RESOLUTION NO. 2015-B02

BE IT RESOLVED BY THE
SOUTH DAKOTA STATE RAILROAD BOARD

WHEREAS, SDCL 1-44-20 states: "The Department of Transportation, with the approval of South Dakota State Railroad Board and the written consent of the Governor, may enter into agreements, contracts, leases (as lessor or lessee) or other arrangements with any corporation, partnership, individual, agency, or authority, on such terms and conditions as the department shall determine, including providing for the acquisition, operation, maintenance, and improvement of public rail lines, and the acquisition and disposition of any and all rights-of-way, land, facilities, fixtures, and appurtenant structures, services and equipment, determined by the department to be necessary or appropriate."; and

WHEREAS, the Department of Transportation's Property Management Guideline No. 1 provides that the South Dakota State Railroad Board, subject to the approval of the Governor, may declare property, other than real property, as submitted by the Program Manager, Office of Air, Rail and Transit, to be excess to the needs of the State and authorize the sale thereof; and

WHEREAS, the Department of Transportation in conjunction with Marshall County Regional Railroad Authority and Dakota, Missouri Valley & Western Railroad Company will rehabilitate 30 miles of the state-owned Britton Line by upgrading 30 miles of existing 77#, 80#, and 85# rail and constructing a new wye; and

WHEREAS, the South Dakota Department of Transportation recommends removing and selling the existing 30 miles of main line rail and miscellaneous rail salvaged from the rail relay and wye project on the State-owned Britton line; and

WHEREAS, the South Dakota Department of Transportation further recommends using the sale proceeds from the salvaged materials to pay a portion of the reconstruction costs for the state-owned Britton line; and

NOW, THEREFORE, the South Dakota State Railroad Board, subject to the approval of the Governor, declares the 77# and 80# main-line rail and miscellaneous rail on the state-owned Britton line to be excess to the needs of the State; and

FURTHER, the South Dakota State Railroad Board, subject to the approval of the Governor, hereby:

1. Directs the Department of Transportation to sell the 77# and 80# rail when the salvage value reaches a price of $300.00 per ton or more;
2. Directs the Department of Transportation to retain the 85# rail and determine its suitability for future use in other railroad projects;
3. Authorizes the Department of Transportation to apply 50% of the salvage proceeds to reduce the loan balance on the railroad trust fund loan to Marshall County Regional Railroad Authority for the Britton line project; and,
4. Authorizes the Department of Transportation to apply 50% of the salvage proceeds to reimburse the operator on the Britton line, Dakota, Missouri Valley & Western Railroad Company, for its actual and reasonable costs for construction of the Britton line project.

Approved this 23 day of April, 2015

SOUTH DAKOTA STATE RAILROAD BOARD

BY _____
Todd Yeaton, Chairman

Approved this 1st day of June, 2015

BY _____
Dennis Daugaard, Governor