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KDOT grant key in attracting manufacturer to southeast Kansas

NEODESHA – The State of Kansas scored an economic win when Governor Laura Kelly recently announced Sicut Enterprises Ltd., a London-based manufacturer and supplier of recycled plastic railroad ties, had selected the state as the site of its North American manufacturing hub. Smiles were especially broad in Neodesha, where the Sicut plant will be located with the expectation of bringing 135 jobs to the area over the next five years.

But prior to Sicut selecting Neodesha, there was uncertainty. Not all the prerequisite site specifications were in place. Sicut committed to Kansas only after the Kansas Department of Transportation stepped up with an Economic Development Program grant to give Neodesha the edge it needed to attract the manufacturer.

“We thought we had reached a point where it wasn’t going to happen,” said Neodesha Community Development Director Jeri Hammerschmidt. “Sicut needed a rail spur, and the city did not have the funds to do it. KDOT came to our rescue.”

In collaboration with the Kansas Department of Commerce and the Watco Companies, a railroad enterprise based in nearby Pittsburg, Hammerschmidt turned to KDOT and its Economic Development Program, a component of the 10-year Eisenhower Legacy Transportation Program, or IKE. IKE was approved with strong bipartisan support by the 2020 Kansas Legislature and signed into law by Governor Kelly.

“Funding for Economic Development grants through IKE improves critical infrastructure so new and existing Kansas businesses can compete across the world,” said Secretary of Transportation Julie Lorenz. “This project is another example of infrastructure investment growing the Kansas economy.”

The \$343,000 in grant funding as provided by KDOT will be used to build a rail spur to the Sicut site, allowing raw materials to be shipped into the plant and the finished products sent to customers throughout the United States.

Michelle Needham, Economic Development Programs Manager at KDOT, said awarding the grant was contingent on Sicut locating in Neodesha. According to Needham, selection criteria evaluated the “cost per job” and also took into consideration investments from both the community and the private sector.

Watco, which operates the South Kansas & Oklahoma (SKOL) Railroad, announced plans to construct the rail spur this year. The spur will connect to the SKOL tracks behind the Sicut plant.

“Everybody we talked to was just amazing to work with,” said Hammerschmidt. She had warm words for the support of Watco Commercial Manager Chris Goodwin, who “got the right people involved” in the endeavor. Hammerschmidt also credited KDOT’s Needham for guidance and encouragement.

Hammerschmidt said Sicut is in the process of modifying the building at the site of the plant and said production machinery is currently being shipped to Neodesha. The rail spur will be put in “pretty darn quick,” she added, with expectations the community’s newest industry will be off and running by this fall.

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