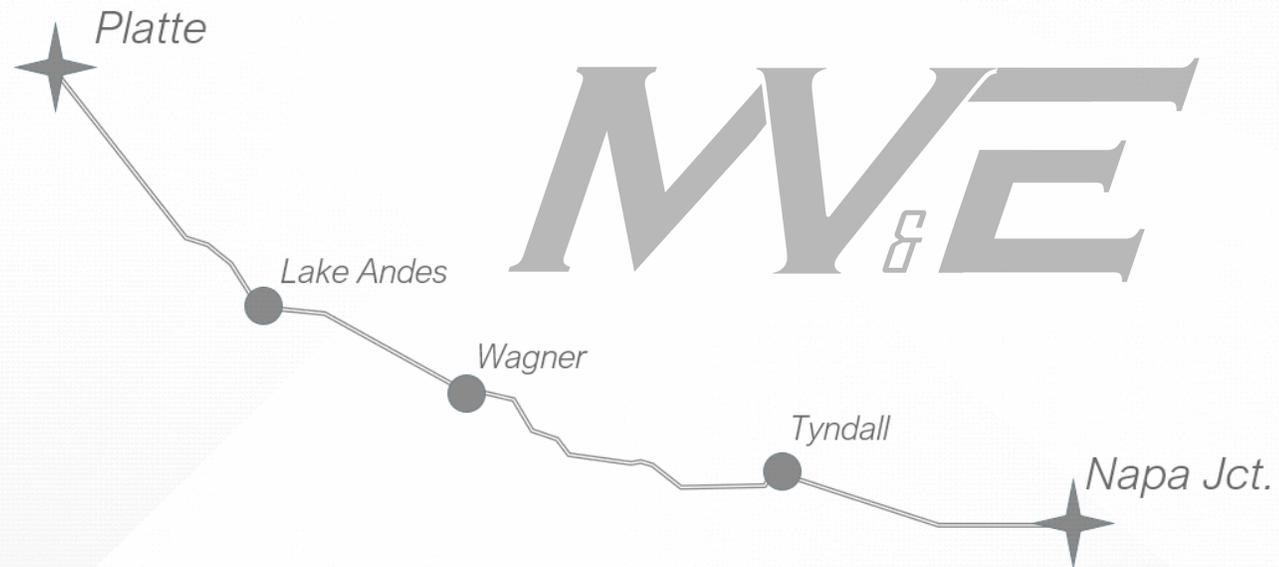


Napa Junction – Platte Rail Line Proposal Brief

South Dakota Department of Transportation
South Dakota State Rail Board

January 21, 2026



Missouri Valley & Eastern Railroad
Will Woodward
Phone: 260-571-7017
Email: w.woodward@mverr.com

General Background

Missouri Valley & Eastern Railroad

- New South Dakota Entity
- Formed to operate Napa Jct.- Platte line
- Wholly owned by Will Woodward

Will Woodward

- South Dakota Resident
- 32 years in mining industry
- 16 years business owner - \$40M annual revenues
- Sold business in 2023
- Currently Corporate Senior Vice President – Aggregate & Rail, Knife River Corporation



KNIFE RIVER

- Oversight of 251 mining operations
- 3 Operating Regions/16 Divisions
- Active Rail operations in 8 States








 - Knife River Rail Operations




 **Martin Marietta**

Texas East

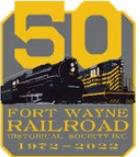
- Unit Train Negotiations & Pricing
- Lane analysis & Greensite Development
- 80,000 carloads annual scope









 **50**
FORT WAYNE RAILROAD
1972-2022

East

- Oversight mainline trip planning & logistics (5 year period)
- 120,000 passengers & 60,000 excursion miles
- Zero injuries or incidences







 **West Plains Mining LLC**

Indiana Michigan Illinois

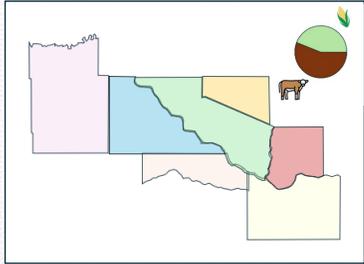
- Developed complete Quarry & Distribution network
- Unit Train Service & 5 distribution yards
- 14,000 carloads annual scope





General Scope

- Rebuild the complete Platte rail line for commerce
- Phased rebuilding approach
- Multi-year process with timing dependent upon funding/traffic base
- Utilize corridor for increased economic growth, job creation and general efficiency gains



Agricultural Economy

Farm Acres: **3,498,000**

Number of Farms: **3,810**

Agricultural Economy Annually:

Crop **\$753M**

Livestock **\$1.05B**

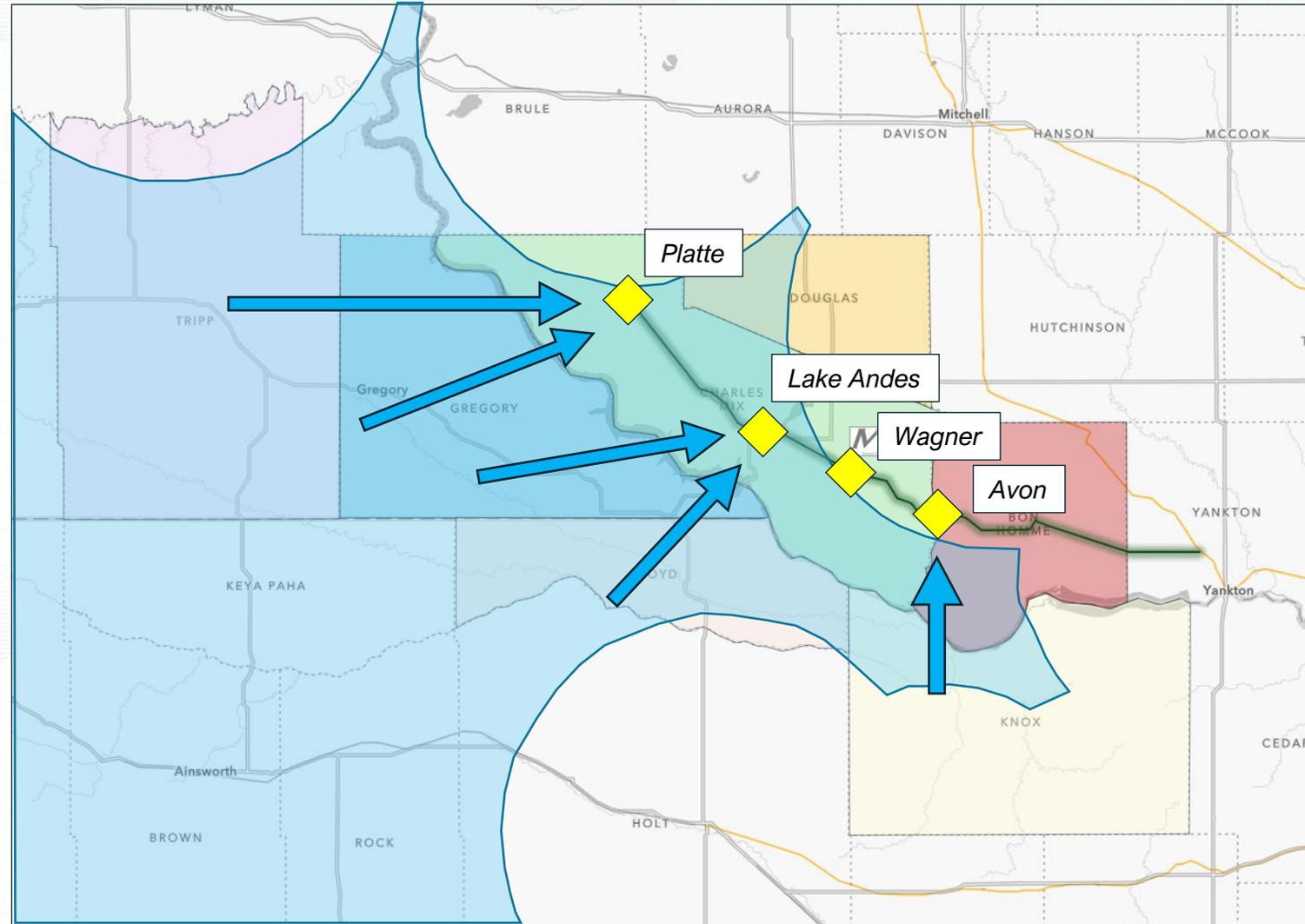


- Greater than 20 miles from rail facility



- Possible Unit Train/Transload Terminals

- Agricultural Outbound
- Agricultural Inbound
- Construction Materials
- Propane/Petroleum
- Steel/Dimension/etc.



General Reconstruction Strategy

- Phased reconditioning strategy
- Phase I & II car storage taking place
- Phase III and beyond, active operations by MV&E
- Planned Phase I & II clearing and reconstruction will commence in late 2026
- Reconditioning phase timing beyond Phase III dependent upon commerce opportunities & funding

Phase IV: Wagner – Lake Andes
MV&E commences reconditioning. MV&E operations commence between Napa Jct. - Wagner

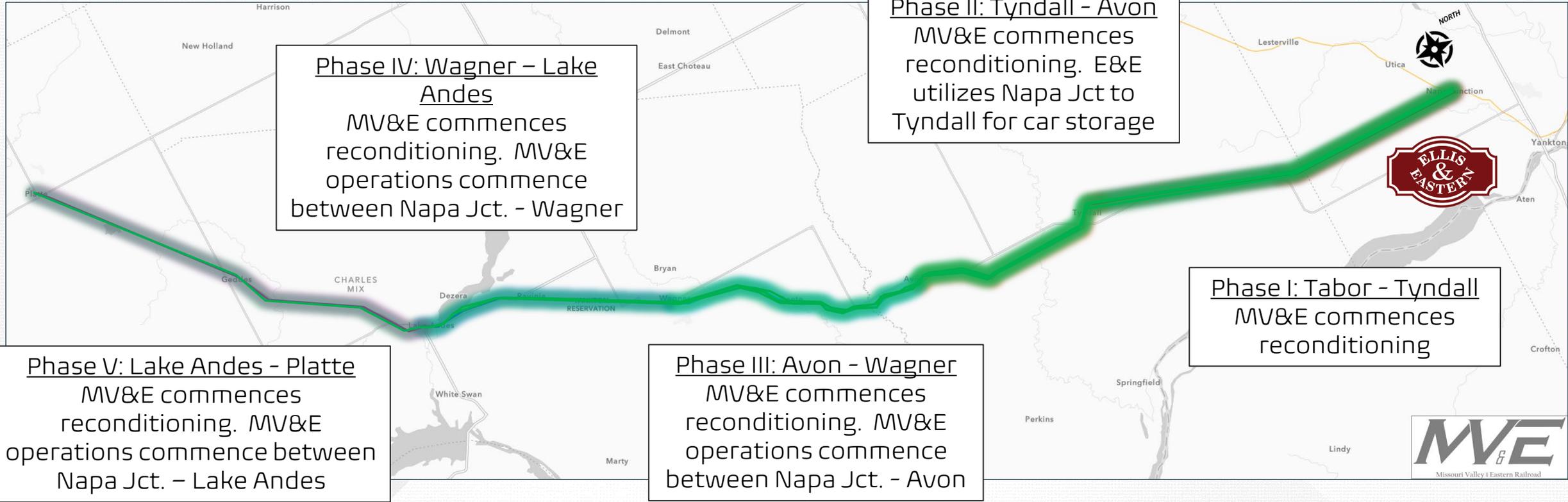
Phase II: Tyndall - Avon
MV&E commences reconditioning. E&E utilizes Napa Jct to Tyndall for car storage

Napa Jct. - Tabor
Initial Operations: Sublease to Ellis & Eastern for car storage activities

Phase I: Tabor - Tyndall
MV&E commences reconditioning

Phase V: Lake Andes - Platte
MV&E commences reconditioning. MV&E operations commence between Napa Jct. – Lake Andes

Phase III: Avon - Wagner
MV&E commences reconditioning. MV&E operations commence between Napa Jct. - Avon



General Proposal

- Lease complete Napa-Platte line (Milepost 0.0-80.8)
 - 10-year lease with four (4) additional 10-year automatic renewals
 - Initial proposal is leasing rate of \$1.00 per year

- Proposed Option to Purchase
 - 120 day notice to exercise option
 - Initial Purchase Price (IPP) = Adjacent land value to ROW multiplied by total ROW acres
 - Total Purchase Price (TPP) = IPP plus any Grant/Public Dollars contributed during lease period
 - Car count credit of \$100 per car applied to TPP for every revenue move



Purchase Option Scenario

Total acres of Napa Jct. to Platte ROW: 100' (avg. ROW width) X 5,280' (feet per mile) X 80.8 (miles of ROW)
 = 42,662,400 sq ft ÷ 43,560 (sq ft per acre) = **979.4 acres**
 X
\$8,000.00 (avg. sale price of surrounding acreage)
 =
\$7,835,200 Initial Purchase Price (IPP)
 +
\$10,500,000 Grant/Public Dollars Contributed during Lease Period
 =
\$18,335,200 Total Purchase Price (TPP)

Car Count Credit Scenario

Total Purchase Price: \$18,335,200

Year	Car Credit	CPI	Car Count	Credit Applied	Balance
2027	\$102.50	2.50%	350	\$35,875.00	\$18,299,325.00
2028	\$105.06	2.85%	1,200	\$126,075.00	\$18,173,250.00
2029	\$108.06	4.00%	1,800	\$194,502.21	\$17,978,747.79
2030	\$112.38	3.70%	3,500	\$393,326.68	\$17,585,421.11
2031	\$116.54	3.30%	4,250	\$495,282.58	\$17,090,138.53
2032	\$120.38	4.15%	4,000	\$481,531.20	\$16,608,607.33
2033	\$125.38	4.00%	6,500	\$814,961.47	\$15,793,645.86
2034	\$130.39	3.60%	7,000	\$912,756.84	\$14,880,889.02
2035	\$135.09	2.40%	7,450	\$1,006,405.70	\$13,874,483.32
2036	\$138.33	2.20%	8,000	\$1,106,641.00	\$12,767,842.32
2037	\$141.37	2.40%	8,500	\$1,201,673.80	\$11,566,168.52
2038	\$144.77	2.90%	7,500	\$1,085,747.62	\$10,480,420.91
2039	\$148.96	3.50%	5,300	\$789,512.24	\$9,690,908.67
2040	\$154.18	3.64%	9,000	\$1,387,605.00	\$8,303,303.67
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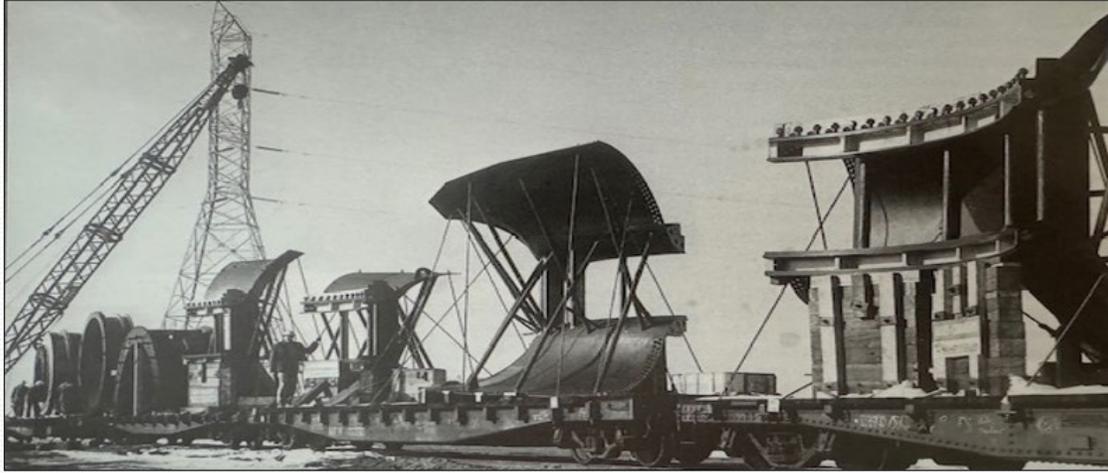
Proposal Logic

- Overriding Goal: Reconstruct the complete line for revenue service
- Primary challenges are the physical state of rail line and current lack of traffic base
- A start-up/ “Field of Dreams” philosophy of rebuilding and as a result traffic base development
- Require intensive capital allocation and pragmatic/strategic phase reconstruction plan
- Car storage is a short/medium term endeavor and not primary goal of proposal
- Proposed Ellis & Eastern subleasing of car storage allows MV&E to concentrate on phased rebuilding of the rail line
- Any revenues from the car storage operations will be reinvested in the phased rebuilding of the rail line

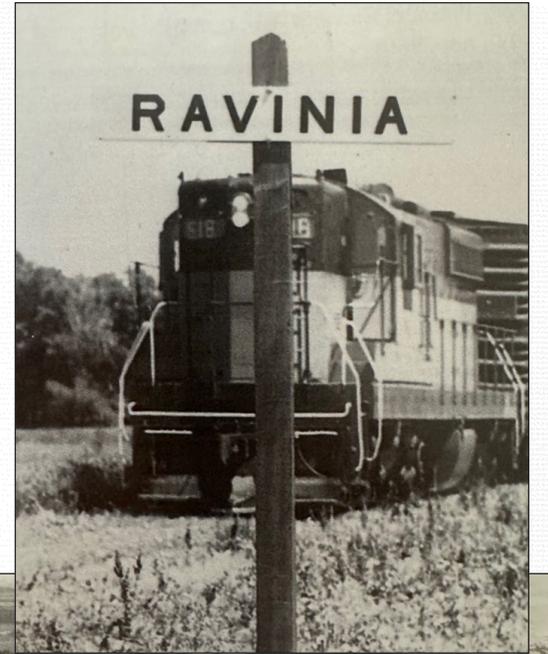


Rushmore, MN – E&E Railroad before and after. 2019 & 2024. Similar conditions as Napa-Platte rail line

Questions/Thank you



Fort Randall Dam Components – 1953



March 3, 1980 – Last Milwaukee train leaves Platte



Wagner, SD – ca. 1920