Eagle Railcar: a case study

by Kara Kavensky

Like many cities across the country, the City of Washington, Indiana was built around a specific industry. In 1857, rail ties connected this small Southwestern Indiana town with major routes of commerce. By 1889, Washington served as a major depot and repair yard for the Ohio and Mississippi Railroad. The Baltimore and Ohio (B&O) Railroad took over the line in 1893, during which the railroad employed over a thousand workers.

The railroad is one of the industrial revolution mainstays that has managed to endure. During the 1920s, the Washington rail yard employed 1,400 workers who built and repaired railcars and utilized a working roundhouse. During stages of flux within the industry, the number of employees downsized and the property exchanged ownership several times. And although few cities are able to thrive by returning to their roots, that is exactly what is happening now in Washington.

When Texas-based Eagle Railcar was searching for an ideal community for their fifth location, Washington appeared on their radar. Eagle Railcar, who specializes in repairing a variety of railcars including tanks, hoppers, and flat cars, found an opportunity on the edge of town. A part of the city in need of some TLC found the best possible steward to help guide its revival.

Attracting jobs and talent to a community, regardless of its size, takes strategic planning and cooperation by many local, regional, and state organizations. The Daviess County Economic Development Corp., the IEDC, Radius Indiana, and the City of Washington, with attorney Dave Umpleby’s expertise, collaborated on an incentive package to work with Eagle Railcar to rejuvenate this area of Washington.

“My team saw the potential right away,” says Eagle Railcar Plant Manager John Chandler, who has over 20 years’ experience in the rail business. “We liked the people of Washington right away and knew this was a great place to begin our Railcar repair shop.”

The community put together a complex and sophisticated package of incentives that persuaded Eagle Railcar to make the decision to grow the project size from the original $4 million to a much more comprehensive $15 million investment. The city's package proved to be a game-changer that multiplied the size of the project, thanks to the strategic use of local and state incentives along with federal New Market Tax Credits.

“We started with 17 employees and rapidly grew to 106 by end of our first year,” says Chandler, who emphasizes Eagle Railcar’s reliance upon people, not machinery. “Our goal is to have over 200 employees by the end of our 3rd year.”

Chandler believes this to be attainable given the high quality of labor in the region.

Daviess County has one of the lowest (top 5 in Indiana) unemployment rates and is one of the few rural counties that has increased their population as well as their per capita income. Add in the addition of 1,500+ new jobs in recent times, and Daviess County has quite a bit to boast about.

When Ron Arnold began his job as Executive Director for Daviess County Economic Development Corp in 2001, the collective mission was to concentrate on developing resources to facilitate projects to enhance the area.

Arnold uses a familiar part of local government to explain the role of economic development. “You have your Sheriff, but how effective can he be without resources?”
 asked Arnold. “Economic development is the same.”

In order to spur economic growth, local officials made a brave decision to pass an economic development income tax of .25 of 1%, on employees. Twelve years later, in 2018, local income taxes have increased by $19M, reflecting the increase of local business investment, employment, and related economic development activity in the community. This is one of the many factors that drew Eagle Railcar to Washington.

“The Mayor, City Council, Development Corporation, and the Foundation Boards all worked together and for the good of the community,” explains Arnold. “When you have this level of cooperation, phenomenal things can happen. Eagle Railcar has quickly become an asset to our community.”

“Washington is on the map primarily due to the RR industry,” shares Washington Mayor Wellman. “While there are larger economic development projects in the region, the Eagle Railcar expansion is the biggest one to happen during my term in office.”

Buildings in the area of Eagle Railcar are being rehabbed, circling back to its historic roots, or in this case: rails. Rebuilding upon Washington’s hallowed ground by Eagle Railcar honors the city’s history by keeping it alive and thriving.