



Department of Transportation
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TO: South Dakota Railroad Board
FROM: Jack Dokken, Office of Air, Rail & Transit
DATE: May 11, 2021
SUBJECT: Sioux Valley Grant Termination

In 2013, the SDDOT entered into an agreement with the USDOT for the Sioux Valley Relocation project. This project had many environmental and cultural challenges that required project evaluations, and grant adjustments. Over the last several years this project has accumulated \$526,574 in consulting fees and land acquisition. To date, there have been zero federal funds disbursed for this project. The expenses incurred were paid by use of a loan and grant approved by the SD Rail Board to the Sioux Valley Regional Rail Authority and promissory note to D&I, and D&I funds. There has been no acquisition of materials or construction to date.

The D&I Railroad Company (subrecipient of the grant) has requested the project be terminated because they believe there are more cost-effective solutions to address the area than continuing with this grant. Please see the attached letter from D&I for more information.

The SDDOT recommends approval of the grant termination. The SDDOT also recommends the loan remain active until the D&I Railroad fully reimburses all associated debt.



D & I RAILROAD

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May 4, 2021

Jack Dokken, Misty Seidschlaw, Perry Griffith
Air, Rail & Transit
700 E. Broadway Ave
Pierre, SD 57501

Dear Jack, Misty & Perry,

This letter is in regards to the Sioux Valley Slide Area Project (FR-LRI-0047), commonly referred to as "Slide Area" project. This project has been in the works for many years and has taken several directional changes as well. In lieu of the current cost considerations required for continued pursuit of the grant funding, we have decided that there are other more cost-effective solutions to addressing the situation.

Therefore, the D & I Railroad is discontinuing any work with regard to this project and the grant funds can be returned to the FRA.

Sincerely,

Scott Van Den Top
General Manager
D & I Railroad Co