

Kansas Short Line Railroad Projects Funded with American Recovery and Reinvestment Act Funds

Nebraska Kansas Colorado Railway, Inc. (NKCR)

Bridge Rehabilitation, Cheyenne, Rawlins, Decatur counties

Total Estimated Project Cost: \$2,995,863

Awarded: \$476,826

The NKCR (St. Francis Subdivision) operates on a 74-mile route in Cheyenne, Rawlins and Decatur counties in northwest Kansas. The company operates 559 miles of track in three states. The proposed project would address substandard defects in 42 bridges along the route. The area in which the company operates in northwest Kansas has experienced declining population and continued railway operations are integral to the local economy.

The economic impacts of the project are linked to wheat farming and the success of future crops. Wheat farmers depend on the NKCR to transport large volumes of wheat and to maintain the high throughput of the grain elevators.

The NKCR provides a link to international markets. The project will help provide efficient and reliable rail service, enhancing opportunities for shippers to expand their operations and for new businesses to locate in the area. It will also help reduce heavy truck traffic on the state highway system, which helps to control maintenance costs.

Kansas and Oklahoma Railroad (K&O)

Sawyer Expansion, Pratt County

Total Estimated Project Cost: \$244,098

Awarded: \$195,278

The K&O needs to extend its siding at the Farmers Coop Equity Exchange in Sawyer to handle longer trains. This project will extend the current 10-car siding to a 25-car capacity.

The Farmers Coop Equity Exchange-Sawyer annually averages 1 million bushels of grain that it merchandises to mills, feed lots and domestic and export markets. The additional siding capacity will create more space in the elevator due to more efficient movement of outbound grain and increase the origination of the facility by 30 percent.

The Sawyer project will enable the Coop to merchandise its grain in 25-car units, reducing the freight rate. The reduced rate will attract more bushels and give the producers higher prices for their commodities, increasing the economic value to the area.

Heavy truck traffic in the area will be reduced by an estimated 400 truckloads. The reduced wear on county and state roads help decrease the maintenance needs on the roads.

Kyle Railroad Company

Nesika Sidetrack, Republic County

Total Estimated Project Cost: \$521,000

Amount Awarded: \$371,000

Ethanol production has generated economic development in many communities, including the city of Scandia, benefiting corn growers, cattle producers and other agricultural interests in the region. This project will construct 2,000 feet of siding and a new switch into the Nesika Energy plant at Scandia to enable them to ship ethanol by rail for the first time. Rail transport will enable Nesika Energy to access national markets for their product.

An estimated three hundred rail cars of ethanol will be shipped annually. This would remove 1000 fuel transport trucks from the roadways, reducing wear and tear on the highways (including US-36 and US-81) and enhancing safety.

The project will save over \$100,000 yearly in transportation costs, benefitting the company and local corn growers. Rail transportation is more fuel efficient than using trucks, so when diesel prices increase, rail helps reduce the costs. Nesika Energy employs 24 people in a city with 400 residents, so lower costs will help sustain those jobs. The plant will be able to add two permanent full-time jobs as a result of the project.

The Kyle Railroad, headquartered in Phillipsburg, operates and maintains more than 600 miles of track and serves more than 40 customers at 50 locations.

Kansas and Oklahoma Railroad (K&O)

Alexander Expansion, Rush County

Total Estimated Project Cost: \$198,088

Amount Awarded: \$158,470

Mid-States Farmers Coop in Alexander will be able to merchandise its grain in larger car units thanks to this project to expand the siding length from four railcars to 15 railcars. The increased unit size will enable the Coop to ship more grain faster, lowering freight rates for the Coop, attracting more bushels and giving producers higher prices for their commodities. The resulting higher prices will, in turn, increase economic value to local businesses. The Coop may be able to add two jobs, as well.

Kansas and Oklahoma Railroad (K&O)

Wichita Pass Track, Sedgwick County

Total Estimated Project Cost: \$1,209,775

Amount Awarded: \$967,820

Wichita is a congested area for the railroads. As on the highways, congestion slows travel, affecting the ability of the railroads to operate efficiently. This, in turn, affects the industries and producers that rely on rail transportation to move their goods to market. This project will add 7200 feet of rail siding/pass track about five miles outside of Wichita to handle 110-car grain trains. It will improve rail traffic flow and help reduce turn times. For elevators, increased efficiencies and being able to ship with more rail cars improves their cash flow.

K&O ships more than 12,000 carloads of grain into Wichita terminal elevators over a six-month harvest period. An estimated 2,800 additional rail cars could be shipped on the K&O during that six months with the addition of the siding. The resulting benefits include more jobs to be created on the railroad, and more jobs created at the Wichita terminal elevators and country elevators in central and western Kansas.

2,800 cars of grain will remove over 11,000 trucks from Kansas highways, reducing highway maintenance costs and reducing emissions. Studies suggest that a nearly \$1 million dollar investment in this shortline rail project would return a value of \$50 million to the state and its residents.