



Pecos Industrial Rail Access and Train Extension (PIRATE) Project

[Mesa City Council | November 18th, 2021](#)

City of Mesa Office of Economic Development

Union Pacific Railroad | CMC Steel | Mesa Chamber of Commerce



What is the PIRATE Project?

- The Pecos Industrial Rail Access and Train Extension (PIRATE) is an initiative to fund, engineer, design, and construct a six-mile industrial lead rail line in Southeast Mesa.
- PIRATE is an opportunity to invest in growing American high-skilled manufacturing jobs, while also reducing greenhouse gas emissions and local air pollution by taking **over 29,000 round-trip truckloads** off U.S. highways and local roadways each year.
- Project Partners include City of Mesa, Union Pacific, CMC Steel, Mesa Chamber of Commerce, SRP, Fujifilm, Mitsubishi Gas Chemical, CRM Rubber and more...

What is the “Need” for the PIRATE Project?

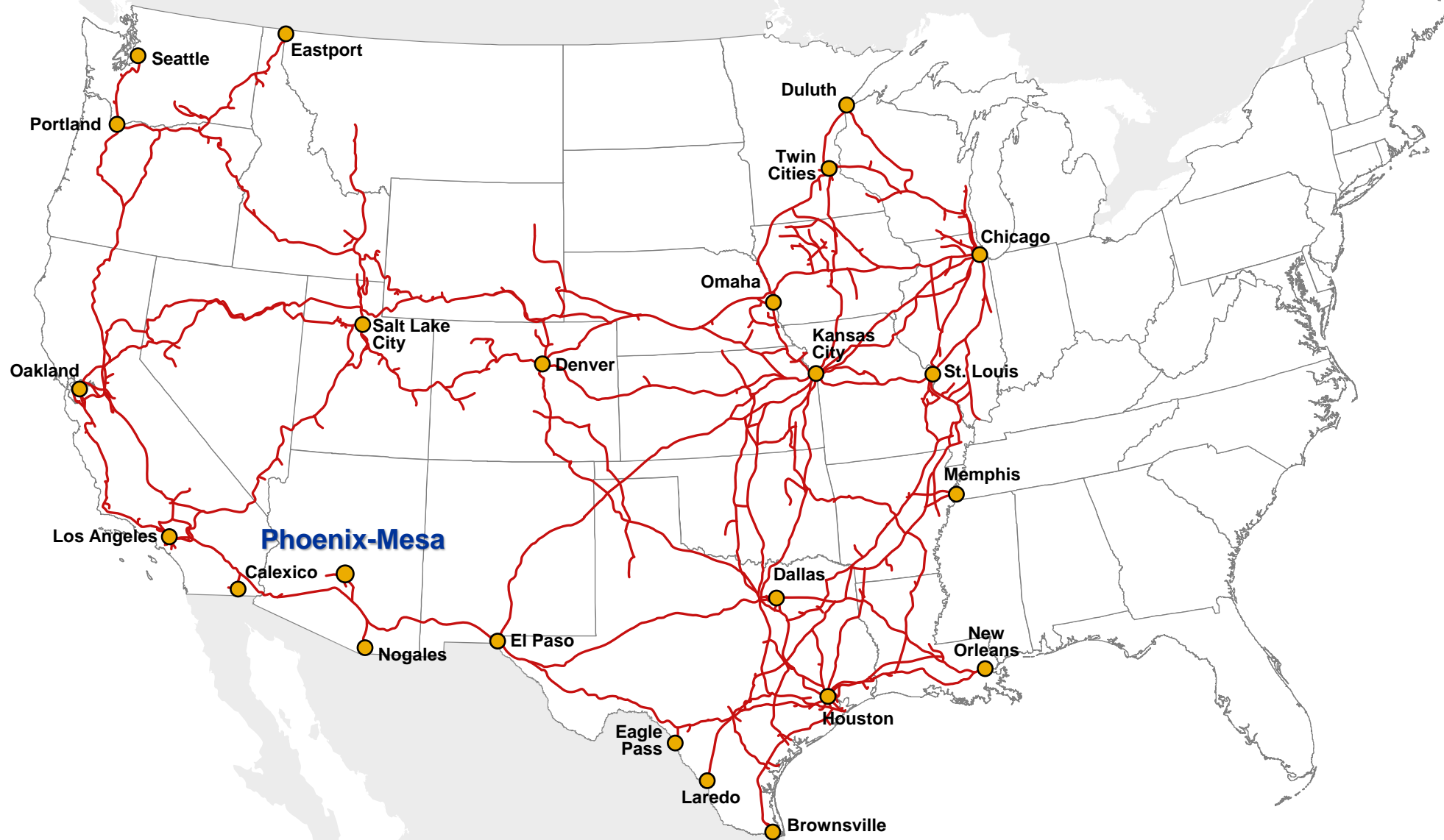
1. Unlock over **2,000+ acres** for job growth and advanced manufacturing development, increasing our national competitiveness & supporting regional demand and growth
2. Assist the logistic needs of some of Mesa’s largest manufacturing employers, allowing them to grow, expand and prosper
3. Removing hazardous materials from our roadways and freeways to increase public safety & decrease road wear
4. Reduce our carbon footprint and environmental impact
5. Since just 2019, Greater Phoenix has received **74** rail-served prospects representing over **\$22.5B** in Capital Investment and **69,700 jobs** paying an average of **\$57,100/year**. These projects would total **54.7M SF** of industrial/manufacturing space.



Shelly Huckfeldt, Manager Network Economic Industrial Development



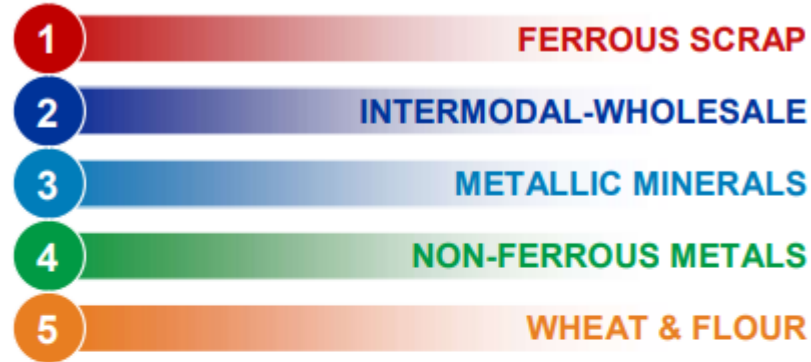
Union Pacific System Map



Union Pacific in ARIZONA

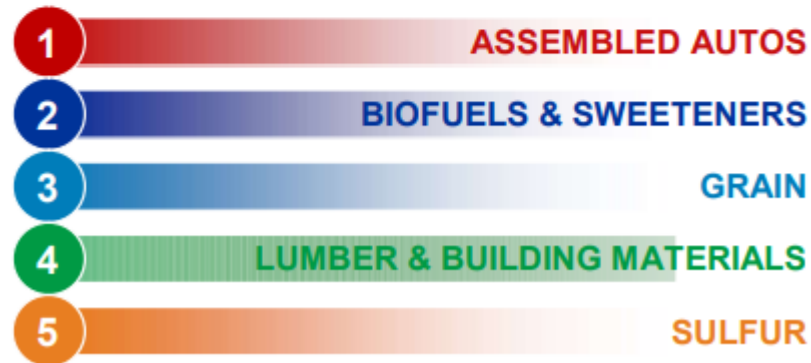
TOP FIVE COMMODITIES SHIPPED

2020 BY VOLUME



TOP FIVE COMMODITIES RECEIVED

2020 BY VOLUME



2020 FAST FACTS

Miles of Track	691
Annual Payroll	\$92.9 million
In-State Purchases	\$21.8 million
Capital Investment	\$52.8 million
Community Giving	\$540,328
Employees	923
U.S. Jobs Supported*	8,307

**Each American freight rail job supports 9 jobs elsewhere in the U.S. economy. (Association of American Railroads)*



Union Pacific – PIRATE Project Update

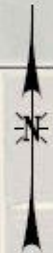
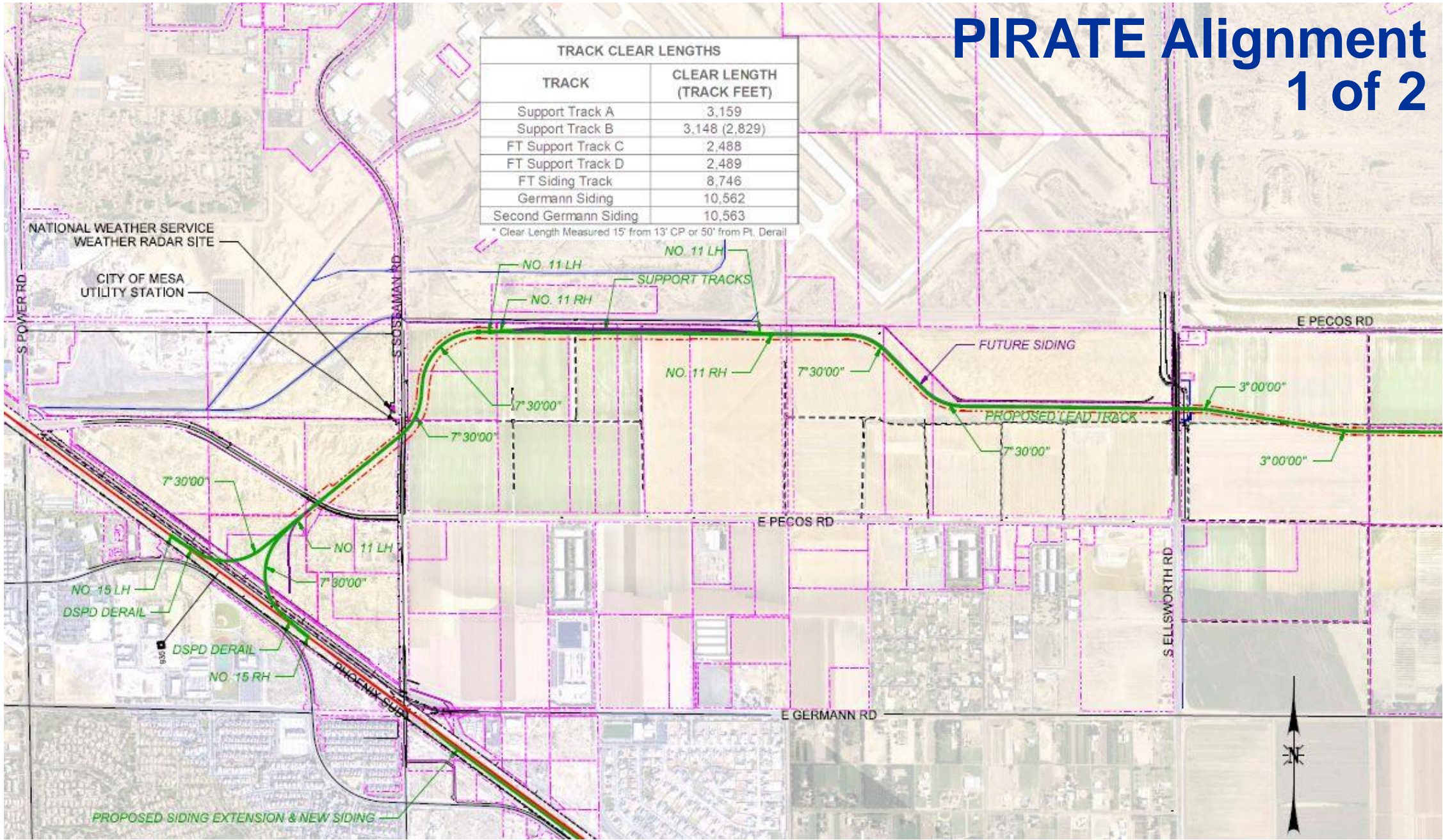
- Project Team Commenced 2019
 - Viability to Service Pecos Advanced Manufacturing Zone
- Anchor Tenant CMC Announced AZ2 August 2020
- Engineering Track Design in Process
- Property Acquisition in Process
- Construction Authority Process Initiated August 2021
- Construction Estimated to Commence late 2022/Early 2023



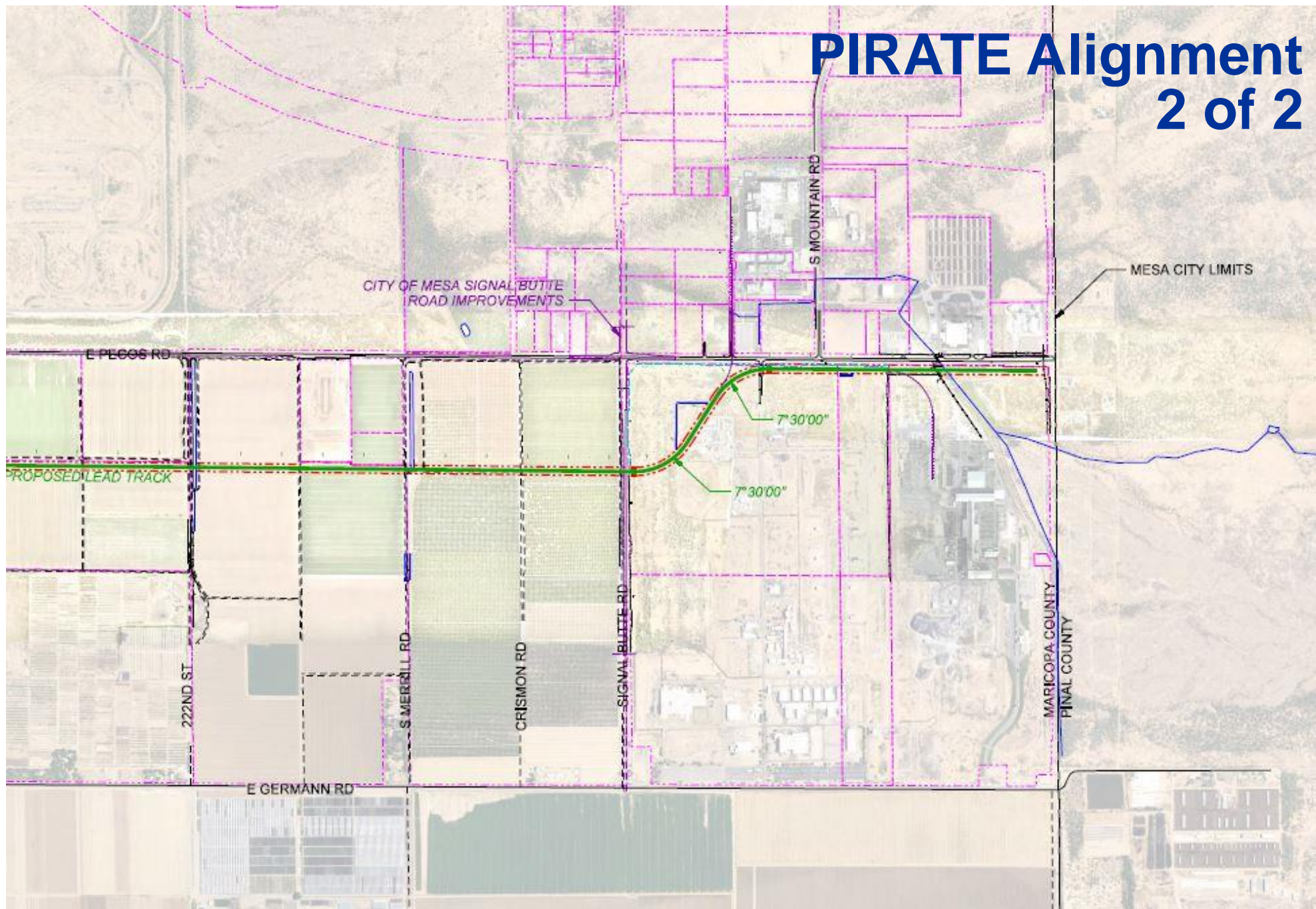
PIRATE Alignment 1 of 2

TRACK CLEAR LENGTHS	
TRACK	CLEAR LENGTH (TRACK FEET)
Support Track A	3,159
Support Track B	3,148 (2,829)
FT Support Track C	2,488
FT Support Track D	2,489
FT Siding Track	8,746
Germann Siding	10,562
Second Germann Siding	10,563

* Clear Length Measured 15' from 13' CP or 50' from Pt. Derail



PIRATE Alignment 2 of 2



Economic Impact & Potential

10-Year Economic and Fiscal Impact Summary – Most Likely Scenario

**20,594
Total Jobs**



Total jobs
gained in the region.

**\$19.7 Billion
Economic Output**



Total economic activity
gained in the region.

**\$4.6 Billion
Total Wages**



Total direct and spinoff
wages gained in the region.

**\$686.2 Million
Total Tax Revenues**



Total state and local tax
revenues gained in the
region.

Source: IMPLAN; Rounds Consulting Group, Inc.

CMC Steel – A Perfect Rail Case Study

- CMC has been growing & investing in Mesa since 2009
- In August 2020, CMC Steel selected Mesa as the next location for their \$300M state-of-the-art, micro steel mill facility
- Creating 185 new highly-skilled manufacturing jobs, each earning over \$90,000/year in salary, bonus and benefits
- CMC Steel's decision was highly-influenced by Union Pacific's ability to execute the PIRATE Project to facilitate their increased logistics and transportation needs





QUESTIONS / COMMENTS

