

---

## Rail line key to Martifer's success in San Angelo

*By Master site admin*

Published: 09/12/2008 - 10:40

For all the negotiations and secrecy involved over the past year in bringing Martifer Energy Systems to San Angelo, a key component remains unresolved.

The company can begin building wind-turbine towers as soon as its construction plant is complete, but it won't be able to send them anywhere until a narrow Ballinger railroad bridge is replaced.

"If we don't have the bridge, we can't ship through rail," said Martifer financial controller Silvio Teixeira.

"When we started looking for cities and started looking for a location for a plant, one of the requirements was we would use the rail. It's important."

Improvements to the Texas Pacifico rail line, which extends from near Coleman to the Mexican Pacific coast through San Angelo, remain a key part of the agreement that lured the Portuguese energy company to begin its North American manufacturing operations locally - with one caveat: They haven't happened yet.

Instead, Martifer must wait on the Texas Legislature to approve funds to replace the bridge, a truss structure over the Colorado River that will not allow passage of the enormous tower sections the company will build.

Requesting the \$3.5 million needed for the bridge will be the first priority when the session begins in January, said state Rep. Drew Darby, R-San Angelo.

Darby said he has already lined up support from House Speaker Tom Craddick and Appropriations Chairman Warren Chisum and used Gov. Rick Perry's announcement Monday of the Martifer decision to approach the governor about the money as well.

The Texas Department of Transportation already has expressed a written commitment to replacing the bridge, and it allocated \$2,000 to conduct an environmental study required before beginning such a project.

"The bridge is the key," said Kathy Keane, executive director of the City of San Angelo Development Corp.

Less important but still a vital issue - particularly for any industrial growth the city hopes to see from Martifer's arrival here - is the general condition of the line, which can withstand speeds of only about 10 mph for the 70 miles it runs north of San Angelo.

The goal in coming years is to increase the line's capability for faster traffic, maintaining an average speed of 25 mph from start to finish.

Such a project will cost millions more - the exact cost now the subject of negotiations between the state, which owns the line itself and the right of way, and Texas Pacifico, which leases it and is responsible for maintenance.

---

"We've got a joint deal we're trying to work with the state of Texas," said Roy D. Williams, vice president of operations for Texas-Pacifico Transportation Ltd.

The sides are determining the total amount needed for repairs, with half allocated by the Legislature and the rest matched by the rail line. The total is likely to be at least \$10 million.

"The reality is they've not been able to maintain the line in a fashion that would allow railroads to traverse it with any speed," Darby said. "We need to upgrade that line."

#### **Martifer incentives**

Incentives and other considerations provided by public and private entities as enticement for Martifer Energy Systems to expand into San Angelo:

##### **City of San Angelo:**

- \$1.35 million at a rate of \$6,000 for every job created up to 225.
- \$280,000 for purchasing land along Old Ballinger Highway.
- \$1 million for construction of rail spur into plant site.
- \$3 million in tax abatements over the next 10 years, waived permit fees and utility connection costs.

##### **Tom Green County:**

- About \$2 million in tax abatements over the next 10 years.

##### **State of Texas:**

- \$945,000 incentive from the Texas Enterprise Fund.
- \$200,000 allocation by Texas Department of Transportation for environmental study on railroad bridge replacement
- \$3.5 million possible allocation by Legislature for bridge replacement
- \$5 million possible allocation by Legislature for additional railroad improvements

##### **Private sector:**

- \$5 million possible match from Texas Pacifico Railroad of money allocated by Legislature for railroad improvements. Terms of any allocation and match are still under negotiation.
- Total: \$22.275 million

##### **Workforce numbers**

- Capital costs (building and equipment): \$40 million
- Initial workforce: 110 employees by the end of 2009
- Permanent workforce (by 2011): 225
- Origin of workforce: Some senior managers from Portugal, most managers and labor from United States, exact locations determined per applicant.
- Average salary: \$31,500 for initial wave, \$34,000 when fully employed.

##### **Plant data**

- Size of lot: 32 acres
- Size of building: First phase of 170,000 square feet by 2009, second phase will double it by 2011.
- Departments: Five: Logistics, quality, production, engineering and administration
- Initial tower production: 35 in 2009, 120 in 2010
- Permanent tower production: 400 per year beginning 2013
- Each wind tower uses:
- 302,000 pounds of steel plate

- 
- 44,000 pounds of aluminum
  - 6,600 pounds of galvanized steel