

APPLICANT INFORMATION

- a. Entity: **Sisseton Milbank Railroad**
- b. Point of Contact: **Mark Wegner**
- c. Address Line 1: **SMRR**
- d. Address Line 2: **405 W Milbank Ave**
- e. City: **Milbank**
- f. State: **SD**
- g. Zip Code: **57252**
- h. Phone Number: **605-432-6912**
- i. Email: **rschmidt@tcwr.net**

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). **The project would upgrade the two worst sections of the line – MP 19.2 to MP 22.2 and MP 24.0 to MP 25.2 and repair or replace 72 culverts and/or washouts caused by spring 2023 flooding.**
- 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. **The purpose of this project is to ensure that the worst sections of the railroad get upgraded and to repair recent flood damage. The railroad recently received news that a 2022 CRISI grant was awarded to upgrade the SMRR from Sisseton to Milbank. The SMRR is concerned that with the dramatically increased costs of rail construction the CRISI grant funding may fall short of the amount needed to reconstruct the entire railroad given the additional damage the flooding caused. The STC Funding would be utilized to rehabilitate the worst portions of the line that were impacted the most from the flooding that occurred this Spring. Approximately 72 culverts were damaged or washed out during the flooding this spring. The grade has been repaired, but the drainage issues caused by missing and damaged culverts (along with drainage washouts) remains. We request this funding source be approved to ensure adequate funding to reconstruct the entire railroad, including fixing the drainage issues that occurred this spring. Currently these two rail segments are the worst on the line – trains move over these segments at walking speed with a maximum of 13 cars per train.**

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	STC	\$3,241,040	80
State	0	0	0
Applicant	Sisseton Milbank Railroad	\$810,260	20
Total Project Cost		\$4,051,300	100%

- c. Percentage share of private funding contributing to project:
20%

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. If yes, please describe
In conjunction with the CRISI Grant this project will allow for the construction of a new shuttle loading elevator in Sisseton. The new elevator will be able to bring in shuttle trains, resulting in higher prices paid to farmers, a shorter farm to elevator truck haul for local farmers, and less trucks on the road. The shuttle elevator that will be built will create 16 new jobs, the SMRR will hire at least 2 additional employees.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
- ii. If yes, please describe
In conjunction with the CRISI Grant this grant will increase carloads from a few hundred per year to 4,000 to 5,000 per year. The BCA for the CRISI estimated 126,600 carloads over the life of the project (30 years) or 4,220 cars per year.
- c. Is this project intended to reduce slow order miles? Yes No
- iii. If yes, please describe
These two sections are the worst on the railroad. Currently trains can traverse these sections at walking speed. The railroad is operated at under 10mph train speeds. This project, in conjunction with the CRISI project will increase train speeds to 25 mph.

- 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
For these sections upgrade increase the track classification from excepted to Class 2 track. The CRISI grant project will upgrade the rest of the railroad from excepted to Class 2 track.
- 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:
In conjunction with the CRISI Grant the entire railroad will allow for 286,000lb cars, up from the current 263,000 lb weight limit.
- f. Is this project intended to divert freight from truck to rail? Yes No
- vi. If yes, please describe
In conjunction with the CRISI Grant the entire railroad will be upgraded to allow 286,000lb cars to travel at 25 mph. There will be a significant diversion from truck to rail due to the shuttle loading Sisseton Elevator that will be built and because the Sisseton Elevator already ships over half of its volume by truck to other rail served elevators and currently receives fertilizer by truck. That movement of grain by truck to other elevators will no longer happen and the new elevator will receive fertilizer by rail. The BCA for the CRISI grant estimated 31 million truck miles diverted to rail over the life of the project (30 years).
- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No
- vii. If yes, please describe
The project will provide significant safety benefits by the reduction of 31 million truck miles over 30 years. Statistically a certain number of crashes are going to happen in 31 million miles – these crashes will be avoided by moving this truck traffic to rail.
- 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:
If these sections are not repaired the railroad will likely cease operation. This project in conjunction with the CRISI project will preserve this rail corridor for continued and future use.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?
PE has not been started and will be completed using pre-award authority.
- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?
Environmental has not been started and will be completed using pre-award authority.

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

From the 2022 State Rail Plan: “This proposed STC project will replace 2.5 miles of 60 lb. per yard rail that dates back to 1884 with new 115 lb. per yard rail on the Sisseton Milbank Railroad between MP 19.5 and MP 22.0, just to the north of Wilmot, South Dakota. This rail is the worst on the rail line; SMRR maintenance of way crews repair broken rail in this area as often as twice per week.” The scope has increased to 4.22 miles, the location for this request is 19.2 – 22.2 and 24.0 – 25.2.

SMRR – STC Grant
Photos of Existing Track Conditions



Figures 1, 2, & 3 – Previous derailments caused by rail defects.

info@civildes.com // www.civildes.com



Figures 4 & 5 – Damage to SMRR track caused by derailments.



Figures 6 - 11 – Track washouts resulting from flooding during spring of 2023.

APPLICANT INFORMATION

- a. Entity: Ringneck & Western Railroad (RWRR)
- b. Point of Contact: Ryan Yanez
- c. Address Line 1: 520 N. Lawler St.
- d. Address Line 2: Ste 200
- e. City: Mitchell
- f. State: South Dakota
- g. Zip Code: 57301
- h. Phone Number: 605-299-1404
- i. Email: Ryan.Yanez@watco.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).

The project area is located on the RWRR from MP 445 at the west-side of the Missouri River Bridge to MP 481 at Presho, South Dakota and from MP 434 to MP 442.5 east of the Missouri River Bridge.

- 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.

This project consists of purchasing and installing 31,600 ties, 17,000 tons of ballast, and 44 miles of surfacing. In addition to the surfacing, the project includes the replacement of a culvert at MP 468.15 and bridgework at MP 454.3, MP 455, and MP 455.2. At MP 468.15, the current culvert has detached from the internal coupler which is causing below culvert soil erosion. Failure of the culvert is eminent. This work is to repair currently identified problem areas and continue focusing resources related to subgrade problems and resurfacing from Chamberlain to Presho to minimize the risk of future embargoes.

In 2022, the RWRR experienced significant grade failures due to wet subgrade and erosion due to the close proximity and location of the railbed within the riparian areas of American Creek (east river) and American Crow Creek (west river). The nature of the soil and the proximity of the two creeks causes the ground to constantly be eroded underneath the surface. Because of this, washouts, hill slides, and sink holes can exist undetected until the weight of a train travels atop them, causing the ground to break loose and reveal eroded sections. The grade failures resulted in significant service interruptions to major customers who rely on the RWRR for their commodity shipping. The RWRR was without shipping and under embargo for 48 days from west river from July 13, 2022, to August 30, 2022, resulting in a lost revenue of approximately \$500,000. Repairs conducted since Watco purchased the RWRR have resulted in increased stabilization and drainage to known locations of historic failures.

Administration Goals for the Infrastructure Investment & Jobs Act (IIJA)

The project to repair the subgrade, railbed, and rail infrastructure aligns with all four primary goals of the IIJA, the funding mechanism for STC/CRISI. First, this project addresses a changing climate, sustainability, and resiliency on the plains of South Dakota by improving the historic railbed to ensure compatibility with emergent environmental conditions. Second, this project builds upon equity and community connections by ensuring access to markets for agricultural producers and other commodity owners. Third, there is a direct and immediate improvement to safety and efficiency as discussed throughout this application. Finally, improved operation of the RWRR provides access to good jobs and investment opportunities to further utilize and invest in the RWRR infrastructure.

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	CRISI STC	\$8,310,932	80%
State			
Applicant	Ringneck & Western RR	\$2,077,733	20%
Other (Please Describe)			
Other (Please Describe)			
Total Project Cost		\$10,388,665	100%

- c. Percentage share of private funding contributing to project:

The RWRR will contribute up to 20% (\$2,077,733) of the overall project cost of \$10,388,665.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
 - i. If yes, please describe

Investing in the RWRR will continue to benefit South Dakota’s agriculture producers and resulting industries. New infrastructure and consistent attention to maintenance of the rail corridor are an attractant for new business seeking a location with a sound and smooth commodity delivery system. This project will benefit the RWRR customers and shippers by eliminating railroad damage and minimizing service interruptions related to natural resource impacts. Reducing risk of railbed failures increases the resiliency of the customer’s ability to conduct business.

- b. Will this project generate additional freight carloads on the affected segment?

Yes No

ii. If yes, please describe

In coordination with the Meet and Pass Siding Project and the Efficiency and Growth Project, additional freight carloads are anticipated due to potential for new industry relocation along the RWRR line. As seen with other Watco-owned railroads, continued investment into railroad infrastructure has led to an increase in carload traffic based on the ease of consistent operations and safety, customer confidence in selecting new sites for loading/unloading, and decreased risk of delays due to improved resiliency. The RWRR is aware of new industries seeking rail-served locations in central South Dakota and will continue to pursue all opportunities for growth.

c. Is this project intended to reduce slow order miles? Yes No

iii. If yes, please describe

The RWRR averaged 4 miles of scattered slow orders in 2022. Currently, the track sections included in this grant are cleared of all slow orders, resulting in zero (0%) of current slow order miles. All track segments “west river” between MP 445 and MP 480 have a maximum speed of 10 mph. No slow orders exist through any towns, intersections, or gorges. Continued improvement of the railbed and infrastructure will decrease any natural resource caused slow orders.

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

There is the potential, but not the intention of this project, to upgrade from Class 1 to Class 2 between MP471 to MP481. Operationally it will cut the run time for Presho by about 30 minutes each way. Twenty four percent (24%) of the total miles in this project will be upgraded from Class 1 to Class 2.

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

RWRR will remain at 268,000 carload weights, primarily due to the slow navigation of the gorge west of Chamberlain.

f. Is this project intended to divert freight from truck to rail? Yes No

vi. If yes, please describe

The RWRR provides transportation in this area for elevators in Chamberlain, Kimball, Kennebec and Presho. The railroad provides competitive transportation costs for agricultural inputs and direct access to the BNSF shuttle program, benefiting agricultural producers. Prior to the restoration of the RWRR line, the grain grown along the line was trucked east to Mitchell, north to the RCPE or south into Nebraska. With the addition of elevators in Kimball, Kennebec and Presho, the line has greatly reduced trucking miles in south central South Dakota. During the embargo, our customers had to ship their commodity via trucking. For example, the elevator in Kennebec had to divert grain shipments to Aberdeen, which would put more trucks on I-90 and Hwy 281. The elevator in Presho diverted grain

shipments to other rail-served locations north of I-90. Our customers did not share the exact truck shipment information.

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No
 - vii. If yes, please describe

Due to the potential upgrade to Class 2 between MP471 to MP481 resulting in an increased speed of 25 mph within that section, delay time for the public will decrease from approximately 6 minutes to 2 ½ minutes.

- 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

Previous rehabilitation on portions of this segment of track included relay ties and a minimal ballast section. The project will strengthen the track with new ties and granite ballast. This will allow RWRR maintenance crews to maintain the line for many years without major annual capital and/or emergency funds. New ties and surfacing will replace infrastructure that has reached its end of life, thus restarting the longevity of a sound and safe railroad.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

The majority of this project is shovel ready and does not require PE designs for implementation. All bridge design is completed by ARE Corp, an FRA-approved bridge engineering company, currently under long-term contract with Watco. ARE Corp will handle all design and permitting for the three bridges. In coordination with CDI, the RWRR has a detailed cost estimate for all materials and labor costs for both the resurfacing and bridge and culvert rehabilitation.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

All work will be completed within the existing right-of-way minimizing the requirements for new NEPA work. With the approval of this project by the SD Rail Board, a Categorical Exclusion (CE) will be completed for attachment for the formal submittal to FRA. The CE will include all required discussion including any additional hydrology / engineering studies required to implement a successful project. Watco and the RWRR prepare all CE's in-house and contracts with approved South Dakota contractors for the required NEPA work. Watco and the RWRR are currently under contract with CDI Engineering and Lund Engineering & Environmental in anticipation of moving forward with these projects. In addition to NEPA, the RWRR will complete three separate studies for this project. They include (1) Hydrological Analysis / Hec-Ras Modeling; (2) Floodplain Impact based on FEMA modeling; and (3) Geotechnical evaluation of soil stabilities.

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

State Rail Plan: Section 4.3.2.5 discusses the need for a grade stabilization project consisting of ties, ballast, rip rap and surfacing. This project expands upon the reach discussed within the Rail Plan to include all western segments of the RWRR.

State Priorities for Investment per the State Rail Investment Guide

Support Economic Growth and Development

The RWRR provides transportation in this area for elevators in Chamberlain, Kimball, Kennebec and Presho. The railroad provides competitive transportation costs for agricultural inputs and direct access to the BNSF shuttle program, benefitting agricultural producers. This results in stabilizing the economy in rural areas along the railroad. By helping keep this line open with is project, the local economy will continue to benefit from the railroad.

Ensure Connectivity for Critical Industries

Agriculture is the biggest industry in the state, and grain elevators are the RWRR’s largest customers. This project will help the railroad ensure that it can maintain service to customers. This project will allow the railroad to be more resilient in the event of weather or climate related service disruptions. The ability to respond quickly is a benefit to this critical industry. The railroad was out of service for two months this summer, causing increased costs for west river shippers.

Maintain State Railroad Assets in a State of Good Repair

The subgrade west river and east river along American Creek and American Crow Creek is unstable, causing constant problems.

Reduce Highway Impacts

Prior to the restoration of the RWRR line, the grain grown along the line was trucked east to Mitchell, north to the RCPE or south into Nebraska. With the addition of elevators in Kimball, Kennebec and Presho, the line has greatly reduced trucking miles in south central South Dakota. This project will help maintain that positive impact.

Improve Railroad Safety, Security and Resiliency

RWRR experienced two main line outages, due to the subsurface conditions, that greatly affected both the railroad and customers. This project will directly help the railroad become safer. Currently the railroad is vulnerable to weather events such as heavy rains that can cause washouts or contribute to soft subgrade areas. The project will help the track structure resist such damage.



CRISI STC Grant

Grade Stabilization

Ryan Yanez

GM – RWRR



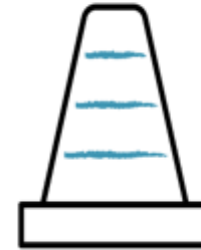
Our Foundation Principles



Value Our
Customers

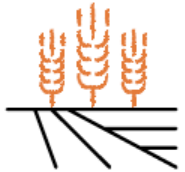


Value Our
People



Safely Improve
Every Day

Serving Diverse Industries



Agriculture



Wind Energy



Aggregates



Chemical



Retail



Construction



Waste



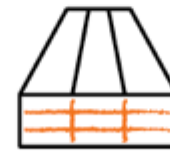
Oil/Gas



Automotive



Coal



Lumber

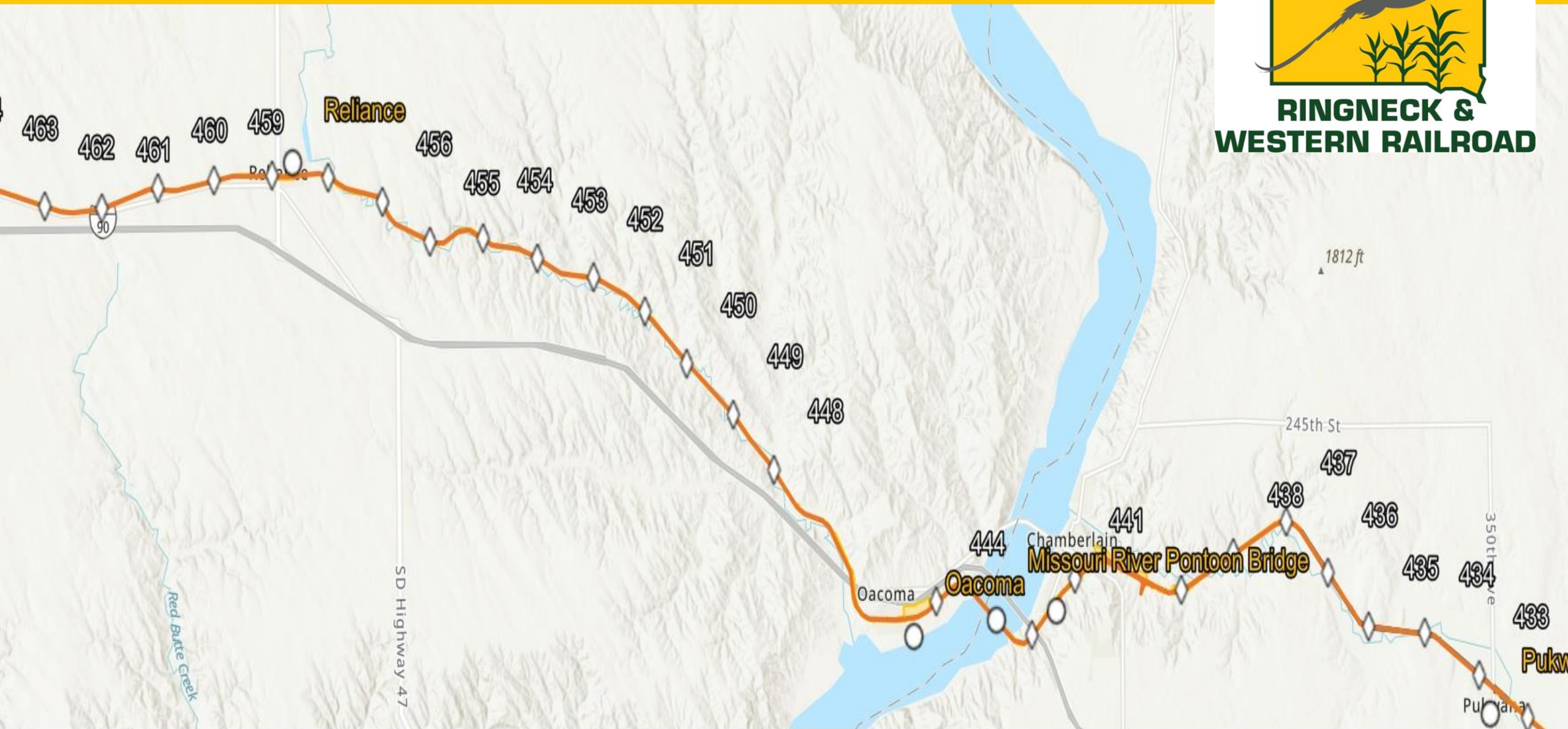


Steel

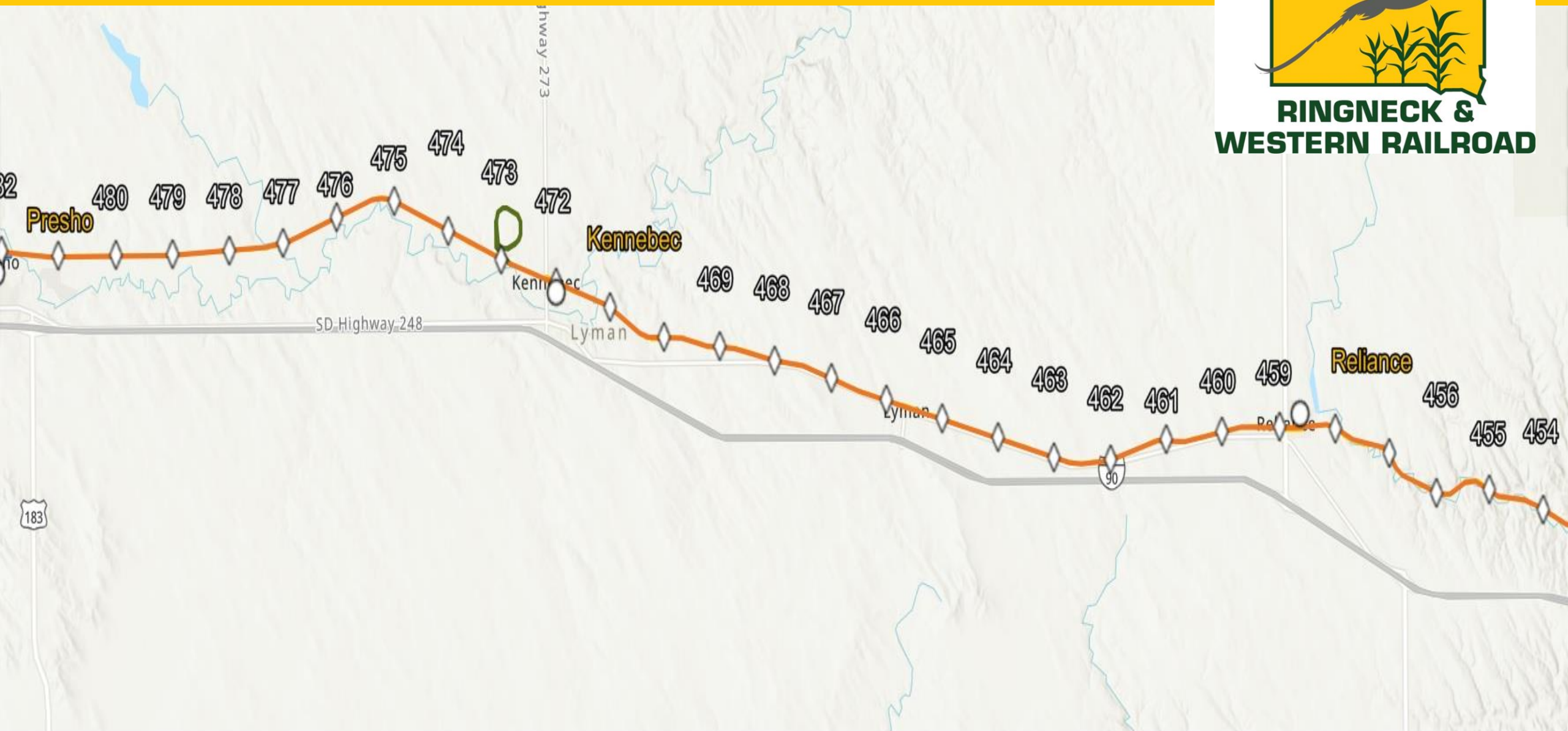
Project Overview

- <https://youtu.be/fN-eaHJppq0>
- <https://vimeo.com/watco/rwrr>

Project Description



Project Description



Project Description



- 44 miles of repair and surfacing
- 31,600 ties
- 17,000 tons of ballast
- Culvert at MP 468.15
- Bridgework at MP 454.3, MP 455, and MP 455.2

Project Need



- Significant grade failures in 2022
 - Saturated subgrade
 - Erosion from storm events
 - Close proximity to two creeks
 - Washouts / hill slides / sink holes

Saturated subgrade



**RINGNECK &
WESTERN RAILROAD**



Saturated subgrade



2022 Repairs



2022 Repairs Update



2022 Repairs Update



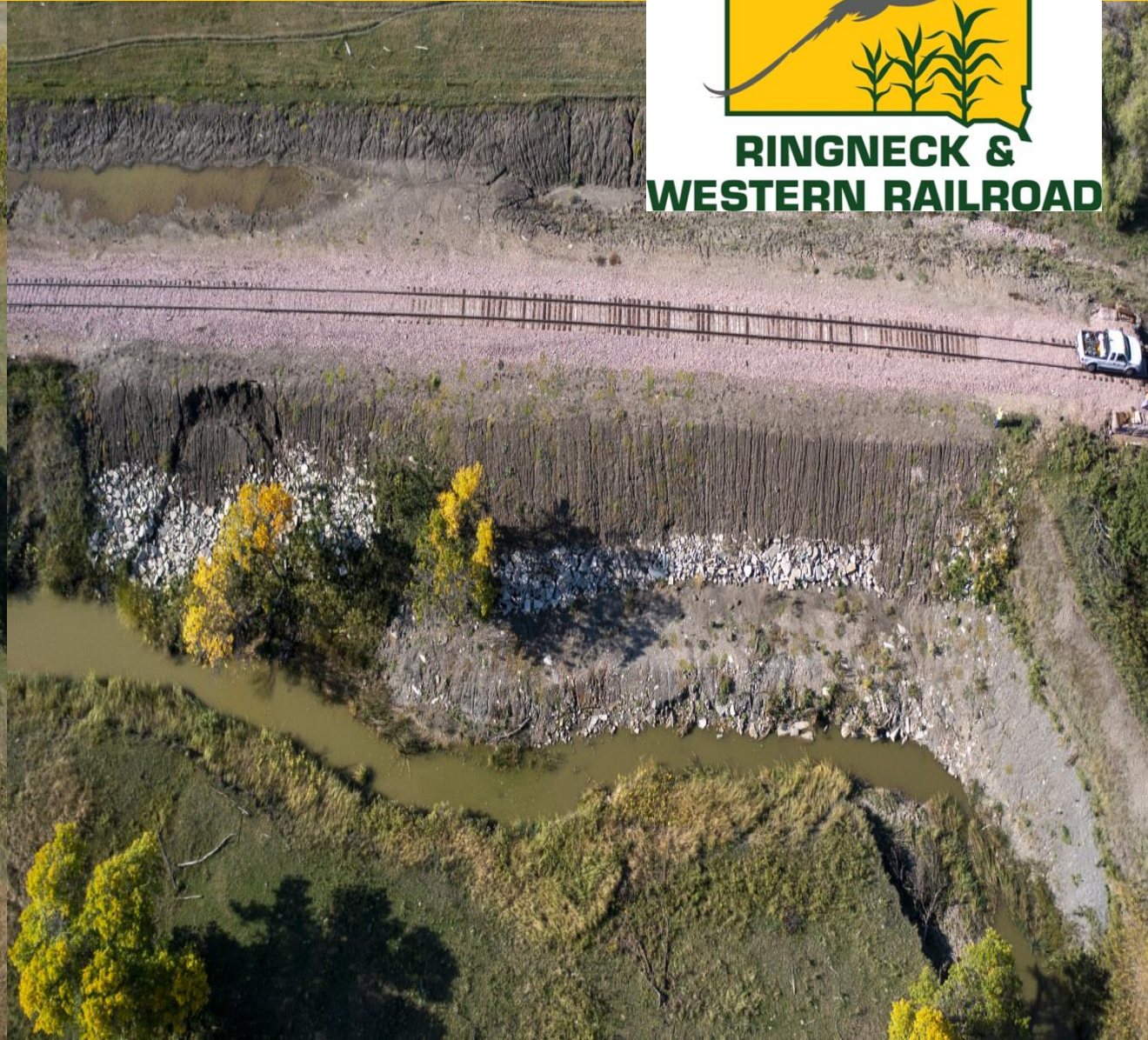
2022 Repairs Update



2022 Repairs Update



2023 Repairs



2023 Repairs



Culvert at MP 468.15



Culvert at MP 468.15



Culvert at MP 468.15



Culvert at MP 468.15



Bridgework



Bridgework



Bridgework



Shoulder Stabilization



Erosion Control



Project Budget



Materials

Item	Description	Unit	Quantity	Unit Price	Total
1	Tie Plates	Each	1,320	\$ 17.00	\$ 22,440.00
2	Rail Spikes 59/keg	Kegs	1,400	\$ 50.00	\$ 70,000.00
3	7"x9"x8'-6" Grade 5 Ties	Each	31,600	\$ 85.00	\$ 2,686,000.00
4	Ballast	Ton	17,000	\$ 35.00	\$ 595,000.00
7	Sales Tax	LS	1	\$ 150,000.00	\$ 150,000.00
Total Materials:					\$ 3,523,440.00

Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 75,000.00	\$ 75,000.00
2	Tie Installation	Each	31,600	\$ 35.00	\$ 1,106,000.00
3	Tie Disposal	Each	31,600	\$ 8.00	\$ 252,800.00
4	Ballast Unloading	Ton	17,000	\$ 2.50	\$ 42,500.00
5	Track Surfacing	Tr-Mile	44	\$ 12,500.00	\$ 550,000.00
11	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
12	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Total Labor:					\$ 2,041,300.00

Bridge Rehabilitation - Material & Labor

Item	Description	Unit	Quantity	Unit Price	Total
1	Bridge 468.15 - New 10'x12' Box Culver	LS	1	\$ 750,000.00	\$ 750,000.00
2	Bridge 437.4 - Tie-back Sheeting	LS	1	\$ 650,000.00	\$ 650,000.00
3	Embankment Stabilization	LS	1	\$ 434,925.00	\$ 434,925.00
	Bridge 454.3	LS	1	\$ 400,000.00	\$ 400,000.00
4	Bridge 455.0	LS	1	\$ 400,000.00	\$ 400,000.00
5	Bridge 455.2	LS	1	\$ 400,000.00	\$ 400,000.00
Total Bridge Rehabilitation:					\$ 3,034,925.00

Total Construction:	\$	8,599,665.00
15% Contingency:	\$	1,289,000.00
Preliminary Engineering:	\$	100,000.00
Final Design Engineering:	\$	125,000.00
Environmental Engineering:	\$	50,000.00
Construction Administration:	\$	225,000.00
Total Project Cost:	\$	10,388,665.00

Project Benefits

- Increase resiliency and decrease risk of failure and service interruptions
- Benefit South Dakota's agriculture producers and support new industry use
- Reduce slow order miles and potentially upgrade track classification
- Maintain asset in a state of good repair



DISCOVER



APPLICANT INFORMATION

- a. Entity: **SDDOT**
- b. Point of Contact: **Jack Dokken**
- c. Address Line 1: **700 E Broadway**
- d. Address Line 2: [Click or tap here to enter text.](#)
- e. City: **Pierre**
- f. State: **SD**
- g. Zip Code: **57702**
- h. Phone Number: **605-773-7045**
- i. Email: **Jack.Dokken@state.sd.us**

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).
 - Napa Jct to Tyndall (MP 0.0 to MP 20.9) as Option 1A and 1B.**
 - Napa Jct to west side of Tabor (MP 0.0 to MP 11.37) as Option 2A and 2B.**
- 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.

The Napa Platte line is predominately 65lb jointed rail on a sod grade. The existing infrastructure is inadequate for safely moving loaded cars or operating locomotives. Current rail traffic is limited to storage cars and rail traffic related to the Napa Junction Industrial Park – the only currently active shipper is the Cargill elevator. The elevator primarily uses the loop track that is in the industrial park.

For the railroad to support economic development beyond the Industrial Park it will need to be completely reconstructed to include rail, ties, ballast, bridge repairs, road crossings, tree and brush removal, and grade restoration.

There are two options – Option 1 is reconstruction from MP 0.0 to MP 20.9 with either new (Option 1A) or relay (Option 1B) 115# rail. Option 2 is reconstruction from MP 0.0 to MP 11.37 with either new (Option 2A) or relay (Option 2B) #115 rail. Both options include bridge repair, crossing reconstruction, tree and brush removal, grade repair, and culvert replacement.

Please see the CDI Napa Line Track Inspection Report for additional details regarding the condition of the line and probable costs.

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			
Option 1A		\$21,822,384	
Option 1B	STC	\$18,924,784	80
Option 2A		\$11,539,568	
Option 2B		\$10,024,368	
State	SDDOT/RR Trust Fund	Varies \$5,455,596 to \$2,506,092	20
Applicant	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		Varies \$27,277,980 to \$12,530,460	100%

- c. Percentage share of private funding contributing to project:
0

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. If yes, please describe
The railroad as it is will not attract any business to the line. In order to attract any economic development, the railroad must be upgraded. Job creation is difficult to predict without a known interest in the line.
- b. Will this project generate additional freight carloads on the affected segment? Yes No

- ii. If yes, please describe
The railroad must be upgraded to attract an industry that utilizes rail, only then is there a possibility of freight movements on the improved line.
- c. Is this project intended to reduce slow order miles? Yes No
 iii. If yes, please describe
Currently, any movements on the line (rail car storage) are at walking speed.
- 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
The project would upgrade the track from excepted to Class II
- 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
In addition to the #115 lb rail, the bridges would be repaired and upgraded to be able to handle 286,000lb cars.
- f. Is this project intended to divert freight from truck to rail? Yes No
 vi. If yes, please describe
If a shipper locates on the line. Volumes are difficult to estimate.
- 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
The line is currently unable to be used for freight shipments. One option to preserve the line is to repair it and attract a shipper.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?
PE has not begun. If selected, we will request pre award authority for PE.
- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?
NEPA has not begun, if selected, we will request pre award authority for PE.
- 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.

***CDI #2023-201 SDDOT NAPA Line
Photos of Existing Track Conditions***



Figures 1 & 2 – Trees obstructing track clearance and general brush overgrowth from Napa to Janousek.



Figures 3, 4, & 5 – General track condition from Janousek to Tabor.



Figure 6 – Track condition in east Tabor (MP 10.0 to MP 10.4) with empty cribs and brush overgrowth.



Figure 7 – Railroad Crossing in Tabor that has been paved over with asphalt.



Figures 8 & 9 – Brush overgrowth on track in west Tabor (MP 10.4 to MP 10.9).



Figures 10 & 11 – General track condition from west Tabor (MP 10.9) to MP 14.5.



Figures 12 & 13 – General track condition from MP 10.9 to Tyndall (MP 20.9).



Civil Engineers & Land Surveyors

MEMORANDUM
CDI #2023-201 SDDOT NAPA STC Grant

Monday, September 18, 2023, CDI conducted a track inspection of the NAPA to Platte Subdivision from the Napa Wye (MP 0.0) to Tyndall (MP 20.9).

Due to railcars and overgrowth on the tracks and ROW, the track was largely inaccessible for inspection from Janousek to Tabor.

The scope of work for all options is a complete track removal and reconstruction. Multiple locations throughout the rail segment will require tree removals, clearing, and grubbing due to lack of adequate clearance. The track bed contained rodent holes and rotten ties. Multiple crossings through Tabor had been paved over completely. To properly rehabilitate this line, all track will need to be removed following clearing and grubbing operations. The only material salvageable to sell for scrap is the 65# rail and OTM. Following track removal, the track bed will need to be undercut a minimum of 1' prior to track construction. Track Construction will include Grade 3 Ties and 115# Rail. See the variances in the options below.

Option 1A: Complete Track Removal & Reconstruction – New 115# Rail from MP 0.0 to MP 20.9

Option 1B: Complete Track Removal & Reconstruction – 115# Relay Rail from MP 0.0 to MP 20.9

Option 2A: Complete Track Removal & Reconstruction – New 115# Rail from MP 0.0 to MP 11.37

Option 2B: Complete Track Removal & Reconstruction – 115# Relay Rail from MP 0.0 to MP 11.37

9/25/2023

Materials

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb New CWR	Tons	4,200	\$ 2,000.00	\$ 8,400,000.00
2	Tie Plates	Each	140,000	\$ 17.00	\$ 2,380,000.00
3	Anchors (115 Lb)	Each	140,000	\$ 2.50	\$ 350,000.00
4	Rail Spikes	Each	340,000	\$ 0.75	\$ 255,000.00
5	6"x8"x8'-6" Grade 3 Ties	Each	68,000	\$ 70.00	\$ 4,760,000.00
6	7"x9"x10'-0" Grade Ties	Each	800	\$ 95.00	\$ 76,000.00
7	Timber Crossing Planks	Tr-Ft	592	\$ 200.00	\$ 118,400.00
8	12" Crossing Lags	Each	2,070	\$ 4.00	\$ 8,280.00
9	Concrete Crossing Panels	Tr-Ft	306	\$ 400.00	\$ 122,400.00
Total Materials:					\$ 16,470,080.00

Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 250,000.00	\$ 250,000.00
2	Tree Clearing	LS	1	\$ 750,000.00	\$ 750,000.00
3	Brush Cutting	Tr-Mi	20.9	\$ 125,000.00	\$ 2,612,500.00
4	Track Removal	Tr-Mi	20.9	\$ 75,000.00	\$ 1,567,500.00
5	Undercutting	Tr-Mi	20.9	\$ 75,000.00	\$ 1,567,500.00
6	Replace Failing Culverts	LS	1	\$ 50,000.00	\$ 50,000.00
7	Track Construction	Tr-Mi	20.9	\$ 100,000.00	\$ 2,090,000.00
8	Timber Crossing Reconstruction	Tr-Ft	592	\$ 250.00	\$ 148,000.00
9	Concrete Crossing Reconstruction	Tr-Ft	306	\$ 800.00	\$ 244,800.00
10	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
11	Rail Train Unloading	LS	1	\$ 5,000.00	\$ 5,000.00
12	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
13	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Total Labor:					\$ 9,305,300.00

Total Construction:	\$	25,775,380.00
10% Contingency:	\$	2,577,000.00
Engineering:	\$	100,000.00
Total Project Cost:	\$	28,452,380.00

Salvage Rail & OTM

Item	Description	Unit	Quantity	Unit Price	Total
1	Salvage 65lb Rail & OTM	LF	205,000	\$ 5.00	\$ 1,025,000.00



9/25/2023

Materials

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb Relay Rail	Tons	4,200	\$ 1,700.00	\$ 7,140,000.00
2	Tie Plates	Each	140,000	\$ 17.00	\$ 2,380,000.00
3	Anchors (115 Lb)	Each	140,000	\$ 2.50	\$ 350,000.00
4	Rail Spikes	Each	340,000	\$ 0.75	\$ 255,000.00
5	6"x8"x8'-6" Grade 3 Ties	Each	68,000	\$ 70.00	\$ 4,760,000.00
6	7"x9"x10'-0" Grade Ties	Each	800	\$ 95.00	\$ 76,000.00
7	Timber Crossing Planks	Tr-Ft	592	\$ 200.00	\$ 118,400.00
8	12" Crossing Lags	Each	2,070	\$ 4.00	\$ 8,280.00
9	Concrete Crossing Panels	Tr-Ft	306	\$ 400.00	\$ 122,400.00
Total Materials:					\$ 15,210,080.00

Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 250,000.00	\$ 250,000.00
2	Tree Clearing	LS	1	\$ 750,000.00	\$ 750,000.00
3	Brush Cutting	Tr-Mi	20.9	\$ 125,000.00	\$ 2,612,500.00
4	Track Removal	Tr-Mi	20.9	\$ 75,000.00	\$ 1,567,500.00
5	Undercutting	Tr-Mi	20.9	\$ 75,000.00	\$ 1,567,500.00
6	Replace Failing Culverts	LS	1	\$ 50,000.00	\$ 50,000.00
7	Track Construction	Tr-Mi	20.9	\$ 100,000.00	\$ 2,090,000.00
8	Timber Crossing Reconstruction	Tr-Ft	592	\$ 250.00	\$ 148,000.00
9	Concrete Crossing Reconstruction	Tr-Ft	306	\$ 800.00	\$ 244,800.00
10	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
11	Rail Train Unloading	LS	1	\$ 5,000.00	\$ 5,000.00
12	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
13	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Total Labor:					\$ 9,305,300.00

Total Construction:	\$	24,515,380.00
10% Contingency:	\$	2,451,000.00
Engineering:	\$	100,000.00
Total Project Cost:	\$	27,066,380.00

Salvage Rail & OTM

Item	Description	Unit	Quantity	Unit Price	Total
1	Salvage 65lb Rail & OTM	LF	205,000	\$ 5.00	\$ 1,025,000.00



9/25/2023

Materials

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb New CWR	Tons	2,330	\$ 2,000.00	\$ 4,660,000.00
2	Tie Plates	Each	74,000	\$ 17.00	\$ 1,258,000.00
3	Anchors (115 Lb)	Each	74,000	\$ 2.50	\$ 185,000.00
4	Rail Spikes	Each	185,000	\$ 0.75	\$ 138,750.00
5	6"x8"x8'-6" Grade 3 Ties	Each	37,000	\$ 70.00	\$ 2,590,000.00
6	7"x9"x10'-0" Grade Ties	Each	420	\$ 95.00	\$ 39,900.00
7	Timber Crossing Planks	Tr-Ft	272	\$ 200.00	\$ 54,400.00
8	12" Crossing Lags	Each	940	\$ 4.00	\$ 3,760.00
9	Concrete Crossing Panels	Tr-Ft	189	\$ 400.00	\$ 75,600.00
Total Materials:					\$ 9,005,410.00

Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 200,000.00	\$ 200,000.00
2	Tree Clearing	LS	1	\$ 750,000.00	\$ 750,000.00
3	Brush Cutting	Tr-Mi	11.37	\$ 125,000.00	\$ 1,421,250.00
4	Track Removal	Tr-Mi	11.37	\$ 75,000.00	\$ 852,750.00
5	Undercutting	Tr-Mi	11.37	\$ 75,000.00	\$ 852,750.00
6	Replace Culverts	LS	1	\$ 30,000.00	\$ 30,000.00
7	Track Construction	Tr-Mi	11.37	\$ 100,000.00	\$ 1,137,000.00
8	Timber Crossing Reconstruction	Tr-Ft	272	\$ 250.00	\$ 68,000.00
9	Concrete Crossing Reconstruction	Tr-Ft	180	\$ 800.00	\$ 144,000.00
10	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
11	Rail Train Unloading	LS	1	\$ 5,000.00	\$ 5,000.00
12	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
13	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Total Labor:					\$ 5,480,750.00

Total Construction: \$ 14,486,160.00

Contingency: \$ 1,448,000.00

Engineering: \$ 75,000.00

Total Project Cost: \$ 16,009,160.00

Salvage Rail & OTM

Item	Description	Unit	Quantity	Unit Price	Total
1	Salvage 65lb Rail & OTM	LF	105,000	\$ 5.00	\$ 525,000.00



Materials

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb Relay Rail	Tons	2,330	\$ 1,700.00	\$ 3,961,000.00
2	Tie Plates	Each	74,000	\$ 17.00	\$ 1,258,000.00
3	Anchors (115 Lb)	Each	74,000	\$ 2.50	\$ 185,000.00
4	Rail Spikes	Each	185,000	\$ 0.75	\$ 138,750.00
5	6"x8"x8'-6" Grade 3 Ties	Each	37,000	\$ 70.00	\$ 2,590,000.00
6	7"x9"x10'-0" Grade Ties	Each	420	\$ 95.00	\$ 39,900.00
7	Timber Crossing Planks	Tr-Ft	272	\$ 200.00	\$ 54,400.00
8	12" Crossing Lags	Each	940	\$ 4.00	\$ 3,760.00
9	Concrete Crossing Panels	Tr-Ft	189	\$ 400.00	\$ 75,600.00
Total Materials:					\$ 8,306,410.00

Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 200,000.00	\$ 200,000.00
2	Tree Clearing	LS	1	\$ 750,000.00	\$ 750,000.00
3	Brush Cutting	Tr-Mi	11.37	\$ 125,000.00	\$ 1,421,250.00
4	Track Removal	Tr-Mi	11.37	\$ 75,000.00	\$ 852,750.00
5	Undercutting	Tr-Mi	11.37	\$ 75,000.00	\$ 852,750.00
6	Replace Culverts	LS	1	\$ 30,000.00	\$ 30,000.00
7	Track Construction	Tr-Mi	11.37	\$ 100,000.00	\$ 1,137,000.00
8	Timber Crossing Reconstruction	Tr-Ft	272	\$ 250.00	\$ 68,000.00
9	Concrete Crossing Reconstruction	Tr-Ft	180	\$ 800.00	\$ 144,000.00
10	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
11	Rail Train Unloading	LS	1	\$ 5,000.00	\$ 5,000.00
12	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
13	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Total Labor:					\$ 5,480,750.00

Total Construction: \$ 13,787,160.00

Contingency: \$ 1,378,000.00

Engineering: \$ 75,000.00

Total Project Cost: \$ 15,240,160.00

Salvage Rail & OTM

Item	Description	Unit	Quantity	Unit Price	Total
1	Salvage 65lb Rail & OTM	LF	105,000	\$ 5.00	\$ 525,000.00



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: **Rapid City, Pierre & Eastern Railroad, Inc.**
- b. Point of Contact: **Ross Lane**
- c. Address Line 1: **246 Founders Park Drive**
- d. Address Line 2: **Suite 202**
- e. City: **Rapid City**
- f. State: **SD**
- g. Zip Code: **57701**
- h. Phone Number: **406-223-3643**
- i. Email: **ross.lane@gwrr.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).

Work on the Upper Black Hills Corridor Upgrade Project (“the Project”) would take place on the northern portion of the RCP&E Black Hills Subdivision, between Rapid City and the end of the line at Colony, WY (MP 106.25 to 173.36). Main rail replacement work would be completed in segments throughout the Project limits. In total, 21.25 miles of rail would be replaced within the Project limits. Bridge strengthening work would likewise be completed throughout the Project limits.

Importantly, RCP&E is not requesting any South Dakota funding support to complete work on the Wyoming portion of the Project. The Wyoming portion of the Project (approximately 8.7 percent of the total project cost) will be funded entirely by RCP&E. The project is not located on the State-owned rail network.

- 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.

Successful completion of the Project will allow the railroad to increase weight capacity and accommodate a fully loaded, modern 286k railcar across the entire Upper Black Hills Subdivision. The Project is currently ranked 3rd on the Short-Term Project Prioritization Ranking in Appendix C of the South Dakota Rail Investment Guide. In addition to accommodating heavier freight cars, completion of the Project is expected to eliminate joint maintenance, reduce broken rail derailments, and increase the overall speed of the railroad within the Project limits.

The railroad is only currently able to accommodate a 263k loaded freight car on the Upper Black Hills Subdivision. Once completed, along with work yet to be finished on the PRC Subdivision, the vast majority of the RCP&E will be able to accommodate a 286k railcar. The Project work will include the installation of rail repurposed from the RCP&E RAISE project, railroad bridge upgrades, bridge

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

replacement, new crossing surfaces, and turnouts. Importantly, completion of the Project is also intended to result in fewer derailments caused by broken rails and offer customers a more reliable and predictable railroad.

The Project will provide current and future rail shippers on the line the ability to ship and receive fully loaded 286k freight cars, allowing them to be competitive in their markets and expand their businesses. Providing the option to ship 286k freight cars ensures customers along the corridor have access to the broader freight rail network, and in turn, both domestic and international markets. Likewise, it allows the railroad to market the line and region more broadly with the goal of increasing economic growth and development across the state. Additionally, because rail shippers along the corridor would have better access to the national freight rail network, they would be better positioned to expand and grow, in turn facilitating economic development and job growth in western South Dakota.

Following a successful 2021 RAISE grant application, coupled with significant investment from both the state of South Dakota, and the RCP&E, a new rail installation project on the PRC Subdivision will be underway in 2024. RCP&E and SDDOT expect that over the next twelve months, preliminary engineering, environmental review, and grant agreements will be completed. Once the new rail is acquired and installed on the PRC Subdivision, work can begin on the proposed Upper Black Hills Project.

Of the 36.6 miles of 112 lb. rail to be replaced on the PRC Subdivision, 27 miles will be set aside. RCP&E is proposing to transport the rail to Rapid City, where it will be inspected, bolt ends cropped off (source of the predominate wear and number of defects), flash-butt welded and then re-laid, ultimately replacing the final 21.25 miles of existing older and lighter sectional rail within the Project area. Cropping and welding of sectional rail has been employed successfully for years by Class I railroads to extend the service life of this type of rail. Reusing rail to upgrade the Rapid City to Colony line allows the Project to be completed with greater cost efficiency and at much lower cost than would otherwise be possible.

To accommodate 286k capacity on the Black Hills Subdivision, RCP&E must also complete strengthening, upgrades, and replacement on 38 total structures within the project limits. All bridge and structure work will be completed in South Dakota.

Due to inflationary pressure on materials, labor, and the extensive bridge work needed to upgrade the line to 286k, the total cost of the Project is estimated above prior calculations.

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
South Dakota Portion			
Federal	STC Grant	\$14,062,328.00	70 Percent
State	N/A	N/A	N/A
Applicant	RCP&E Capital	\$6,026,712.00	30 Percent
Total South Dakota Portion		\$20,089,040.00	100 Percent
Wyoming Portion			
Federal	N/A	N/A	N/A
State	N/A	N/A	N/A
Applicant	RCP&E Capital	\$1,921,293.00	100 Percent
Total Wyoming Portion		\$1,921,293.00	100 Percent
Total Project Cost		\$22,010,333.00	
Total RCP&E STC Request		\$14,062,328.00	

- c. Percentage share of private funding contributing to project:

RCP&E will match 30 percent of the total requested South Dakota Project costs, or \$6,026,712 of the total \$20,089,040 South Dakota Project cost. In total, RCP&E is requesting \$14,062,328 in STC funds.

On the Wyoming side of the Project, RCP&E will fund 100 percent of the Project portion, or \$1,921,293 and is requesting no STC funds.

The total project, including work completed in Wyoming, is \$22,010,333.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
 - i. If yes, please describe

Numerous railroad dependent customers currently count on the transportation provided by the RCP&E between Colony, WY and Rapid City, SD, and are not currently able to ship a fully loaded 286k railcar. Completion of the Project is

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

intended to support new economic development, allow current railroad customers to expand their businesses and shipments, and attract new rail customers to the Project area.

The RCP&E sales, marketing, and industrial development teams are continually working to locate new customers along the railroad. Completion of the Project will allow the line to be marketed to customers who require a 286k capacity. Additionally, customers looking to locate or expand their businesses at Belle Fourche Industrial and Rail Park will have access to a more economically competitive railroad that can accommodate heavier rail cars.

- b. Will this project generate additional freight carloads on the affected segment?

Yes No

ii. If yes, please describe

In 2022, outbound volume on the Upper Black Hills Subdivision totaled over 11,000 carloads. Essential to continued current customer growth and new customer attraction is the ability to operate a safe, reliable, and efficient railroad that can accommodate a 286k railcar. Completion of the Project will help RCP&E do just that. One current railroad customer is looking to significantly expand their railroad shipments from Sturgis to Rapid City (up to 4,000 carloads annually). Completion of the Project is necessary for their continued success.

Additionally, new industrial development along the line is also possible once the Project is completed. As the bentonite railcar fleet continues to age, the cars will someday need to be replaced with newer cars. A railroad that can accommodate newer 286k railcars will be necessary for this anticipated fleet replacement.

- c. Is this project intended to reduce slow order miles? Yes No

iii. If yes, please describe

Depending on the most recent track inspection and detection results, slow orders do exist on the Black Hills Subdivision. As of September 29, slow orders limiting track speed to 10 mph are in place at MP 143 to 143.25 and MP 158 to 160.25, making up a very minor percentage of the total RCP&E route miles. Slow orders are repaired as soon as possible, but new track related defects can accumulate over time, resulting in more slow orders. Completion of the Project will allow the railroad to remove existing slow orders, and the railroad expects that completion of the Project will result in fewer slow orders in the future.

- 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

The railroad operates primarily at 25 mph (Class 2) or slower currently. In areas with slow orders, this speed is reduced further to 10 mph (Class 1). Once the Project is completed, RCP&E intends to operate at speeds up to 40 mph (Class 3).

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
Upgrading the Subdivision to handle the 286k maximum car is the primary purpose of the Project. All work within the Project is meant to accomplish greater railroad velocity, improve safety, and increase weight capacity. Rail replacement and bridge upgrades will be the primary means to upgrade the line to handle 286k.
- f. Is this project intended to divert freight from truck to rail? Yes No
- vi. If yes, please describe
The primary purpose of the Project is not meant to divert freight from truck to rail, however it is designed to prevent current rail traffic from being converted to truck. Additionally, as the line is upgraded, RCP&E will continue to market to customers throughout the corridor, including those entities who currently utilize trucks to transport their goods. By offering customers the ability to ship 286k freight cars, they are afforded even better economic efficiencies over truck shipments. This could result in the prevention of a modal shift from truck to rail as customers expand their businesses.
- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No
- vii. If yes, please describe
As part of the proposed scope of work, RCP&E will rehabilitate 376 track feet of at-grade rail crossings within the Project limits. Because overall train speed on the Subdivision will increase after the Project is completed, trains will clear at-grade crossings more quickly, providing quality of life improvements for affected residents.
- 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
Improving the corridor to handle 286k from the current 263k will yield significant benefits as it relates to the continued and future use of the rail corridor. These benefits include resiliency of the railroad and reliability in the form of reduced track caused derailments, in turn ultimately benefiting customers. In addition to the track and bridge work, three new turnouts will be installed on the mainline, improving the state of good repair.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?
Preliminary Engineering (PE) has not yet been completed. However, once funding for the project is secured, RCP&E would complete PE as part of the initial deliverables for

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

the Project. Engineering of the Project has been completed at the 30 percent level. Preliminary cost estimates on materials and labor were completed as well.

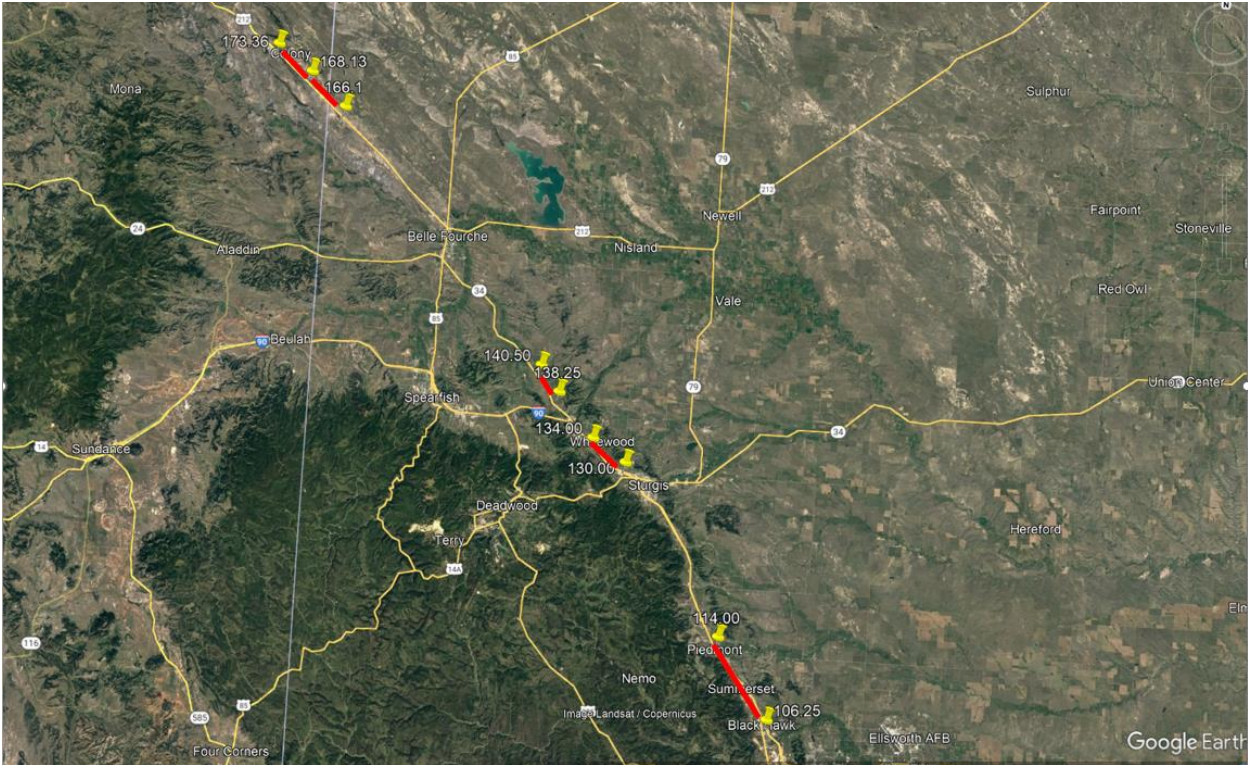
- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?
RCP&E expects that because the scope of work for the Project is replacing and upgrading existing track and structures, a Categorical Exclusion (CE) for NEPA would be obtained. The environmental review process would be completed once funding for the project has been secured. Based on prior federal grant experience, RCP&E would expect to gain a CE NEPA decision in less than nine months from date of award.
- 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.

RCP&E Upper Black Hills Corridor Upgrade Project: Appendix A

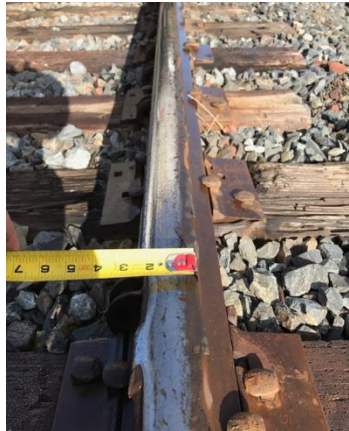
Project Map #1:



Project Map #2:



Typical 90lb Rail Examples:





Upper Black Hills Corridor Upgrade Project

Ross Lane

AVP - Government Affairs, G&W

October 10, 2023



Railroad Overview

- G&W began operating the railroad after acquiring it in 2014, renaming it the RCP&E
- Since startup and in robust partnership with the state of South Dakota and the federal government, the railroad has completed multiple upgrade projects resulting in significant public benefits
- The railroad provides a critical connection to the national freight rail network for South Dakota – and Wyoming businesses
- RCP&E is committed to further investment, and is constantly working to improve service and safety, allowing customers to grow



Upper Black Hills Corridor Upgrade Project

The Problem:

- The Upper Black Hills Subdivision of the RCP&E cannot accommodate a fully loaded modern 286k railcar. Current weight restriction is 263k
- Current weight restrictions impact the efficiency of the railroad, and limits current customer expansion, and future customer attraction
- Older rail reduces railroad velocity, and can contribute to track caused derailments, ultimately affecting reliability and safety

“Making these types of improvements enhances the competitive advantage of each line segment and ensures that the railroad assets may continue providing safe and reliable transportation for decades to come.” South Dakota State Rail Plan



Upper Black Hills Corridor Upgrade Project

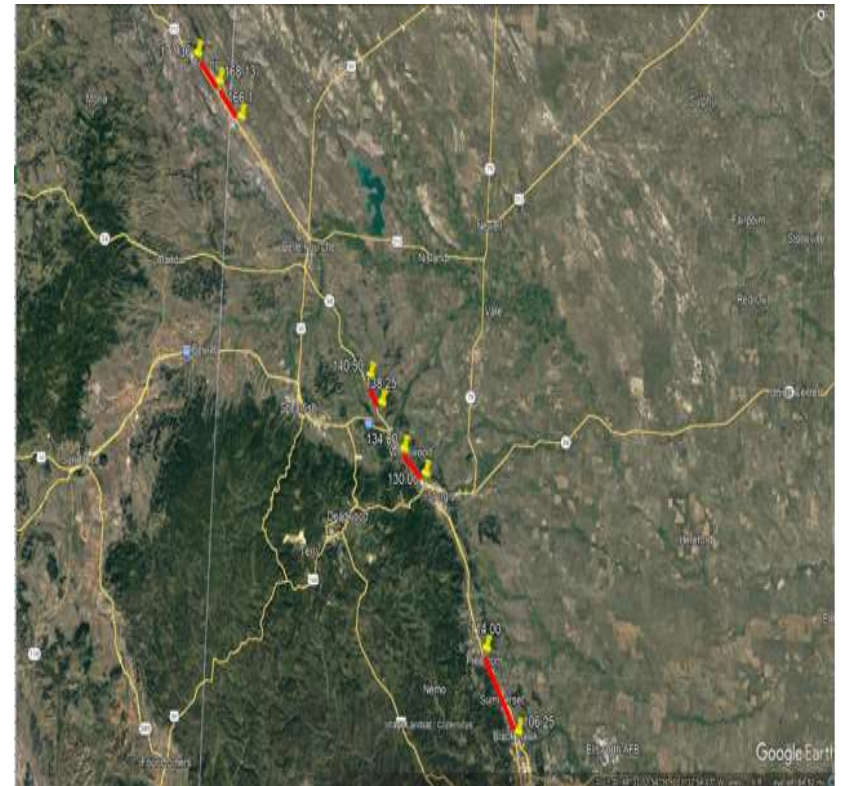
The Solution:

- Upgrade and replace 90lb rail and strengthen bridges to handle 286k
- Realize cost efficiencies from repurposing rail from RCP&E PRC subdivision upgrade work
 - 286k upgrade project would not be possible if it required all new rail
- Install new turnouts and rehabilitate several crossings
- Surface entire corridor
- Once completed, the Project aligns with the five goals stated in the SD state rail plan
- Project is currently ranked 3rd on the Short-Term Project Prioritization Ranking in Appendix C of the South Dakota Rail Investment Guide



Project Details

- Replace 21.25 miles of old, lightweight rail within the project limits
 - Project would take place between Rapid City, and the end of the line in Colony, WY
 - Rail will be repurposed from the PRC subdivision work as part of the successful RAISE grant
 - 27 miles of rail from the PRC project will be set aside
 - Because the Upper Black Hills does not have the Pierre shale problem, the rail currently used on portions of the PRC will work well for the Upper Black Hills
- Upgrade or replace 38 total structures to handle 286k
- Complete surfacing throughout entire project area
- Install three new turnouts, and 15,874 tons of ballast
- Work will also be completed in Wyoming, but paid for entirely by RCP&E
- RCP&E feels confident a Categorical Exclusion under NEPA will be obtained



Request

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
South Dakota Portion			
Federal	STC Grant	\$14,062,328.00	70 Percent
State	N/A	N/A	N/A
Applicant	RCP&E Capital	\$6,026,712.00	30 Percent
Total South Dakota Portion		\$20,089,040.00	100 Percent
Wyoming Portion			
Federal	N/A	N/A	N/A
State	N/A	N/A	N/A
Applicant	RCP&E Capital	\$1,921,293.00	100 Percent
Total Wyoming Portion		\$1,921,293.00	100 Percent
Total Project Cost			
		\$22,010,333.00	
Total RCP&E STC Request			
		\$14,062,328.00	

- Total cost of the Upper Black Hills Corridor Upgrade Project is \$22,010,333
 - SD portion is \$20,089,040
 - RCP&E will match 30 percent
 - Total STC request is \$14,062,328
- Work to be completed in Wyoming will be paid for entirely by RCP&E
 - WY portion is \$1,921,293

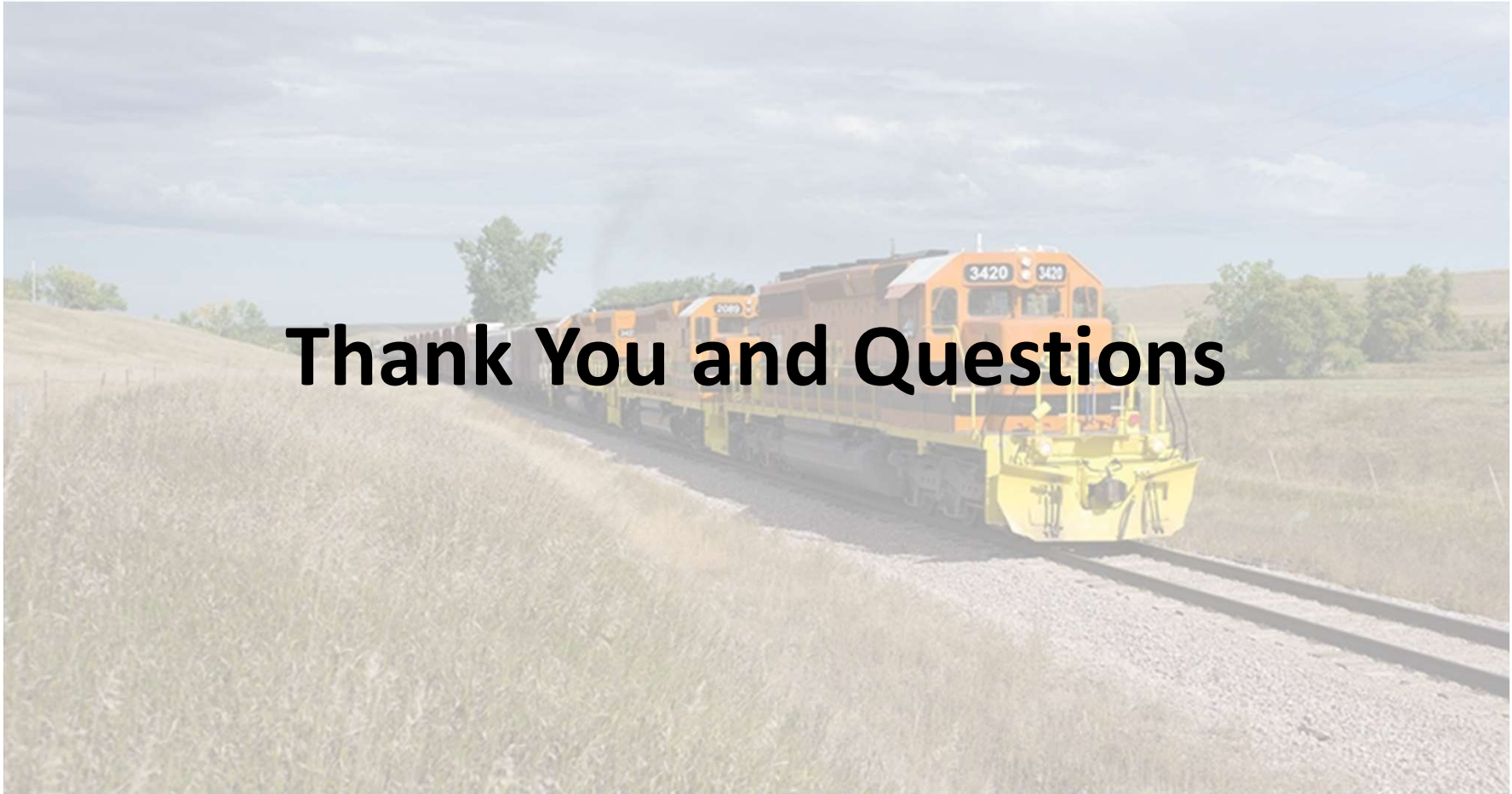
Total STC Request: \$14,062,328

Benefits of the Project

The Benefits:

- Allows railroad to increase overall velocity, reduce slow orders, and increase track classification
 - Railroad intends to operate at 40 mph after upgrade
- Decreases likelihood of track caused derailments
 - Improves safety
 - Improves resiliency and reliability of railroad
- Improves state of good repair
- Allows for eventual upgrade of the bentonite railcar fleet
- Increases Belle Fourche Business and Rail Park competitiveness
- Supports customer expansion and increased carloads
 - Customers on the line segment shipped a collective 11,000 carloads of outbound volume in 2022
 - One customer already looking to expand their annual carloads by over 4,000 per year
- Completion of the Project allows RCP&E to market railroad to new and existing customers that require 286k capacity
- Allows railroad customers to maintain economic competitiveness
 - Maintains connections for customers to the national freight rail network
- Reduces probability of modal conversion to truck, while increasing potential of modal conversion to rail

Thank You and Questions



APPLICANT INFORMATION

- a. Entity: **Belle Fourche Economic Development Corporation**
- b. Point of Contact: **Hollie Stadler**
- c. Address Line 1: **BFEDC**
- d. Address Line 2: **PO Box 344**
- e. City: **Belle Fourche**
- f. State: **SD**
- g. Zip Code: **57717**
- h. Phone Number: **605-892-5065**
- i. Email: **director@bellefourchedevcorp.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).

The project will be in the Belle Fourche Industrial and Rail Park located just west of the intersection of US85 and US212.
- 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.

BFEDC would like to present three options for the SD Railroad Boards consideration.

Option 1. BFEDC has had inquiries regarding the suitability of the facility for the loading and unloading of railcars. In addition, the ability to store railcar freight for short periods of time has been an area of interest. This project will increase the rail traffic into the park and increase rail traffic for the RCP&E. Potential customers have expressed concern about security at the site – the project would add security cameras and lighting in this area. New Generation Feeds wants to bring in ingredients by rail for their feed supplements. Construction companies have expressed interest in bringing in material by rail. Albany Farms continues to grow (they now have 100 employees) and plans to bring in SD wheat by rail. This track will allow them to receive that wheat by rail.

The project consists of 110 feet of track realignment of the existing track, 2,960 ft of new track construction, install one new turnout, install security cameras and light fixtures for safety and security and gravel 4.62 acres for two separate gravel laydown areas. The tracks will be far enough apart to unload railcars directly onto trucks on both sides of each track. In addition, if temporary storage is needed the material from the railcars can be stored in the laydown area. Also, if material is to be loaded onto railcars it can be staged on the laydown area prior to loading onto railcars.

The operational flexibility afforded by the dual tracks and the laydown areas will make the facility attractive to potential rail park customers.

Option 2. If Option 1 is selected for funding, the Rail Park will be at capacity in terms of rail development. Option 2 is Option 1 plus an effort to evaluate and select a location to develop another rail served industrial park.

Option 3. The rail park is already busy and spotting and moving cars within the rail park has started to become an issue for the railroad as they don't always have the time to do so. In addition to our industrial park customers, RCPE uses the sidings for other customers and operational flexibility – so far this year over 2900 cars for various customers of RCPE have been on the siding. Option 3 is Option 2 plus the purchase of a track mobile.

- 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

Option 1

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
Federal	STC	\$1,467,440	80
State	0	0	0
Applicant	Local Funds	\$366,860	20
Total Project Cost		\$1,834,300	100%

Option 2

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
Federal	STC	\$1,559,440	80
State	0	0	0
Applicant	Local Funds	\$389,860	20
Total Project Cost		\$1,949,300	100%

Option 3

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
Federal	STC	\$1,879,440	80
State	0	0	0
Applicant	Local Funds	\$469,860	20
Total Project Cost		\$2,349,300	100%

- c. Percentage share of private funding contributing to project:
20

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. We have inquiries from companies that want to bring in construction materials by rail for projects in western SD. Please see the support letter from Cameron Ashley as one example. We are unable to unload them in our facility. The companies would have had to truck the material in at a higher cost. We do not know if the companies making the (past) inquiries ultimately got the jobs they were bidding on or not. New Generation Supplements is a local company that uses an ingredient that cannot be locally sourced. They wish to bring in this ingredient by rail but have not had a place to unload the rail cars. This project would give them an opportunity to maintain and possibly expand their business. As noted in their letter they anticipate the volume to be 200 rail cars per year. Albany Farms (the Ramen Noodle facility) continues to ramp up and will ultimately need a place to unload wheat for a flour mill and plastic goods for their products.

The new track construction will support jobs to unload the trains and load trucks, it will make the building materials more competitive in the local market – providing more competition on price, the New Generation feed ingredient will support an existing employee base and possibly add employees to manufacture that product. As Albany farms continues to grow, with the help of this project to enable wheat to be brought in by rail, their work force will continue to expand well beyond the 100 employees they have now.

The BFEDC will need to hire one person to operate and maintain the trackmobile. Estimated (non-project construction) job creation and retention is 20 (not counting Albany Farms, given the less certain timing).

- b. Will this project generate additional freight carloads on the affected segment? Yes No
- ii. If yes, please describe
Based upon the inquiries that we have had, and the support letters, we anticipate an additional 220 cars per year for the first couple of years and growth after that. Albany Farms is not included in this estimate – if Albany Farms ships wheat by rail it would add another 2000 cars per year.
- 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
- 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
- Yes, because freight shippers will use the Belle Fourche laydown/transload instead of one further away that would require additional truck miles. The ingredients for the feed supplement will come from over 800 miles away. If trucked to Belle Fourche that move would add 1.3 million truck miles per year. The building materials have a variety of sources, but assuming the origin is 300 miles, shipping by rail would result in 33,600 less truck miles per year.**

Albany Farms is still planning on bringing in wheat from the Pierre/Onida/Midland area. Should this happen an additional 2000 cars per year will be utilizing the facility – resulting in a reduction of 2,400,000 truck miles per year all on SD roads.

Total truck mile reduction will be about 3.7 million miles per year when Albany farms starts shipping wheat in for their flour mill.

- 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?
- Some Preliminary Engineering has been done – layout and preliminary quantities and cost estimate. We anticipate requesting pre-award authority for PE.**
- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

NEPA has not started. However, previous projects have had NEPA documentation at the Industrial Park. While the project location was not evaluated, much of the background work has already been completed once and will require only updating. We anticipate requesting pre-award authority for NEPA work.

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.

Belle Fourche Delevopment Corp.
Proposed Future Track Expansion
Preliminary Opinion of Probable Cost

Labor Only					
Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 100,000.00	\$ 100,000.00
2	Relign Track	Tr-Ft	110	\$ 20.00	\$ 2,200.00
3	Grading	Tr-Ft	1,494	\$ 150.00	\$ 224,100.00
4	New Track Construction	Tr-Ft	1,494	\$ 225.00	\$ 336,150.00
5	Remove & Salvage Bumping Post	Each	1	\$ 500.00	\$ 500.00
6	Install Salvaged Bumping Post	Each	1	\$ 500.00	\$ 500.00
7	Furnish & Install Bumping Post	Each	1	\$ 5,000.00	\$ 5,000.00
8	#9 Turnout, Furnish & Install	Each	1	\$ 85,000.00	\$ 85,000.00
9	Furnish & Install Timber Crossing	Tr-Ft	24	\$ 275.00	\$ 6,600.00
10	Clearance Point Sign	Each	1	\$ 250.00	\$ 250.00
11	Gravel for Laydown	LS	1	\$ 300,000.00	\$ 300,000.00
12	Security Camera	LS	1	\$ 30,000.00	\$ 30,000.00
13	Light Pole	LS	1	\$ 300,000.00	\$ 300,000.00
14	Railroad Protective Insurance	LS	1	\$ 5,000.00	\$ 5,000.00
Subtotal:					\$ 1,395,300.00
15% Contingency:					\$ 209,000.00
Preliminary Engineering:					\$ 25,000.00
Final Design Engineering:					\$ 75,000.00
Environmental:					\$ 30,000.00
Construction Admin:					\$ 100,000.00
Total Cost:					\$ 1,834,300.00





Current rail siding

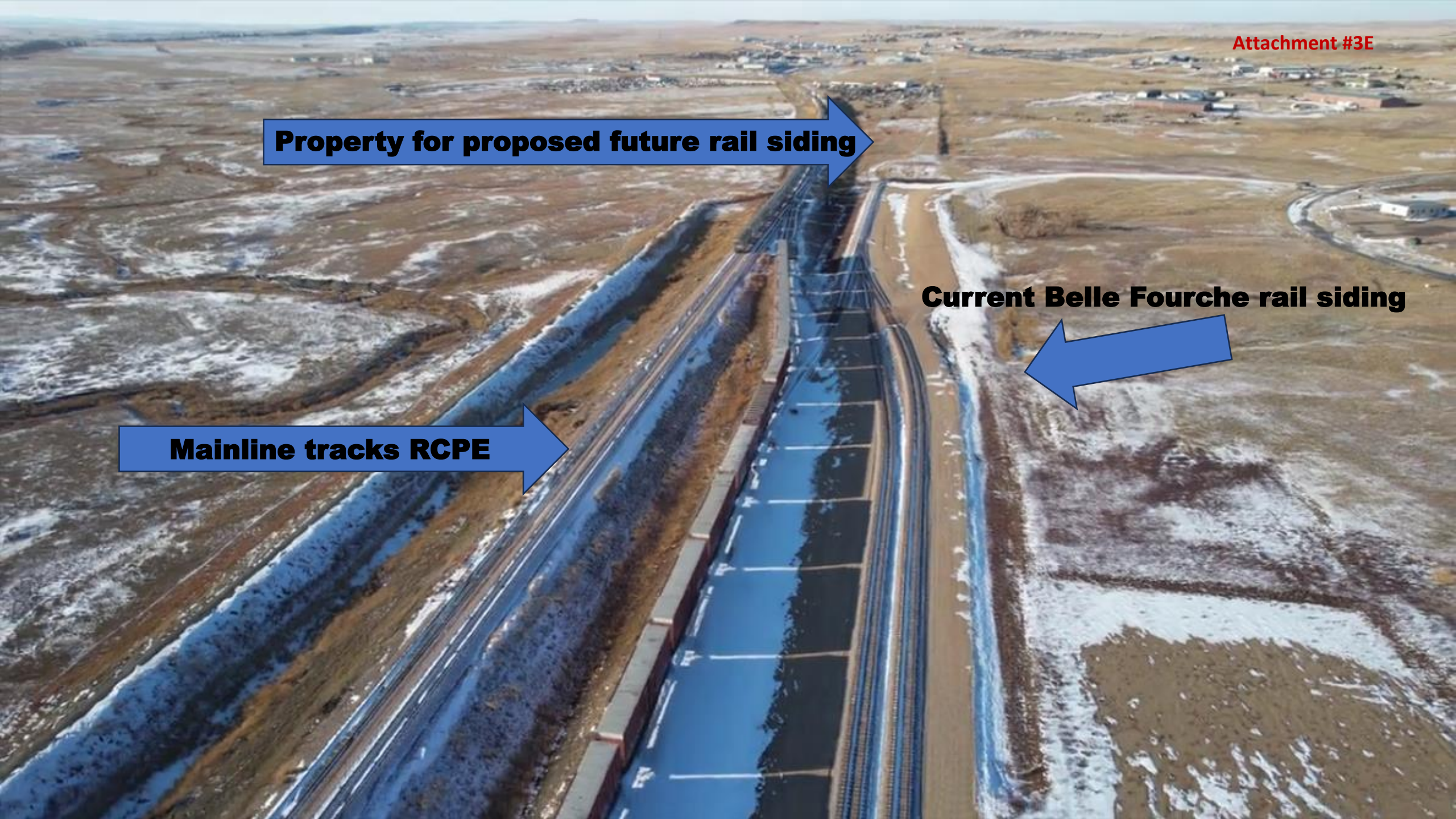
Mainline tracks RCPE

Land for proposed rail siding

Property for proposed future rail siding

Mainline tracks RCPE

Current Belle Fourche rail siding



Property for proposed future rail siding

Attachment #3E



Current Belle Fourche rail siding



Property for proposed future rail siding



Property for proposed future rail siding



Property for proposed future rail siding



Property for proposed future rail siding

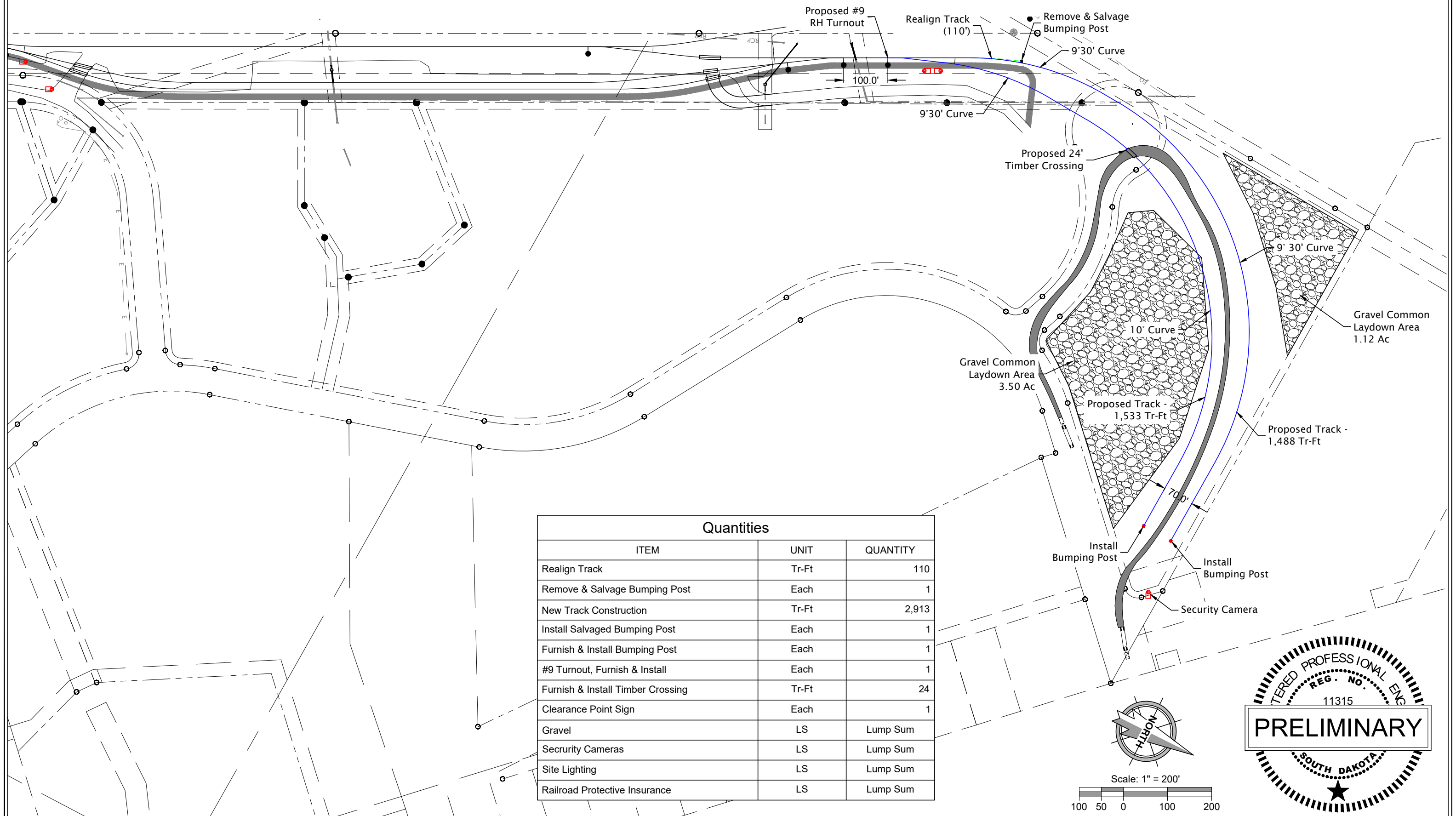


Property for proposed future rail siding

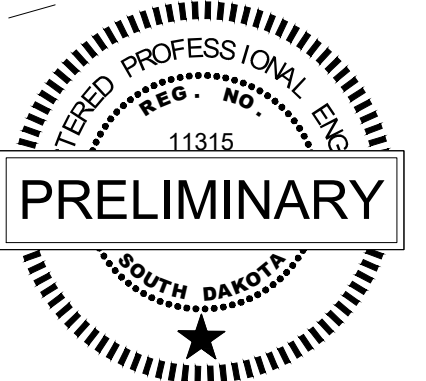
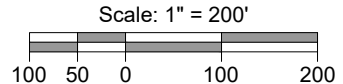
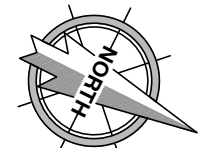




Proposed Future Track Expansion



Quantities		
ITEM	UNIT	QUANTITY
Realign Track	Tr-Ft	110
Remove & Salvage Bumping Post	Each	1
New Track Construction	Tr-Ft	2,913
Install Salvaged Bumping Post	Each	1
Furnish & Install Bumping Post	Each	1
#9 Turnout, Furnish & Install	Each	1
Furnish & Install Timber Crossing	Tr-Ft	24
Clearance Point Sign	Each	1
Gravel	LS	Lump Sum
Security Cameras	LS	Lump Sum
Site Lighting	LS	Lump Sum
Railroad Protective Insurance	LS	Lump Sum





September 27, 2023

South Dakota State Railroad Board
700 E. Broadway Avenue
Pierre, SD 57501

Dear South Dakota State Railroad Board Commissioners,

I am writing this as a letter of support for the proposed rail expansion in the Belle Fourche Industrial & Rail Park located in Belle Fourche, South Dakota. Our local rail siding here is in process with a grant application to further develop the siding and grow the business for our region. The proposed expansion, through this grant, would allow for our business to have a local site to rail to vs trucking from out of state. The access to the railcars and space to offload supports us bringing in several rail cars a year of siding, gypsum, and roofing, and alleviating the load on our highway system with 2-3 times the truck traffic.

We are having to transport our needed product by truck from other states. Rail has become more appealing as we consider the cost savings and volume, we are able to transport by rail vs truck.

We appreciate your consideration and are hopeful for the board's approval for Belle Fourche to proceed with the grant application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Duane Nielsen', is written over a light blue horizontal line.

Duane Nielsen
Cameron Ashley Building Products
Distribution Center Manager
5001 API Rd
Black Hawk, SD. 57718
605-787-6751

September 28, 2023

South Dakota State Railroad Board
700 E. Broadway Avenue
Pierre, SD 57501


Dear South Dakota State Railroad Board Commissioners,

I am writing this as a letter of support for the proposed rail expansion in the Belle Fourche Industrial & Rail Park located in Belle Fourche, South Dakota. Our local rail siding here is in process with a grant application to further develop the siding and grow the business for our region. The proposed expansion, through this grant, could allow for our business to grow by transporting in a by-product to our feed supplement vs trucking from out of state. The access to the railcars and space to offload could support us bringing in over 200 rail cars a year and alleviate the load on our highway system with 2-3 times the truck traffic.

With our closest source closing down, we are having to transport our needed product by truck from further away in other states. Rail has become more appealing as we consider the cost savings and volume, we are able to transport by rail vs truck.

We appreciate your consideration and are hopeful for the board's approval for Belle Fourche to proceed with the grant application.

Sincerely,



Zach Westberg
Vice President of Operations
New Generation Supplements

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

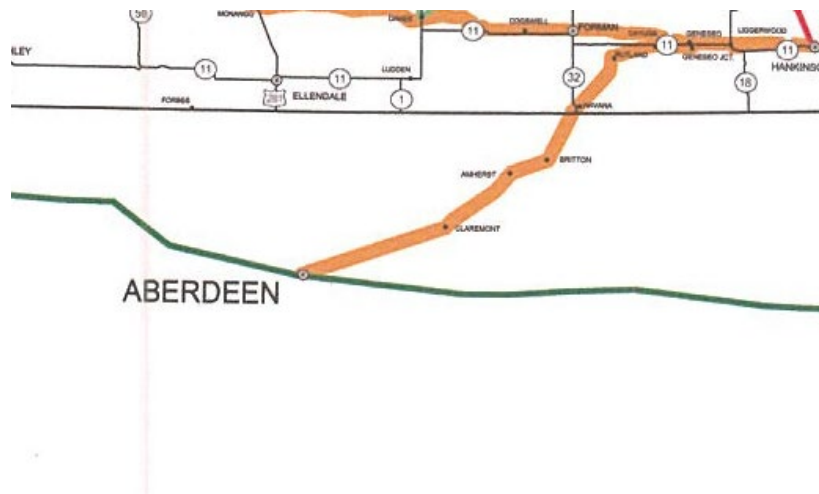
APPLICANT INFORMATION

- a. Entity: Dakota, Missouri Valley & Western Railroad Inc.
- b. Point of Contact: Mark Trottier
- c. Address Line 1: 3501 E Rosser Ave
- d. Address Line 2: Click or tap here to enter text.
- e. City: Bismarck
- f. State: North Dakota
- g. Zip Code: 58501
- h. Phone Number: 701-223-9282
- i. Email: mtrottier@dmvrr.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).

The project location will be on the Aberdeen Subdivision of the DMVW Railroad that runs between Geneseo, ND and Aberdeen SD. The specific mile post of the project will be MP 115.4-74.2 and the line segment between Jarret Junction & Britton, SD (4.4 Miles). DMVW Railroad Inc. is the operator of the line subleased by Marshal County Rail Authority who leases from the State of South Dakota.



- 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.

The purpose and need of the project are to upgrade the line to better serve customers and keep the leased line in the best possible condition.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.

The railroad is plagued with soft subgrade and poor tie condition. The soft subgrade has resulted in derailments in May 2018 and April 2020. The benefit of this project is to reduce the chances of derailments and eliminate slow orders on the railroad. The project will allow the railroad to be more resilient in the face of possible climate change related weather changes. If this project is not completed, the railroad will continue to have derailments and costs associated.

The process used to identify the specific needs for this project has come from many years of experience with reoccurring soft subgrade issues. The needs identified by the experience of DMVW management knowing what will help solve the challenges the railroad faces.

This project would entail replacing 4 switches at MP 27.52, MP 28.40, MP 28.45, and MP28.25. It would include installing 22,800 ties, 45,600 tons of ballast, skew tie correction and surfacing between MP 115.4-74.2 and between Jarret Junction to Britton, SD. It would also include replacing anchors between MP 115.4-83.5 and Jarret Junction to Britton, SD.

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	STC Grant	9,007,855.40	80%
State	State Funds	1,688,972.89	15%
Applicant	DMVW Railroad Inc.	562,990.96	5%
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		11,259,819.25	100%

- c. Percentage share of private funding contributing to project:
5% would be covered by the Dakota Missouri Valley & Western Railroad Inc.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. If yes, please describe
DMVW is constantly looking for new development opportunities and if awarded this project it will create safer and more reliable track condition allowing us to more aggressively pursue new opportunities.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
- ii. If yes, please describe
Long term it will increase carloads because of the line being in in better condition with the addition of new ties, ballast, and anchors. DMVW is currently working with several businesses on products that will have destinations on the Britton Line and other locations that DMVW serves. This could easily equal 250-500 additional carloads.
- c. Is this project intended to reduce slow order miles? Yes No
- iii. If yes, please describe
By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.
- There are currently no slow orders in effect but all of the line is reduced to 10 MPH. During the Spring there are multiple areas throughout the line that slow orders occur.
- This project should help reduce the amount of slow orders in the spring.
- 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
N/A
- 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
N/A
- f. Is this project intended to divert freight from truck to rail? Yes No
- vi. If yes, please describe
The project would greatly reduce the amount of truck traffic by allowing DMVW to move more carloads, especially in the spring. In a very wet spring we have had to reduce the amount of trains because of the overall track conditions, and a project would help alleviate the problem. Our joint project with AGP has taken 3,983 trucks off the road YTD 2023 and the project upgrades would grow that business even further.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No

vii. If yes, please describe
N/A

- 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

The state acquired the 4.4 Jarrett Jct. to Britton with the rest of the assets of the Milwaukee Road in the early 1980's. In the early 2000's the BNSF had embargoed the line due to flooding and poor subsurface conditions. Portions of the line were very soft due to high surface water and burrowing animals. The state purchased the line in 2002. Over the years the state and the regional railroad authority improved bridges, raised track in low areas, placed rip rap, placed ballast, replaced ties, reconfigured Jarrett Jct., and replaced rail in an effort to bring the rail up to modern standards for weight, speed and reliability. The railroad still needs additional work. To operate trains over the soft subgrade good ties and additional ballast are needed.

Maintaining and upgrading infrastructure is vital to keeping this valuable shipping lane open. There has been a lot of private investments made by companies and individuals that rely on efficient and safe rail service.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- 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

The project is listed in the 2022 South Dakota State Rail Plan, Chapter 4, 4.3.2.3 on Page 133.

**2022-199 DMVW STC Grant
Britton Line - Project A
Preliminary Opinion of Probable Cost**

9/21/2023

Track Material Procurement					
Item	Description	Unit	Quantity	Unit Price	Total
A-1	No. 11 Turnout	Each	4	\$ 125,000.00	\$ 500,000.00
A-2	Transition Bar	Each	24	\$ 1,500.00	\$ 36,000.00
A-3	7"x9"x8'6" Timber Tie	Each	22,800	\$ 85.00	\$ 1,938,000.00
A-4	Spikes - 5/8" x 6" - 59/keg	Keg	1,800	\$ 50.00	\$ 90,000.00
A-5	Ballast	Tons	45,600	\$ 60.00	\$ 2,736,000.00
A-6	Anchors	Each	155,000	\$ 2.50	\$ 387,500.00
Track Materials Subtotal:					\$ 5,687,500.00
Sales Tax:					\$ 284,375.00
Track Materials Total:					<u>\$ 5,971,875.00</u>

Track Upgrades - Labor					
Item	Description	Unit	Quantity	Unit Price	Total
B-1	Mobilization	LS	1	\$ 200,000.00	\$ 200,000.00
B-2	Install No. 11 Turnout	Each	4	\$ 25,000.00	\$ 100,000.00
B-3	Tie Replacement	Each	22,800	\$ 60.00	\$ 1,368,000.00
B-4	Tie Disposal	Each	22,800	\$ 5.00	\$ 114,000.00
B-5	Anchor Installation	Tr-Mile	45.6	\$ 12,000.00	\$ 547,200.00
B-6	Skew Tie Correction	Tr-Mile	45.6	\$ 13,200.00	\$ 601,920.00
B-7	Surfacing	Tr-Mile	45.6	\$ 15,000.00	\$ 684,000.00
B-8	Railroad Protective Insurance	LS	1	\$ 7,500.00	\$ 7,500.00
B-9	Right of Entry	LS	1	\$ 1,000.00	\$ 1,000.00
Labor Subtotal:					<u>\$ 3,623,620.00</u>
Project A Subtotal:					\$ 9,595,495.00
Contingency (15%):					\$ 1,439,324.25
Design Engineering:					\$ 75,000.00
Enviromental:					\$ 50,000.00
Construction Admin:					<u>\$ 100,000.00</u>
Project A Total:					<u>\$ 11,259,819.25</u>



SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.

The railroad is plagued with soft subgrade and poor tie condition. The soft subgrade has resulted in derailments in May 2018 and April 2020. The benefit of this project is to reduce the chances of derailments and eliminate slow orders on the railroad. The project will allow the railroad to be more resilient in the face of possible climate change related weather changes. If this project is not completed, the railroad will continue to have derailments and costs associated.

The process used to identify the specific needs for this project has come from many years of experience with reoccurring soft subgrade issues. The needs identified by the experience of DMVW management knowing what will help solve the challenges the railroad faces.

This project would entail replacing 4 switches at MP 27.52, MP 28.40, MP 28.45, and MP28.25 and installing 4 new concrete crossings. It would include installing 38,500 ties, 77,000 tons of ballast, skew tie correction and surfacing between MP 115.4-42.81 and between Jarret Junction to Britton, SD. It would also include replacing anchors between MP 115.4-83.5, MP74.6 & MP42.81 and Jarret Junction to Britton, SD.

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	STC Grant	14,526,728.40	80%
State	State Funds	2,542,177.47	14%
Applicant	DMVW Railroad Inc.	1,089,504.63	6%
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		18,158,410.50	100%

- c. Percentage share of private funding contributing to project:
6% would be covered by the Dakota Missouri Valley & Western Railroad Inc.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. If yes, please describe
DMVW is constantly looking for new development opportunities and if awarded this project it will create safer and more reliable track condition allowing us to more aggressively pursue new opportunities.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
- ii. If yes, please describe
Long term it will increase carloads because of the line being in in better condition with the addition of new ties, ballast, and anchors. DMVW is currently working with several businesses on products that will have destinations on the Britton Line and other locations that DMVW serves. This could easily equal 250-500 additional carloads.
- c. Is this project intended to reduce slow order miles? Yes No
- iii. If yes, please describe
By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.
- There are currently no slow orders in effect but all of the line is reduced to 10 MPH. During the Spring there are multiple areas throughout the line that slow orders occur.
- This project should help reduce the amount of slow orders in the spring.
- 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
N/A
- 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
N/A
- f. Is this project intended to divert freight from truck to rail? Yes No
- vi. If yes, please describe
The project would greatly reduce the amount of truck traffic by allowing DMVW to move more carloads, especially in the spring. In a very wet spring we have had to reduce the amount of trains because of the overall track conditions, and a project would help alleviate the problem. Our joint project with AGP has taken 3,983 trucks off the road YTD 2023 and the project upgrades would grow that business even further.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No

vii. If yes, please describe
N/A

- 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

The state acquired the 4.4 Jarrett Jct. to Britton with the rest of the assets of the Milwaukee Road in the early 1980's. In the early 2000's the BNSF had embargoed the line due to flooding and poor subsurface conditions. Portions of the line were very soft due to high surface water and burrowing animals. The state purchased the line in 2002. Over the years the state and the regional railroad authority improved bridges, raised track in low areas, placed rip rap, placed ballast, replaced ties, reconfigured Jarrett Jct., and replaced rail in an effort to bring the rail up to modern standards for weight, speed and reliability. The railroad still needs additional work. To operate trains over the soft subgrade good ties and additional ballast are needed.

Maintaining and upgrading infrastructure is vital to keeping this valuable shipping lane open. There has been a lot of private investments made by companies and individuals that rely on efficient and safe rail service.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- 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

The project is listed in the 2022 South Dakota State Rail Plan, Chapter 4, 4.3.2.3 on Page 133.

**2022-199 DMVW STC Grant
Britton Line - Project B
Preliminary Opinion of Probable Cost**

9/21/2023

Track Material Procurement					
Item	Description	Unit	Quantity	Unit Price	Total
A-1	No. 11 Turnout	Each	4	\$ 125,000.00	\$ 500,000.00
A-2	Transition Bar	Each	24	\$ 1,500.00	\$ 36,000.00
A-3	7"x9"x8'6" Timber Tie	Each	38,500	\$ 85.00	\$ 3,272,500.00
A-4	Spikes - 5/8" x 6" - 59/keg	Keg	3,050	\$ 50.00	\$ 152,500.00
A-5	Ballast	Tons	77,000	\$ 60.00	\$ 4,620,000.00
A-6	Anchors	Each	220,000	\$ 2.50	\$ 550,000.00
A-7	Concrete Crossing Panels	Tr-Ft	144	\$ 600.00	\$ 86,400.00
Track Materials Subtotal:					\$ 9,217,400.00
Sales Tax:					\$ 460,870.00
Track Materials Total:					<u>\$ 9,678,270.00</u>

Track Upgrades - Labor					
Item	Description	Unit	Quantity	Unit Price	Total
B-1	Mobilization	LS	1	\$ 350,000.00	\$ 350,000.00
B-2	Install No. 11 Turnout	Each	4	\$ 25,000.00	\$ 100,000.00
B-3	Tie Replacement	Each	38,500	\$ 60.00	\$ 2,310,000.00
B-4	Tie Disposal	Each	38,500	\$ 5.00	\$ 192,500.00
B-5	Concrete Crossing Reconstruction	Tr-Ft	144	\$ 1,200.00	\$ 172,800.00
B-6	Anchor Installation	Tr-Mile	50.9	\$ 12,000.00	\$ 610,800.00
B-7	Skew Tie Correction	Tr-Mile	77	\$ 13,200.00	\$ 1,016,400.00
B-8	Surfacing	Tr-Mile	77	\$ 15,000.00	\$ 1,155,000.00
B-9	Railroad Protective Insurance	LS	1	\$ 7,500.00	\$ 7,500.00
B-10	Right of Entry	LS	1	\$ 1,000.00	\$ 1,000.00
Labor Subtotal:					<u>\$ 5,916,000.00</u>

Project B Subtotal: \$ 15,594,270.00
Contingency (15%): \$ 2,339,140.50
Design Engineering: \$ 75,000.00
Environmental: \$ 50,000.00
Construction Admin: \$ 100,000.00

Project B Total: \$ 18,158,410.50



SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

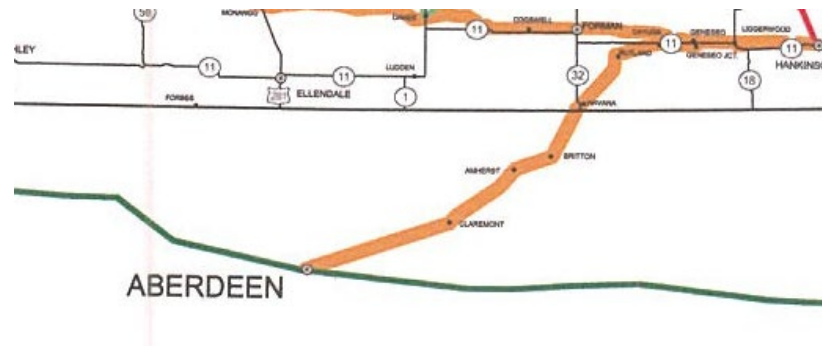
APPLICANT INFORMATION

- Entity: Dakota, Missouri Valley & Western Railroad Inc.
- Point of Contact: Mark Trottier
- Address Line 1: 3501 E Rosser Ave
- Address Line 2: [Click or tap here to enter text.](#)
- City: Bismarck
- State: North Dakota
- Zip Code: 58501
- Phone Number: 701-223-9282
- Email: mtrottier@dmvrr.com

PROJECT LOCATION

-
- 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).

The project location will be on the Aberdeen Subdivision of the DMVW Railroad that runs between Geneseo and Aberdeen. The specific mile post of the project will be MP 115.4-42.81 & the line segment between Jarret Junction & Britton, SD (4.4 Miles). DMVW Railroad Inc. is the operator of the line that is owned by the State of South Dakota.



- Is the project located on the state-owned rail network? Yes No

PROJECT DESCRIPTION

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

The purpose and need of the project are to upgrade the line to better serve customers and keep the leased line in the best possible condition.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.

The railroad is plagued with soft subgrade and poor tie condition. The soft subgrade has resulted in derailments in May 2018 and April 2020. The benefit of this project is to reduce the chances of derailments and eliminate slow orders on the railroad. The project will allow the railroad to be more resilient in the face of possible climate change related weather changes. If this project is not completed, the railroad will continue to have derailments and costs associated.

The process used to identify the specific needs for this project has come from many years of experience with reoccurring soft subgrade issues. The needs identified by the experience of DMVW management knowing what will help solve the challenges the railroad faces.

This project would entail replacing 4 switches at MP 27.52, MP 28.40, MP 28.45, and MP28.25 and installing 4 new concrete crossing. It would include installing 38,500 ties, 77,000 tons of ballast, skew tie correction and surfacing between MP 115.4-42.81 and between Jarret Junction to Britton, SD. Replacing anchors between MP 115.4-83.5 & between the MP of 45.7-43.75, 48.1-47.34, 54.89-50.64, 63.05-55.07 of and Jarret Junction to Britton, SD. Installing 115-pound rail between MP 115.04-110.2 & Jarret Junction to Britton.

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	STC Grant	20,793,814.40	80%
State	State Funds	3,378,994.84	12%
Applicant	DMVW Railroad Inc.	1,819,458.76	8%
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		25,992,268.00	100%

- c. Percentage share of private funding contributing to project:
8% would be covered by the Dakota Missouri Valley & Western Railroad Inc.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
- i. If yes, please describe
DMVW is constantly looking for new development opportunities and if awarded this project it will create safer and more reliable track condition allowing us to more aggressively pursue new opportunities.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
- ii. If yes, please describe
Long term it will increase carloads because of the line being in in better condition with the addition of new ties, ballast, and anchors and rail making it 286 capable. DMVW is currently working with several businesses on products that will have destinations on the Britton Line and other locations that DMVW serves. This could easily equal 250-500 additional carloads.
- c. Is this project intended to reduce slow order miles? Yes No
- iii. If yes, please describe
By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.
- There are currently no slow orders in effect but all of the line is reduced to 10 MPH. During the Spring there are multiple areas throughout the line that slow orders occur.
This project should help eliminate the amount of slow orders in the spring.
- 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
N/A
- 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
By putting the ties, ballast, anchors and heavier rail it would make the entire line 286 capable.
- f. Is this project intended to divert freight from truck to rail? Yes No
- vi. If yes, please describe
The project would greatly reduce the amount of truck traffic by allowing DMVW to move more carloads, especially in the spring. In a very wet spring we have had to reduce the amount of trains because of the overall track conditions, and a project would help alleviate the problem. Our joint project with AGP has taken 3,983 trucks off the road YTD 2023 and the project upgrades would grow that business even further.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No

vii. If yes, please describe
N/A

- 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

The state acquired the 4.4 Jarrett Jct. to Britton with the rest of the assets of the Milwaukee Road in the early 1980's. In the early 2000's the BNSF had embargoed the line due to flooding and poor subsurface conditions. Portions of the line were very soft due to high surface water and burrowing animals. The state purchased the line in 2002. Over the years the state and the regional railroad authority improved bridges, raised track in low areas, placed rip rap, placed ballast, replaced ties, reconfigured Jarrett Jct., and replaced rail in an effort to bring the rail up to modern standards for weight, speed and reliability. The railroad still needs additional work. To operate trains over the soft subgrade good ties and additional ballast are needed.

Maintaining and upgrading infrastructure is vital to keeping this valuable shipping lane open. There has been a lot of private investments made by companies and individuals that rely on efficient and safe rail service.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- 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

The project is listed in the 2022 South Dakota State Rail Plan, Chapter 4, 4.3.2.3 on Page 133.

**2022-199 DMVW STC Grant
Britton Line - Project C
Preliminary Opinion of Probable Cost**

9/21/2023

Track Material Procurement					
Item	Description	Unit	Quantity	Unit Price	Total
A-1	115# Rail	Tons	1,870	\$ 2,000.00	\$ 3,740,000.00
A-2	No. 11 Turnout	Each	4	\$ 125,000.00	\$ 500,000.00
A-3	Transition Bar	Each	24	\$ 1,500.00	\$ 36,000.00
A-4	7"x9"x8'6" Timber Tie	Each	38,500	\$ 85.00	\$ 3,272,500.00
A-5	Spikes - 5/8" x 6" - 59/keg	Keg	3,050	\$ 50.00	\$ 152,500.00
A-6	Tie Plates	Each	60,000	\$ 18.00	\$ 1,080,000.00
A-7	Joint Bars	Pair	1,220	\$ 150.00	\$ 183,000.00
A-8	Ballast	Tons	77,000	\$ 60.00	\$ 4,620,000.00
A-9	Anchors	Each	220,000	\$ 2.50	\$ 550,000.00
A-10	Concrete Crossing Panels	Tr-Ft	144	\$ 600.00	\$ 86,400.00
Track Materials Subtotal:					\$ 14,220,400.00
Sales Tax:					\$ 711,020.00
Track Materials Total:					<u>\$ 14,931,420.00</u>

Track Upgrades - Labor					
Item	Description	Unit	Quantity	Unit Price	Total
B-1	Mobilization	LS	1	\$ 450,000.00	\$ 450,000.00
B-2	115# Rail Replacement	Tr-Ft	48,630	\$ 30.00	\$ 1,458,900.00
B-3	Install No. 11 Turnout	Each	4	\$ 25,000.00	\$ 100,000.00
B-4	Tie Replacement	Each	38,500	\$ 60.00	\$ 2,310,000.00
B-5	Tie Disposal	Each	38,500	\$ 5.00	\$ 192,500.00
B-6	Concrete Crossing Reconstruction	Tr-Ft	144	\$ 1,200.00	\$ 172,800.00
B-7	Anchor Installation	Tr-Mile	50.9	\$ 12,000.00	\$ 610,800.00
B-8	Skew Tie Correction	Tr-Mile	77	\$ 13,200.00	\$ 1,016,400.00
B-9	Surfacing	Tr-Mile	77	\$ 15,000.00	\$ 1,155,000.00
B-10	Railroad Protective Insurance	LS	1	\$ 7,500.00	\$ 7,500.00
B-11	Right of Entry	LS	1	\$ 1,000.00	\$ 1,000.00
Labor Subtotal:					<u>\$ 7,474,900.00</u>

Project C Subtotal: \$ 22,406,320.00
Contingency (15%): \$ 3,360,948.00
Design Engineering: \$ 75,000.00
Environmental: \$ 50,000.00
Construction Admin: \$ 100,000.00

Project C Total: \$ 25,992,268.00



SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

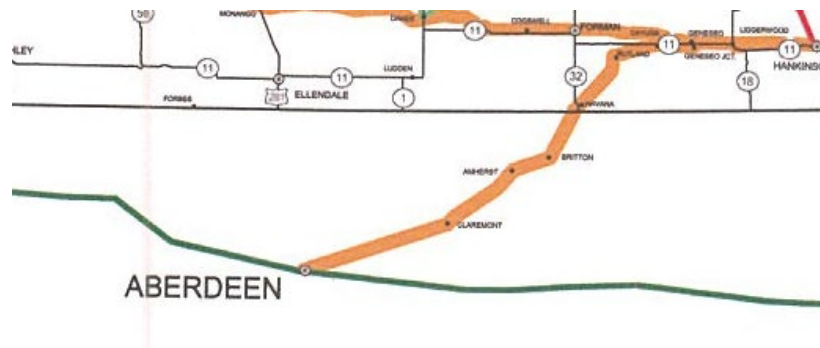
APPLICANT INFORMATION

- a. Entity: Dakota, Missouri Valley & Western Railroad Inc.
- b. Point of Contact: Mark Trottier
- c. Address Line 1: 3501 E Rosser Ave
- d. Address Line 2: Click or tap here to enter text.
- e. City: Bismarck
- f. State: North Dakota
- g. Zip Code: 58501
- h. Phone Number: 701-223-9282
- i. Email: mtrottier@dmvrr.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).

The project location will be on the Aberdeen Subdivision of the DMVW Railroad that runs between Geneseo and Aberdeen. The specific mile post of the project will be MP 115.4-42.81 & the line segment between Jarret Junction & Britton, SD (4.4 Miles). DMVW Railroad Inc. is the operator of the line that is owned by the State of South Dakota.



- 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.

The purpose and need of the project are to upgrade the line to better serve customers and keep the leased line in the best possible condition.

By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

The railroad is plagued with soft subgrade and poor tie condition. The soft subgrade has resulted in derailments in May 2018 and April 2020. The benefit of this project is to reduce the chances of derailments and eliminate slow orders on the railroad. The project will allow the railroad to be more resilient in the face of possible climate change related weather changes. If this project is not completed, the railroad will continue to have derailments and costs associated.

The process used to identify the specific needs for this project has come from many years of experience with reoccurring soft subgrade issues. The needs identified by the experience of DMVW management knowing what will help solve the challenges the railroad faces.

This project would entail replacing 4 switches at MP 27.52, MP 28.40, MP 28.45, and MP28.25 and installing 4 new concrete crossings. It would include installing 38,500 ties, 77,000 tons of ballast, skew tie correction and surfacing between MP 115.4-42.81 and between Jarret Junction to Britton, SD. Replacing anchors between MP 115.4-83.5 & between the MP of 45.7-43.75, 48.1-47.34, 54.89-50.64, 63.05-55.07 of and Jarret Junction to Britton, SD. Installing 115-pound rail between MP 115.04-110.2 & Jarret Junction to Britton, MP 63.05-55.07, MP 54.89-50.64 and MP 48.1-47.35.

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	STC Grant	29,818,862.60	80%
State	State Funds	4,472,829.39	12%
Applicant	DMVW Railroad Inc.	2,981,886.26	8%
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		37,273,578.25	100%

- c. Percentage share of private funding contributing to project:
8% would be covered by the Dakota Missouri Valley & Western Railroad Inc.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

i. If yes, please describe

DMVW is constantly looking for new development opportunities and if awarded this project it will create safer and more reliable track condition allowing us to more aggressively pursue new opportunities.

b. Will this project generate additional freight carloads on the affected segment?

Yes No

ii. If yes, please describe

Long term it will increase carloads because of the line being in in better condition with the addition of new ties, ballast, and anchors and rail making it 286 capable. DMVW is currently working with several businesses on products that will have destinations on the Britton Line and other locations that DMVW serves. This could easily equal 250-500 additional carloads.

c. Is this project intended to reduce slow order miles? Yes No

iii. If yes, please describe

By improving the railroad with this project, the railroad will become more resilient and more likely to remain open for traffic during wet times of the year.

There are currently no slow orders in effect but all of the line is reduced to 10 MPH. During the Spring there are multiple areas throughout the line that slow orders occur.

This project should help eliminate the amount of slow orders in the spring.

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

N/A

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

By putting the ties, ballast, anchors and heavier rail it would make the entire line 286 capable.

f. Is this project intended to divert freight from truck to rail? Yes No

vi. If yes, please describe

The project would greatly reduce the amount of truck traffic by allowing DMVW to move more carloads, especially in the spring. In a very wet spring we have had to reduce the amount of trains because of the overall track conditions, and a project would help alleviate the problem. Our joint project with AGP has taken 3,983 trucks off the road YTD 2023 and the project upgrades would grow that business even further.

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No

vii. If yes, please describe
N/A

- 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

The state acquired the 4.4 Jarrett Jct. to Britton with the rest of the assets of the Milwaukee Road in the early 1980's. In the early 2000's the BNSF had embargoed the line due to flooding and poor subsurface conditions. Portions of the line were very soft due to high surface water and burrowing animals. The state purchased the line in 2002. Over the years the state and the regional railroad authority improved bridges, raised track in low areas, placed rip rap, placed ballast, replaced ties, reconfigured Jarrett Jct., and replaced rail in an effort to bring the rail up to modern standards for weight, speed and reliability. The railroad still needs additional work. To operate trains over the soft subgrade good ties and additional ballast are needed.

Maintaining and upgrading infrastructure is vital to keeping this valuable shipping lane open. There has been a lot of private investments made by companies and individuals that rely on efficient and safe rail service.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

An Engineering firm has been made aware of the project but no work has begun but is expected to begin early 2024. It will be requested to complete this task using pre-award authority.

- 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

The project is listed in the 2022 South Dakota State Rail Plan, Chapter 4, 4.3.2.3 on Page 133.

**2022-199 DMVW STC Grant
Britton Line - Project D
Preliminary Opinion of Probable Cost**

9/21/2023

Track Material Procurement					
Item	Description	Unit	Quantity	Unit Price	Total
A-1	115# Rail	Tons	4,500	\$ 2,000.00	\$ 9,000,000.00
A-2	No. 11 Turnout	Each	4	\$ 125,000.00	\$ 500,000.00
A-3	Transition Bar	Each	24	\$ 1,500.00	\$ 36,000.00
A-4	7"x9"x8'6" Timber Tie	Each	38,500	\$ 85.00	\$ 3,272,500.00
A-5	Spikes - 5/8" x 6" - 59/keg	Keg	3,050	\$ 50.00	\$ 152,500.00
A-6	Joint Bars	Pair	2,950	\$ 150.00	\$ 442,500.00
A-7	Tie Plates	Each	145,000	\$ 18.00	\$ 2,610,000.00
A-8	Ballast	Tons	77,000	\$ 60.00	\$ 4,620,000.00
A-9	Anchors	Each	220,000	\$ 2.50	\$ 550,000.00
A-10	Timber Crossing Planks	Tr-Ft	584	\$ 300.00	\$ 175,200.00
A-11	Concrete Crossing Panels	Tr-Ft	144	\$ 600.00	\$ 86,400.00

Track Materials Subtotal: \$ 21,445,100.00

Sales Tax: \$ 1,072,255.00

Track Materials Total: \$ 22,517,355.00

Track Upgrades - Labor					
Item	Description	Unit	Quantity	Unit Price	Total
B-1	Mobilization	LS	1	\$ 500,000.00	\$ 500,000.00
B-2	115# Rail Replacement	Tr-Ft	117,200	\$ 30.00	\$ 3,516,000.00
B-3	Install No. 11 Turnout	Each	4	\$ 25,000.00	\$ 100,000.00
B-4	Tie Replacement	Each	38,500	\$ 60.00	\$ 2,310,000.00
B-5	Tie Disposal	Each	38,500	\$ 5.00	\$ 192,500.00
B-6	Timber Crossing Reconstruction	Tr-Ft	584	\$ 200.00	\$ 116,800.00
B-7	Concrete Crossing Reconstruction	Tr-Ft	144	\$ 1,200.00	\$ 172,800.00
B-8	Anchor Installation	Tr-Mile	50.9	\$ 12,000.00	\$ 610,800.00
B-9	Skew Tie Correction	Tr-Mile	77	\$ 13,200.00	\$ 1,016,400.00
B-10	Surfacing	Tr-Mile	77	\$ 15,000.00	\$ 1,155,000.00
B-11	Railroad Protective Insurance	LS	1	\$ 7,500.00	\$ 7,500.00
B-12	Right of Entry	LS	1	\$ 1,000.00	\$ 1,000.00

Labor Subtotal: \$ 9,698,800.00

Project D Subtotal: \$ 32,216,155.00

Contingency (15%): \$ 4,832,423.25

Design Engineering: \$ 75,000.00

Environmental: \$ 50,000.00

Construction Admin: \$ 100,000.00**Project D Total: \$ 37,273,578.25**

DMVW STC Grant 2022/2023 Application Photos

2018 Derailment

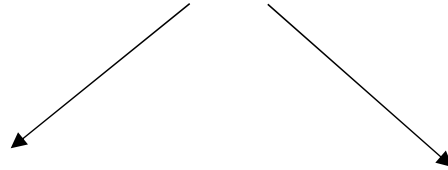


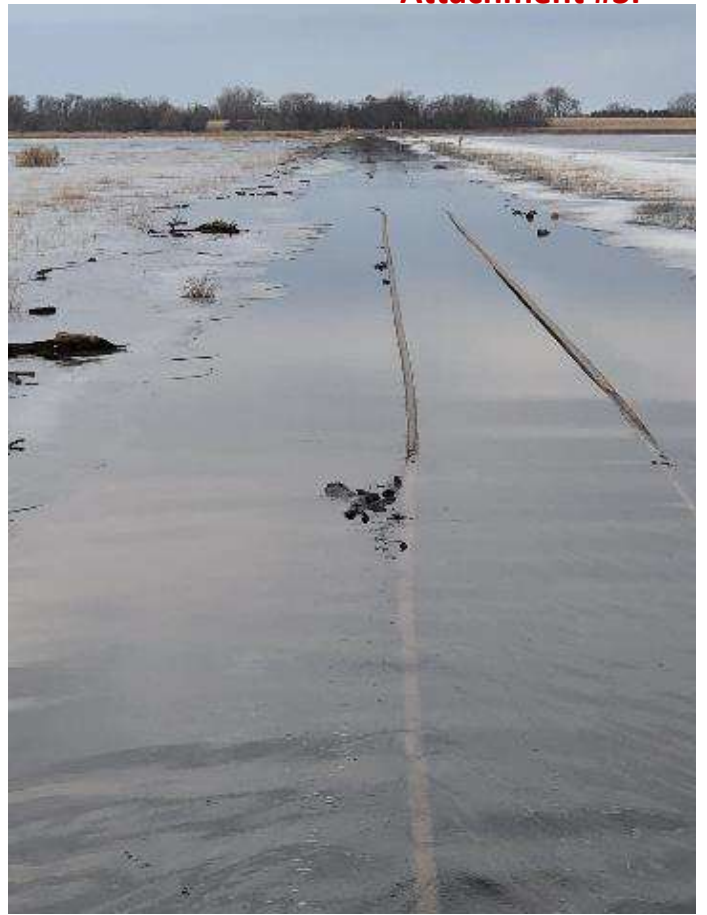
The 2018 Derailment was a result of thermal Stress in the rail that was not able to be constrained by spikes due to poor tie condition.



2020 Derailment

The 2020 Derailment was caused by lack of anchor's and poor tie conditions.







Example of Poor Subgrade and Tie Conditions

2023 South Dakota STC Grant

Plan A

500 Ties/mile MP 115.4-74.6 & 4.4 miles from JJ into Britton
10 Cars Ballast/mile MP 115.4-74.6 & 4.4 miles from JJ into Britton
4 #11 Turnouts MP 27.52, 28.40, 28.45, 28.25
155,000 Anchors MP 115.4-74.6 & 4.4 miles from JJ into Britton, every 3rd tie
45.6 miles Skewed tie correction MP 115.4-74.6 & 4.4 miles from JJ into Britton
45.6 miles of surfacing, 2 lifts

Plan B: Everything in Plan A plus,

500 Ties/mile 74.6-42.81 (Gen J) total of 38,500 ties
8 cars ballast/mile MP 74.6-42.81 (Gen J)
65,000 anchors MP 74.6-42.81 (Gen J)
144 track Feet concrete crossing panels, 3 crossings at Claremont & 1 at Amherst
Total of 77 miles skewed tie correction MP 115.4-42.81 & 4.4 miles from JJ into Britton
Total of 77 miles surfacing, 2 lifts MP 115.4-42.81 & 4.4 miles from JJ into Britton

Plan C: Everything in Plan A & B plus,

48,630 track feet of 115# rail MP 115.04-110.2 & 4.4 miles from JJ into Britton. Includes joint bars & tie plates

Plan D: Everything in Plan A & B & C plus,

68,570 track feet of 115# rail MP 48.10-47.34 & 50.64-54.89 & 55.07-63.05. Includes joint bars and tie plates. Total of 117,200 track feet (22.19 miles)
584 track feet of timber crossing panels which totals 18 crossings.

Plan A

\$11,259,819.25

Grant \$9,007,855.40

State \$1,688,972.89

DMVW \$562,990.96 5%

Plan B

\$18,158,410.50

Grant \$14,526,728.40

State \$2,542,177.47

DMVW \$1,089,504.63 6%

Plan C

\$25,992,268.00

Grant \$20,793,814.40

State \$3,378,994.84

DMVW \$1,819,458.76 8%

Plan D

\$37,273,578.25

Grant \$29,818,862.60

State \$4,472,829.39

DMVW \$2,981,886.26 8%

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: City of Sioux Falls
- b. Point of Contact: Shannon Ausen
- c. Address Line 1: 231 North Dakota Avenue
- d. Address Line 2: City Center
- e. City: Sioux Falls
- f. State: South Dakota
- g. Zip Code: 57104
- h. Phone Number: 605-367-8607
- i. Email: sausen@SIOUXFALLS.org

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).
 The project is located at railroad milepost (MP) 7.1 on the BNSF Railway Madison Subdivision, approximately 7 miles northwest of downtown Sioux Falls, near Foundation Park.
- 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.
 The project would construct a new highway-rail grade separation overpass at 471st Avenue (N Marion Road – DOT# 097254J) over the BNSF Madison Subdivision main track near Sioux Falls. This road is being upgraded to serve as a truck route for trucks to access the nearby Foundation Park rail-served industrial and logistics site from Interstate 29 via Exit 86 (258th Street) to the north. The overpass would eliminate any traffic delays caused by train movements and also provide a safety benefit by eliminating the risk of crossing-related incidents. While there are no recorded accidents/incidents at the existing at-grade crossing, the crossing currently only has passive warning devices (crossbuck signs and yield signs). Additionally, the crossing is skewed relative to the roadway and there is dense vegetation along the east side of the roadway, making it difficult for southbound vehicle traffic to see approaching trains coming from either direction. It should be noted that traffic crossing this at-grade rail crossing will continue to increase with the expansion of Foundation Park.

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	STC	\$12,000,000	80%
State	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Applicant	City of Sioux Falls	\$3,000,000	20%
Other (Please Describe)	BNSF Railway	TBD	TBD
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		\$15,000,000	100%

- c. Percentage share of private funding contributing to project:
 To be determined – BNSF Railway may provide a financial incentive for the roadway authority to eliminate the at-grade crossing on a case-by-case basis, which would go towards the 20% non-federal match.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
 - i. If yes, please describe
 This project is necessary to support traffic operations for a growing rail-served industrial park and BNSF Certified Site.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
 - ii. If yes, please describe
 Click or tap here to enter text.
- 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
 - 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

SOUTH DAKOTA RAIL INVESTMENT PROGRAM – INTAKE FORM

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

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

Click or tap here to enter text.

- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No

vii. If yes, please describe

The project will eliminate an existing at-grade crossing through construction of a new highway-rail grade separation.

- 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?

The project is currently nearing a 30% level of design completion. Conceptual plans have been submitted to BNSF and BNSF provided comments.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

Pre-NEPA environmental reports have been completed for the project in anticipation of NEPA. NEPA Class of Action will be determined by FRA as lead agency; FRA has a Categorical Exclusion found at 23 CFR 771.116(c)17 for grade separation projects that are predominantly within existing right-of-way.

- c. Please indicate if this project has been documented in any of the following planning documents:

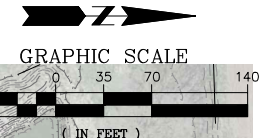
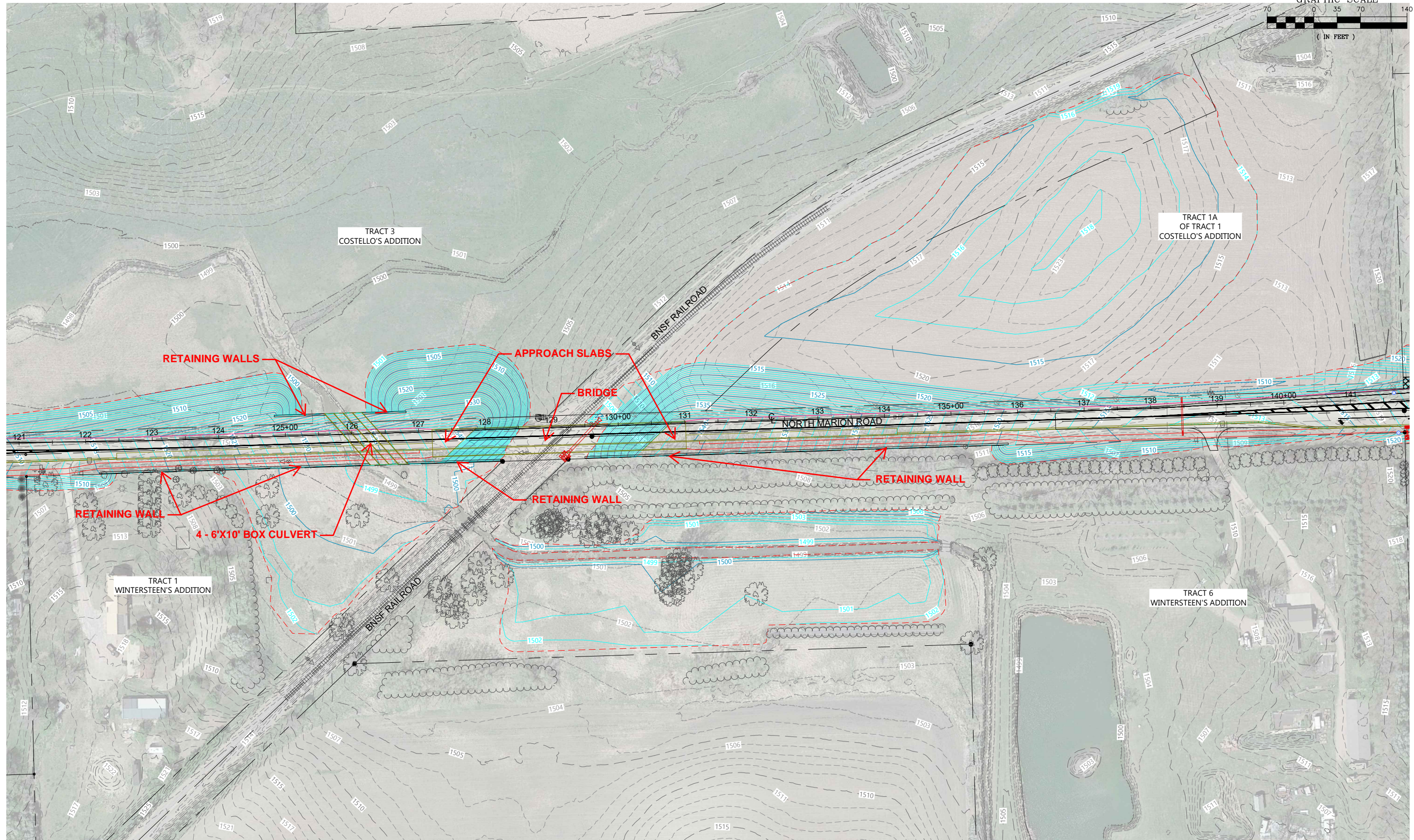
i. South Dakota State Rail Plan Yes No

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

The expansion and upgrades planned for Marion Road are consistent with the Sioux Falls MPO Long Range Plan.

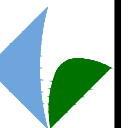


NORTH MARION ROAD
 FOUNDATION COURT TO 258TH STREET
 30% DESIGN DOCUMENTS

PHASE 3 OVERVIEW

DESIGNED BY: JJB
 DRAWN BY: GRA
 CHECKED BY: JJB
 REVISIONS: _____

CITY OF SIOUX FALLS
PUBLIC WORKS
 Providing a Better Quality of Life for You!

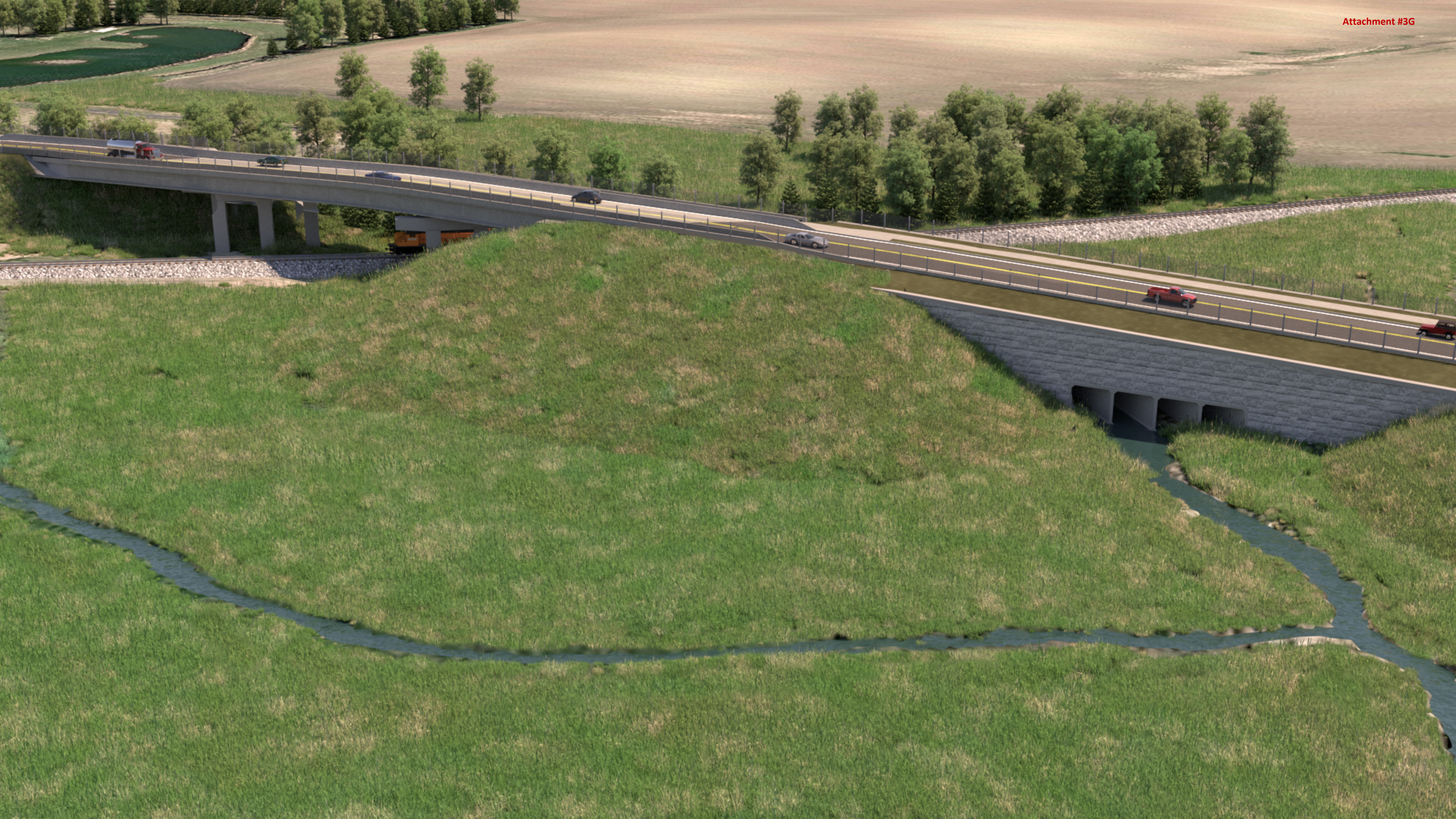


SHEET NO.
PH3

OPTION FIVE
 1/2 URBAN SECTION
 GRADE-SEPARATED RR CROSSING







Marion Road and BNSF Rail Overpass Grant Application

South Dakota State Railroad Board Meeting

Tuesday, October 10, 2023

Application Representatives from City of Sioux Falls:

Brad Ludens, PE

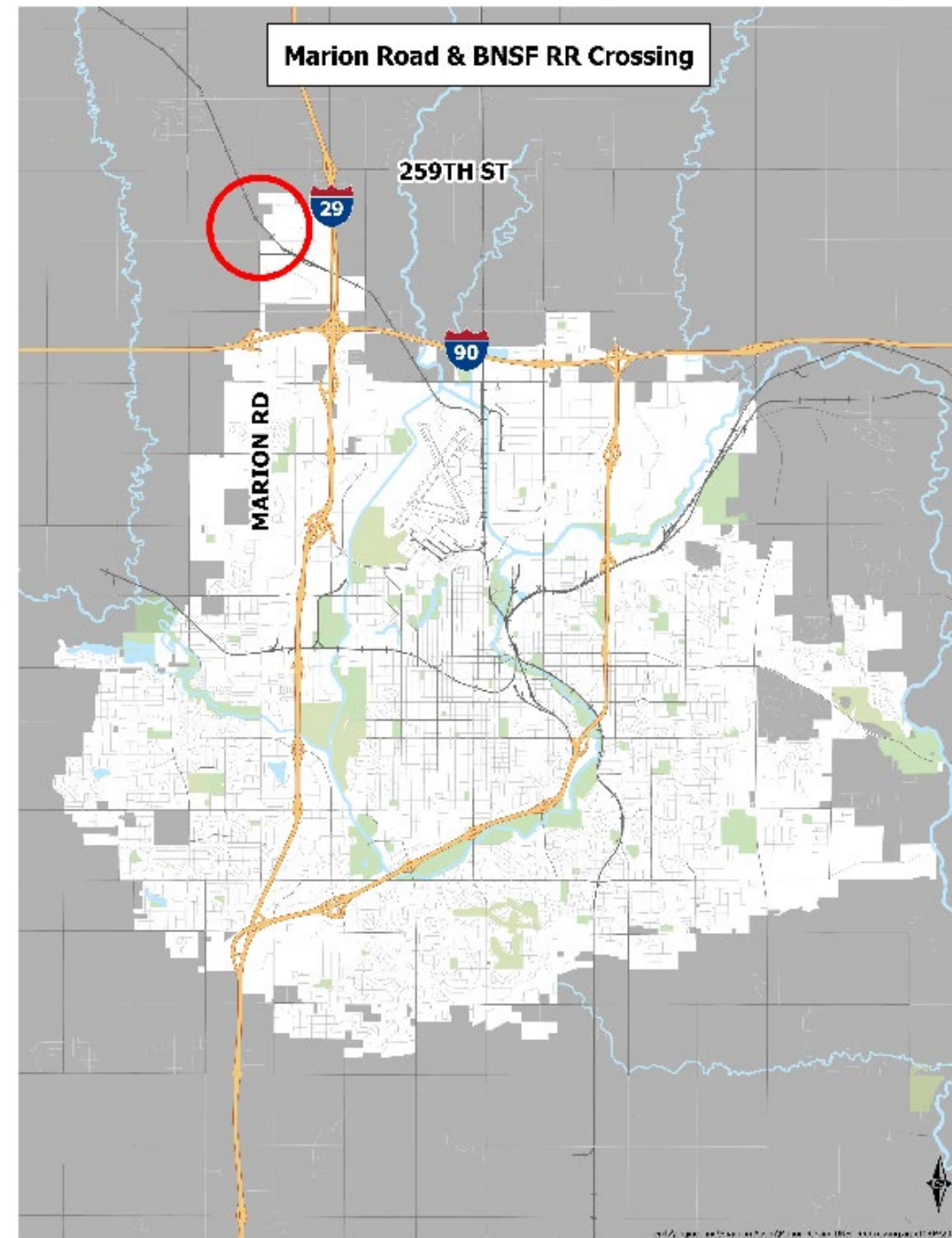
Shannon Ausen, PE



CITY OF
SIOUX FALLS

Project Vicinity: Sioux Falls

- City of Sioux Falls is requesting funds for the Marion Road/BNSF Overpass Construction
- Sioux Falls 2022 Population: 209,000
- Map to the right shows current City Limits in white
 - Annexed areas adjacent to BNSF rail line on east and west side of I-29
- Marion Road: Arterial Priority 1
 - 12-mile corridor extends from north city limits to I-29
 - Corridor projected volumes from 15,000 to 25,000 vpd
 - BNSF and Ellis Eastern Rail At Grade Crossings
 - Access to I-90
- Partnership formed in 2015 to advance Foundation Park:
 - Sioux Falls Development Foundation
 - Forward Sioux Falls
 - City of Sioux Falls
 - Governor's Office of Economic Development (GOED)



Rail Crossing and Rail Line Vicinity

- BNSF Class 1 Rail Line
- Rail extends from Madison, SD to Downtown Sioux Falls Switch to connect to mainline
- Access to Corson and Canton Rail Line Subdivisions
- Foundation Park has a BNSF Railway Site Certification for industrial land uses
- Marion Road Crossing number DOT 097254J




Project Need: Traffic Growth

- Marion Road Traffic Volumes at the rail crossing
 - 2015: less than 400 vpd (gravel road)
 - 2023: 5,500 vpd with 12% trucks (partly paved)
 - 2045: 15,000 vpd (fully paved to MC 130)
- Marion Road Expansion: Phased Approach
 - SDDOT Interchange improvements at I-90 and Marion Road
 - Marion Road Expansion from I-90 to Minnehaha County Rd 130, completion in 2024
 - Last phase is the rail overpass
- Sioux Falls Engineering Design Standards Railroad Overpass Policy; 3/5 criteria met (only 1 required)
 - Arterial Street classification
 - Arterial design speed 45 mph, posted 40 mph
 - Projected daily traffic volume exceeds 10k per day, 2045 traffic forecast is 15,000 vpd



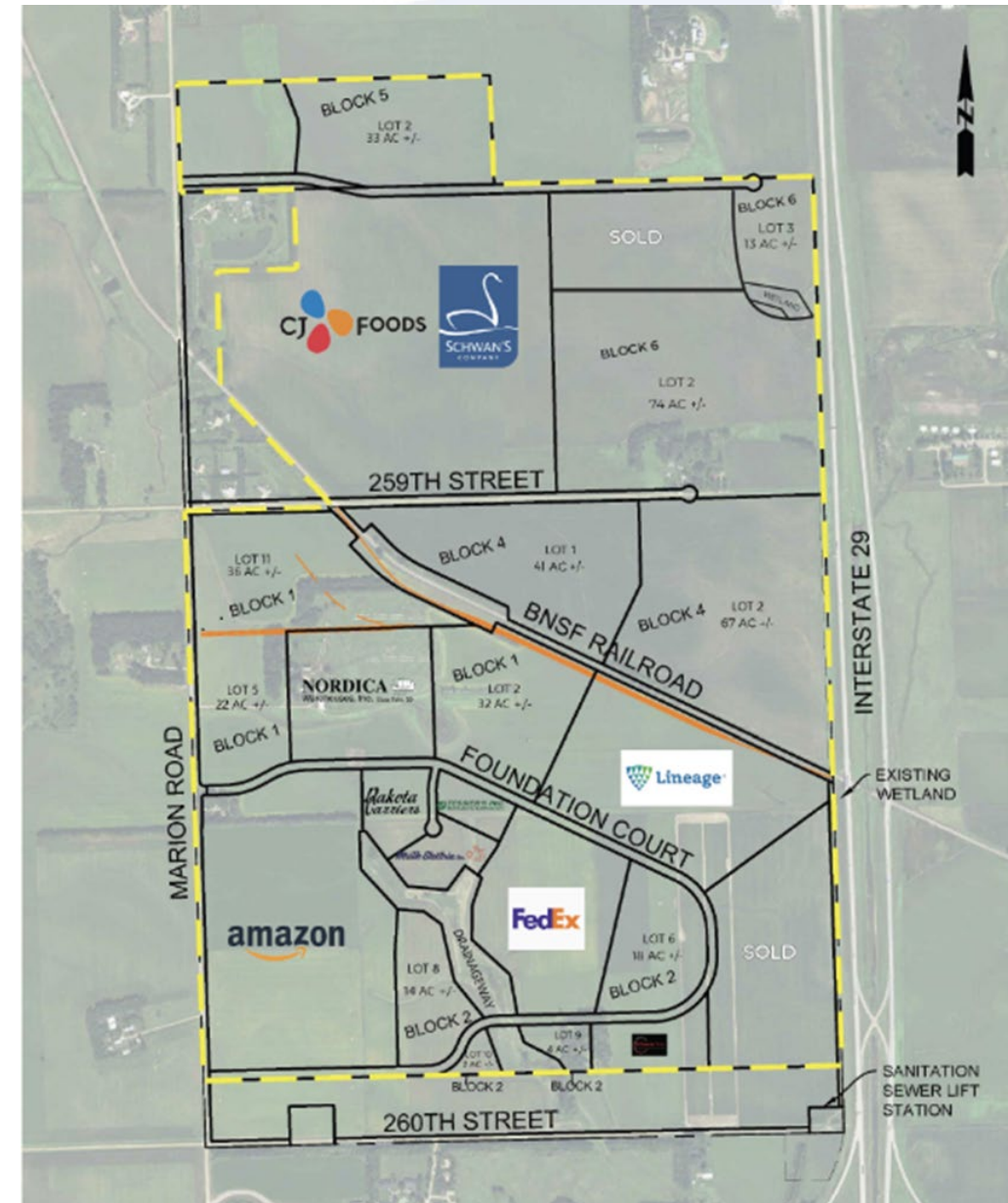


Project Need: Safety

- Skew of the crossing is roughly 45-50 degree (recommended skew of rail crossing is 15 degrees or less)
 - Other crossing challenges:
 - Stream
 - Vegetation
 - Existing homes
 - Currently no recorded crashes at this crossing
- 

Economic Development Needs

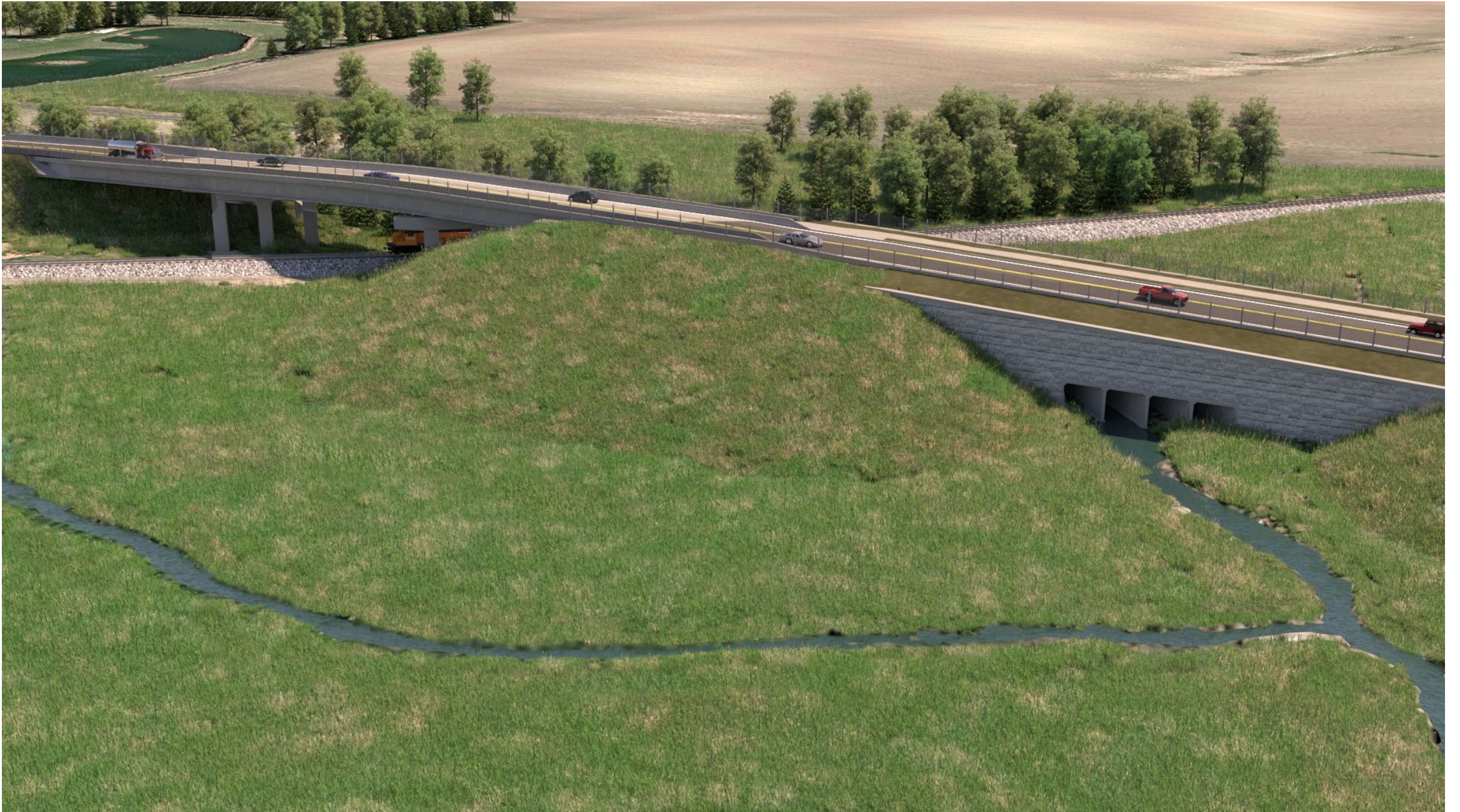
- Foundation Park Statistics
 - 800+ acres
 - 6,500+ Employees projected
- Industrial Land Users
 - Rail access users
 - Nordica Warehouse
 - Lineage/WinChill
 - Schwan Food Co/CJ Foods (planned operational by 2025)
 - More rail sites available
 - Amazon Fulfillment Center (3M SQ FT building size)
 - Fully operational with 1,700 employees
 - Expansion to 2,300 employees
 - Fed Ex Ground, Tessier's Inc, Muth Electric, Dakota Carriers,
 - Recently, Avera Heath and Owen & Minor Medical Supply Distribution
 - More non rail sites are still available



Project Funding

- Infrastructure investment to date: \$9.5M (SDDOT, CSF, MC)
- Requested amount from State Rail Board: \$12,000,000

Funding Partner	Funding Program	Amount (in US Dollars)	Proposed Share Percentage
Federal	STC	\$12,000,000	80%
State	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Applicant	City of Sioux Falls	\$3,000,000	20%
Other (Please Describe)	BNSF Railway	TBD	TBD
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		\$15,000,000	100%





Questions?

Thank You!



APPLICANT INFORMATION

- a. Entity: D & I Railroad Co
- b. Point of Contact: Scott Van Den Top
- c. Address Line 1: 350 S Main Ave., Suite 400
- d. Address Line 2: [Click or tap here to enter text.](#)
- e. City: Sioux Falls
- f. State: SD
- g. Zip Code: 57104
- h. Phone Number: 605-310-9500
- i. Email: savandentop@lgeverist.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).

The proposed project is located on 2 separate track segments.

Project segment 1, which is primary because of the high level of hazmat carloads, will replace 5.80 miles of existing 100 lb/yard jointed rail with 115 lb/yard ribbon rail located in South Dakota on the D & I Sioux Valley Subdivision from MP 29.86 to MP 35.66. Landmarks for this segment are from SD Highway 46 grade crossing north to the Sioux River near Hudson, SD.

Project Segment 2 will replace 6.04 miles of existing 90 and 100 lb/yard jointed rail with 115 lb/yard ribbon rail located in South Dakota on the D & I Dell Rapids Subdivision from MP 81.65 to MP 87.69. Landmark location for this segment starts at approximately 3.5 miles south of Baltic, SD and continues north through Baltic and ends north of the Colton Highway grade crossing approximately .5 miles.

The 2 project segments combined would replace 11.84 miles of legacy rail.

- 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.

The proposed project will replace worn out legacy jointed rail with modern 115#/yard continuously welded ribbon rail and required associated componentry. Crossties will be replaced as necessary. The track will be surfaced and groomed following the rail and tie replacement activities. The safety, efficiency, capacity, and reliability of present-day railroad operations on the line are affected by the timeworn main line rail nearing the end of its useful life. These impacts have caused temporary speed restrictions (slow orders) and dangerous broken rail to appear more frequently, despite recent concerted maintenance and capital investment by the D & I Railroad.

Safety improvements at 17 grade crossings are included in the project. Pending SD Railroad Board approval project construction and close out is anticipated to be accomplished by December 2025. D & I, its supporting engineering consultant, and SD DOT have shown to be a productive partnership with the completion of a grant project in 2022.

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	STC Grant Program	\$9,957,245.60	80
State	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Applicant	D & I Railroad Co	\$2,489,311.40	20
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other (Please Describe)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Project Cost		\$12,446,557.00	100%

- c. Percentage share of private funding contributing to project:
20%
See itemized estimate contained in the separately attached narrative.

ANTICIPATED BENEFITS

- a. Is this project intended to create or support new economic development opportunities? Yes No
 - i. If yes, please describe
The proposed railroad track upgrades ensure continued viability of the line for shipment growth of current shippers. An aggregate producer on the line is developing a site that will increase carloads by 2500 to 4000 cars per year. Additionally, a construction materials supplier is looking at the feasibility of a 500-800 car facility that will utilize the line. Lastly, ensuring the line is in a state of good repair is the foundation of attracting new business. Keeping the line safe and more efficient affords existing customers the reassurance to market in other sectors than what they were able to on the old legacy rail.
- b. Will this project generate additional freight carloads on the affected segment? Yes No
 - ii. If yes, please describe
Currently no additional carloads identified solely as a result of the proposed project, however, continued viability of this rail line presents ongoing opportunity of increasing carload volumes. The project segments support carloads on the entire rail line.

- c. Is this project intended to reduce slow order miles? Yes No
 - iii. If yes, please describe
Bent rail ends resulting in track warp have required slow orders in the track segments stated in the project proposal. The project will eliminate 11.84 miles of slow order territory. The 11.84 miles represents 14% of the D & I mainline miles. A solid level of increased efficiency gain can be recognized by the project. The track warp in the slow order territories also brings along a higher level of derailment risk. Derailment cleanup costs can quickly approach and surpass \$100,000 per incident.
- 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
Track is currently maintained at Class 2 track safety standards.
- 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
All D & I mainline is currently capable of 286,000-lb carloads.
- f. Is this project intended to divert freight from truck to rail? Yes No
 - vi. If yes, please describe
The intent of rail infrastructure is always to divert highway traffic to rail. The increase in aggregate carloads stated above are scheduled to keep between 10,000 and 16,000 (1 million and 1.6 million annual miles) annual truckload cycles locally; SD 46, SD 11, SD 18, SD 115, I29, and local county routes are some impacted highways.
- g. Is this project intended to yield highway-rail grade crossing or pedestrian safety benefits? Yes No
 - vii. If yes, please describe
The chart below shows the rural crossings that will receive plank and hardware upgrades as part of the project. New plank and fasteners contribute to lessening the risk of a loose plank or fastener, either of which can be dangerous to motorists.

Phase 1 Crossing Improvements		
Mile Post	Street Name	DOT #
MP 30.18	298th St, Hudson SD	381577K
MP 31.25	297th St, Hudson SD	381578S
MP 31.28	Spur Ave, Hudson SD	381579Y
MP 33.43	295th St, Hudson SD	381582G
MP 33.84	Hudson Ave, Hudson SD	381583N
MP 34.54	294th St, Hudson SD	381584V
MP 34.79	Wheelock St, Hudson, SD	381585C
Phase 2 Crossing Improvements		
Mile Post	Street Name	DOT #

MP 82.61	Norway	381693Y
MP 83.11	252 nd Street	381694F
MP 83.86	Farm Crossing	381699P
MP 84.10	251 st Street	381695M
MP 85.05	Private Crossing	381696U
MP 85.26	Private Crossing	381698H
MP 85.57	Private Crossing	381700G
MP 86.47	Private Crossing	381701N
MP 86.69	Private Crossing	381702V
MP 87.33	Private Crossing	381704J

- 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

The proposed project supports both a state-of-good repair and preserves an existing rail corridor for continued and future use by replacing old, worn-out high-risk rail with new rail to maintain current carload shipment volumes and support attraction of future carload growth. Rail relay projects place funds to work quickly because of the limited exposure presented from an environmental study requirement standpoint.

PROJECT READINESS

- a. If seeking federal funding for construction, what is the status of Preliminary Engineering (PE) for this project at this time?

A competent SD DOT approved engineering consultant has been partnered with in the project proposal development and will continue to be partnered with should this project be approved by the SD State Railroad Board. Onsite railroad infrastructure surveys have been accomplished for the purposes of developing this project scope and cost estimates.

Preliminary Engineering is intended to be completed as part of the project upon grant award. It is anticipated that pre-award spending authority will be sought to expedite the start of the preliminary engineering. It should be noted that both Preliminary Engineering and NEPA requirements need to be completed before a Federal Grant Agreement can be executed.

- b. If seeking federal funding for construction, what is the status of National Environmental Policy Act (NEPA) documentation for this project at this time?

This project is categorically excluded under the categories of Maintenance of Existing Track (main line replacement) [64 Federal Register 28548(4)(c)]. Required NEPA activities can begin as soon as pre-award authority is executed. Field surveys needed as part of NEPA studies can only be done during the growing season, or in this case, spring of 2024 at the earliest.

- 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.



D & I Railroad

Main Line Rail Replacement Project

Fall 2023

CONTENTS

Executive Summary..... 2

 1.1 Challenges Addressed by the Project..... 3

 1.2 Grade Crossing Improvements and Information 3

 1.3 Performance Measures..... 4

2.0 Project Funding 4

 2.1 Main Line Rail Replacement..... 4

 2.2 Preliminary Opinion of Probable Cost 6

3.0 Benefit Cost Analysis..... 8

4.0 Project Eligibility..... 8

 4.1 Expected Users and Beneficiaries of the Project 9

5.0 Project Location 10

6.0 Project Adherence to State Rail Plan Goals 10

7.0 Planning Readiness 12

8.0 Environmental Readiness..... 13

9.0 Summary OF Non-Qualitative Benefits..... 13

EXECUTIVE SUMMARY

The D & I Railroad Main Line Rail Replacement Project (the Project) will improve railroad **safety, efficiency, capacity, and reliability** on a railroad line that is critical to the success of local economies and the national and global reach and competitiveness of communities in rural eastern South Dakota and northwestern Iowa. Significant freight shipments originate or terminate on this rural railroad line, and consist of aggregates, ethanol, corn oil, cement, chemicals, agricultural products, construction materials, and plastics. 85% of the annual carloads on this line originate/terminate in South Dakota. *Much of this vital railroad line includes legacy jointed rail on the main line that is approaching 100 years of age.* The safety, efficiency, capacity, and reliability of present-day railroad operations on the line are affected by the timeworn main line rail nearing the end of its useful life. These impacts have caused temporary speed restrictions (slow orders) to appear more frequently, despite recent concerted maintenance and capital investment by the D & I Railroad. Safety improvements at 17 grade crossings are included in the project.



Figure 1: D & I Ethanol Train at Hawarden, Iowa

The State of South Dakota is an eligible recipient for STC grant funds. The State will serve as the lead applicant for the grant funding and the South Dakota Department of Transportation (SDDOT) will be the agency managing any grant funds received from the Federal Railroad Administration (FRA). The project's Applicant is the D & I Railroad (D & I) along with support from shippers on the line. These parties are also contributing time and resources towards the development of this STC grant application. Public-private partnerships, such as this one, demonstrate an innovative approach that allows multiple stakeholders to cooperate on and deliver projects more efficiently, cost effectively, and with less federal funding required. The above-named parties are committed to delivering the Project and will contribute toward the Project as detailed in Section 2.0

The primary purpose of the Project is to enhance freight railroad infrastructure to maintain the rural economy of a large geographic area in eastern South Dakota and northwest Iowa. Ancillary benefits generated by the Project are improved railroad operation from the replacement of legacy main track rail as well as a reduction in derailment exposure and likelihood by providing safer and more reliable railroad infrastructure. This railroad line is vital to the operation and future growth for many rural shippers.

1.0 PROJECT SUMMARY

The proposed project is comprised of 2 segments. Segment 1, which is primary because of the high level of hazmat carloads, will replace 5.80 miles of existing 100 lb/yd jointed rail with 115 lb/yd ribbon rail located in South Dakota on the D & I Sioux Valley Subdivision from MP 29.86 to MP 35.66. Phase 2 will replace 6.04 miles of existing 90 and 100 lb/yd jointed rail with 115 lb/yd ribbon rail located in South Dakota on the D & I Dell Rapids Subdivision from MP 81.65 to MP 87.69. This track segment has been determined as the 2nd most critical piece because this segment sees a lesser volume of hazmat shipments. The 2 project segments combined would replace 11.84 miles of legacy rail.

The jointed rail to be replaced is nearing the end of its useful life and is on track segments that are integral to all shipments on the line. The rail line serves an aggregate producer, two ethanol shippers, a

cement terminal, and numerous transload customers and facilities. Current economics and high fuel prices have potential shippers looking at developing facilities along the rail line as well. Continued degradation or loss of railroad service will be detrimental to current shippers, and to attracting new business. These improvements are also needed to solve lingering legacy infrastructure issues, to preserve and enhance capacity, rail access, multimodal connectivity, and interchange connections with three Class I railroads (BNSF Railway, Canadian National Railway, and Union Pacific Railroad), and to accommodate future growth in economic and industrial development in the rural Siouxland region.

Assuming FRA approval of the STC grant in late 2023, construction of the Project will begin late 2024, or spring 2025 and be completed by the end of 2025. Overall, the Project will have an immediate positive impact on this rural area and the industries that rely on this vital link to the national freight rail network and global marketplace.

1.1 Challenges Addressed by the Project

The Project will improve railroad **safety, efficiency, capacity, and reliability** of the railroad line in rural southeastern South Dakota and northwestern Iowa. Most of the carloads originate on the railroad line, and consist of unit volumes of aggregate and ethanol, and carload volumes of chemicals, agricultural products, construction materials, and plastics. ***Much of the infrastructure on this railroad line is a relic of the past, including existing main line jointed rail that is nearing 100 years of age and the end of its useful life.*** Temporary speed restrictions (slow orders) appear more frequently, despite the continued maintenance and capital investment made by D & I.

The purpose of the Project is to maintain freight railroad access to this robust, rural economy located in eastern South Dakota and northwestern Iowa. **Reliability** is key to the industries, businesses, and customers utilizing this railroad line. Maintaining the existing railroad line to a state of good repair is paramount to preserving and achieving economic and industrial growth in this rural area. The proposed Project improvements will enhance overall service reliability, safety, and operational efficiencies.

The track segments in each phase of this proposed Project are subject to Hazardous Material carloads on the line. The aging and worn-out main line rail also increases potential derailment exposure, further putting the railroad, its users, and communities at risk. The proposed Project improvements will replace some of the railroad line's oldest and most worn-out sections of main line rail, which will allow for **safer** railroad operations due to reductions in potential derailment exposure.

1.2 Grade Crossing Improvements and Information

The D & I Project includes upgrades to grade crossing components. Crossings identified in the chart below will receive plank and hardware improvements in the rail relay project element.

The crossings are located as such:

Phase 1 Crossing Improvements		
Mile Post	Street Name	DOT #
MP 30.18	298th St, Hudson SD	381577K
MP 31.25	297th St, Hudson SD	381578S
MP 31.28	Spur Ave, Hudson SD	381579Y
MP 33.43	295th St, Hudson SD	381582G
MP 33.84	Hudson Ave, Hudson SD	381583N
MP 34.54	294th St, Hudson SD	381584V
MP 34.79	Wheelock St, Hudson, SD	381585C
Phase 2 Crossing Improvements		
Mile Post	Street Name	DOT #
MP 82.61	Norway	381693Y
MP 83.11	252 nd Street	381694F
MP 83.86	Farm Crossing	381699P
MP 84.10	251 st Street	381695M
MP 85.05	Private Crossing	381696U
MP 85.26	Private Crossing	381698H
MP 85.57	Private Crossing	381700G
MP 86.47	Private Crossing	381701N
MP 86.69	Private Crossing	381702V
MP 87.33	Private Crossing	381704J

1.3 Performance Measures

As the applicant for and potential recipient of STC funds, SDDOT understands that the USDOT may establish performance measures for the D & I Area Main Line Rail Replacement Project in order to assess progress in achieving strategic goals and objectives. The D & I understands that USDOT, through the SDDOT, may require it to periodically report information related to such performance measures. Potential performance measures for the Project would be confirmed through coordination with USDOT after award of STC funds to SDDOT.

2.0 PROJECT FUNDING

2.1 Main Line Rail Replacement

The Project represents a significant transportation infrastructure investment to provide enhanced service, performance, and reliability for this rural freight railroad line primarily serving SD originations and terminations. \$12,446,557.00 is the total project cost estimate. Project cost estimates for each phase is shown below. The D & I intends to request Pre-Award Authority for Preliminary Engineering and Environmental. Project funding sources are presented in the following table.



Figure 2: D & I at Poet Ethanol Products. Located at Hudson, SD

Task No.	Task Name/ Project Component	Cost	Percentage of Phase 1 Cost
Phase 1	Hudson Area Main Line Track Rail Replacement (5.80 miles)	\$6,170,423.00	100%
STC Federal Funding Request		\$4,936,338.40	80%
Non-Federal Funding/Match		\$1,234,084.60 <i>Cash: \$1,234,084.60</i> <i>In-Kind: \$0</i>	20%
Phase 1 Project Costs		\$6,170,423.00	100%
Task No.	Task Name/ Project Component	Cost	Percentage of Phase 2 Cost
Phase 2	Baltic Area Main Line Track Rail Replacement (6.04 miles)	\$6,276,134.00	100%
STC Federal Funding Request		\$5,020,907.20	80%
Non-Federal Funding/Match		\$1,255,226.80 <i>Cash: \$1,255,226.80</i> <i>In-Kind: \$0</i>	20%
Phase 2 Project Costs		\$6,276,134.00	100%
Total Project Cost		\$12,446,557.00	100%

The funding breakdown consists of an “80/20” funding package for the \$12,446,557 project as supported by the following public-private partnership:

- \$9,957,245.60 STC Grant by the Federal Railroad Administration (FRA)
- \$2,489,311.40 from D & I Railroad

2.2 Preliminary Opinion of Probable Cost

Project Segment 1 Materials Only

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb CWR	Tons	1,230	\$ 2,250.00	\$ 2,767,500.00
2	Tie Plates	Each	38,000	\$ 18.00	\$ 684,000.00
3	Anchors (115 Lb)	Each	40,000	\$ 2.50	\$ 100,000.00
4	Anchors (10035)	Each	500	\$ 2.50	\$ 1,250.00
5	Rail Spikes - 50Lb Kegs	Kegs	1,500	\$ 55.00	\$ 82,500.00
6	6"x8"x8'-6" Grade 3 Ties	Each	2,500	\$ 75.00	\$ 187,500.00
7	7"x9"x10'-0" Grade Ties	Each	200	\$ 120.00	\$ 24,000.00
8	Timber Crossing Planks	Tr-Ft	196	\$ 300.00	\$ 58,800.00
9	Weld Kits (115Lb)	Each	55	\$ 175.00	\$ 9,625.00

Total Materials: \$ 3,915,175.00

Project Segment 1 Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 150,000.00	\$ 150,000.00
2	Rail Relay	Tr-Ft	30,624	\$ 25.00	\$ 765,600.00
3	Skew Tie Correction	Tr-Ft	30,624	\$ 2.50	\$ 61,248.00
4	Tie Replacement	Each	2,500	\$ 30.00	\$ 75,000.00
5	Ballast	Ton	1,800	\$ 40.00	\$ 72,000.00
6	Surfacing	Tr-Mi	5.8	\$ 5,000.00	\$ 29,000.00
7	Timber Crossing Reconstruction	Tr-Ft	196	\$ 350.00	\$ 68,600.00
8	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
9	Rail Train Unloading	LS	1	\$ 10,000.00	\$ 10,000.00
10	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
11	Railroad Protective Insurance	LS	1	\$ 4,000.00	\$ 4,000.00

Total Labor: \$ 1,250,448.00

Total Construction: \$ 5,165,623.00

15% Contingency: \$ 774,800.00

Preliminary Engineering: \$ 30,000.00

Final Design Engineering: \$ 70,000.00

Environmental: \$ 30,000.00

Construction Administration: \$ 100,000.00

Total Project Cost: \$ 6,170,423.00

Project Segment 2 Materials Only

Item	Description	Unit	Quantity	Unit Price	Total
1	115lb CWR	Tons	1,230	\$ 2,250.00	\$ 2,767,500.00
2	Tie Plates	Each	33,300	\$ 18.00	\$ 707,400.00
3	Anchors (115 Lb)	Each	40,000	\$ 2.50	\$ 100,000.00
4	Anchors (10035)	Each	250	\$ 2.50	\$ 625.00
5	Rail Spikes - 50Lb Kegs	Kegs	1,540	\$ 55.00	\$ 84,700.00
6	6"x8"x8'-6" Grade 3 Ties	Each	2,500	\$ 75.00	\$ 187,500.00
7	7"x9"x10'-0" Grade Ties	Each	275	\$ 120.00	\$ 33,000.00
8	Timber Crossing Planks	Tr-Ft	224	\$ 300.00	\$ 67,200.00
9	Weld Kits (115Lb)	Each	55	\$ 175.00	\$ 9,625.00

Total Materials: \$ 3,957,550.00

Project Segment 2 Labor Only

Item	Description	Unit	Quantity	Unit Price	Total
1	Mobilization	LS	1	\$ 150,000.00	\$ 150,000.00
2	Rail Relay	Tr-Ft	31,892	\$ 25.00	\$ 797,300.00
3	Skew Tie Correction	Tr-Ft	31,892	\$ 2.50	\$ 63,784.00
4	Tie Replacement	Each	2,500	\$ 30.00	\$ 75,000.00
5	Ballast	Ton	1,900	\$ 40.00	\$ 76,000.00
6	Surfacing	Tr-Mi	6.1	\$ 5,000.00	\$ 30,500.00
7	Timber Crossing Reconstruction	Tr-Ft	224	\$ 350.00	\$ 78,400.00
8	Traffic Control	LS	1	\$ 5,000.00	\$ 5,000.00
9	Rail Train Unloading	LS	1	\$ 10,000.00	\$ 10,000.00
10	Bonding	LS	1	\$ 10,000.00	\$ 10,000.00
11	Railroad Protective Insurance	LS	1	\$ 4,000.00	\$ 4,000.00

Total Labor: \$ 1,299,984.00

Total Construction:	\$ 5,257,534.00
15% Contingency:	\$ 788,600.00
Preliminary Engineering:	\$ 30,000.00
Final Design Engineering:	\$ 70,000.00
Environmental:	\$ 30,000.00
Construction Administration:	\$ 100,000.00
Total Project Cost:	\$ 6,276,134.00

3.0 BENEFIT COST ANALYSIS

The cost effectiveness of the Project's proposed improvements was measured by conducting a Benefit-Cost Analysis (BCA). The main line rail improvements constructed under the Project will provide many quantifiable benefits to railroad operations, rail shippers, and the public. Non-quantifiable benefits of the grade crossing improvements, increased safety and reliability to users, patrons and public along the rail line are not included in the monetized benefits explained below:

- **Annual avoided train crew costs and train delay due to improved running times - \$86.2 thousand per year/per Phase**
 - Due to existing temporary slow orders, the main line within the Project Area has been operating at a slower track speed temporarily. The Project would eliminate these temporary slow orders and return the main track back to its original timetable speed.
- **Annual reduction in maintenance costs – \$120 thousand per year/per Phase**
 - Due to the current condition of the track, significant time and resources are used to keep the rail in usable condition. Completion of the Project would allow maintenance crews to return to a less intense maintenance schedule
- **Annual avoided costly derailments - \$192 thousand per year/per Phase**
 - Completion of the project is assumed to save one derailment per year. The average cost of a derailment has been \$192 thousand.
- **Annual Project Benefits - \$398.2 thousand per year/per Phase.**
- **Cost Benefit Ratio is \$1.92 in public benefits for every dollar spent, for a single phased or combined phase project.**
- **Some of the track assets installed during the construction of the Project maintain residual value since their useful life is greater than the 30-year analysis period.**

4.0 PROJECT ELIGIBILITY

The D & I Railroad Main Line Rail Relay Project is requesting STC funding for Project Track 3 Final Design/Construction for the South Dakota located project. Both project phases proposed are included in the 2022 South Dakota State Rail Plan.

The D & I Railroad (D & I) is a short line railroad that is owned by L.G. Everist, Inc. (LGE), and operates approximately 138 route-miles of rail lines in the states of South Dakota and Iowa. From north to south, the D & I operates from:

- Dell Rapids, South Dakota to Sioux Falls, South Dakota (on trackage owned by D & I)
- Sioux Falls, South Dakota to Canton, South Dakota (via operating rights over BNSF Railway trackage)
- Canton, South Dakota to Elk Point, South Dakota (on trackage owned by D & I)
- Hawarden, Iowa to Beresford, South Dakota (on trackage owned by D & I)
- Elk Point, South Dakota to Sioux City, Iowa (via operating rights over BNSF Railway trackage)

The D & I interchanges unit train and carload rail traffic with three Class I railroads in Sioux City, Iowa (BNSF Railway, Canadian National Railway, and Union Pacific Railroad). This competitive access is critical to the ongoing success of the D & I and its shippers.

The D & I Railroad Main Line Rail Replacement Project is a capital project that will:

- Improve short line railroad infrastructure and operations.
- Address congestion challenges affecting rail service, and will increase rail capacity and upgrade the condition and capacity of railroad main lines.
- Improve track conditions on a railroad line, helping to alleviate rail service interruptions and lift permanent speed restrictions.

4.1 Expected Users and Beneficiaries of the Project

Expected users and beneficiaries of the Project include:

- **Public** – The rail upgrade will improve the health of the corridor and will decrease the potential likelihood of track-caused derailments – a livability benefit for the public. In addition, the rail upgrade component of the project will help lift several speed restrictions resulting in faster and more efficient train operations and less overall train occupancy times at highway-rail grade crossings. Improvements at grade crossings will enhance safety to the residents along the line.
- **Industries** – Shippers and receivers of raw materials and goods entrust their businesses to the reliability of this supply chain component. Being able to ship and receive bulk materials by rail is also advantageous as it reduces input costs for the producer, as well as overall price for the end user. D & I shippers on the railroad line and their commodities include:
 - **L.G. Everist**, aggregates used in construction
 - **BX Civil & Construction**, magnesium chloride for roadway dust control and de-icing
 - **Poet Bio-Refining**, ethanol and dried distiller’s grains (DDG)
 - **Siouxland Energy Cooperative**, ethanol
 - **Poet Nutrition**, corn oil
 - **GCC Dacotah Cement**, raw cement
 - **Prinsco**, plastic pellets for the manufacture of agricultural drain tiles
 - **EnviroTech Services**, road surface products
 - **Vollan Oil Co.**, diesel fuel and denaturant, soybean oil
 - **Purina Animal Nutrition**, DDG
 - **The Andersons Inc.**, corn oil
- **D & I Railroad** – Railroad operator



Figure 4: D & I at Siouxland Energy Cooperative located at Hudson, South

5.0 PROJECT LOCATION

The Project is located fully within rural South Dakota, and within the following congressional district:

- South Dakota – At Large

The nearest Urban Area is the City of Sioux Falls, which is nearly 8 miles away from the northern end of the Project Area (Baltic, South Dakota). The Project's southern end is located just north of the South Dakota/Iowa border and is not within the urban area.

The Project's location (geospatial data) is in proximity to:

- Phase 1: Latitude and Longitude: 43°08'31.89"N - 96°27'12.94"W
- Phase 2: Latitude and Longitude: 43°45'35.10"N - 96°44'31.12"W

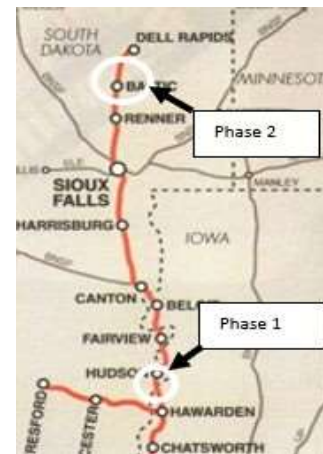


Figure 3: Map location of proposed

6.0 PROJECT ADHERENCE TO STATE RAIL PLAN GOALS

- 1) **Economic Support, Growth, and Development.** The Project will promote continued safe and reliable rail service for the shippers on the D & I Railroad and will provide additional operational flexibility that will increase track capacity and create transportation efficiencies, all while increasing the ability to accommodate the shipments of new customers on the line. Nearly all existing D & I rail traffic originating or terminating on the rail line traverses the proposed Project Limits, meaning all future traffic will benefit from this Project's proposed improvements.

Over the past 10 years, freight shipments on the D & I have averaged between 17,000 and 20,000 carloads annually. New shippers to the railroad line show great potential for more growth in the transloading business, with products arriving from a four-state area, encompassing South Dakota, Minnesota, Iowa, and Nebraska. After the completion of the Project, D & I will be able to attract more business opportunities for further economic and industrial growth and development within the region.

- 2) **Ensuring Enhanced Competitive Access and Maximum Connectivity for Critical Industries.** Often overlooked, short line railroads fill a critical role within the U.S. freight network as they provide bulk freight service transportation for the "first or last mile" connections between farmers, manufacturers, and the end consumer. Industries along the D & I rail line rely on D & I to transport bulk quantities of rock, sand, agricultural products, construction materials, and fuel products by rail to customers outside of the eastern South Dakota and northwestern Iowa region. These commodities have significance to the regional, national, and global economies. The D & I connects to and interchanges with three Class I railroads in Sioux City (BNSF Railway, Canadian National Railway, and Union Pacific Railroad), and thus provides local businesses and industries with broad competitive access to the national freight railroad system, global marketplace, and the opportunity to grow their market share.

Local industries are also leading the source of inquiries for new business on all South Dakota railroad lines, and continually look to expand their operations, leading to economic growth within this rural

area. With strong growth and new business opportunities present along the D & I rail line there is an overwhelming need to maintain freight railroad access to this rural area in order to preserve existing businesses and industries, and their ability to attract new business. The D & I Railroad Main Line Rail Replacement Project will help to maintain the reliability of existing freight rail service and to improve future rail service on the line.

- 3) **Maintaining State Railroad Assets in Good Repair.** The D & I Railroad has a long history of maintaining this rail line to an acceptable standard. The rail replacement component of this Project is a much-needed improvement since the existing rail is or is nearly 100 years old. The rail has served its useful life and needs to be replaced due to its worn condition, which was caused by heavy impacts to the rail joints, leading to excessive rail end batter and warp conditions. Further rail degradation could potentially result in added maintenance for D & I, loss of the ability to accommodate rail cars with a maximum allowable gross weight of 286,000 lbs., or an increase in service failures and a marked reduction in operating velocity and efficiency, including an enhanced risk of train derailments and other incidents. The rail renewal proposed in the Project will allow the D & I to remain competitively connected with three Class I railroads and its transload facility in Sioux City, Iowa. It will also allow D & I to confidently maintain consistent service over the line.

Since 1981 D & I has worked diligently with ongoing public-private partnerships to invest in numerous capital projects involving bridge replacements, new rail, and track and tie maintenance, ensuring that this railroad line continues to provide reliable, safe, and fully accessible service to the states and region. Shippers, their employees, their customers, and surrounding communities all rely on this vital rural railroad connection. The capital improvement proposed in the D & I Main Line Rail Replacement Project will greatly reduce the risk for rail traffic interruption and any negative impacts this could potentially have on existing rural-area businesses (and their ability to attract new business) on the railroad line.

- 4) **Reducing Highway Impacts.** Previous capital improvements to the D & I mainline rail segments have allowed for the upgrades to accommodate 286,000 lb. heavy-axle load rail cars on the railroad line, further reducing impact to local roads and the highway system. This improvement has allowed existing shippers to ship more weight per carload, thus avoiding extra shipment of smaller carloads or diverting excess shipments from freight rail to trucks during peak times. Further investment in the D & I line will continue to encourage local, regional, and state-wide growth opportunities and reduce the impact on state highways and local roads.



Figure 5: Existing D & I Track Condition with Bent Rail Ends and Rail Warp

In addition, the local rail service that many short line railroads offer, like D & I, have helped to attract local truck-haul service for end point or origin points of shipments (or for transload from truck to rail or vice versa). The trucking companies that serve new transload customers are realizing the importance of short-haul in the freight rail system, which was previously known for long-haul shipping only. These trucking companies prefer to ship manageable distances that allow their drivers to maximize their

time in the seat. In the last 5 years, seven additional transload customers located their operations on the railroad line. With the Project’s improvements, D & I will be better positioned to handle more of these short-haul moves in the future since the Project will improve overall capacity and reliability of the railroad line, and help to remove more long-haul trucks from local roadways and state highways (which will reduce pavement damage, air emissions, etc.).

- 5) **Improving Railroad Safety, Security, and Resiliency.** Improving railroad safety, security, and resiliency is one of the key goals identified in the South Dakota State Rail Plan (2022). The Project will provide much needed rail infrastructure and will aid in lowering potential derailment exposure caused by track defects on the D & I Hawarden Subdivision. This capital improvement project will help to improve the overall safety and reliability of this railroad line and sustain the continued operation of the D & I. For D & I, the capital improvement project will reduce the overall potential risk to train operations. A recent FRA geometry inspection shows rail in the project area contains permanent bent rail ends, which leads to track warp, a permanent condition where track surfacing is unattainable.

7.0 PLANNING READINESS

For Tracks 3 (FD/Construction) Projects:

The Project’s component is supported in the South Dakota State Rail Plan (2022). Table 1 summarizes the planning document coverage.

Table 1: State Planning Documents Identifying the Importance of the Project

Planning Document	Sponsor	Relevant Pages	Web Location
South Dakota State Rail Plan (2022)	SDDOT	156	Link

This Project demonstrates the State of South Dakota’s intent and commitment to finding long-term improvements that:

- Support economic growth and development.
- Ensure connectivity for critical industries.
- Maintain railroad assets in a state of good repair.
- Reduce highway impacts.
- Improve railroad safety, security, and resiliency.

The D & I Railroad will assist the SDDOT with preparation of the STC application. This document may serve as a template for the application.

8.0 ENVIRONMENTAL READINESS

The National Environmental Policy Act (NEPA) requires consideration of environmental impacts for federal actions. The level of analysis and documentation required to comply with NEPA depends on the scope of the project. This Project is categorically excluded under the categories of Maintenance of Existing Track (main line replacement) [64 Federal Register 28548(4)(c)].

9.0 SUMMARY OF NON-QUALITATIVE BENEFITS

- ***A more reliable railroad system helps control supply chain cost variability, which is beneficial to the shippers.*** Local businesses also thrive when the shippers on the railroad line are productive and profitable.
- Maintaining the freight railroad system in southeast South Dakota and northwest Iowa is crucial to the economies of the counties and rural communities along the railroad line.
- Shippers and employees of surrounding businesses that support these local shippers rely on a reliable local rail system to transport products via the D & I Railroad.
- The recently completed 2019 STC grant funded project demonstrates that the SD DOT, SD Railroad Board and D & I are a productive team.