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May 27, 2015

The Honorable Anthony Foxx, Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Glacier Rail Park / Kalispell Core Area Redevelopment and Trail

Dear Mr. Foxx,

On behalf of the Kalispell Branch of CHS Inc., I am writing this letter to notify you of our interest in locating our business in the rail-served industrial park being developed by Flathead County Economic Development Authority. Additionally, as General Manager of CHS Kalispell, our company supports the Glacier Rail Park / Kalispell Core Area Redevelopment and Trail for which the City of Kalispell and the Flathead County Economic Development Authority are requesting TIGER 2015 funding. The proposed \$21,000,000 investment in rail, road, utility infrastructure and multi-use trail to develop the Rail Park and the revitalize the Kalispell Core Area will leverage the area's access to the BNSF rail line and the Great Northern Corridor, result in job creation, improved safety and increased freight movement in the region as well as allow the community to invest in the development of its own transportation infrastructure. A \$10 million investment of TIGER funds in this existing project will leverage more than \$11 million in private, county and city funds.

CHS has been working with FCEDA for over three years to identify a financial structure to consolidate and relocate CHS's facilities to the Rail Park. We have developed the terms of this deal and anticipate signing a lease agreement with Flathead County Economic Development Authority in June 2015 contingent upon their ability to install rail, connect utilities and improve road access in 2016. The final agreement will outline the plan to build a grain elevator, fertilizer plant and office building for lease in the Rail Park beginning the spring of 2016.

Relocating our operations to the Rail Park from the Core Area of Kalispell will remove one of the barriers to abandonment of the rail. Once our facility is relocated to the Rail Park it will allow the City of Kalispell and BNSF to proceed with the removal of the rail tracks, the development of the multi-use trail and complete street extensions through the Kalispell Core Area.

Relocating our existing business to the Rail Park serves to address social responsibility, environmental sustainability and economic prosperity. Currently CHS Kalispell handles 540



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cars of outbound grain and incoming fertilizer annually. If the company were able to consolidate our grain, fertilizer and agronomy operations into one location, it could potentially increase the annual number of rail cars being handled by 200 from increased volume from up 60 miles to the south. This in turn would result in a reduction of 700 trucks from that area traveling 280 miles to Lewiston, Idaho via US Hwy. 93.

The grain that is shipped out annually is brought to CHS in 3,000 trucks each year and loaded just off of 5th Avenue West, one of only six through-streets allowing traffic flow from north to south in Kalispell. The proposed Rail Park would eliminate this process and improve traffic flow and safety for CHS customers, employees and the residents of Kalispell. We currently are averaging 3 truck-car accidents per year.

Finally, relocating the business to the rail-served industrial park would improve the bottom line of the company, eliminating the costs of having redundant facilities and inefficient systems. Our relocation allows the company to invest those funds in our employees, benefit our coop members and invest in extensive safety equipment for all three facilities. The new facility will have systems to protect against potential pollution of water systems in the case of a catastrophic fire and the facilities themselves will be built of less flammable materials than the current historic buildings that are being used now to house fertilizer and crop protection products. The new grain elevator will include state-of-the-art dust control systems that will protect employees. Relocating the grain elevator and better controlling dust will eliminate air quality challenges for our neighbors.

This project is the result of four years of planning and collaboration between the City of Kalispell, Flathead County, the residents of the Core Area and local businesses. The result of this project coming to fruition are both immediate and long term; benefitting the community with job creation, improved infrastructure, and an improved quality of life for residents. We have shown our commitment to this transformative project with extensive preparation and committed the time of scores of our employees in our management, engineering, financial and legal departments both locally and at our international headquarters in Minnesota.

Sincerely,

A handwritten signature in black ink that reads 'Mark Lalum'.

Mark Lalum
General Manager
CHS Kalispell