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# Rail car plant may roll into Gahanna

Business First of Columbus - by [Adrian Burns](#)

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As many as 300 jobs could be coming to Gahanna if plans for a passenger rail car factory stay on track.

Columbus-based **Value Recovery Group Inc.** is seeking federal stimulus money and other incentives to help pay for a \$14.6 million plant on a brownfield site east of **Port Columbus International**



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The company, which led the purchase of a Colorado rail car maker's assets in June, has launched **US Railcar LLC** in a bid to tap what's likely to be a passenger rail boom in coming years.

"If we can get the funding and everything comes together – and those decisions will be made before the end of the year – it will take us nine months to finish the plant. We own the property and it is shovel-ready," said Barry Fromm, CEO of Value Recovery, which buys troubled companies.

The proposed factory would be a boost for Central Ohio, which saw its unemployment rate top 9 percent over the summer, and also would bring the area a company that could be a key player in a passenger rail expansion planned by the federal government and states across the country.

"There is no back end, and you could produce (rail cars) forever and not make enough," said Bruce Richardson, president of the Jacksonville, Fla.-based United Rail Passenger Alliance Inc. think tank.

"They really don't have to do a whole lot other than prove they're willing to be a quality manufacturer at a reasonable price," he said.

**Seeking stimulus**

With federal approval in hand to manufacture diesel-powered rail cars, and the needed equipment sitting in 37 tractor-trailers, all US Railcar is waiting for is the funding it needs to build the factory, Fromm said.

"We are pursuing federal stimulus funding as it relates to rail. We have a very strong public partner," he said.

US Railcar is applying for \$8.7 million in federal stimulus funding from a \$1.5 billion pool of money targeted for an array of transportation-related projects. It's also seeking \$3.6 million in state aid.

Applications for the federal money are due Sept. 15.

The **Ohio Rail Development Commission**, part of the **Ohio Department of Transportation**, met Sept. 10 to consider sponsoring US Railcar's application.

Ohio is an ideal location for a rail car plant because of its work force, proximity to suppliers and planned passenger rail development, Fromm said, and because it's close to his Columbus base.

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Preliminary plans call for building a factory on a portion of Gahanna's 191-acre Central Park site, which included a brick factory and landfill remediated by the city in partnership with Value Recovery Group, which owns the planned factory property.

The site is ideal because of its access to a Gahanna-owned rail spur, which would let the company bring in parts and test trains, Fromm said.

"It's a perfect setting," he said.

**No sure thing**

If the project gets funded, US Railcar plans to produce the cars using the facilities of an out-of-state company until the Gahanna factory is ready, Fromm said.

If it doesn't land the funding it needs, then it will continue to produce the rail cars through its partner, he said.

With so much public support for passenger rail, the odds of US Railcar getting funding are likely "better than 50-50," said Sadicka White, Gahanna's development director.

"We're excited," she said. "We're just encouraging the consideration by the state and of course the federal government with regard to stimulus funding."

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