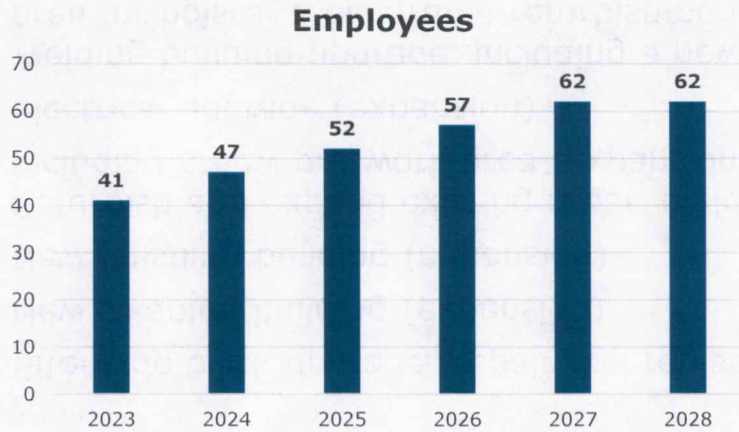
*Anticipated Capital Investment (2024-2028) – \$28,000,000*

## ***Major projects under consideration:***

- Site-wide track upgrade (repair and replace)
- New cleaning building (expansion)
- New finishing building (expansion)
- Refurbish and expand existing repair building, including a new pre-work area (expansion)
- Electrical upgrade (expansion)
- Welding building upgrade, including a new M-214 area for bolster & sideframe refurbishment (expansion)
- Concrete over dirt areas around the facility (upgrade)
- Repair fencing around the facility (repair and replace)

# Terre Haute, Indiana – Headcount Forecast

*The expansion plan forecasts a 51% increase in employment at the Terre Haute location*



Position	New Headcount	Average Salary
Production Worker	19	\$50,000 +OT
Salary / Managers	2	\$90,000
<b>Total</b>	<b>21</b>	

## Terre Haute, Indiana – Estimated Assessed Value

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- **Current Real and Personal Property Assessed Value - \$2,644,890**
  - 2023 Real and Personal Property Taxes paid - \$83,443
- **Projected Personal Property Assessed Value - \$3.0 million**
  - Estimated taxes paid during abatement years - \$428,984
- **Projected Real Property Assessed Value per application (Actual will be determined by County Assessor) - \$20.5 million**
  - Estimated taxes paid during abatement years per application - \$4,681,378

# Terre Haute, Indiana – Working with the Community

- **Charitable Affiliations**

- GATX Corporation
  - Make-A-Wish
  - Big Shoulders

- **Schools**

- Local High Schools
  - Attend weld classes at the local high schools and present to the students about what we do at GATX and what careers we have to offer
  - Provide an internship program
  - Donate materials to weld programs
- Ivy Tech Community College
  - Attend weld classes at Ivy Tech and present to the students about what we do at GATX and what careers we have to offer
  - Attend Career Fairs at the school

- **Community Engagement**

- 14<sup>th</sup> and Chestnut Community Center
  - Spring Clean-up
  - School Supplies Donation

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# Terre Haute, Indiana – Expansion Details

## **Growth Plans**

- Expect to service around 1,300 cars by 2028, an 85% increase from current cars, and an hours increase of 124% to 85,212 standard hours.
- Terre Haute would become the first major service center in the Midwest within the GATX network.
- Currently, GATX relies on work to be outsourced outside of Indiana. This expansion project will allow for the completion of additional work at the Terre Haute facility. It will also provide an increase in employment and spending in the community.

subject matter and appearing in the contract files.

at the time the contract was awarded. It will also provide all information

the contractor provided with it at the time of completion or addition of work

to the contract. Examples of work to be performed include:

1. Work performed by the contractor

2. Work performed by the contractor's subcontractors

3. Work performed by the contractor's employees

4. Work performed by the contractor's

# Contract Administration - Examination Details