

**Division of Finance & Management**

Office of Air, Rail & Transit

700 East Broadway Avenue

Pierre, SD 57501

O: 605.773-3574 | F: 605.773.2804

dot.sd.gov

TO: South Dakota Railroad Board

FROM: Jack Dokken, Office of Air, Rail and Transit

DATE: September 12, 2023

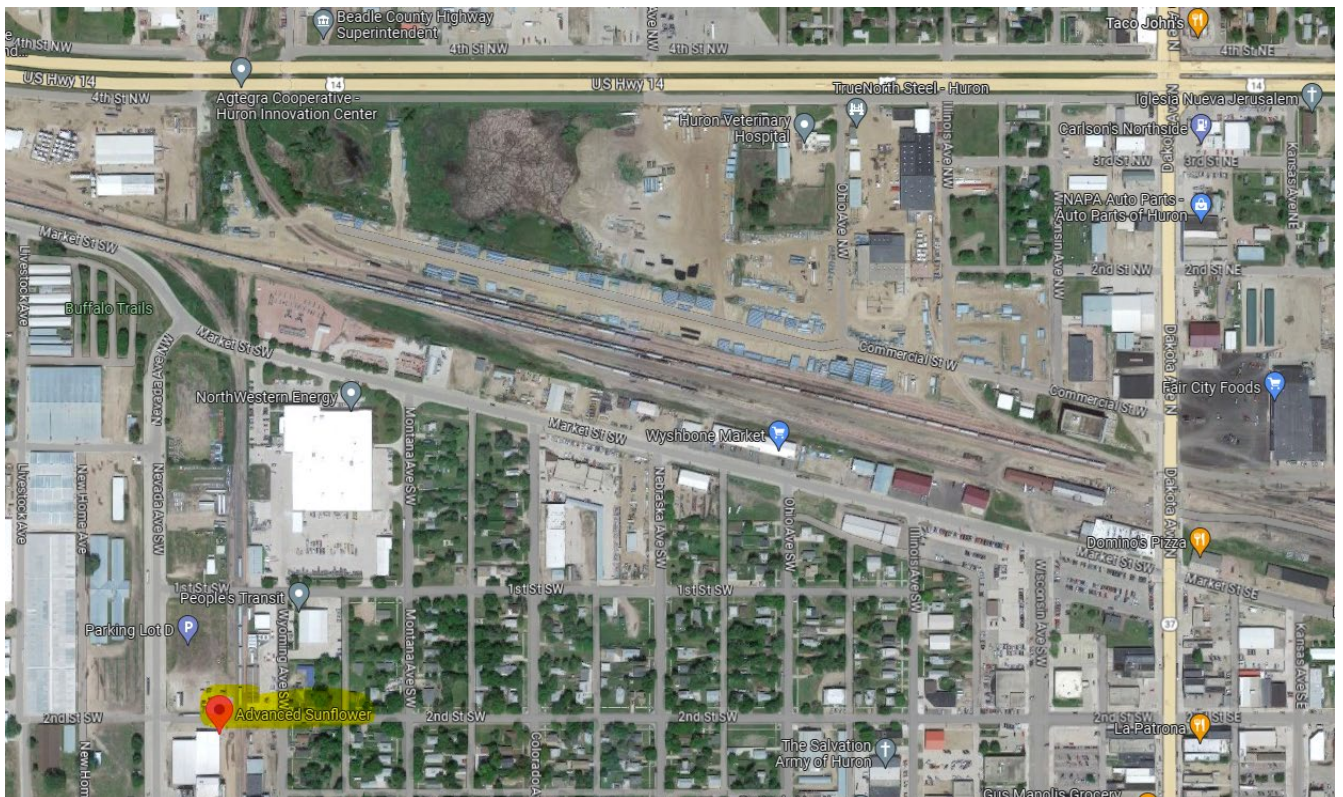
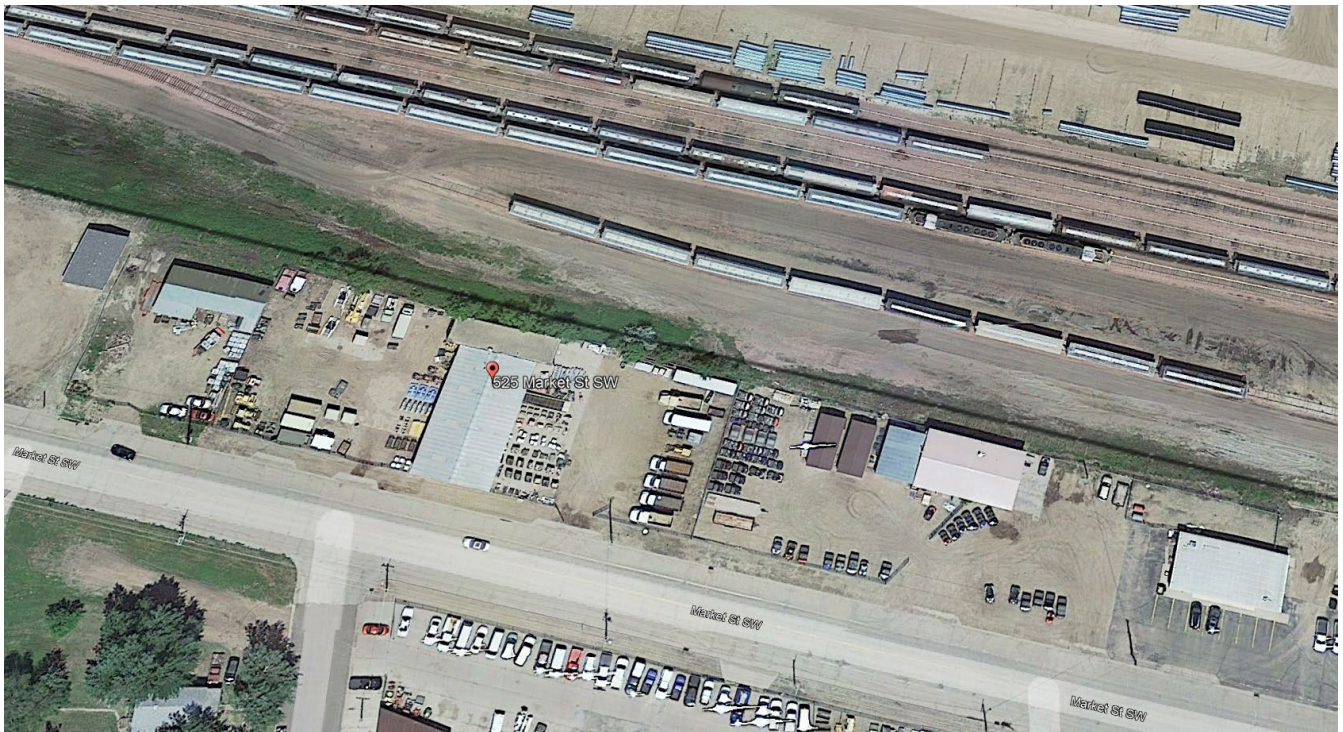
SUBJECT: East Central Railroad Authority Loan Request

The East Central Railroad Authority is requesting a loan in the amount of \$401,085.00 to build a 1,352-foot siding in Huron, SD for Advance Sunflower Company. The loan would provide funding for construction costs to build the siding at their Huron location which accesses the Rapid City, Pierre & Eastern Railroad (RCP&E) mainline. The siding will be owned by Advance Sunflower and located on RCP&E leased property.

Additional details of the project and letters of support can be found in the attached intake form.

Aerial view of the proposed project location:





SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

Please fill out this form then attach it to an email to jack.dokken@state.sd.us

APPLICANT INFORMATION

- a. Entity: East Central Railroad Authority
- b. Point of Contact: Jeff Tschetter, Chairman
- c. Address Line 1: 20257 409th Ave.
- d. Address Line 2:
- e. City: Huron
- f. State: SD
- g. Zip Code: 57350
- h. Phone Number: 605-354-0440
- i. Email: jeff_tschetter@yahoo.com

PROJECT LOCATION

- a. Please describe the geographic location of the project. If the project covers one or more line segment(s), describe the geographic or mile post limits of the project in relation to these line segment(s).
Adjacent to the Rapid City, Pierre and Eastern (RCPE) between Mileposts 363 and 364, in Huron, SD.
- b. Is the project located on the state-owned rail network? Yes ☐ No ☒

PROJECT DESCRIPTION

- a. Please describe, in general terms, the purpose and need of the project and summarize the work to be performed.

Advanced Sunflower is adding siding track to a property they have purchased on the RCPE rail line. The site is located at 525 Market Road, Huron, SD 57350 which is suited perfectly to load cars onto the RCPE.

The rail siding will be paid for by Advanced Sunflower, but the land will still be owned by RCPE. Additionally, the rail will be maintained by the RCPE. The Company is working with the RCPE on a long-term lease that justifies the significant capital investment we are making into their property.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

Please fill out this form then attach it to an email to jack.dokken@state.sd.us

PROJECT FUNDING

- a. Is the Applicant seeking a loan from the State Railroad Trust Fund? Yes ☒ No ☐
- i. Is Applicant seeking a grant or a loan? Grant ☐ Loan ☒
- b. Requested Funding

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
Federal	N/A		0%
State	Local Infrastructure Improvement Program	\$401,085	50%
Applicant	N/A		0%
Other (Please Describe)	State Rail Trust Loan	\$401,085	50%
Other (Please Describe)	N/A		0%
Total Project Cost		\$802,170	100%

- c. Percentage share of private funding contributing to project:
0% - private funding will be through loan repayment instead of up-front cost.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes ☒ No ☐
- i. If yes, please describe
This project will allow Advanced Sunflower to export sunflower seeds into Mexico. Currently, the company is having a hard time entering the Mexican market because of finding a suitable rail site for loading. By adding this siding, it will bring more value to South Dakota farmers by increasing market opportunities and increase Advanced Sunflower's profitability by creating efficiencies in transportation.
This project will also add more jobs (5-10) to the Huron community.
- b. Will this project generate additional freight carloads on the affected segment? Yes ☒ No ☐
- ii. If yes, please describe
This project will add approximately 200-300 rail cars to the current RCPE car counts.
- c. Is this project intended to reduce slow order miles? Yes ☐ No ☒
- iii. If yes, please describe
- d. Is this project intended to upgrade track to a higher FRA track classification? (i.e. Class 1 to Class 2) Yes ☐ No ☒
- iv. If yes, please describe

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

Please fill out this form then attach it to an email to jack.dokken@state.sd.us

- e. Is this project intended to upgrade track or structures to allow 286,000-lb maximum gross weight carloads? Yes ☐ No ☒
 - v. If yes, please describe
- f. Is this project intended to divert freight from truck to rail? Yes ☒ No ☐
 - vi. If yes, please describe
Currently, Advanced Sunflower trucks sunflowers to Sioux Falls to load on the BNSF rail cars to ship product to Mexico. By improving this rail, Advanced Sunflower will no longer have to take trucks to Sioux Falls and will be able to load out cars only a few blocks from their facility in Huron. This will eliminate approximately 600-900 trucks annually from the State highway system.
- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes ☐ No ☒
 - vii. If yes, please describe
- h. Is this project intended to support an ongoing state-of-good-repair or preserve an existing rail corridor for continued or future use? Yes ☐ No ☒
 - viii. If yes, please describe

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?
N/A
- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?
N/A
- c. Please indicate if this project has been documented in any of the following planning documents:
 - i. South Dakota State Rail Plan Yes ☐ No ☒
 - ii. South Dakota State Freight Plan Yes ☐ No ☒
 - iii. South Dakota Long Range Transportation Plan Yes ☐ No ☒
 - iv. Local/Regional Planning Documents (Please Describe) Yes ☐ No ☒

East Central Railroad Authority

August 14, 2023

South Dakota Railroad Board and Railroad Authority
c/o South Dakota Department of Transportation
Becker-Hansen Building
700 E. Broadway Ave.
Pierre, SD 57501

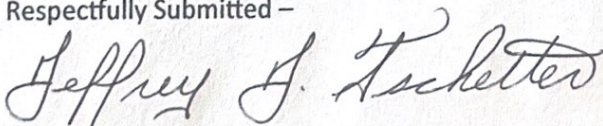
Chairman Burket and Members of the Board:

I am writing today to urge your fair consideration and full support of Advanced Sunflower's forthcoming Railroad Trust Fund Loan Application.

Advanced Sunflower maintains a tradition of reliability - benefiting families throughout the world by providing safe and healthy products from their state-of-the-art facilities in Huron and Redfield. Their value-added processing specializes in marketing edible sunflower and bird food products and is considered one of the most reputable sunflower processing companies in the State - taking pride in the close working relationships with their growers, consumers, customers, and neighbors.

Advanced Sunflower is ready for their next stage expansion along the RCP&E. We need more "good neighbor" organizations like this in the Huron area - companies that lay the foundation for an improved community and quality of life for the citizens of the area.

Respectfully Submitted -

A handwritten signature in cursive script that reads "Jeffrey J. Tschetter".

Jeff Tschetter, Chairman
East Central Railroad Authority



BOARD OF BEADLE COUNTY COMMISSIONERS
450 3RD ST SW, SUITE 201
HURON, SD 57350
(605)353-8400
auditor@beadlesd.org

September 1, 2023

South Dakota Railroad Board and Railroad Authority
c/o South Dakota Department of Transportation
Becker-Hansen Building
700 E. Broadway Ave.
Pierre, SD 57501

Chairman Burket and Members of the Board –

Please accept this letter of support for Advanced Sunflower's Rail Trust Fund Loan Application on behalf of the Beadle County Commissioners. As Chairman, I have the responsibility and pleasure to provide leadership and direction for the economic development in our county.

Danny Dale and Advanced Sunflower have built a remarkably reliable reputation in Beadle County, our State, and the sunflower processing community over the past 60+ years. Companies like this are a necessity for our County, ones that lay the footing for thriving communities by purchasing commodities from local producers, improving the grain basis for our farmers, and valuing their continued relationships. Their state-of-the-art processing facilities allow them to provide some of the safest, healthiest, and finest quality sunflower products for human consumption and bird feed.

We firmly believe that the expansion Danny is proposing alongside the Rapid City, Pierre, & Eastern will create a ripple-effect of positive impact for our County, our area, and our State. I would respectfully ask the Board for their full, fair consideration and support for Advanced Sunflower's Rail Trust Fund Loan Application.

Respectfully Submitted,

Doug Ramsell, Chairman
Beadle County Commission