



Department of Transportation

Division of Secretariat

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TO: South Dakota Railroad Board

FROM: Jack Dokken, Program Manager

DATE: January 10, 2018

SUBJECT: Consideration of Sioux Valley Railroad Slide Project

At the December 2017 Railroad Board meeting, the above referenced project was discussed to inform the Board of outstanding environmental issues that need to be resolved before the project can progress. As you will recall, Federal Railroad Administration (FRA) is in agreement with Iowa State Historical Preservation Office (SHPO) that additional work needs to be performed at the proposed wetland mitigation site to address concerns related to a cultural archeological site found during the preliminary site investigation. It was also discussed the financial and project length of time hurdles will be substantial, and the DOT recommended other considerations for wetland mitigation be pursued if the project is to move forward.

Upon conclusion of the discussion, the Board requested D&I to be prepared to discuss options for the project at the next Board meeting. The decision needed is whether the project should continue to move forward based on the additional work needed to obtain environmental clearance from FRA, and the issue of insufficient funds committed to finance the project. A breakdown of costs is listed below.

Current committed funding:

State	\$100,000
D&I	\$300,000
FRA	\$1,800,000
<u>D&I RR loan</u>	<u>\$1,199,956</u>
Total Funds Committed	\$3,399,956

Anticipated Project Cost: \$6,639,927

Shortfall: \$3,239,971

Current expenditures:	State \$426,573
	D&I <u>\$100,000</u>
Total Expenditures:	\$526,573