

Union Tank adding new site, 200 jobs in Marion



John Jarvis, jjarvis@marionstar.com 7:04 p.m. EDT June 1, 2015



(Photo: James Miller/The Marion Star)

MARION – Union Tank Car Co. has announced it will add a second facility in Marion, creating 200 new jobs over the next three years, a company news release issued through Columbus 2020 announces.

The Chicago-based company, which services and repairs railroad tank cars used primarily by the chemical, petrochemical and food industries, noted that its commitment will double the size of the workforce it currently employs at its Holland Road facility near Marion.

On Monday, the Ohio Tax Credit Authority approved a 55 percent, five-year tax credit to Union Tank Car for the creation of \$8,272,000 in new annual payroll as a result of the company's expansion project in the city of Marion. As part of the tax credit agreement, the authority requires the company to maintain operations at the

project location for at least 11 years.

Greg Cieslak, Union Tank Car group president, states in a news release from the company: "We have a quick need to expand into a second facility due to the industry's changing landscape, and found the Columbus Region to be a strategic location to grow. The area offers access to the right workforce and real estate to fit our needs, and the Midwest location and rail infrastructure are convenient to our customers."

New federal guidelines regarding the service of ethanol and crude oil tank cars prompted the company's expansion, the release states. A second facility will be used to upgrade the tanks and safety measures on Union Tank's existing fleet of tank cars to meet the new regulations.

Union Tank Car's new facility will be at 1207 Cheney Ave. The company's investment will include machinery and equipment and infrastructure costs at the new location. Union Tank Car will maintain its existing facility, at 939 Holland Road.

The project involves expanding operational capacity, according to the Ohio Tax Credit Authority. The company's fixed asset investment would be toward leasehold improvements, expanding an existing building, on-site infrastructure improvements, and new machinery and equipment.

Ronald Meade, administrator for Ohio Means Jobs-Marion County, said the pay range for the new jobs will be \$15 to \$21 per hour, with a "great benefits package," including medical, dental and life insurance.

Those interested in applying for work at Union Tank Car are asked to do so through Ohio Means Jobs-Marion County. The jobs available are welders and fabricators, tank car repairers, rail car switchmen, material handlers, and general labor and helpers, who must have a general welding knowledge.

Bruce Winslow, Union Tank Car spokesman, said the performance of the company's Holland Road site added to the attractiveness of Marion as the location for a second facility.

"We do have a track record in Marion," Winslow said. "We do have a very successful shop there."

Matthew Dietrich, executive director of the Ohio Rail Development Commission, states in the release: "We're happy to partner with Union Tank Car Company on its expansion and help secure some of the funding to take this project from dream to reality."

The ORDC is offering a \$75,000 grant to defray rail improvement costs on-site, helping to enable the company to reactivate the rail line at the Cheney Avenue site and to establish rail service, said Julie Kaercher, ORDC spokeswoman.

As part of its investment, Union Tank Car Co. has committed to adding 200 jobs to its existing roster of employees in Marion. The new jobs will include welders and technicians.

Union Tank Car is partnering with Tri-Rivers Career Center on a workforce development program to train applicants to fill the new positions. The training effort, led by Tri-Rivers Career Center, will be specific to the skills Union Tank Car requires for this project.

Tri-Rivers Career Center is investing significant funds for new equipment related to the project, and OhioMeansJobs-Marion County will provide funds specific to the training aspect, the release states.

Chuck Speelman, Tri-Rivers Career Center superintendent, said he and a Tri-Rivers welding instructor, along with an Ohio Means Jobs-Marion County official, met Ted Graham, who owns the Cheney Avenue property being leased to Union Tank Car, at a Union Tank Car facility in Sheldon, Texas, about three weeks ago.

He said they made the trip to see the process in which workers at the new facility would need to be trained.

"They were impressed with our facility and the fact we're training both adults and high school students beyond the specifications that they need," Speelman said. "We had some discussions about exactly what it was they needed, then we took a trip down to their facility just outside of Houston, Texas. ... Our high school students and adults are well-equipped to do that process."

Tri-Rivers purchased 10 pulsating welders to train its students on the equipment the company will use, he said, adding that the \$90,000 investment will be paid out of equipment money the school receives from the state.

"We'll be looking at adding space or renovating space to be able to do this, because right now we have limited space during the day," he said. He said the new space would accommodate night and weekend training.

Meade said Ohio Means Jobs-Marion County will reimburse each eligible hire at Union Tank Car up to 50 percent of their on-the-job training wages up to a maximum of \$8,000.

Initial screening will take place at three locations — Ohio Means Jobs-Marion County, Tri-Rivers Career Center and Union Tank Car — all applicants meeting eligibility requirements and successfully completing training guaranteed an interview with the company. That process is expected to begin in July.

For more information regarding applying for jobs, call Ohio Means Jobs-Marion County at 740-382-0076.

Gus Comstock, Marion CAN DO! director, said Marion "was an ideal location for Union Tank," in part because of its access to rail.

"Rail is a part of the community's heritage, and Marion is just genetically programmed for workers to make big things," Comstock said.

He said the availability of welding training at Tri-Rivers is the "other thing that sets Marion apart."

Comstock praised the cooperation of many entities in helping to convince Union Tank Car to add its new facility in Marion, adding that the new facility will use a rail spur that also connects to Nucor Steel Marion.

"What I'm most impressed about is how everybody seems to be coming together; let's just keep the community moving forward," he said.

At the new facility, Union Tank Car has set a goal of "rewrapping" 60 tank cars each week "when it's at full capacity, but that won't happen right away," Speelman said. "There will be a transition period to get to that point."

He said in the rewrapping process the tank cars will be wrapped in heat-resistant fiberglass, with heavy steel plate also installed as reinforcement. The measures are intended to reduce the consequences of derailments.

"Once again, I think this is an example that when you invest in people and training in a community good things happen," he said.

Ken Stiverson, president, Marion County Board of Commissioners, said: "Our centuries-old rail road history and modern infrastructure make this an ideal project for the Marion community."

For more than 120 years, Union Tank Car has been a leader within the community of builders, lessors and shippers of railroad tank cars, working with customers to provide practical solutions to industry needs.

In addition to its two manufacturing facilities in Louisiana and Texas, the Chicago-based company operates a major network of repair shops and lining shops, including a location in Marion. Its repair and inspection resources also include more than 60 dedicated On-Site mini shops and mobile repair locations.

Union Tank Car is a Marmon Group/Berkshire Hathaway company. For more information about Union Tank Car, visit UTLX.com.

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How to apply

For more information, call Ohio Means Jobs-Marion County at 740-382-0076.

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