

# Iron Prairie Rail Proposal for the Napa-Platte Rail Line

Submitted by Iron Prairie Rail LLC to the South Dakota State Railroad  
Board and Department of Transportation.



# Iron Prairie Rail LLC: Who We Are

## Entity Overview

Iron Prairie Rail LLC (IPR) is a Nebraska-based short-line operator, a subsidiary of Iron Prairie Holdings LLC (IPH), headquartered in Omaha. IPH specializes in railroad, consulting, and heritage-industry ventures, with IPR focused on acquiring and operating regional branch lines.

## Our Mission

Iron Prairie rail's is focused on acquiring, rehabilitating and responsible operating underutilized branch rail lines



### IPR: Short-line Operations

Freight handling, railcar storage.

### Midwest Rail Consulting: Technical Expertise

Operational analysis, compliance,  
engineering.

### Metro Hobbies: Retail & Education

Model railroads, US railroad history.

# Leadership & Expertise

Our leadership team brings decades of experience in railroad and construction management, ensuring reliable and compliant operations.



**Kenneth Bean**  
Managing Member

- 20+ years in railroad & construction management.
- Co-founder of Midwest Rail Consulting.
- Experience in public safety, logistics, and rail project coordination.



**David Fachman**  
VP of Operations

- Extensive experience in railcar storage logistics & FRA compliance.
- Background in business development and short-line rehabilitation.
- Experience with Class 1 and heritage railroad services.

📄 Our team has managed projects from Class I interchange coordination to STB filings for line leases and acquisitions, ensuring robust operational readiness.

# Lease & Purchase Terms: A 30-Year Vision

1

## 30-Year Lease To Own Term

2026–2056, with full purchase at conclusion. Early purchase option available to IPR upon mutual agreement.

2

## Incremental Payments

All lease payments credited toward the final purchase price.

3

## Revenue Sharing

Car-storage revenue, freight revenue shared with the State. (Section 2.3.1)

This structure ensures an equitable transition to ownership and aligns public and private interests, providing consistent income to the State while fostering operational growth.

# Operational Plan: Phased Approach to Full Service



## Phase 1 (Years 1–2): Stabilization

Essential work for limited, low-speed safe use. Focus on temporary stabilization, railcar storage, and light freight handling.



## Phase 2 (Years 3–5): State-Led Upgrade

State responsible for Class 2 track upgrade. IPR provides operational oversight and safety liaison, deploying customer and railcar management systems.



## Phase 3 (Years 5–10): Service Expansion

IPR focuses on customer development, attracting and retaining shippers while establishing scheduled freight service.

This measured, fiscally responsible approach ensures the Napa–Platte Line's long-term viability and maximizes economic and transportation benefits.

# Shared Responsibilities: State & IPR

## State Responsibilities

- Immediate stabilization of critical infrastructure to ensure safe operational readiness.
- Upgrade Napa Junction–Tyndall segment (MP 0.0–21.5) to FRA Class 2 standards within 3 years, including correction of all structural deficiencies.
- Assist IPR in developing and retaining rail customers while actively assisting in marketing the corridor.
- Remain official trail sponsor for the rail-banked segment (MP 21.5–80.3).

## IPR Responsibilities

- Assume full maintenance and operational control after State's upgrade.
- Implement a comprehensive maintenance program to retain FRA Class 2 standards.
- Compliance with FRA, STB, and environmental standards for common-carrier operations.
- Maintenance of all insurance, safety, and regulatory certifications.
- Coordination with the State to manage transferred leases and permits.

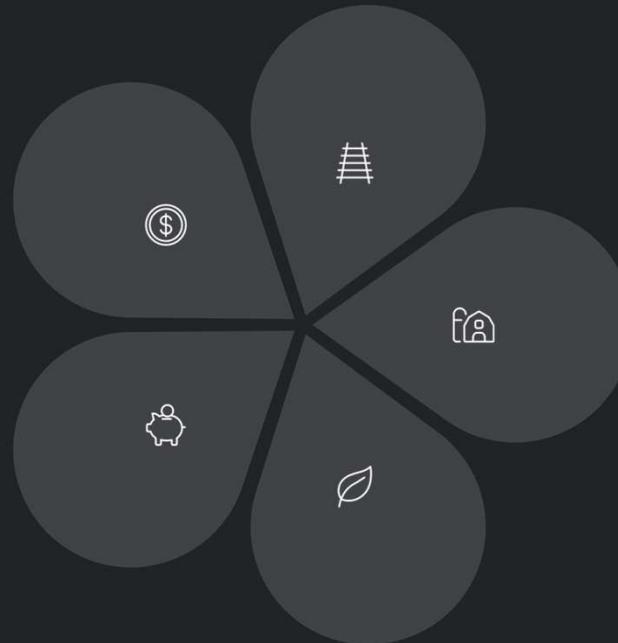
# Economic & Public Benefits

## Economic Impact

10-15 direct jobs, reduced transportation costs, expanded export capacity.

## Long-Term Return

Revenue sharing for the State, sustained local employment, stable logistics platform.



## Transportation Benefits

Reduced truck congestion, lower road maintenance costs, improved public safety.

## Rural Development

Enhanced property values, new agricultural cooperatives, private investment, population retention.

## Environmental Benefits

Reduced emissions, lower fuel consumption, alignment with federal grant priorities.

This proposal offers a low-risk, high-impact public-private partnership that revitalizes critical rail infrastructure and supports South Dakota's strategic growth.



# Compliance & Environmental Commitments

Iron Prairie Rail is committed to full transparency, regulatory compliance, and environmental responsibility in all operations.

- **Regulatory Compliance**  
Obtain STB common carrier authority, maintain FRA regulations (track standards, equipment, operating practices), and adhere to State oversight requirements.
- **Environmental Stewardship**  
Comply with all environmental protection laws and permitting requirements. Work closely with regulatory agencies to protect the environment.
- **Safety & Reporting Systems**  
Establish a comprehensive inspection and reporting system, maintain a proactive internal safety management program, and coordinate emergency response with local first responders.

# Executive Summary: A Strategic Opportunity

Iron Prairie Rail LLC (IPR), a subsidiary of Iron Prairie Holdings LLC, respectfully submits this formal proposal to lease and ultimately purchase the Napa-Platte Rail Line. This corridor, extending from Napa Junction (MP 0.0) to Platte (MP 80.3), The line is located in one of the most agriculturally productive regions in the Upper Midwest.

This proposal represents a strategic opportunity to reestablish sustainable freight service and enhance economic vitality in South Dakota's rural communities.

## Napa-Platte Line



### Partnership

Public-private lease-to-purchase agreement.



### Valuation

Approximately \$2 million over the lease term.



### Service

Reestablishing vital rail freight operations.

# Conclusion & Acknowledgment

Iron Prairie Rail's proposal offers a balanced and achievable strategy to preserve, protect, and reactivate the Napa-Platte corridor, aligning with South Dakota's transportation and economic development goals.

We believe this proposal will safeguard the State's prior investment and generate new economic activity. Iron Prairie Rail stands as the most capable and trustworthy partner for the State of South Dakota.

For Iron Prairie Rail, LLC (A subsidiary of Iron Prairie Holdings, LLC)

Kenneth Bean, President, Managing Member

David A. Fachman, VP of Operations, Managing Member