

Department of Transportation Division of Secretariat Office of Air, Rail & Transit 700 East Broadway Avenue Pierre, South Dakota 57501-2586 OFFICE: 605/773-3574 FAX: 605/773-2804

TO:	South Dakota Railroad Board
FROM:	Jack Dokken, Office of Air, Rail and Transit
DATE:	April 6, 2020
SUBJECT:	DMVW's Request for Connection to the AGP Soybean Plant

Attached please find the DMVW railroad's request for permission and funding to build an access track from the state-owned (Britton) line to the AGP soybean processing plant. DMVW is requesting the state pay for the connecting portion of the line which is estimated to cost \$463,936.

Upon assessment of this request, the SDDOT recommends the Board ask the following questions to clarify DMVW's request:

- Is the \$463,936 for construction only?
- Will private or local public property have to be acquired for this project? If so, what entity pays for that acquisition?
- If approved, what are the estimated project start and estimated project completion dates?
- What are the total cost shares and project percentages for all the entities involved in this project?
- If the Board decided to not approve your cost share request, but did approve the connection to the state-owned line would you continue with the project?

## Attachment #5



DMVW and the AGP soybean processing plant in Aberdeen SD would like to build an access from the state-owned rail line into the AGP processing plant. What this access would do is take a substantial amount of truck traffic off of the roads creating less problems with infrastructure and make the roads safer. This connection from the state owned line into the plant would bring inbound beans from Britton and surrounding elevators and also with DMVW being able to access a CP interchange will provide additional markets due to the fact it would make AGP joint served by both BNSF and CP. The initial estimates of bean volumes going from Britton SD to the AGP plant would equal approximately 2238 trucks that would be taken off the roads and put into rail cars that would total approximately 600 rail cars. As we have researched for this project it is possible that with DMVW being able to work out some contractual agreements the connection project could take as many as 12,000 trucks in total off the roads per year. This would equate to over 3,000 rail cars.

What DMVW and AGP would like the state to consider is that the State of South Dakota pay for the connection portion from the mainline switch to AGP's property line. We feel that this would add tremendous value to the state owned line. The cost of the total project is \$1,427,312 and we are asking the State to pay for the connecting portion which is \$463,936.



