

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: Davison Regional Rail Authority
- b. Point of Contact: Tobin Morris
- c. Address Line 1: 124 West Dakota Avenue
- d. Address Line 2: Click or tap here to enter text.
- e. City: Pierre
- f. State: South Dakota
- g. Zip Code: 57501
- h. Phone Number: 605-224-5557
- i. Email: tobin.morris@colliers.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 Burlington Northern/Santa Fe railroad between mileposts 645.270 and 646.052, south of Mitchell, 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.
As part of this project, a total of 33,159 track-ft of new rail, 22 new industrial turnouts and 2 new BNSF Mainline turnouts. See attached page for preliminary layout from Civil Design Inc. Current traffic estimates are: 147 rail cars and 3-5 switches per week. Manifest trains will range from 30-60 cars. Unit trains of 100 cars will ship 1-2 times per month. Fleet size is estimated at 450 hoppers, 265 tanks.

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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			
State	State Rail Trust Fund	\$16,091,803	100%
Applicant	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		\$16,091,803	100%

- c. Percentage share of private funding contributing to project:
High Plains Processing, LLC is comprised of several local investors to make up the \$504,000,000 total capex, but for the rail investment, there are no specific private investors.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
 - i. If yes, please describe
High Plains Processing (HPP) is developing a multi-seed, switch-processing facility that is capable of processing 35M bushels of soybeans annually, equivalent to 1M tons of high-oil content seed crops. The facility is projected to produce approximately 570,000 tons of seed meal and 300,000 tons of oil annually after Year 4. Planned storage volume is as follows: 4M bushels of soybeans/high oil content seeds, 8,000 MT of meal/hulls, 12.3M gallons of crude oil, and 3.52M gallons of refined oil. Employment projections are estimated at 85 FTEs with approximately \$5.5M+/- in annual salaries.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
 - ii. If yes, please describe
Current traffic estimates are: 147 rail cars and 3-5 switches per week. Manifest trains will range from 30-60 cars. Unit trains of 100 cars will ship 1-2 times per month. Fleet size is estimated at 450 hoppers, 265 tanks.
- c. Is this project intended to reduce slow order miles? Yes No
 - iii. If yes, please describe
 Click or tap here to enter text.
- d. Is this project intended to upgrade track to a higher FRA track classification? (i.e. Class 1 to Class 2) Yes No

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- iv. If yes, please describe
Click or tap here to enter text.
- 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
Click or tap here to enter text.
- f. Is this project intended to divert freight from truck to rail? Yes No
 - vi. If yes, please describe
This facility will allow products, both inbound and outbound, to be shipped by rail rather than truckloads. It would be estimated that each rail car would equate to 4 trucks off the roadway system, totaling over 30,000 trucks per year.
- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No
 - vii. If yes, please describe
Click or tap here to enter text.
- 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
Click or tap here to enter text.

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
Click or tap here to enter text.

RAILROAD TRUST FUND LOAN APPLICATION

SECTION I. APPLICATION INFORMATION

DATE: 9-17-2024

Name of Applicant: DAVISON REGIONAL RAIL AUTHORITY

Applicants Address: 200 East 4th Avenue

City/State/Zip: Mitchell, SD 57301

County: Davison

Contact Telephone: 605-995-8608

Date Regional Railroad Authority Established in South Dakota: August 12th, 2024

Regional Railroad Authority has Taxing Authority: yes no

Is Tax Authority conditional: yes no

If yes explain: _____

Name of Industry: High Plains Processing, LLC

Industry Address: 41021 257th Street

City/State/Zip: Mitchell, South Dakota 57301

Contact Telephone: 605-627-6124

Requested Amount of Loan: \$16,091,803

Project: soybean & high oilseed crush & processing facility

Location of Project: Davison County, SD

Mainline the Project will be Located on: Adjacent to the Burlington Northern/Santa Fe railroad between mileposts 645.270 and 646.052, south of Mitchell, SD.

Is Regional Railroad Authority requesting collateral for loan: yes no

Identify Personal and Corporate Guarantees and other Collateral for Loan: Corporate Guarantee from High Plains Processing

SECTION II. PROJECT INFORMATION

Description of Project (attach plans/drawings and cost budget) As part of this project, a total of 33,159 track-ft of new rail, 22 new industrial turnouts and 2 new BNSF Mainline turnouts. See attached page for preliminary layout from Civil Design Inc. Current traffic estimates are: 147 rail cars and 3-5 switches per week. Manifest trains will range from 30-60 cars. Unit trains of 100 cars will ship 1-2 times per month. Fleet size is estimated at 450 hoppers, 265 tanks.

Description of Economic Benefits of the Project During and After Construction High Plains Processing (HPP) is developing a multi-seed, switch-processing facility that is capable of processing 35M bushels of soybeans annually, equivalent to 1M tons of high-oil content seed crops. The facility is projected to produce approximately 570,000 tons of seed meal and 300,000 tons of oil annually after Year 4. Planned storage volume is as follows: 4M bushels of soybeans/high oil content seeds, 8,000 MT of meal/hulls, 12.3M gallons of crude oil, and 3.52M gallons of refined oil. Employment projections are estimated at 85 FTEs with approximately \$5.5M+/- in annual salaries. This project will also have an extremely large impact on local sales tax due to the spike in construction and long term employment

Explain the Transportation Needs of the Area Served by the Project: High Plains Processing has worked and is working closely with the SDDOT and the County High Superintendent on improving Highway 37 to include ~1,000 feet of turn lane extensions on both the northbound and southbound land. Additionally, HPP is required per the traffic impact study that was performed to widen and lengthen the turn land on 257th (landfill road) that is in the county's jurisdiction to allow safe truck flow in and out of the plant.

Has City/County/State & Federal Permits been obtained: X yes no

Explain: HPP has successfully went through the Davison County Local Permitting process (conditional use permit) in July of 2022. HPP is currently in the process of obtaining all necessary state permits via DANR and has frequent communication with their office to ensure these permits are done correctly and streamlined.

High Plains Processing has also been diligently working with DANR on the Air Permit (obtained but sent back in for an amendment), Wastewater Permit (ready to submit), Above Ground Storage Tank Permit (ready to submit), and Stormwater Permit.

Date of Construction will commence: Fall of 2023

Estimated Completion date of Project: Fall of 2025

Estimated Date Project Will Be Fully Operational: September-October 2025

REMIT TO:

South Dakota Department of Transportation

Office of Air, Rail and Transit
700 E. Broadway Avenue
Pierre, SD 57501

SECTION III. CERTIFICATION

All information contained above and in schedules attached hereto is true and complete to the best knowledge and belief of the applicant. There is no intent to deceive or defraud the Railroad Board or any potential participant in any loans to finance this project.

The applicant recognizes that the Division or the State Railroad Board may not process any application that is not complete. Incomplete applications will be returned to the applicant for completion.

The applicant recognizes that a letter of promise must be included stating the borrower does and/or will comply with all State/Federal environmental laws concerning business activities, local zoning laws and building codes before disbursement of funds from the Railroad Trust Fund.

The applicant also recognizes that Chapter 70:05:03 of the South Dakota Administrative Rules states notwithstanding any assurance, guarantee, communication, or representation to the contrary. **THERE SHALL BE NO COMMITMENT OF THE RAILROAD TRUST FUND WITHOUT SPECIFIC AUTHORIZATION OF THE STATE RAILROAD BOARD.**

Applicant: Davison Regional Rail Authority

Officer's Signature: _____

Officer's Name: Randy Reider

Officer's Title: Chair – Davison County Regional Rail Authority

Telephone number: 605-996-6075 Date: _____

RESOLUTION NO. _____ APPROVED SOUTH DAKOTA STATE RAILROAD BOARD

Chairman

Date _____