

Roads and Rails and Their Impact on Economic Development
By Steve Zea KADC President
The second in a series on economic development

Nearly every type of business operation relies to some degree upon transportation opportunities afforded by roads and rail. Nearly 85 percent of the nation's goods are transported by trucks and railroads. Trucks alone hauled 70 percent of the nation's tonnage. These transportation services rely on an adequate road and rail system to move goods to and from businesses that produce the goods and those that offer the goods for sale to the public.

Roads and rail are very important in the economic development selection process. In fact direct access to an interstate by an improved four lane highway is a factor that most communities use to market themselves. Surveys, trends and anecdotal evidence lend support to this assertion. Every year since 1986, the site selection journal *Area Development* has conducted a survey of its subscribers in an effort to gauge which factors company decision makers generally consider most imperative in deciding upon a new facility's location. Highway accessibility has ranked highly in all 23 years of the survey. In fact it has either been first or second with labor availability switching position in some years.

We are in an economy with a growing importance on logistics. There is increasingly greater reliance upon quick and accurate turnaround time between the placement of an order and the delivery of products. *Area Development* has observed that "site-specific qualities like transportation flexibility and high-quality transportation infrastructure are ever more important to site location professionals". An article in another professional site selection journal *Plants Sites & Parks* went even further in emphasizing transports role in site selection, stating that "logistics is a critical consideration because market access has become the most important factor in choosing a site, even ahead of labor availability." Market access is largely dependent upon highways and rail.

With this backdrop on the importance of roads and rail where does Kosciusko and Attala County stack up with the competition for business locations? First, we have to view what we have in the existing infrastructure. Secondly, we must understand what is the likelihood of improvements to this infrastructure in this case our road and rail system. Finally, once we understand this need and the urgency to be competitive for business locations and perhaps more importantly improve access for our existing businesses and industries what must we do as a community to improve our situation?

Kosciusko and Attala County is served by several state highways that center on Kosciusko and lead in all directions. The current situation is that none of these roads are currently improved four lane segments and the current construction status and date are very much in question. The rail line has a twenty year lease that will expire on June 30, 2008. This lease is very much up in the air since MDOT owns the line and the line needs several costly upgrades to bridges and track sections. The operator is a company from Oxford Mississippi called Mississippi Rail Group doing business on this 21.7 mile line as the Kosciusko and Southwestern Railway.

To determine our chance of improvements to both our rail and roads the KADC Transportation Committee invited Northern Highway Commissioner Bill Minor and Second District Highway Engineer Richard Allen here to give us an update on our highway improvement schedule and the status of the rail. This meeting held on June 4th was open to the public and attended by over 40

individuals. Hollis Cheek, KADC Chairman, set the tone for the meeting with his opening remarks. He stated "Just as we expand our infrastructure in energy, water and sewer, build a spec building, or make investments in local businesses and industries highways are economic development. It is not a secret that business and industry will locate where there is modern transportation. A four-lane highway in Attala County will reduce cost in connecting labor and supplies with customers and provide us with a much needed economic development tool. We can not wait 10 more years for a four-lane and sustain our economic base." This says it all and our time to act is now.

What we all learned from the meeting is that Highway 12 to Durant is the current project on the state's Vision 21 Plan or the immediate need lists. What Commissioner Minor told the group is if all remained as it is today that we could likely see a bid on this project in 2016? That is if all remains the same, funding and the necessary work to get to the construction phase goes as scheduled. The simple truth is that this very seldom happens so Mr. Cheeks commits about waiting 10 more years could be at least 10, maybe more. Kosciusko's rail status is being reviewed and we know that we will not have an operator for any service after June 30th unless the lease is renewed or some other operator is found. This line is currently owned by MDOT and needs to be improved. It is extremely important that rail service be reestablished to serve Kosciusko from the main line of the CN Railroad at Aberdeen Junction in Holmes County to Kosciusko.

The conclusion reached by the KADC is that we must become more aggressive in seeking a solution to our stated transportation needs. We have begun looking at other highway routes as perhaps a quicker and less expensive alternative. We are also seeking assistance from our federal delegation in Washington D.C. This past January both Attala County and the City of Kosciusko requested a direct federal appropriation for Highway 35 south to be a four lane improved segment to Highway 25. We will also be seeking funding for the rail line to serve Kosciusko. This rail line must be maintained and improved for future generations and existing and new businesses.

The bottom line is the individuals to champion these efforts must be the government and business leaders in Kosciusko and Attala County. All residents have a stake in this effort and need to remain informed of any developments. We must become the constant and consistent voice for funding to make these necessary infrastructure improvements. Economic development in a rural area like Attala County has a greater potential to proceed on a different, and larger scale if we can improve our highway access and rail status. We are seeking to create a more rapid economic growth with greater investment and jobs. We desperately need to work together to create the environment to allow ourselves to be successful in the economic development process. Improved roads and rails are necessary for our successful future.