

CHAPTER 5: SOUTH DAKOTA'S RAIL SERVICE AND INVESTMENT PROGRAM

INTRODUCTION

Chapter 5 addresses the specific projects, programs, policies, laws, and funding necessary to achieve the State's Rail Vision and describes the related financial and physical impacts of these proposed actions.

The identification of potential project opportunities through targeted stakeholder outreach, along with a clear understanding of the status of existing assets and consideration of current trends and forecasts, will inform the State's prioritization of projects for future investment. This chapter contains a project inventory that list the currently funded projects that are ongoing as well as other potential projects that have been identified by stakeholders during this State Rail Plan update but are not yet funded and are intended for implementation within the next 20 years. The advancement of stakeholder-proposed projects for future funding opportunities will consider public benefits and impacts related to safety, resiliency, economic development and employment, rail capacity and congestion by corridor, the environment, equity, energy consumption, greenhouse gas emissions, and regional balance.

State funding programs that can benefit the rail industry are identified and discussed, as well as opportunities to leverage federal funding. Strategies to maintain federal funding compliance and maintain compliance with other USDOT and FRA mandates, guidelines, and requirements are described. Predicated on rail needs and issues, this chapter categorizes specific needs and associated opportunities and identifies the policies, programs, strategies, and funding necessary to achieve the State's Rail Vision.

5.1 STATE RAIL VISION

The development of South Dakota's State Rail Vision has been informed by an extensive public and stakeholder outreach process (described in **Chapter 6**). These efforts identified common themes relevant for setting a direction for rail planning in South Dakota. Based on a consensus among stakeholders, the State Rail Vision statement is revised from the previous South Dakota State Rail Plan (2014) as follows:

The South Dakota rail system shall provide competitive and efficient freight service, in the safest manner possible, to connect South Dakota businesses with domestic and international markets and support statewide economic development efforts.

The South Dakota Rail Vision is supported by the following goals:

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

5.2 PROGRAM COORDINATION

South Dakota's long-term rail vision is intended to integrate with other statewide transportation planning efforts, including the State's LRTP, the state rail plans of neighboring states, and regional multi-state rail plans, as appropriate.

5.2.1 INTEGRATION WITH OTHER STATE PLANNING EFFORTS

5.2.1.1 SOUTH DAKOTA LONG RANGE TRANSPORTATION PLAN⁶⁵

South Dakota's LRTP provides a general outlook to identify opportunities and trends related to statewide transportation without addressing specific programmed projects. The LRTP guides the development of the SDDOT's other plans and studies. The State Rail Plan, in turn, will help inform future updates of the LRTP with mode-specific information.

5.2.1.2 SOUTH DAKOTA FREIGHT PLAN⁶⁶

The South Dakota Freight Plan is a freight-focused document that incorporates rail as well as all other freight modes. Future updates to the South Dakota Freight Plan will integrate mode-specific information from the State Rail Plan as appropriate.

5.2.1.3 SOUTH DAKOTA STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM⁶⁷

The South Dakota STIP contains information about South Dakota's rail programs and projects. The STIP will continue to be updated regularly with the most recently available information specific to rail.

5.2.2 NATIONAL AND REGIONAL RAIL PLANNING INTEGRATION

5.2.2.1 NATIONAL STRATEGIC RAIL CORRIDOR NETWORK

South Dakota will continue to coordinate as necessary with the U.S. Military Surface Deployment and Distribution Command's Transportation Engineering Agency (TEA), that oversees the federal National Strategic Rail Corridor Network (STRACNET). The STRACNET is comprised of an approximately 32,000-mile

⁶⁵ South Dakota Department of Transportation, Long Range Plan. Retrieved from: <https://dot.sd.gov/projects-studies/planning/long-range-plan>

⁶⁶ South Dakota Department of Transportation, Freight Plan. Retrieved from: <https://dot.sd.gov/projects-studies/planning/freight-plan>

⁶⁷ South Dakota Department of Transportation, Statewide Transportation Improvement Program. Retrieved from: <https://dot.sd.gov/projects-studies/planning/stip>

national, interconnected network of rail corridors and associated connector lines most important to national defense. STRACNET-designated routes provide main line rail throughput capability as well as access to major defense contractors, logistics sites, and military facilities critical to national defense.

5.2.2.2 REGIONAL RAIL PLANNING

SDDOT will continue to coordinate as necessary with regional rail planning efforts, such as those led by the MIPRC, or any future multi-state working group established to study freight or passenger rail needs in South Dakota and beyond.

5.2.2.3 NEIGHBORING STATE RAIL PLANNING

SDDOT is routinely given the opportunity to review the state rail plans of neighboring states and will provide neighboring states the reciprocal opportunity to review a draft of this State Rail Plan.

5.3 RAIL AGENCIES

5.3.1 SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

As noted in **Chapter 1**, SDDOT's Office of Air, Rail, and Transit is responsible for monitoring rail traffic and commodity flows, performing detailed analyses on lines threatened by abandonment or that need financial assistance, evaluating changes in status, condition, and service on rail lines, and analyzing State-owned rail operations. The Office of Air, Rail, and Transit handles the management of all real and personal property acquired by the State for railroad purposes, including leasing of property, utility installation, track rehabilitation, industrial track expansion, and construction. The Office of Air, Rail, and Transit is also responsible for acquiring and administering federal and State funds used to upgrade short line and regional railroad infrastructure and maintaining State-owned rail lines for current and future use.

The Office of Planning and Engineering is responsible for overseeing highway construction projects that have an intersection with railroad property and identifying needed highway-rail grade crossing safety improvements.

This update to the State Rail Plan does not recommend any changes to the Office of Air, Rail, and Transit or the Office of Planning and Engineering, nor does it recommend the creation or abolition of any other agencies or authorities within SDDOT.

5.3.2 STATE RAILROAD AUTHORITY

As noted in **Chapter 1**, the South Dakota State Railroad Authority has the power to acquire property and to construct, maintain, and equip railroad facilities as the Legislature declares to be in the public interest. The Authority also may conduct planning studies to determine the full scope of rail system needs. The State Railroad Authority and the State Railroad Board are composed of the same seven members appointed by the Governor.

This update to the State Rail Plan does not recommend any changes to the structure, purpose, or activities of the State Railroad Authority.

5.3.3 STATE RAILROAD BOARD

As noted in **Chapter 1**, the South Dakota State Railroad Board exists to review and decide matters related to operation, management, finance, marketing, and development of rail service over all properties and facilities acquired, leased, or controlled by the State. The Board also may, upon written approval of the Governor, make loans from the Railroad Trust Fund.

This update to the State Rail Plan does not recommend any changes to the structure, purpose, or activities of the State Railroad Board.

5.3.4 REGIONAL RAILROAD AUTHORITIES

As noted in **Chapter 1**, the Regional Railroad Authority concept is widely used in South Dakota for the purpose of planning, establishing, acquiring, developing, constructing, purchasing, enlarging, improving, maintaining, equipping, operating, regulating, and protecting railroads and railroad facilities needed for the operation of the railroad. The Regional Railroad Authorities also serve as legal entities to facilitate the disbursement of State Railroad Trust Fund dollars to fund rail improvements.

This update to the State Rail Plan does not recommend any changes to the current Regional Railroad Authority structure.

5.4 PROGRAM EFFECTS

The projects listed in **Section 5.8** of this chapter are based on those activities that improve rail safety, support economic development, maintain the well-being of short line railroads operating in the state, and support the reduction or elimination of major freight bottlenecks. These projects and later projects resulting from future studies may potentially offer substantial public socioeconomic benefits.

As the majority of intercity rail passengers would be diverted from the automobile, any future passenger rail service expansion efforts would result in a more extensive and inclusive intercity transportation network, enhanced mobility, increased tourism and access to job opportunities, and increased energy efficiency compared to other modes.

For freight rail improvements, the public benefits involve increased transportation competition resulting in lower cost to shippers, less highway congestion and roadway surface damage, and reduced environmental and energy impacts compared to other modes. Highway-rail grade crossing improvement projects, as well as other rail-related infrastructure improvements aimed at maintaining a state of good repair, serve to increase transportation safety and efficiency.

5.5 PASSENGER ELEMENT

5.5.1 DESCRIPTION OF PASSENGER RAIL CAPITAL PROJECTS

No passenger rail capital projects are planned or proposed in South Dakota at this time.

5.5.2 CAPITAL FINANCING PLAN

No passenger rail capital projects are planned or proposed in South Dakota at this time.

5.5.3 OPERATING FINANCING PLAN

Per the Passenger Rail Improvement and Investment Act of 2008 (PRIIA), passenger rail services of 750 miles or less in length operated by Amtrak must be state-supported. The operations and maintenance costs associated with state-supported routes must be funded by the state or by a coalition of states that requested the service. By contrast, operating costs associated with long-distance Amtrak routes in excess of 750 miles are funded directly by Congress through routine budget authorizations. However, no new long-distance Amtrak routes have been established in over 20 years.

At this time, there are no state funding mechanisms in place to fund a state-supported passenger rail service. A decision to establish such a funding mechanism would be deferred until after future studies have been completed to determine the feasibility of state-supported passenger rail service and the anticipated benefits associated with a specific route structure and service plan, to be identified through future planning efforts.

5.5.4 ECONOMIC BENEFITS

As the majority of intercity rail passengers would be diverted from the automobile, passenger rail service expansion efforts would result in a more extensive and inclusive intercity transportation network, enhanced mobility, increased tourism and access to job opportunities, and increased energy efficiency compared to other modes.

Additionally, passenger rail service restoration can potentially trigger the adaptive reuse of historic intercity passenger rail facilities, including expansion into multimodal hubs which can connect rail passengers with other non-rail modes, such as local and regional bus service. Other urban revitalization efforts centered around transit hubs, known as transit-oriented development, can result in increased neighborhood property values and improved community vitality.

5.6 FREIGHT ELEMENT

5.6.1 FINANCING PLAN

The project inventory contains freight rail projects identified for the short-range and long-range planning horizons that pertain to improvements to South Dakota's rail network.

Class I railroads are generally considered capable of funding their own capital projects; however, potential future investments to be made to the state's rail network that were identified through coordination with

the state's Class I railroads and identified by SDDOT or other stakeholders are shown in the list of potential future passenger and freight rail projects and studies in the project inventory later in this chapter.

Such self-funding is more challenging for Class II and Class III railroads, which tend to have a smaller customer base, thus limiting opportunities to generate revenue. Class II and Class III railroads typically earn a fee for picking up and delivering rail carloads to and from Class I railroads for forwarding to and from other points on the national rail network, while depending on aging infrastructure inherited from prior Class I railroad owners. Accordingly, the internal cash flow for a Class II or Class III railroad is often insufficient to enhance yard and line capacity to accommodate more efficient train operations; provide improved rail access via enhanced or new transload facilities or industrial trackage; or upgrade legacy track and bridges to handle heavier loaded car weights of 286,000 pounds, which has become the standard for the national rail system.

Many states, including South Dakota, have opted to provide support to their Class II and Class III railroads to upgrade their lines via state and federal funding mechanisms. SDDOT can help sponsor applications for federal funding through programs such as RAISE (formerly known as BUILD and TIGER), CRISI, and STC, among others. Such investments ensure that these railroads can continue to serve their shippers, thus helping to retain businesses and employment and prevent the diversion of freight from rail to truck and the consequent maintenance impacts to the State highway system. Projects seeking competitive federal discretionary grant funding under many of the available programs are typically subjected to a rigorous benefit-cost analysis (BCA) to quantify specific public benefits needed to justify the investment, in addition to narrative description of project merits.

Another key area for state and federal investment is highway-rail grade crossing safety. Improvements include upgrades to warning devices and crossing surfaces, as well as crossing closures and grade separations where appropriate. These projects may be funded through the long running FHWA Railway-Highway Crossings Program (Section 130) or the FRA's Railroad Crossing Elimination Program (RCE), which was launched in 2022. The impacts of such investments are the prevention and reduction of accidental deaths and injuries at highway-rail grade crossings.

The main financing mechanisms for state investments in rail lines and in highway-rail grade crossing safety improvements were identified in **Chapter 2**.

State funding mechanisms, as well as federal grant programs and local matching contributions, can together potentially support the planned and proposed investments in the state rail network described in **Section 5.8** of this chapter.

5.6.2 ECONOMIC BENEFITS

The State of South Dakota has long recognized the public value of a viable short line and regional railroad network. In the late 1970s and early 1980s, the State Legislature had the foresight to pass legislation authorizing SDDOT to purchase several former Class I branch lines and secondary main lines in the state that were otherwise slated for abandonment. These lines were then preserved and maintained for future use. The public benefits of state investment in the South Dakota rail network include the transportation-related economic and socio-environmental benefits involved in providing competitive rail service itself, as well as the preservation and protection of irreplaceable rail assets. These rail lines have also steadily produced increased traffic levels which have resulted in shippers receiving cost-efficient service.

Through this state rail planning process, SDDOT has also developed a better understanding of the rail industry's plans for growth within the state and the projects deemed necessary to facilitate this growth. Therefore, private sector rail projects, if deemed to provide sufficient public benefits in the future, may receive increased public financial assistance should additional funding become available.

As most proposed long-range projects have yet to be analyzed regarding their economic feasibility, it is premature to identify any correlation between the level of public investment and expected benefits.

5.7 RAIL STUDIES AND REPORTS

5.7.1 FREIGHT RAIL STUDIES

A future study to identify potential solutions to alleviate rail terminal congestion and improve interchange between multiple carriers in Sioux City, Iowa, may be required, as identified by stakeholders.

5.7.2 PASSENGER RAIL STUDIES

No specific future passenger rail studies are envisioned at this time. It has been proposed by passenger rail advocates that a formal multi-state working group be formed to study passenger rail feasibility in the Greater Northwest Region, which may include South Dakota. Such a working group could lead to the future implementation of an interstate compact to further identify, plan, and design future regional passenger rail corridors. Once specific corridors are identified, service development plans may be prepared to identify any capital projects necessary in order to establish the desired level of service.

5.8 RAIL PROJECT INVENTORY

This section identifies the current program of rail projects that are either funded or under consideration for future funding in South Dakota. The projects are prioritized in terms of projects which are currently selected for funding or already in construction; and projects that will be considered for future funding opportunities over a 20-year period. The funded projects are limited to those for which funding has been identified based on legislative budget allocations, awards from the South Dakota Railroad Trust Fund, and projects selected for federal grant awards. Unfunded potential future projects include specific projects or prospective project concepts for which funding has not yet been committed or secured but have been

deemed important as part of a multi-year program. A brief project summary, anticipated public benefit categories, and a generalized cost estimate are provided for each project listed in the project inventory.

5.8.1 CURRENT AND ONGOING PROJECTS

South Dakota's current program of funded and ongoing freight rail projects is described in this section.

Projects identified for funding have been selected on the basis of preserving the State's past investments and improving the levels of service and financial performance of the railroads in the state, as well as the anticipated benefits expected for projects in terms of freight system capacity, efficiency, and safety; rail network access; economic development and competitiveness; job creation and retention; transportation savings; energy and environmental benefits; resiliency; and other program-specific benefits.

Table 67 lists the current program of funded and ongoing projects.

The sum of the estimated total project costs for each of the projects within the currently funded program of projects for which estimated total project costs are known at this time exceeds \$107 million. Total funding for the current program includes over \$54 million in federal investment, over \$32 million in private investment, and \$20 million in State grants.

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Table 67: Currently Funded and Ongoing Freight Rail Projects

Studies and Projects	Description	General Project Benefits	Project Status	Federal Funding	Non-Federal Funding	Total Project Cost	Funding Source(s)
Minnesota-South Dakota Rail Improvement Project	Reactivation of Ellis & Eastern Railroad track between Brandon, SD, and Manley, MN.	State-of-Good-Repair; Economic Development	Construction	TBD	TBD	TBD	CRISI (FY 2019), EE Match
Belle Fourche Industrial and Rail Park Project	Construction of a new rail siding for transloading in Belle Fourche, SD.	Economic Development	Construction	\$1.9 million	\$0.5 million	\$2.4 million	STC (FY 2019), BFDC Match
Dakota and Iowa Railroad Main Line Rail Replacement and Crossing Improvements Project	Replace rail and improve crossing surfaces between Canton, SD, and Elk Point, SD on the D & I Railroad.	Safety; State-of-Good-Repair	Construction	\$4.0 million	\$1.0 million	\$5.0 million	STC (FY 2019), DAIR, City of Dell Rapids Match
Ellis and Eastern Sioux Falls Area Bridges Project	Upgrades to aging bridge structures on the Ellis & Eastern Railroad in Sioux Falls, SD.	State-of-Good-Repair	Construction	\$3.9 million	\$1.0 million	\$4.9 million	STC (FY 2019), EE Match
Sisseton Milbank Railroad Lake Farley Bridge Replacement Project	Bridge replacement project in Milbank, SD on the Sisseton Milbank Railroad.	State-of-Good-Repair and increased weight capacity	Construction	\$1.5 million	\$0.4 million	\$1.9 million	STC (FY 2019), SMRR Match
Midland Rail Improvement Project	Rapid City, Pierre & Eastern Railroad track upgrades in Midland, SD.	State-of-Good-Repair	Construction	\$2.2 million	\$0.6 million	\$2.8 million	STC (FY 2020), RCPE Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Project Status	Federal Funding	Non-Federal Funding	Total Project Cost	Funding Source(s)
Mitchell-Rapid City Meet and Pass Siding Project	Construction of a new siding near Kimball, SD, to provide capacity for increased train frequencies on the Ringneck & Western Railroad.	Capacity	Construction	\$1.6 million	\$0.9 million	\$2.5 million	STC (FY 2020), Railroad Trust Fund, RWRR Match
West River Freight Rail Storm Resiliency Project	Rapid City, Pierre & Eastern Railroad drainage improvements along the PRC Subdivision to mitigate risk of washouts.	Safety; State-of-Good-Repair	Construction	\$0.8 million	\$0.2 million	\$1.0 million	STC (FY 2021), RCPE Match
Ringneck and Western Efficiency and Growth Project	Construction of new rail spurs for transloading and new locomotive maintenance facility in Plankinton, SD, along Ringneck & Western Railroad.	Economic Development	Construction	\$1.8 million	\$1.2 million	\$3.0 million	STC (FY 2021), RWRR Match
South Dakota Freight Capacity Expansion Project	Rapid City, Pierre & Eastern Railroad rail replacement to support 286,000-lb. carloads and 25 mph operations between Ft. Pierre, SD, and Rapid City, SD, on the PRC Subdivision.	State-of-Good-Repair	Construction	\$22.0 million	\$62.0 million	\$84.0 million	RAISE (FY 2021), SB 93, RCPE Match

5.8.2 UNFUNDED POTENTIAL FUTURE RAIL PROJECT INVENTORY

South Dakota's current program of unfunded potential future projects is comprised of projects identified by SDDOT and other rail stakeholders to address rail user and community needs, rail system access, infrastructure enhancement or replacement, and to promote economic development. These projects, however, are not guaranteed to be implemented due to a lack of designated funding or due to the need for further analysis, planning, or programming before funding can be committed.

The unfunded project inventory includes prospective rail projects proposed during the stakeholder and public outreach process, regardless of funding availability at this time and without detailed technical analysis. These projects will be subject to additional verification of feasibility and evaluation of potential public and private benefits to determine each project's suitability for receiving public funding resources.

Estimated total project costs for future freight rail projects may not be known at this time. Upon completion of these analyses, future State Rail Plan updates will reflect more current and accurate information, including capital cost estimates for implementation. Upon the availability or award of state or federal funding resources, projects selected for implementation may be moved to the current and ongoing project list of funded projects in the future. Proposed long-range projects and studies that remain unfunded will be included in future iterations of the State Rail Plan as long as they remain relevant to affected stakeholders and continue to be necessary to help achieve South Dakota's State Rail Vision.

An inventory of potential freight rail projects identified by stakeholders is listed in **Table 68**.

The sum of the estimated total project costs for each of the projects within the current long-range program of freight rail projects for which estimated total project costs are known at this time exceeds \$280 million.

An inventory of potential highway-rail grade crossing and quality of life projects is listed in **Table 69**.

Project funding sources for all future projects, inclusive of federal, state, local, and private or other non-federal funding, will be determined as funding opportunities are made available in order to optimize overall funding leverage and to maximize public benefit.

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Table 68: Stakeholder-Proposed Potential Future Freight Rail Projects

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Sisseton Milbank Railroad Modernization Project	Rehabilitation of the Sisseton Milbank Railroad to support 286,000-lb. carloads and 25 mph operations between Sisseton, SD, and Milbank, SD.	State-of-Good-Repair; Economic Development	\$25.0 million	\$6.3 million	\$31.3 million	CRISI, Railroad Trust Fund Loan, SMRR Match
Sisseton Milbank Railroad Rail Relay Project	This project will replace 2.5 miles of 1880's vintage 60 lb. per yard rail on the Sisseton Milbank Railroad between MP 19.5 and MP 22.0.	State-of-Good-Repair	\$1.7 million	\$0.4 million	\$2.1 million	STC, SMRR Match
Huron Locomotive Maintenance Facility Project	Rapid City, Pierre & Eastern Railroad proposes to construct a new locomotive repair facility in Huron, SD, to replace an aging existing structure.	State-of-Good-Repair, Economic Development	\$11.5 million	\$11.7 million	\$23.2 million	CRISI, Railroad Trust Fund, RCPE Match
Downtown Rapid City Rail Improvements	Rapid City, Pierre & Eastern Railroad proposes improvements to allow for more efficient train movements through downtown Rapid City, SD, and reduce grade crossing occupancy time.	Velocity	\$3.2 million	\$0.8 million	\$4.0 million	CRISI, STC, Railroad Trust Fund Loan, RCPE Match
Upgrade Black Hills North Subdivision	Rapid City, Pierre & Eastern Railroad proposes to crop, weld, and relay 112 lb. per yard jointed rail salvaged from the PRC subdivision. The addition of heavier rail, along with bridge improvements, will enable the line from Rapid City, SD to Colony, WY to handle 286,000-lb. carloads and allow the railroad to increase speeds to 25 mph across the entire line.	State-of-Good-Repair	\$6.0 million	\$1.5 million	\$7.5 million	CRISI, STC, Railroad Trust Fund Loan, RCPE Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Upgrade Black Hills South Subdivision	Rapid City, Pierre & Eastern Railroad identified the opportunity to replace 75 miles of 83 lb. per yard rail between Rapid City, SD, and Dakota Jct., NE. The addition of heavier rail would enable the line to handle 286,000-lb. carloads and allow the railroad to increase speeds to 25 mph across the entire line.	State-of-Good-Repair	\$54.0 million	\$36.0 million	\$90.0 million	CRISI, RAISE, Railroad Trust Fund Loan, RCPE Match
Huron Yard Expansion	Rapid City, Pierre & Eastern Railroad identified the opportunity to construct additional yard tracks on available railroad-owned property in Huron, SD, to improve yard operations and reduce terminal delay.	Capacity	\$5.6 million	\$1.4 million	\$7.0 million	CRISI, Railroad Trust Fund Loan, RCPE Match
Dakota, Missouri Valley & Western Railroad Improvements	This is a comprehensive maintenance project that includes installing 24,300 new ties (500 ties per mile), skew tie straightening, crossing improvements, 57,000 tons of ballast (12 cars per mile), surfacing, rail anchors, Rehab four bridges (MP 104.5, MP 106.6, MP 107.9, MP 105.4) and surfacing. The bridge rehab is limited to superstructure elements (stringers, ties, caps, and ballast along with other miscellaneous work).	State-of-Good-Repair	\$11.2 million	\$2.8 million	\$14.0 million	STC, Railroad Trust Fund

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Ringneck & Western Railroad Grade Stabilization Project	The project consists of purchasing and installing 11,600 ties, 8,200 tons of ballast, 21 miles of surfacing, 1,000 ft of undercutting and the purchase and placement of 3,500 tons of rip rap from MP 445 to MP 457 west of the Missouri River Bridge and MP 434 to MP 441 east of the Missouri River Bridge. The rip rap and undercutting will be on the east side of the river, with ties and ballast being installed on both sides of the river near Chamberlain, SD.	State-of-Good-Repair	\$2.4 million	\$0.6 million	\$3.0 million	STC, RWRR Match
Hudson, SD Area Main Line Rail Replacement Project	The proposed project will replace 5.80 miles of existing 100 lb. per yd jointed rail with 115 lb. per yard continuous welded rail located in South Dakota on the D & I Sioux Valley Subdivision between MP 29.86 and MP 35.66 near Hudson, SD.	State-of-Good-Repair	\$4.4 million	\$1.1 million	\$5.5 million	STC, DAIR Match
Fairview Meet and Pass Siding	D & I Railroad identified the need for an additional 8,000-foot-long meet-pass siding near Fairview, SD on the Sioux Valley Subdivision to supplement the one existing meet and pass siding located near Chatsworth, IA. This siding will enable the railroad to accommodate additional traffic on the line and provide operational flexibility to support multiple simultaneous train movements.	Capacity	\$2.0 million	\$0.5 million	\$2.5 million	CRISI, STC, Railroad Trust Fund Loan, DAIR Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Sioux Valley Subdivision Modernization	D & I Railroad identified the need for bridge upgrades at various locations along the Sioux Valley Subdivision where the rail line crosses the Sioux River, as well as additional replacement of legacy 100 lb. per yard rail between Canton, SD, and Elk Point, SD.	State-of-Good-Repair	\$40.0 million	\$10.0 million	\$50.0 million	CRISI, RAISE, Railroad Trust Fund Loan, DAIR Match
Dell Rapids Subdivision Modernization	D & I Railroad identified the need for additional bridge upgrades and rail replacement along the Dell Rapids Subdivision between Dell Rapids, SD, and Sioux Falls, SD.	State-of-Good-Repair	\$12.0 million	\$3.0 million	\$15.0 million	CRISI, RAISE, Railroad Trust Fund Loan, DAIR Match
Sioux City Yard Operations Enhancement	D & I Railroad proposes the construction of a new connector track at the downtown Sioux City, IA, rail junction. This connector would increase by 1,500 feet the length of track available to accommodate carload interchange movements between the D & I Railroad's Downtown Sioux City rail yard and the respective rail yards of Class I railroad interchange partners CN and UP.	Capacity	\$2.0 million	\$0.5 million	\$2.5 million	CRISI, Railroad Trust Fund, DAIR Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
North Sioux City Meet and Pass Siding	To improve operations in the Sioux City, IA, D & I Railroad proposes the construction of a new 8,000-foot-long meet-pass siding to the west of Downtown Sioux City. D & I indicated that the new siding could potentially be located near the existing rail yard in North Sioux City, SD.	Capacity	\$2.0 million	\$0.5 million	\$2.5 million	Private Funding
Sioux Falls Rail Relay Project	Ellis & Eastern Railroad identified the need to relay main line rail in the Sioux Falls, SD Area to enable the railroad to accommodate 286,000-lb. carloads. The limits of the proposed project extend from MP 58.9 to MP 59.4. Existing light weight jointed rail would be replaced with new 115 lb. per yard jointed rail.	State-of-Good-Repair	\$0.5 million	\$0.2 million	\$0.7 million	STC, Railroad Trust Fund Loan, EE Match
Restore Rail Service to Ellis	Ellis & Eastern Railroad proposes to rehabilitate and reactivate out-of-service track between Sioux Falls, SD, and Ellis, SD, to serve existing industry.	State-of-Good-Repair; Reduce Highway Impacts; Economic Development	\$2.0 million	\$0.5 million	\$2.5 million	CRISI, STC, Railroad Trust Fund Loan, EE Match
Bridge P-136 Rehabilitation	While completing the reconstruction of the main line between MP 63.9 and MP 65.6, Ellis & Eastern Railroad identified that bridge P-136 at MP 64.79 will require rehabilitation.	State-of-Good-Repair	\$0.3 million	\$0.1 million	\$0.4 million	STC, Railroad Trust Fund Loan, EE Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Ellis Siding Rehabilitation	Ellis & Eastern Railroad identified that upon reconstruction of the main line from MP 63.9 to MP 65.6, the existing sidings in Ellis, SD, near MP 65.0 may be brought back online for transloading purposes.	State-of-Good-Repair; Reduce Highway Impacts; Economic Development	\$0.2 million	\$0.1 million	\$0.3 million	STC, Railroad Trust Fund Loan, EE Match
Construct a New Team Track Between Sioux Falls and Ellis	In anticipation of future industrial growth in Ellis, SD, and the surrounding area, Ellis & Eastern Railroad identified the opportunity to construct a team track between MP 63.0 and MP 63.9 to accommodate additional transloading and potentially a future industrial site.	Economic Development	\$1.2 million	\$0.3 million	\$1.5 million	STC, Railroad Trust Fund Loan, EE Match
Construct a New Spur into Potential Industrial Site West of Ellis	Ellis & Eastern Railroad identified the opportunity to construct a new rail spur into a potential industrial site west of Ellis, SD, near MP 65.3.	Economic Development	\$0.8 million	\$0.2 million	\$1.0 million	STC, Railroad Trust Fund Loan, EE Match
Relocate Quarry Spur From East of Lyon Boulevard to West Side of Big Sioux Diversion Channel	Ellis & Eastern Railroad proposes to relocate the existing quarry spur in Sioux Falls, SD, from east of Lyon Boulevard to the west side of Big Sioux Diversion Channel near MP 61.5.	Rail Relocation	TBD	TBD	TBD	CRISI, RCE, Local Funds, Railroad Trust Fund Loan, EE Match
Construct New Commercial Transload Siding in Valley Springs	Upon completion of the Minnesota-South Dakota Rail Improvement Project, Ellis & Eastern Railroad proposes to construct a new 800-foot-long siding near approximately MP 43 in Valley Springs, SD, for transloading purposes.	Economic Development	\$0.2 million	\$0.1 million	\$0.3 million	STC, Railroad Trust Fund Loan, EE Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Improvements to the Existing Valley Springs Siding	Upon completion of the Minnesota-South Dakota Rail Improvement Project, Ellis & Eastern Railroad has identified the potential to restore service to the existing Valley Springs Coop Elevator near approximately MP 43.2.	State-of-Good-Repair; Economic Development	\$0.2 million	\$0.1 million	\$0.3 million	STC, Railroad Trust Fund Loan, EE Match
Construct a New Siding for Potential Industrial Site Between Valley Springs and Brandon	With the continued growth expected in Minnehaha County, Ellis & Eastern Railroad anticipates that developing a new rail industrial site between approximately MP 45.6 and MP 46.6 between Valley Springs, SD, and Brandon, SD, will be a necessary strategic decision to allow potential shippers to leverage both rail and interstate access.	Economic Development	\$0.6 million	\$0.2 million	\$0.8 million	STC, Railroad Trust Fund Loan, EE Match
Encore Rail Park	This proposed project will construct a 5,121 foot-long siding along the existing Ellis & Eastern Railroad track from MP 50.9 to MP 51.9, and will install six rail turnouts along the siding and a 948-foot-long spur into a new rail served industrial park west of Brandon, SD.	Economic Development	TBD	TBD	TBD	STC, Railroad Trust Fund Loan, EE Match
Belle Fourche Development Corporation Rail Park Improvements	Belle Fourche Development Corporation proposes to expand the current Belle Fourche Industrial and Rail Park with the addition of 1,600 feet of new track to provide direct service to a potential rail shipper.	Economic Development	\$0.5 million	\$0.2 million	\$0.7 million	STC, Railroad Trust Fund Loan, BFDC Match

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Belle Fourche Development Corporation Additional Rail Park Opportunity	Belle Fourche Development Corporation proposes to develop a second 100-acre industrial and rail park site in close proximity to the existing Industrial and Rail Park. The new site will have both highway and rail access. BFDC proposes to construct a total of 5,000 feet of new siding track to serve the proposed site.	Economic Development	\$1.4 million	\$0.4 million	\$1.8 million	STC, Railroad Trust Fund Loan, BFDC Match
Construct recreational trail between Platte and Ravinia on railbanked right-of-way	Stakeholders identified an opportunity to construct a recreational trail on railbanked Napa-Platte Line right-of-way between Platte, SD, and Ravinia, SD.	Adaptive Reuse	\$0	\$3.2 million	\$3.2 million	Local Funds
Utica Meet and Pass Siding	Stakeholders identified an opportunity to construct a meet and pass siding near Utica, SD, on the BNSF Aberdeen Subdivision to reduce train delays.	Capacity	TBD	TBD	\$2.5 million	TBD
Rehabilitate State-Owned Napa-Platte Line Between Napa and Tyndall	Stakeholders identified an opportunity to rehabilitate and reactivate out-of-service track between Tabor, SD, and Tyndall, SD, for potential shipper.	State-of-Good-Repair; Economic Development	\$20.0 million	\$5.0 million	\$25.0 million	CRISI, RAISE, Railroad Trust Fund Loan
Restore rail service to Wagner on the Napa-Platte Line	Stakeholders identified an opportunity to rehabilitate and reactivate out-of-service track between Tyndall, SD, and Wagner, SD, to enable grain shipments to resume.	State-of-Good-Repair; Economic Development	TBD	TBD	TBD	CRISI, RAISE, Railroad Trust Fund Loan

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Wagner Grain Shuttle Terminal	Stakeholders identified an opportunity to construct a rail-served grain shuttle terminal near Wagner, SD, on the Napa-Platte Line.	Reduce Highway Impacts; Economic Development	\$0	TBD	TBD	Private Funding, Railroad Trust Fund Loan, Private Match
South Dakota Soybean Processors - Mitchell Processing Facility	South Dakota Soybean Processors proposes to construct a new rail-served soybean processing facility south of Mitchell, SD, along the BNSF Aberdeen Subdivision. The project would involve construction of new industrial loop track to allow BNSF to serve the facility.	Economic Development	\$0	\$13.8 million	\$13.8 million	Private Funding, Railroad Trust Fund Loan
South Dakota Intermodal Container Terminal	Stakeholders identified the opportunity to construct a terminal suitable for handling shipping containers by rail in South Dakota to provide an alternative to the long-distance trucking of containers to and from existing St. Paul, MN; Omaha, NE; and Denver, CO terminals. A specific site or location has not yet been proposed.	Reduce Highway Impacts; Economic Development	TBD	TBD	TBD	CRISI, Local Funds, Private Funding
South Dakota Mega-Development Site	Stakeholders identified the opportunity to plan for a future rail-served mega-development site to support a large-scale manufacturer seeking to locate in South Dakota. A specific site or location has not yet been selected.	Reduce Highway Impacts; Economic Development	TBD	TBD	TBD	TBD

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Table 69: Stakeholder-Proposed Potential Future Highway-Rail Grade Crossing Safety and Quality of Life Projects

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
City of Sioux Falls Crossing Closures	Ellis & Eastern Railroad identified the opportunity to collaborate with the City of Sioux Falls to close six highway-rail grade crossings in the heart of Sioux Falls, SD between MP 59.3 and MP 60.6 for the purpose of improving safety.	Safety	\$0	\$0.4 million	\$0.4 million	Local Funds
Install Gates at Garfield Avenue in Dell Rapids (DOT# 381716D)	Proposed highway-rail grade crossing safety improvement (signal installation)	Safety	\$0.3 million	\$0	\$0.3 million	Section 130
Install Flashing Light Signals and Gates on County Road 9 near Britton (DOT# 067500K)	Proposed highway-rail grade crossing safety improvement (signal installation)	Safety	\$0.3 million	\$0	\$0.3 million	Section 130
Install Flashing Light Signals and Gates at Main Street in Kimball (DOT# 386090T)	Proposed highway-rail grade crossing safety improvement (signal installation)	Safety	\$0.3 million	\$0	\$0.3 million	Section 130
Install Flashing Light Signals and Gates at 397th Avenue in Mt. Vernon (DOT# 386052J)	Proposed highway-rail grade crossing safety improvement (signal installation)	Safety	\$0.3 million	\$0	\$0.3 million	Section 130
Construct Grade Separation at 471st St (Marion Rd) near Sioux Falls (DOT# 097254J)	Stakeholders identified an opportunity to construct a new highway-rail grade separation (overpass) north of Sioux Falls, SD, for a future truck route near Foundation Park.	Safety	\$12.0 million	\$3.0 million	\$15.0 million	CRISI, RCE, Local Funds

Chapter 5: South Dakota's Rail Service and Investment Program

South Dakota State Rail Plan

Studies and Projects	Description	General Project Benefits	Estimated Federal Funding	Estimated Non-Federal Funding	Estimated Total Project Cost	Potential Funding Source(s)
Construct Grade Separation at 259th St near Sioux Falls (DOT# 097252V)	Stakeholders identified an opportunity to construct a new highway-rail grade separation (overpass) north of Sioux Falls, SD, for a future truck route near Foundation Park.	Safety	\$12.0 million	\$3.0 million	\$15.0 million	CRISI, RCE, Local Funds
Improve Vertical Clearance at 460th Ave near Madison (DOT# 381187X)	Stakeholders identified an opportunity to improve vertical clearance at the existing railroad underpass at 460th Ave (CR 23) near Madison, SD.	Safety	TBD	TBD	TBD	CRISI, RCE, Local Funds
Improve Vertical Clearance at Main Street in North Sioux City (DOT# 382080Y)	Stakeholders identified an opportunity to improve vertical clearance at the existing railroad underpass at Main Street (SD 105) in North Sioux City, SD.	Safety	TBD	TBD	TBD	CRISI, RCE, Local Funds
Sioux Falls Whistle Reduction Effort	City of Sioux Falls proposes to develop a whistle quiet zone in Downtown Sioux Falls by implementing supplemental safety measures at select crossings. Crossings proposed for improvement are Weber Avenue (DOT# 097880B), 6 th Street (DOT# 097881H), and 8 th Street (DOT# 075587Y).	Quality of Life	\$0	\$5.4 million	\$5.4 million	CRISI, STC, RCE, Local Funds
Downtown Rapid City Railroad Quiet Zone	Opportunity to develop whistle quiet zone in Downtown Rapid City as identified in Rapid City Quiet Zone Assessment (2018).	Quality of Life	\$0	\$6.0 million	\$6.0 million	CRISI, STC, RCE, Local Funds
Brookings Railroad Quiet Zone	Opportunity to develop city-wide whistle quiet zone in Brookings, SD.	Quality of Life	TBD	TBD	TBD	CRISI, STC, RCE, Local Funds
Box Elder Railroad Quiet Zone	Opportunity to develop city-wide whistle quiet zone in Box Elder, SD.	Quality of Life	TBD	TBD	TBD	CRISI, STC, RCE, Local Funds